

## Mayor's State of the City Address – 2/25/2014

Title: ATXN CCTV

Channel: 13 - ATXN

Recorded On: 2/25/2014 6:00:00 AM

Original Air Date: 2/25/2014

Transcript Generated by SnapStream Enterprise TV Server

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>>> >>> >> mayor's state of the city address.

>> let's get going to give the mayor plenty of time today. If you will take your seats, I'll start calling people out if they don't sit down. Like tim taylor. I'm casey willis, the 2014 chair of the real estate council of austin, on behalf of the board of directors and the real estate council and all of our members we appreciate you being here. [Background talking]. If you are not a member of the real estate council, everybody is doing it. Don't be ashamed. Be excited. Fall prey to the peer pressure. Hannah will be outside after lunch, you can sign up. We also have some volunteer staff at our table out front to join the real estate council. At this time we would like to recognize the dignitaries that have joined us today for the mayor's speech. I would like to run through all of the list of dignitaries, if you will hold your applause. An exception to that today is we have a special guest, we would like to have a special applause for, then move on to a longer list, but we have been graced with the presence of the wife's mayor, julie byers today, let's give a quick rounds of applause for her. [ Applause ] julie, we appreciate you being patient with the mayor and the city and all of us. Letting us borrow them for several years. We know that you are probably looking forward to the year being over. Thanks for being here, we appreciate it. We'll get back to our full list. Ctrma board chair, texas native, ray wilkerson is with us today.

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Executive director mike heigenstein with us today. Mayor pro tem cheryl cole. Councilmembers bill spelman. Austin city council member chris riley, austin city council member laura morrison, kathy tovo. Capital met president and c.E.O. Linda watson, round rock city council member john moman, steven

albright from state senator robert nicole's office. Sandy guzman from kirk watson's office. Planning commission james norte, austin police chief art acevedo, he will be looking for hecklers later, mind your p's and q's. Susan hegman from congressman lamar smith's office. Last but not least I have a little story for you guys. Everybody keeps hollering mike martinez, mike martinez, that's the story. Last week, sorry, last month, I overlooked my -- I had to correct myself and mike is sitting by me at lunch, so I go back and I sit down and I say, "mike, I'm really sorry, I hope that you don't hold that against me." He points over at commissioner gomez and says you forgot her, too. I see how you are, you're not down with the brown. [Laughter]. So I saved mike for last. I'm from silsbee, texas, I'm a pine [indiscernible], I'm down with the brown. [Laughter]. All of our elected officials let's give a rounds of applause for them, thank you. [ Applause ] our forum today sponsored by hay and darby law firm. At this time I would like to welcome reca board member john hay to say a few words about his firm.

[06:07:59]

>> Thank you, casey, great to see so many folks out there that we have worked with here in austin. My firm, our firm, hay darby formed just a few years ago, real estate, construction, oil and gas and other development work here in texas. We have an office here in the valley, office out in west texas in san angelo and here, of course, in austin, located in the historic vermont house just up the street. So we're excited to be a part of reca. I'm certainly excited to be on the board serving everybody out there. If you are not a member, consider joining. It's a great cause. Again, thank you, mayor, for coming today, spending your time and appreciate everybody coming out. [ Applause ] >> thanks john for supporting reca and for sponsoring the lunch today. We are pleased to host the second reca ideas forum with the mayor's state of the city address and just one more side story. Last month, I was really looking forward to the mayor sitting at my table. That's one of the few perks that you get. You get -- you get your email blown up and you get kicked all the time for everything that goes wrong at the real estate council. But you get a few perks, one of them is having whoever you want to sit at your table at every monthly luncheon. So I was excited about that and -- and at the last minute the mayor kind of started looking nervous, looking at his phone, mumbling a little bit and I was like I don't really know what's going on, but tim taylor swooped in and he's got that incredible knack of timing and swept the mayor away to his table and I got to sit by mike so it worked out okay. So I think the mayor may have heard about the little december incident with the judge and the ice water and all of that and so I didn't blame him for not wanting to sit by me that next month. But I thought that the sure fire way to get the mayor to sit at my table was to allow

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tim to introduce him and that worked him for me. So at this time I will introduce tim taylor, previous reca board chair and good friend. [ Applause ] >> thank you, casey, thank you for giving me the honor and privilege of introducing mayor lee leffingwell. Most of you all know lee's story, so I will be brief at his request. Lee is a native austinite, he grew up in south austin and attended austin public schools. His dad was a firefighter and later a deputy sheriff. His mother worked at the university of texas. Lee graduated from travis high school and went on to the university of texas at austin where he graduated with a degree in mechanical engineering and from there he joined the u.S. Navy and served as a pilot during the vietnam war. After he left the navy, he went into the reserves, he also became a pilot for delta where he flew for 31 years. Eventually, achieving the rank of captain and flying international on a boeing 767s and McDonald douglas 11s. After retiring 31 years with delta, he came back and started giving his time to the city of austin. In 1999 he was appointed to the environmental board by city council. He served on that and was eventually elected chair. That wasn't enough. He decided to give more to the city in 2005 he ran and won place 1 on the city council. He was reelected three years later with 68% of the vote and overwhelming endorsement for his leadership in our town. In 2009 he ran for mayor and he was reelected in 2012. Mayor leffingwell is finishing up his term, as we all know, it will end in november. He's done a great service to this city with his leadership, his integrity, and the way he's been a friend to so many of us in this room and to everyone in this town. He's served us with dignity, honor and integrity and if to that this town will be very grateful for what he's done. As everyone knows, we're number 1 or number 2 or something on every list that you mean, he's the mayor of

[06:12:03]

the 11th largest city in the united states of america. Please welcome austin mayor lee leffingwell. [ Applause ] >> Mayor Leffingwell: Thank you. Thank you for that very short introduction, tim. I really -- I think you covered all of the bases except for the time I was a safety patrol at becker elementary. You forgot that p. I want to make one small correction, I will be around here until the end of december, the election is november. So I also want to thank laurie tisdale and the rest of the staff -- [microphone cut out]. [No audio]. >> Thank his to these folks for the great -- thanks to these folks for the great work they do at city hall. Let's give them a big hand, too. [ Applause ] my wife julie byers is here

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today. Julie, thank you for your unwavering loyalty to me. And thank you for being my best friend. [ Applause ] finally I want to ask you to please indulge me while I make a very special recognition. This will be my 6th year as mayor, come december I will have been at city hall almost a decade. As some of you know I spent 31 years as an active airline pilot before I ran for council and then was elected mayor and

what I can tell you is that flying that boeing 767 across the atlantic sometimes in bad weather is the less stressful job. [Laughter]. But the turbulence at city hall has been made much more tolerable by a very talented and devoted group of staff and I want to recognize them today, chief of staff, nancy williams, amy everhart, janet jackson, sly, renee, willie, as well as the other support staff and vista volunteers who help my office run smoothly. Some of my former staff members, matt curtis, andy moreman, mark nathan, thank you for what you have done and what you continue to do for the city of austin every day. Let's give them a hand. [ Applause ] now before we get down to business, this is also my final state of the city speech. I think that I should probably go ahead and address some of the rumors that have been going around about my plans when I do leave city hall at the end of this year. Let me say that I can understand why these kinds of rumors get started because as we know some austin mayors have gone on to achieve some great things from becoming a state senator to dating wendy davis.

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[Laughter]. So first the big one, let me be very clear about this. I will not, I repeat I will not be a candidate for district 10 of the austin city council. [Laughter]. Obviously the grassroots movement to recruit me has been very flattering, but frankly I've done my time and also I would rather slash my wrists. [Laughter]. Second, let me be very clear about this one, too, I will not, say it again, I will not be replacing ben aflack in the new batman movie. It's true there were discussions with the director and other members of the staff at warner brothers, but that's it, really. Finally, I'm sure that you have heard or read the rumor when I leave the mayor's office I'll be recording a double album of duets with willie nelson. Actually, this is true. [Laughter]. In fact we've already laid down a few tracks. We've recorded some of willie's hits like on the road again and we've recorded some of my songs, my original songs, like the ever popular please take your conversation outside, [laughter], I'm sorry, but your three minutes are up and that passes on a vote of 5-2. [Laughter]. Hope you pick that up when it comes out next year. In the meantime, there's still a lot of work left to do at city hall, so let's try our best for now to focus on the present. You know, giving this speech every year is daunting and it's one of those things that looking back makes my job as a pilot seem less stressful. I did give several speeches every day as a pilot, they were about 30 seconds on, usually and focused mainly on the weather. To try to fully or fairly

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characterize the full scope of opportunity and also challenges facing this dynamic city today, and to get you out of here before you start to get restless, this speech is going to be kind of a tough gig. That is because there's really so much going on in austin, texas, and so many different issues that really, truly do matter even urgently. The key to our future success is finding connectivity between our obstacles and

our opportunities. Whether it's economic development, transportation, education, health care, public safety, housing, the environment, or any of a dozen other things, they all play a meaningful role in making up this complex system we call austin. And believe me, every week at city hall, we're meeting, talking, working on, fighting, debating on almost every one. In the past, I tried my best to touch at least briefly on as many of these topics as I could. I could do the same thing today and talk a lot -- about a lot of different things, we're focused on the mayor's office, everything from connecting low income families to the internet to getting our seniors connected to local resources. And of course being a former navy man, I try hard to be innovative and supportive of veterans issues, such as honor flight austin, that's the program where we take our world war ii vets to washington. I want to thank many of you out there who have supported this project but I especially want to thank gary farmer and also the st. David's foundation for their great generosity with regard to honor flight austin. With the clock ticking on my term I'm trying hard to narrow my focus on the one thing that has always

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mattered most to me as mayor. And that's doing everything that I can to help ensure that our local economy is as strong as it can be and that our residents have good jobs. So that's what I'm going going to spend a lot of my time talking about today. Much because as I've said before, I'll say it again now, a good quality of life begins with a good job. A good job can help us achieve many of our goals in life, while giving us some meaningful purpose and a sense of accomplishment. It provides -- it helps us provide for ourselves and our families and it helps us earn the things we want and value the things we earn. It sometimes brings us together with our best friends. Often what we do in our jobs defines on how we see ourselves, how we view the world and decide to give back to our community. In short, getting a good job, or better yet creating a good job is how many or maybe even most of us get to become the kind of people we want to be. The good news is that austin, texas today is a great place to get or create a good job. In fact, if you believe the bureau of labor statistics, y be hard pressed to make the case that there is any better city in america. Over the time that I have been mayor, the job market has grown by leaps and bounds and we've been called the number one fastest growing job market in america by far. There's recently -- as recently as last november, our unemployment rate was as low as 4.7%, that's compared to 6.1% state-wide and 7% nationally. And just in the last three months, the austin economy has been ranked as the top performing metro economy by the milikin institute and by

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the business journals. Just two weeks ago, forbes named austin the fastest growing city in the united states for the fourth year in a row, that with an economy like ours and I quote, it's hard for others to

compete these days. That's not too shabby. So good job to the big issue and I think they are -- there's really nothing other to say about austin than this, in its 174 year history, the state of our city has never, ever been stronger and it's getting stronger every single day. [ Applause ] it's okay, you can give yourself a round of applause. [ Applause ] so next important questions are how do we get here, how do we keep it going? Why exactly have we enjoyed the success. Well, as I've said before, I think we have to acknowledge at least some of the austin's economic success isn't due to anything that any of us have done. If anything, we were smart enough to move to or in my case be born in a city and a region where the conditions are and almost always have been, still are today, ripe for growth. We're the capital of one of america's largest and fastest growing states and we're home to one of the largest public universities in the country. Truly a university our football team can be proud of. [Laughter]. We have extraordinary natural beauty, a temperate climate most of the time. And the best natural swimming hole in america. We're on the receiving end of long-time national migration trends from east to west and from rural to urban. And we live in a state that is very friendly to economic development. All of this together means a city that has basically

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doubled in size every 25 years or so since it was founded. In fact, without giving away too much, I've seen this city double three times in my lifetime. In population. Today, as hard as it is to believe that we have surpassed cities like san francisco and indianapolis, we're the 11th largest city in the country. So on the one hand it seems pretty clear that to some extent favorable circumstances laid the foundation for population growth and population growth laid the foundation for economic success. On the other hand it's not that simple. Because the truth is that population growth is no guarantee of economic growth, even though the two are sometimes mistaken for each other. In fact when it comes to jobs in our economy, we've actually been far less lucky than we've been good. Over the last 30 years in particular, austin has been focused, methodical and strategic about really making sure that if our population was going to continue to grow, our economy would grow along with it. We have aggressively, creatively and successfully pursued and developed semiconductor software, health care and life sciences, clean energy, film and music, mobile and social media, tourism and conventions and other targeted industries using every tool at our disposal to help bring sustained economic growth to our city. That includes the strategic and judicious use of economic incentives, many of which have been in the news a little lately. Now, whether you like them or not, I have to say that I think it's undeniable that incentives have played a key role in austin's economic success in recent years. Because again like it or not, when it comes to winning and keeping good

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employers and good jobs, it's a competition. We are competing with some great peer cities across the country, even around the world. Major employers that any city could have killed for, apple and facebook, for example, set up their shop or expanded their operations in austin, in part because we, through a vote by my colleagues on the couple, were able to work with the state and offer them appropriate, competitive incentives to do so. Now, the fact is we use incentives far less than I think most people assume. Actually, since I've been mayor, we've only approved a total of 11 incentive packages, including three this month. That averages out to about two per year. But from 2009 to 2012, just these deals have resulted in agreements to deliver over 8,000 good new jobs and more than \$550 million in investment in our community. With just these 11 deals, I'm talking about over half a billion dollars being invested and austin property being purchased, leases being signed, contracts for improvements to build out space being executed and office furniture, computers and machinery being bought here in austin. That's a big deal. So incentives have proven to be an effective tool to attract jobs and economic opportunity to austin. And a tool that actually results in a benefit to the taxpayer. Economic incentives help achieve economic growth and deliver jobs. My further view is that we shouldn't have -- as we have recently done, burden those incentives with other requirements that are so stringent as to whether the benefits [indiscernible] that the deal becomes a wash. I will save that speech for another day. So if we go back to the

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fit question, how did we get here? I think the answer is probably twofold. We were dealt a pretty good hand and we played our cards very well. But it's the second question that's really the more important of the two, how do we keep it going? Obviously, to a great extent what we've been doing is working, and we should keep on doing it. But our work is not done. While we outpace our peers, as I understand, we still have over 20,000 unemployed in our region and more than 170,000 folks living under the poverty line. So while it seems like we're on top, our work is not finished. We need to continue to focus on developing and diversifying our mix of industries and employers and working diligently for good jobs with good pay and good benefits using every tool we have. We also need to keep our eyes peeled constantly for new opportunities to build on our strengths and take advantage of the unique diversity of industry and expertise we have created. I can tell you that I think we do have at least one special opportunity like that right now in the coming together of a few of the most exciting, big new projects in austin's modern history. As I think most of you know, thanks to austin voters and the vision and determination of a group of community leaders led by senator kirk watson, downtown is about to become home to the new university of texas medical school, as well as the seton teaching hospital. That medical complex will be a transformative development for u.T., For downtown austin and the city as a hole. And we'll do as much for our economy -- will do as much for our economy as it does to the quali -- and

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availability of our health care. So I'm eager to see the vision of the new dell mel school, I want to say welcome to austin dean johnston, let's give him a hand even though he's not here. At the same time the medical school is coming on line, the transformation of waller creek will also be coming to fruition. Running the full length of the eastern edge of downtown from lady bird park to waller creek, it will left 28 acres of downtown land out of the floodplain and invest as much as \$60 million, most of that private funding, in creating a series of dynamic new signature public parks. This incredible and important project is also the product of yeoman's work on the part of many people but perhaps none more so than the trio of founding board members of the waller creek conservancy. In recognition of their ongoing efforts, I want to recognize tom meredith who could not be here today and to ask melba wattly and melanie barnes to please stand up and let's give them a big round of applause. [ Applause ] thank you all very much for what you are doing for our city. Now, with these two very big things happening in the same part of downtown with the potential redevelopment of many of the buildings in the capital complex also in this area, and more broadly because of the successful ongoing transformation of our downtown into a place to work, live and play, I see

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what I think is a unique, new and big opportunity for austin. Like boston did with kendall square near mit, I believe we have the potential to remake what has been one of the most underutilized parts of downtown into a thriving new cluster of global commerce, culture, creativity and connectivity. That's why I've created and convened what I'm calling the innovation zone advisory group. It's made up of community stakeholders and representatives from u.T., the city, the county, the state and the groups goal is to develop a vision and a plan for transforming the northeast quadrant of downtown, if you are directionally challenged that's around 15th and red river, into a new epi center of job creation with cutting edge medical research development and commercialization at its core. I intend to continue to chair the advisory group through the remainder of my term. Then at the end of the year, ask senator watson to assume leadership of this effort. That's in his spare time, he's already agreed to do so. I can tell you that I'm truly convinced that the innovation zone project holds real promise for austin's economy, a connected austin, an austin of tomorrow and I know that with the active participation of the partners, we can and we will achieve that promise. Now, as much as I like being positive and upbeat, this is what it looks like, folks, positive and upbeat right here. [Laughter]. As good as it gets. The truth is if -- if we want to continue to prosper, we can't just build off our strengths. We also have to attack our weaknesses. So I want to address the huge risk I think our city and our economy will face if



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we fail to act on one of our critical weaknesses. Folks, if you've ever believed anything that I've ever said, I hope that you'll believe me now when I say that our traffic crisis and I did say crisis, in austin, texas, has reached a point where it threatens to undermine what we've accomplished and things we can accomplish. I know it can be easy to think of austin's traffic as just an annoyance or an inconvenience or a fact of life, but it's wrong and in fact it's dangerous to let ourselves think that way. Our traffic isn't just an annoyance. It's a deadly serious threat to almost all of the things that we've achieved and strived toward. Threatens our safety. In each of the last two years we've seen nearly 80 traffic fatalities on our roads. That's an unacceptably high worrisome number. And congestion slows down our first responders in situations where every second counts. It threatens our environment, especially the quality of our air. If we fail to meet those e.P.A. Requirements we face possible loss of federal funding for transportation projects. And austin and central texas have been flirting with this federal non-attainment status for years. If traffic congestion continues to grow like this, we'll reach it soon and we'll pay a price if we do. Our traffic crisis also undermines our efforts to keep austin affordable, as congestion worsens it becomes a key factor in the housing choices we make. That leads to huge increases in the cost of housing we've already seen in the central city and that in turn only forces more people to commute even further every day. But most of all, our traffic problem slowly steals away I think at the thing most of us value the most and that's our time. According to recent analysis, it took typical austin driver with a 30 minute commute now experiences an estimated 83

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hours of traffic delays over the course of a year. 83 hours. That's almost two full weekends a year spent sitting in traffic instead of being home with your family or out with your friends. Not only are these negative impacts bad and unsustainable in and of themselves, they also work together to punch a gaping hole in our economic strategy. The basic premise of austin, the thing that's truly at the heart of prosperity, is our special quality of life. It's a mindset, it's an attitude. And by and large it's the reason, events want us to host them here and why so many folks choose to live here or want to move here. But our traffic crisis today is eating away at these things that make the city what it is. You may have read recently that the austin area's net population grows about 110 people every single day. Our best guess is that means an additional 70 cars on our roads every day. At this rate, we could see 490 more cars on our road this week than last, we could see 25,550 more cars this year. That means a potential of a quarter million additional cars on our roads in 10 years by 2024. And that means unless we're simply prepared to simply watch our quality of life and economy deteriorate, we must act. So we -- it has been said we got into this mess by our own inaction. For years we did sit around and watch as our population grew and traffic got worse. Fortunately over the last 15 years or so, we finally started to get serious about dealing with our transportation -- get serious dealing with our

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transportation problem. Since 2000 austin voters have approved almost \$500 million in bond funds to help pay for transportation infrastructure, most of it improvements to our roadways. We've also seen more than \$4 billion in county and state funds spent on transportation infrastructure in our region in the last 16 years. Begin the vast majority on roadways. Looking ahead, we have somewhere around \$3 billion worth of transportation projects planned right now in our region and again most of it for roads. Not all, but most and that's all good. But even as we have made and planned those big investments, it's only become more clear to more people that roads, while good, are just one piece of the puzzle. By themselves they are not going to solve our traffic crisis, in all parts of the region. I've met with folks that think more roads are not the answer. And some that say that building more roads to solve your traffic problem is about like buying a longer belt to solve your weight problem. [Laughter]. But in the end, many a that the only real solution is to change your approach. The approach we have to change in order to fix our problem is to connect people. In every way we can. By helping get from where they are to where they want to be by providing sustainable options on how to get there. That means one thing. We must, we must prioritize now and invest now in real, multi-modal mass transit in a real multi-modal mass transit system for this region if we want austin to continue to prosper, now, it's true we've made some progress on this front as well. Capital metro, especially over the last four years, has picked itself up and in my view become a very effective mass transit agency. Our bus system is good and it's getting better.

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The new metro rapid service just launched with the help of \$40 million in federal funds and the new buses use priority lanes and have the capability to delay a signal light change for several seconds speeding up their routes. Metro rail, the red line commuter rail between leander and downtown austin, also online, ridership is growing steadily. Mornings now average 6 -- boarding now average 65,000 a month and those trains are at full capacity during peak hours. But what has been missing from our approach until now has been a shared regional vision for how our mass transit system should connect. That's why two years ago, campo recreated, recreated, it had two other lives before this one. I've been proud to chair the transit working group. It's made up elected and community leaders from across the region, the transit working group has been working diligently to develop a high capacity transit plan for central texas. The work of that group, along with the effort called project connect, which is a partnership between the city of austin, capital metro, the lone star rail district, campo will soon culminate in a plan and a recommendation for action. So I think it's safe to say that the next recommendation will likely be for the first phase of an urban rail system through central stin. And that proposal, with the support of

the council, is likely to land on november ballot. Let me say that for most of us here in this room, the only passenger rail system that we've had in austin has been the zilker zephyr. [Laughter]. And I will admit that for a long time I thought the zilker zephyr might be sufficient. But by the time of the 2,000 light rail election it was apparent to me that austin

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needed a real urban rail system. That measure failed barely and here we are 14 years later and I can tell you that it's crystal clear to me that the price of failing at the ballot box this time would be enormous. Here's the basic equation. Number 1, if we want continued prosperity in austin, if we want to connect our residents with good jobs, we've not only got to build on our strengths, we've got to attack our weaknesses. Number 2, our greatest single weakness, the one that promises to adversely affect our quality of life is our traffic crisis. And number 3, roads alone won't solve our traffic crisis and neither will rail, but it's clear that we'll never succeed without both. Let me make it even simpler. Rail or fail. A few minutes ago, and I bet most of you -- I said I bet most of you agreed, that austin is in a competition with our peer cities to win and keep good jobs. 30 years ago, probably most people would have considered cities like tallahassee or sacramento or little rock or madison to have been austin's peer cities. But today, I think that you would find consensus both here and elsewhere, that austin's peers are now cities like dallas, denver, seattle, portland and san diego. And what you need to know is that just three of those, just denver, seattle and san diego, over the past 14 years, have together invested more than 10 billion-dollars in rail transit systems. Our competitors figured out the equation. And our competitors took action. Now the ball is about to be in our court one more time. And it will be up to us as a community to decide how to move forward. Of course the final details matter. Technology, the cost, the funding plan, the route, the

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operations plan and more. But there will be good answers to all of those questions and when we get to election day, only one big question will be left. Yes or no. I hope that you'll agree the correct answer is yes. Let me finish today by going back to the beginning and saying again plainly. The state of our city is strong. And it's never been stronger. ON DECEMBER 27th, OF THIS Year, austin will celebrate its 175th birthday. I practiced this -- [laughter] -- it's th septcentaquinca centennial. There may be some corrections on the pronunciation there. I think we can confidently say that we're living today in what is the golden -- golden era in our city's long history. And in so many ways austin is simply one of the most amazing and promising cities of the 21st century. We aren't without our shortcomings, no one is. But for the most part our economy is fundamentally strong and sound, our community is fundamentally safe

thanks to our public safety employees and their chiefs, chief kerr, chief rodriguez, and chief acevedo, chief acevedo stand up, you are doing a great job and we appreciate it. [ Applause ] our culture is vibrant and evolving. Other aspirations are for greater equity and justice. Yes, in some ways we've listen lucky, but in more ways we've been good. Our success in has

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not happened by accident. And it won't continue by chance. The future of austin is an austin connected by rail but also the future of austin is an austin connected to good jobs, an austin that connects our growing elderly population as well as our veterans to the types of services they need. An austin that is proud to be among the first in the country to have several companies provide high speed internet to its residents, yet does not forget to connect this service with those who really need it the most. And friends, as a new dawn approaches for our form of city government, and we look at a map that shows 10 districts, let us not forget that austinites are and always have been a connected community. If we keep working hard and smart, and choose wisely when we reach big crossroads, then I know we can and we will leave austin a better place than we found it. Believe me, that's saying something. It has been and it remains my great honor and privilege to serve as the mayor of my hometown. So I say thank you, god bless you and god bless austin, texas. [ Applause ] >> thank you, mayor, everyone be seated. We have a little bit of time left and the mayor has agreed to field a few

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questions. Lease keep it clean and keep it tight. >> Clean and tight. I see a hand way in the back. >> Thank you for all of your great work. The question that I have [indiscernible] besides transportation [indiscernible] greatest challenge in austin in the next 25 years? >> Mayor Leffingwell: Well, I thought we were going to keep it clean and tight [laughter]. The question is what aside from transportation what do I see as the biggest challenge for us in the coming years. I think we've -- we have got to rise to the challenge that big growing metro areas have seen around the state and around the country. I mean so many people say -- we're just -- there are too maybe people here. We don't have the transportation instructor, we don't have water resources, we don't have the energy, et cetera, et cetera, I would say look 200 miles north, the dallas/fort worth metroplex now with 6 and a half million people, they are ginning along just fine. You know, in 30 years,hen this region has 4 million people, I expect that we will be ginning along just fine. That doesn't mean that we don't have to address those problems, I know water is very much on everybody's mind this day, but I would quickly point to 1999, to show you that we in this city have taken steps to ensure that we will be -- adequately served by those resources in the future. We bought in 1999 with \$100 million check, cash on the barrel head so to speak, water from the

lira guaranteed up to 325,000-acre feet for -- for 50 years. To put that in perspective, that's about twice what we're using now. So that assures our supply if the water is there, but that doesn't mean that we don't have to do our part, too. We have to -- we have to

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conserve and use these resources wisely. And we have adopted one of the strong estuary conservation plans, one of the strongest water conservation plans in the country. Our program was recognized in 2007 by the American Water Works Association, who gave me in the name of the city the award for water conservationist of the year. So we're doing well there, we're leading the pack. So we have to manage our resources wisely, continue to build the infrastructure that we need to make sure that we have the resources for the future. Those are the big challenges I think in infrastructure. If I -- I alluded very briefly in the speech to the fact that we also have to address those who are not quite so fortunate in our community. We've got to find ways to do that. We have to find ways to provide education and jobs for 170,000 people in our region who are living below the poverty line. That's a big challenge. And it's going to take some big thinking to solve those problems in the future. >> You might pray for rain. >> There's a man that's going to do a rain dance there. >> Thank you, mayor, for being one of the best mayors that we've had. I appreciate it. >> Coming from you that means something, Daniel, I appreciate it. >> I know that. [Laughter]. A little bit about power. About generating power, talk about having more cellular on top of all of the buildings and [indiscernible]. >> Mayor Leffingwell: Again, the city of Austin has been on the leading edge of this, five years ago, six years ago, we adopted a generation plan that put us on the cutting edge. Our generation plan calls

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for Austin Energy to generate 35% of its electric power from renewable sources by the year 2020. We also obligate us to reduce consumption, the demand side, by 800 megawatts a year. What that does is basically keep our energy demand curve fairly flat. Not completely flat. But fairly flat. Along with that, in that -- included in that 35%, by the way we'll probably be there by the end of this week, is a large portfolio of wind power and we're working hard every day to increase our portfolio of solar generated power. At the same time, and believe me I know because I've sat through rate cases at city hall, when it really comes down to it, what concerns people greatly is the price of that service. So we have to, as we make this progress towards more clean energy in our portfolio, at the same time, we have to make sure of this -- that this product is -- is priced fairly. We are in competition, in reality we're in competition, technically we're not because Austin Energy being municipal is a monopoly, but we -- we have supervisors in the city down the street, up at the state capitol, who watch what we do. And we have an

obligation to our citizens, too, to keep our prices reasonable, it's part of the cost of living. So we have adopted a policy, that along with this generation plan that we limit our rate increases to no more than 2% of the year and importantly that we remain in the bottom 50% of the residential rate structure considering all utilities in Texas, public and private. So it's a difficult balancing act, we've got to take advantage of opportunities when they come up and to advance the ball on that front.

[06:54:31]

>> Go ahead. >> I want to thank you first of all [indiscernible] [. >> Microphone]. >> I have more of a statement than a question. >> Mayor Leffingwell: Okay, I'll just sit down then. [Laughter] >> [indiscernible] transportation. [No microphone]. City center I would like to thank you for [indiscernible] also for the [indiscernible] >> obviously basic transportation is one of those must do things. First of all I appreciate the compliment that you said it was easy to get around downtown Austin, we don't hear that very much. Yes, what you are talking about is really important. Capital Metro is an independent body, really not controlled by the city. But I will be happy to second your request and pass it along to councilmember Martinez. [Laughter]. Who sits on Capital Metro. One more. >> [Indiscernible]. >> Thank you for your service. Do you have any advice that you can give to the next mayor in dealing with -- with -- single member districts and [indiscernible] >> Mayor Leffingwell: Why do you think I'm leaving? [Laughter]. I think it's a challenge. At the same time I think it's a process that we need

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to go through. This is a -- this is not the kind of small city where you elect all of your councilmembers at large and they have a picnic and decide city issues. This is a big city. We're going to this district system because it is going to be more representative of the city of Austin. I've said often that I live further north and further west than anybody else on the council and I live near Camp Mabry. [Laughter]. And -- and there are -- there are no councilmembers south of the river. So it's become kind of a concentrated little club at city hall because that's where the people who are involved in local politics and vote all of the time that's where they are. But we do need representation across our city and one thing that I've been -- this doesn't have anything to do with the question, I've been advocating more strongly for regional cooperation -- I've been sitting on the Campo board -- realized that really all of our big problems are regional problems. Going back to your question, my advice to the new mayor, whoever that might be is to keep an open mind, keep a cool head, try to keep -- do your best to keep the lines of communication open, and don't let the perfect be the enemy of the good.

Give one more hand to the Mayor, please.