

State of the City Speech – Mayor Larry Klein Sept. 23, 2023

Good morning everyone!

It's wonderful to be here with you today to share how we're doing in Sunnyvale – the Heart of Silicon Valley. And I'm delighted to report that our heart is beating strongly, and we are thriving!

As I thought about our many accomplishments and our priorities moving forward, three clear themes emerged.

Sunnyvale is proudly safe, diverse and distinctive.
Our economy is robust, innovative and resilient.
And we are committed to a sustainable future.

Of course, the true heart of our city is our community. And in that regard, Sunnyvale is proudly safe, diverse and distinctive.

Our vibrant city has once again been ranked among the top 10 safest cities in the nation. The strong partnership between the community and our public safety department is key to maintaining that national standing.

Following COVID, we've been able to resume our popular youth and citizen academies. The Citizen's Academy is underway now with seventeen people in this 8-week course. They are getting a behind-the-scenes view of public safety and how our unique model serves the community.

And the weeklong Youth Leadership Academy just concluded with 28 students in 7th, 8th and 9th grade. The students learned valuable skills such as communication, conflict resolution, decision-making, and goal setting. They also received information about cyber-safety, bullying and lifetime fitness.

These young leaders impressed their instructors with their enthusiasm and participation. And I heard from students that this course changed their lives! I love that we are investing in the next generation of leaders.

We also used this learning approach engaging our community through our Sunnyvale Unity events. This included dialogue and training sessions on topics such as overcoming bigotry and learning de-escalation strategies. To expand our reach, we partnered this year with our school districts and County Supervisor Otto Lee's office. And I've heard from so many who attended these events that they deepened our understanding of one another. I'm confident that by

working together this way, we will continue to strengthen our culturally diverse community to ensure all are welcome and safe.

As a measure of this, I am also very proud to say we now have our most diverse Council in our City's history! And collectively we have made equity, access and inclusion – or EAI – one of our strategic priorities. We have a new manager, Fernanda Perdomo-Arciniegas, leading this work for the City and she has made great strides already.

Fernanda's initiatives include ensuring all our City staff and councilmembers are trained on EAI principles. She's also guiding the teams necessary to help us advance in this area. This includes helping form our new Human Relations Commission. And working with 44 City employees who are members of the SEED team which is Sunnyvale Employees for Equity and Diversity. These groups are doing fantastic work. And they'll help us envision a more equitable future and achieve positive change in both City services and the community.

Of course, our diversity takes many forms. Another way it's being displayed is through our public art program – the Great Box Cover-Up! I'm sure you've seen how artists have transformed our drab gray utility boxes into colorful works of art throughout the downtown. More artists have just completed the second phase of the project in 16 new areas of the city. And we're excited to see the program continue in partnership with our schools as look to the next phase.

We also have hot off the press news! Just this week our Arts Commission selected the final design for our Sunnyvale icon sculptures! These beautiful suns will be fabricated, painted by artists and installed next year around the city as yet another way to showcase our distinctive community identity. And proof that we are indeed deserving of our Happiest City in America ranking this year!

After weathering the storms of COVID these past few years and hopefully another wet winter this year, those suns are certainly going to be a welcome and reassuring sight. You might even say they'll be a symbol of our robust, innovative and resilient economy. While recovery from COVID continues, Sunnyvale remains a desirable place to both live and work. Nowhere is that more visible than Sunnyvale's downtown! And defining the Downtown Vision was the reason I got involved with the City 20 years ago!

Sunnyvale's thoughtful approach to long range planning considered diverse opinions to shape the Downtown Specific Plan. And now we are finally seeing that combined vision coming to fruition with multiple busy construction cranes. In the downtown core, the Cityline project is progressing quickly with new retail, housing and office spaces. Surrounding that project, more residential units opened this summer along Mathilda. And a new 7-story office building with an impressive living wall on Altair is scheduled to be completed this winter.

All of this will further enliven our existing downtown which is anchored by Historic Murphy Avenue. There, expanded outdoor dining – a positive outcome of COVID – continues to be popular. So much so that the Council voted to continue to ban vehicles on the street. We're now working on the street improvements necessary to open it as a permanent pedestrian mall.

Amenities like this along with our ideal location and talented local employees are a big draw for the diverse mix of companies that make up our business community. And that desirability helps us weather the volatile commercial real estate market. Sunnyvale has a relatively low commercial vacancy rate in comparison to some of our neighbors, and we continue to attract new businesses such as SpaceX as well as see existing ones expand.

This is particularly true for our commercial districts in Peery Park and Moffett Park. For example, Google is currently under construction with two additional buildings in Moffett Park totaling more than 1 million square feet. iHealth Labs, maker of that orange COVID test that everyone recognizes, purchased a building in Peery Park to allow for their meteoric growth. And Synopsys consolidated multiple sites, bringing their headquarters into single Sunnyvale campus in Peery Park.

While these districts are a focus for us, companies such as Apple and Applied Materials are also investing in the Arques area. Apple recently purchased a large building there. And this May, Sunnyvale got national attention when Vice President Kamala Harris visited Applied Materials. She helped announce plans for their new EPIC center in Sunnyvale. This \$4 billion CHIPS Act investment will be a cutting-edge R&D facility dedicated to accelerating semiconductor improvements here in the US. It's a significant investment from a company that has been innovating here for almost 30 years. And it's one that will draw their partners and more global companies to Sunnyvale to take part.

But here in Sunnyvale, innovation isn't always about high tech. We received more attention at the state and federal level when I toured our wastewater treatment plant with senior leaders from the Environmental Protection Agency. The tour showcased the City's Cleanwater Program – the largest capital project in our City's history. This 20+ year infrastructure project is rebuilding our aging facility with state and federal funding help. We've secured \$635 million in low interest EPA loans, and this low-cost financing has saved our community an estimated \$350 million.

Of course, the treatment plant is our source for recycled water and this is another area we tackled with an innovative approach. Last year, I was chosen to be one of 40 mayors from around the world to participate in the Bloomberg Harvard City Leadership Initiative – a prestigious and intensive leadership program. Through this program, I was able to get us additional coaching and training to guide a City Innovation Team.

Water is a precious resource, especially in California, and this Team was focused on how to feasibly expand recycled water use in Sunnyvale. Using a design-based innovation process, they engaged residents and stakeholders who helped us generate more than 350 ideas. The Team

then selected 8 ideas with the biggest potential—such as connecting prioritized City-owned sites. We’re also using the techniques learned through this process to scale innovation elsewhere in the organization. And we’re already seeing progress with improving employee recognition, internal communications and our procurement process.

Finally, it seems only fitting to conclude our themes with our eye on the future and Sunnyvale’s commitment to sustainability. And perhaps there is no finer example than where you’re sitting – our stunning new City Hall. This impressive LEED Platinum, Net Zero Energy building is already a new icon for Silicon Valley. It’s also the FIRST City Hall in the country designed to achieve these highest standards which is a testament to our environmental leadership.

The numbers are impressive.

120,000 square feet.

1,600 solar panels.

6 acres of usable open space (once the demolition is finally complete).

And hundreds of trees saved and added.

But it’s also significant that we now have 350 City employees working in one modern building. This will greatly improve access to and delivery of City services for our community.

Of course, building sustainably has never been more important. Next month, we’ll release the draft of our Climate Action Game Plan 2028. It has the actions we’re proposing to take for the next five years to reach our greenhouse gas reduction goals. And it’s just in time. After a drop in 2020, the data now show that Sunnyvale’s community-wide greenhouse gas emissions went back up in 2021.

It’s not surprising. As COVID-19 restrictions lifted, we began returning to pre-pandemic lifestyles. This caused increases in things like vehicle emissions. While the upward turn is disappointing, it also shows that our behaviors do have a big impact. Now, more than ever, we need to reverse the trend. And it will take everyone’s contribution to get back on track to meet our new aggressive goals. So I encourage you to please read the draft Plan, and then attend a community workshop in October to give us feedback. You’ll also be able to take an online survey.

Decarbonizing buildings like City Hall is one of the six key strategies in the CAP. Decarbonizing transport and sustainable land use is another. This means we are focused on transit-oriented development, making it easier for people to live and work in proximity. We’re focused on improving our transportation networks to make them safer and easier for people to bike and walk instead of drive. This includes encouraging electric vehicles and expanding our EV charging network.

And we’re always focused on housing – by planning for more housing stock with a range of densities and affordability to meet the needs of our community. Let me highlight just a few of our accomplishments in these areas. Last fall, the Council selected the preferred options for the

Caltrain Grade Separation project. This project plans to lower both Sunnyvale and Mary Avenues beneath the Caltrain tracks. This will improve safety, reduce noise from train horns, and reduce delays for travelers at the intersections. Both options will be major improvements for bicyclists and pedestrians. We're starting with the Mary Avenue project and are working now to secure funding for the design and construction phases.

This past spring, the city councils for Sunnyvale and Mountain View selected the preferred design option for the Bernardo Undercrossing. Bicyclists and pedestrians will use ramps and a tunnel to travel under the Caltrain tracks and Central Expressway. This will connect North and South Bernardo avenues and link into existing bike lane networks for commuting and recreation. We're now working on the environmental clearance document.

We're also in the final design phase for the multi-use path along Evelyn Avenue between Bernardo and Mathilda. This two-way separated path will connect Sunnyvale's downtown to our city limits. And we continue to work with Mountain View to extend it to their downtown Caltrain station and the Stevens Creek Trail entrance. This will provide a great commute and recreation link between our two cities and transit centers.

We're also collaborating with Mountain View to complete two new segments of the Stevens Creek Trail. This will allow us to bike or walk along the creek from Fremont Avenue to the Bay Trail completely separated from cars. This March, the Council confirmed the preferred trail layout for the Remington-Fremont segment. We're now in the environmental clearance and final design phase.

Just before this school year, we added buffered bike lanes from Hendy to Maude on Sunnyvale Avenue which is a critical north-south bike route. This improves access to Bishop Elementary School and the Downtown. It also closes the only bike lane gap on that route from the Bay Trail to Saratoga. We also installed buffered bike lanes on Java Drive between Mathilda and Crossman avenues. This will make it easier and safer to bike in Moffett Park.

Speaking of Moffett, one of our most significant accomplishments over the last year is the Moffett Park Specific Plan. The Council adopted this in July after an extensive community engagement process. The Plan will guide development over the next 20 years for this vital 1,300-acre area in north Sunnyvale. It's an aspirational roadmap that sets the stage for creating a new vibrant mixed-use community.

This includes adding up to 10 million square feet of commercial space; half a million square feet of retail for restaurants, stores and a grocery; large tracts of interconnected greenspace; and a possible 20,000 housing units. And at least 15% of these units must be affordable to low-income households with a goal of achieving 20%.

Of course, you know that affordable housing has always been a top priority of ours. And it's essential for a sustainable future. We continue to work on a variety of policies and projects to meet this need.

For example, we recently increased the grants we offer to lower-income residents to help fund home repairs. And in June, we began a new Tenant Protection Program that supports renters with housing stability and eviction protections. We're also seeing great progress on four new affordable housing developments. Together, they will create nearly 600 new affordable rental units for low- to extremely-low income households in Sunnyvale.

The first is a 90-unit development on City-owned property at Charles, Iowa and Mathilda called Meridian. Once completed later this year, it will create new housing for lower-income and developmentally disabled residents in a terrific location near downtown. The second – called Orchard Gardens – is the first 2016 Measure A funded project in Sunnyvale. Construction for this is expected to start winter of 2024 and it will provide 120 new and rehabilitated units. The third, on Sonora Court near the Caltrain Lawrence Station, will be 175 new units also on City-owned property. Construction is anticipated to start this winter. Finally, a recently announced project, also on Sonora Court, will bring an additional 195 new affordable rental units.

Of course, our goals for housing include preventing people from becoming unhoused and supporting them when they do. To strengthen our focus in this area, the Council adopted a new strategic priority this year to support our unhoused community. And we authorized a new Homeless Services Manager position for the City. This person will help coordinate our programs and partners to expand our services for unhoused residents. Some of the initiatives that will be underway include establishing a safe RV parking program and evaluating a pilot program for universal basic income.

In closing, we've had another year with numerous significant accomplishments, while in many ways still recovering from the pandemic. We explored new ways to tackle complex challenges. We continued to embrace our diversity and build community. And our dedicated City staff set and achieved a high bar for service. As your mayor, I'm honored to help celebrate our accomplishments. Sunnyvale's future is bright. Come join me as we work to achieve a better future together.

Thank you!