

A City that Works

Good morning. I want to start by acknowledging a few folks here...

I come to you today, with a bit of a cold, but nevertheless — energized, inspired, and confident.

When I arrived on the job in 2009, Novato was celebrating its 50th anniversary. That year the renovated “Novato City Hall” was dedicated and Whole Foods opened. This is me then **[SLIDE1]**. This year is my 50th year...a half a century. This was my daughter then **[SLIDE2]**. This is my daughter today. **[SLIDE3]** Time flies. Novato turned 55 this year and the Chamber of Commerce turned 100. These milestones make me appreciate the present, recall what it took to get here, and they make me excited about our future.

[SLIDE4] We are a City that Works! As a City and as an organization we are firing on all cylinders, we are on a roll, we are catching the wave...you get the idea. I just received some of the results from our most recent resident satisfaction survey. Novatans are highly satisfied with their quality of life and the services the City provides. A remarkable 93% rate Novato’s quality of life as “excellent” or “good.” And who wouldn’t!

[SLIDES5-12] When looking at the job the City is doing providing city services, close to 80% say they are very satisfied or somewhat satisfied. What is interesting is that if we look back five or even ten years ago, our overall satisfaction rate was about the same, but this time the “very satisfied” has close to doubled...from low 20’s to 43%. Think about that for a second. It is good to know the community likes what we are doing and how we do it.

In 2009 we were in the throes of the Great Recession — staff worked to tee up development opportunities, plan for a secure fiscal future, and put

into place policies and programs that would move us forward. And it paid off. Our economy is humming – and we are positioned to take advantage of this momentum.

This past year, we've experienced: 1) a 4% growth in our City's Gross Product - outpacing Marin, the state, and the US; 2) the creation of 1,300 new jobs – yes 1300!!!; and 3) a 13% rise in the value of Novato homes. Currently we have 15 major projects in our planning queue - the most development interest we have seen in a long time. **[SLIDE13]** Commercial real estate is also picking up. Novato saw the lease-up or purchase of more than 200,000 square feet of vacant commercial space. Our hotels are just one indicator of our local economy. At the bottom of the recession (2010), the average occupancy rate was 55% and room rate was \$98. By the end of 2014, occupancy had improved to 75% and the room rate was \$122 per night. Overall hotel revenue is up 71% over that time period!

I can say with confidence that the local economy has officially turned the page. Through strategic preparation, partnering, and visionary leadership by Council, we identified and responded to emerging opportunities that could improve our local economy. Interestingly, after public safety and maintaining streets and parks, 91% of our residents believe that attracting and retaining local businesses and supporting the local economy is an extremely or very important City service.

- **[SLIDE14]** Staff negotiated purchase and sales agreements totaling \$2.5 million. They include two City-owned properties in Hamilton, an underutilized 1.5-acre parcel, and the historic former Hamilton Hospital which has been shuttered for 40 years. Novato will gain 15 units of senior housing and an 80-unit senior assisted living and memory care facility and a gorgeous historically renovated building.

- **[SLIDE15]** Building on the success of our existing local biotech industry and the Novato-based Buck Institute, Novato initiated and launched **[SLIDE16]** the North Bay Life Sciences Alliance - a regional recruitment campaign to create a Biotech hub in the North Bay - and bring additional clean, higher-paying jobs to Novato. The website is shown here. Life science companies are being forced out of the South Bay and San Francisco by high tech companies that can afford the high rents. We are attractive alternatives for these companies and we are directly marketing to these folks and working with our local property owners to create the appropriate inventory.
- Staff helped Ultragenyx and XCell to secure \$2.2 million in tax credits in exchange for adding 188 new jobs to Novato over the next two years. It is estimated by the Marin Economic Forum that each life science job will increase local spending by \$473,000 annually, so we should expect an increase in our North Bay and Novato economies by almost \$89 million annually.
- **[SLIDES17-19]** Bear with me explaining this graph. With the opening of Target stores in Petaluma and San Rafael, there was the immediate threat to City revenue loss. It was estimated by our Sales Tax consultants that Novato would see a reduction by as much as 8%. **[SLIDE20]** Instead, through the efforts of our “Shop Local Novato” campaign our community embraced our local businesses and retail sales only dropped by 1.5%.

[SLIDE21] A New Chapter for Novato

Early on as City Manager, I talked to as many people in the community as I could. I learned how Novato has been historically separated from the rest of the county, even to the degree that maps of the area often left Novato off completely, about the early farming and ranching families,

and about how Row-land Avenue should really be Rowl-and. I was told of and observed a keen sense of community pride - but with some hesitation as if we really had grown up the poor rural cousin. Well, we have left that behind. We are leading the County and region in many arenas. Long gone are the days where folks refer to us as “Putting the No in Novato”.

Our resolve and ability to move projects and initiatives forward is a given. It is a new Chapter for Novato. We ARE a City that Works.

A city that “Works” is **financially and organizationally sustainable**. During my first State of the City, I graded the City in a series of categories. Not surprisingly, the first one was Financial Sustainability - GRADE: D. Ouch. We had a \$5 Million ongoing structural deficit. While past Councils had been among the most fiscally conservative regarding employee benefits and pay, it was not enough to prevent major reductions. Back then was the first time of many, and there will be more, where I communicated that Novato is not like any other city in California with regard to its revenue.

[SLIDE22] When we look at all tax revenue per resident, Novato is 43% lower than the average of the other cities in Marin. Why you ask?

- 1) Council lowered the property tax rate by 20% in the ‘70s and then Prop 13 froze that rate. **[SLIDE23]** As a result we get fewer than 7 pennies on the dollar paid in property tax and Mill Valley for example gets 26 pennies. AND...Property Tax is our largest revenue source. **[SLIDE24]**
- 2) As far as I know, the only city in the State that does not receive any significant refuse waste hauler franchise fees.
- 3) No Utility User Tax. The list goes on.

As I said back in 2010, *“Novato has been surviving by using reserves, deferring maintenance, not investing in its infrastructure and riding the real estate bubble.”*

We cut services and we went to work reducing the workforce in departments by over 30% with the exception of Police (11% reduction). At the time I said, *“It’s neither pretty nor enjoyable, but we have to address this deficit head on now, or face the draconian consequences of putting this off...Even with the reductions proposed, we have not solved our structural problem.”* The community went forward and passed, a half-cent sales tax, which has brought us to where we are today.

Novato has been able to maintain rapid 9-1-1 Police emergency response times; our Novato Response Team has been able to focus on proactive crime prevention, intervention and enforcement. The revenue helped us prevent further reductions, brought back our economic development efforts, and secured resources for street and park maintenance. And our community agrees - in this most recent survey, nearly 80% of Novatans said they would support an extension of that revenue.

[SLIDE25] A city that “works” is **safe**. Thanks to our men and women in uniform, we’ve not only kept Novato safe - we’ve made it even safer. We have experienced a 45% drop in total crimes over a 20-year period. This year, overall crime was down 5%. Violent crime is down a staggering 25% from the previous year and is 17% below the lowest year in the last 20 years. Residential burglaries dropped 45% and auto burglaries dropped 32%. Identity theft, however, is up by 95%.

[SLIDE26] Our Novato Response Team and code enforcement staff certified a number of multi-family housing developments as “Crime-Free” properties. Working closely with property owners and management, we were able to provide resources to create a better, safer, living environment for residents and neighbors.

[SLIDE27] Citywide we are improving bicycle and pedestrian safety: through a Safe Routes to Schools grant we installed a new sidewalk on Vineyard Road, a new pathway adjacent to Lynwood Drive, and improved an intersection to provide safe access to two nearby schools. With a combination of county transportation sales tax and state gas tax dollars we repaved 5 miles of streets, installed 15 new wheelchair ramps and corrected over 150 sidewalk trip hazards throughout the City.

Staff worked with Transportation Authority of Marin toward completion Novato's Bike and Pedestrian Plan and the Novato Community Based Transportation Plan, both making the City eligible for additional grant funding to improve facilities for both bicycles and pedestrians and to ensure our residents can safely and conveniently travel throughout our City. We were also successful in receiving grant funding to complete the funding for the Nave Drive Multi Use Path, scheduled to be constructed this year.

[SLIDE28] A city that "Works," **cares**. I've witnessed that Novato cares in so many ways – our Rotary's, School Fuel, this Chamber, Novato Youth Center, and Homeward Bound are just a few. The City's partnership with the Independent Elders Program and the Novato Senior Club with the goal of reaching every Novato senior in need - with food and nutrition programs, legal aid, and physical and social activities – these are examples of Novato caring.

There are so many examples of employees that care and go above and beyond their job specs: **[SLIDE29]** Cecilia Sevilla, Code Enforcement Officer joining seniors for Thanksgiving lunch as part of our Multi-Family Inspection Program; **[SLIDE30]** Equipment Technician, Paul Perryman holding a 3 hour "Car Talk" class for newly-licensed drivers as part of an auction item to raise money for Novato High are just two.

This past year, we lost some outstanding pillars of our community - each one epitomizing that “Novato cares” spirit **[SLIDE31]** Wayne Womack, Novato’s first Mayor. Mike DiGiorgio, another Mayor and active in...everything, and Jack Gallivan who was involved as a volunteer and leader all over town. Dean Welter at 53, Police Dispatcher and Supervisor worked for Novato 33 years – and I can’t help but smile when I think of him - everything he did, he did with good humor and passion, and just last week, Steve Cogan a Novato police veteran at 57. He worked as a patrol officer, detective, and crisis negotiator. He received departmental medals of valor for rescuing a resident from a burning apartment building and rescuing a driver trapped in a burning car. These individuals were proud caretakers of Novato and our community. Their spirit lives on through each one of us as we work together to make this community great.

[SLIDE32] A city that “works” is **healthy**. Our recreation programs had their best year ever! As one example, an astounding 35,000 visited Hamilton pool from mid-May through December. **[SLIDE33]** This past summer, we were able to celebrate the opening of a 2.7-mile stretch of trail to the eventual 500-mile Bay Trail loop. If you haven’t been out there yet – Go! – It’s amazing. And recently, the public tennis courts and adjacent common areas at Pioneer Park received an extensive facelift to encourage more Novatans to get out and play.

A city that “works” is **environmentally sensitive** and plans for a sustainable future. As author and scientist David Suzuki said, *“Nature surrounds us, from parks and backyards to streets and alleyways. Next time you go out for a walk, tread gently and remember that we are both inhabitants and stewards of nature in our neighborhoods.”*

By the fall, we will have a new General Plan that will reflect the values of our community and set forth guidelines and policies to protect our

environment and plan for a sustainable Novato. We have developed plans and policies for key areas and topics important to our community including the expanse of North Redwood Blvd, the streetscape along Redwood Blvd, Downtown parking, water conservation, and housing including a new option for our residents - junior dwelling units.

In this past year our City proudly joined others in adopting a plastic bag ban and a ban on polystyrene containers, and we formalized our long-standing practice of minimizing the use of pesticides and employing environmentally-safe and effective alternatives to protect our community, our wildlife and waterways.

We also continue to protect another precious resource for our community through our robust use of recycled water for our irrigation and maintenance needs. And our streetlight conversion program—where we have switched out 4,000 lights to energy-efficient LEDs throughout Novato will be complete this year and will save our community more than \$100,000 annually in maintenance and energy costs.

A city that “Works” **invests in its infrastructure**. Robert Puentes, Sr. Fellow with the Brookings Institution said, “Concrete, steel and fiber-optic cable are the essential building blocks of the economy. Infrastructure enables trade, powers businesses, connects workers to their jobs, creates opportunities for struggling communities and protects the nation from an increasingly unpredictable natural environment...infrastructure is the backbone of a healthy economy.”

For the first time ever, thanks to Measure F, Novato is fully funding its infrastructure. We need \$1 million annually to properly maintain and repair potholes and roads and invest in providing adequate parks and facilities. Who knew we have 71 City-owned retaining walls in town? For the first time we have a plan and are tackling the work that needs to be done. Measure F has allowed us to begin this work. These investments

will help maintain Novato's overall quality of life, and power its businesses.

A city that “works” **maximizes its partnerships**...we are successful when our partner agencies are successful. Whether it is the School, Water, or Fire Districts, the Chamber and the DNBA, our County and State agencies, the Senior, Gymnastics, and Tennis Clubs, our Independent Elders Program, the College of Marin, our commissions including Streetscape, Economic Development, Planning, and Design Review - we commit ourselves to partners' success. That means we proactively reach out to ensure our partners have what they need to provide our community with the best services possible. We are stronger for you when we work together.

[SLIDE34] A city that “works” is **prepared**. I want to acknowledge ALL who participated in the weather and flood events in December. This includes: our maintenance staff who cleared drains, removed debris, set up barricades, cut apart fallen tree limbs and stocked sand; District firefighters and police staff that secured roadways, provided reconnaissance, secured downed power lines, knocked on doors to do voluntary evacuations, reassured residents whose homes were flooding, directed traffic, and provided emergency response; the entire Emergency Operation Center staff which includes logistics, finance, and communications; and all the employees that kept normal operations running so that others could focus on the storm.

I watched an amazing group of individuals problem solve, prioritize incidents, work collaboratively between departments and agencies, be compassionate, patient, proactive, and professional. In short...true public servants. It is no wonder that in January, the National Weather Service recognized Novato as a ["Storm Ready" Community](#) for our proactive emergency preparedness efforts.

[SLIDE35] A city that “works” is **the ‘place to be’ for both business and pleasure**. The heart of a City is its Downtown. It serves as a center for civic life, play, commerce. This past year, staff worked closely with the Downtown Novato Business Association to improve the management and oversight of the district and assisted in the hiring of a new Executive Director to address the needs of the downtown community. **[SLIDE]** Oh, and the City added a new parking lot Downtown at the end of Grant by the old Train Depot. Tell your customers!

[SLIDE36] Since our move of City offices to Downtown, our Green has been energized by events and activities and has become a gathering place for our community. **[SLIDE37]** Our Green has hosted scary ghosts & goblins (“Scream on the Green”), snow for winter play (“Snow Days”), **[SLIDE38]** and a place for recovering cyclists after a “Tour of Novato.”

Ultimately, a city that “works” **builds community**. Today, as never before, we have the tools, staffing, technology, partnerships, and Council leadership that are helping us to leverage our resources and expand opportunities for our community. And we aren’t stopping there--we have just begun.

A city that “Works” provides excellent **customer service**. In our recent resident satisfaction survey, 83% rated City staff responsiveness as good or excellent. Two recent reports from our customers:

- A resident off Simmons wrote, *“A couple of months ago I sent a blind email to Public Works about a large pothole in our, very small, cul de sac that had been expanding for several years. I never bothered to send an email, expecting nothing would happen, but after the heavy rains, I decided it would be good to try. I was in awe when, about a month later, the pothole was filled in... I really didn't expect that high level of service, especially for a pothole that was only bothering three residences. You must be doing something right! Thanks again.”*

- **[SLIDE39]** A mother and her two daughters (ages 3 and 10) at showed up at the Police Department Christmas eve day. They had lost their housing and had nowhere to stay. Officers helped to secure shelter but were unable to do so for that evening. Employees donated money and purchased a hotel room and Christmas gifts for the family. Officers transported the family to the hotel. Dispatchers and officers wrapped gifts and put together Christmas stockings for the girls. Our graveyard officers delivered the presents to the thankful family.

Our customers are not only residents, but business owners and developers as well. During that first State of the City, the category of Business Environment got a grade of “B-“. I actually think I was being generous. I regularly heard about our organization’s reputation as anti-business and how difficult it apparently was to get anything done in Novato. That viewpoint has taken a 180 degree turn... ask the Chamber, ask our Economic Development Advisory Commission. We are building a reputation for being a place to do business and where business gets done.

Ask Ken, the owner of Mike’s Bikes, the largest independent bike dealer in the country, who I ran into at Finnegans. He said, “...*doing business with Novato versus dealing with another-city-that-shall go unnamed is like night and day.*” City staff helped facilitate the relocation of Mike’s Bikes headquarters and warehouse operations to Novato. I even hear that their new head of Marketing is from Novato and he might even be in this room 😊.

I am no longer hesitant when I walk into a new business and ask them how the process was. Ask Scott, the new owner of the Chevy Dealership,

or Michele at Teeney Cakes, or Kathy at Kathy's Pet Salon. They aren't neutral in their praise, they are glowing about our customer service.

[SLIDE40] We have developed a brand and it is getting traction. And, fortunately we have a strong organization to back up that brand. Our brand elements include getting things done, being business friendly, competent and professional, providing leadership, and being proactive and creative. Where once we were left off the map, we're now Marin's best kept secret. And the secret is getting out!

But let's be crystal clear, being business friendly does not mean that we compromise our vision or standards. When ROIC, who purchased the Trader Joe's site came in with their cookie cutter strip mall, the Council, the Chamber, the Economic Development Commission, and staff worked in lock step and slapped a moratorium down on that area – We will not settle for mediocre. The community planned what it wanted for that area and we are working to make it a reality. A developer with significant capital is just about to purchase both the Dairyman's and the Concrete Plant sites. This will allow the developers to master plan the area instead of having it done piecemeal.

Working to Write Our Own Future

This year we have work to do:

- We will be jumpstarting private investment in our Hamilton properties -- we hope to soon have longstanding federal restrictions lifted, which will allow for the removal of blight and make way for the renovation of several historic buildings.
- We will continue to support the local economy with a focus on growing local jobs in partnership with the Chamber of Commerce

and the Downtown Novato Business Association; and to take advantage of a growing life science sector, we will work with Novato property owners to help attract new tenants and redevelop their properties.

- This year, our Parks and Public Works Departments will be master-planning our Hill Recreation Area around the Margaret Todd Senior Center with a vision to upgrade the appearance and amenities to better serve the neighborhood and community.
- We will work to maintain Novato's safety through the efforts of our talented Police Department, including the proactive crime solving work of the Novato Response Team, in addition to working in partnership with our engineering staff to develop a comprehensive crosswalk policy which will implement safety improvements at existing marked and unmarked cross walks and implement the highest priority locations in 2015.
- Staff will be processing development applications while assisting developers understand and pursue projects that the community will support.
- To keep us moving and staying healthy, our Parks Department will launch a "Novato ALIVE!"—a program to enliven and connect our community through outdoor events and activities.
- Committed to protecting and enhancing Novato's infrastructure, we are investing and planning for the future including recertifying the Hamilton Levee with FEMA, making significant ADA improvements throughout town, designing a new Grant Avenue Bridge, and coordinating closely with SMART so that our two train stations are

interconnected to our bike, transit, auto, and pedestrian infrastructure.

Thanks to a growing economy, this recovery is touching more and more of our community. Economic change is in the air and the time is now to get ahead. Our unemployment is lower than it's been in years and our property values are rising. This is the time for us to shore-up our foundation—invest in our infrastructure, put plans in motion for our neighborhoods, and commit ourselves to a financially-secure future.

Novato has prided itself on its fiscal accountability and excellent quality of life—we need to keep it that way. Author Bryant McGill wrote, *“Enthusiasm is the energy and force that builds literal momentum of the human soul and mind.”* We don't want to lose momentum.

A City where we can come together on common ground and talk issues, values, and study the facts before us. Where we can debate issues without discrediting or isolating one another—as we have a lot of good people on many sides of citywide issues.

A City that doesn't fade into the background or be kept off the map, but that serves as a model for other communities.

A City is where we spend less time sweating the small stuff that parades itself as big stuff, and devote more time to focus on the great mission of building community in Novato.

I know the dedication, the pride, the affection each of you has for this community. In the wake of daunting challenges, we have accomplished incredible feats—all through the sheer power of our love for Novato, all because we believe this is a great community. We are not here by accident but by the hard work, vision, and focus of our City Council, employees, and our many partners. We're here as a City that Works!

THE END
