

State of the City address
By Merced Mayor Mike Murphy
Feb. 8, 2019
Given at the Merced Theatre

Thank you for coming here today for the third annual State of the City. Thank you John Albano and the band and the wonderful and talented choir from St. Paul's. Thank you Kyle and the Greater Merced Chamber of Commerce for all that you do to advance business in our city.

I understand that we have some high school government students in the theatre today. Is there anyone from Merced High School here? How about any El Capitan Gauchos? How about Stone Ridge Christian? I didn't forget about my cougars, where is Golden Valley?

I'm Merced Mayor Mike Murphy and I consider it the honor of a lifetime to work on your behalf representing you every day. I know my fellow Council members feel the same way. I want to thank them for being here today. Please welcome Mayor Pro Tem Anthony Martinez and Council members Fernando Echeverria, Jill McLeod, Kevin Blake, Matt Serratto and Delray Shelton. Let me also take a moment to thank the 520 employees that show up to work for the City of Merced every day. I get to be the front man, but they are the ones that deserve the credit.

Sadly, this week we lost a member of the Merced City family, Detective Joe Henderson, after a long battle with cancer. He was loved and respected by the community and those who worked with him. Our hearts and prayers go out to his family and the Merced PD and City family. I'd like you to join me in a moment of silence for Detective Henderson.... Thank you...

I'd like to thank the Merced City School District and in particular Sara and Gwen for their help today. I am a product of Merced's schools. My family moved to Merced when I was a young elementary school student. We came with nothing other than an aunt and uncle that agreed to take us in. There were 13 of us (two families) living under the roof of a 1,300 square foot home in Central Merced. Merced schools are what gave me a leg up in life and set me up to be able to eventually be the first in my family to graduate from college. Thank you to our school districts and educators that help shape Merced's leaders of tomorrow.

How many of you were here last year for the State of the City? How about in 2017? I am glad you came back. When I was elected I made holding an annual State of the City a priority. Honestly, I wasn't sure how many people would show up the first year. To my astonishment over 1,000 people showed up to fill this theatre.

Let me be very upfront with you about my goal for the remaining time that we have together. I want to bring you up to speed on the really cool things that we are working on at city hall and the opportunities that lie ahead for our City of Mercy. I am also going to share with you the challenges that I see from my vantage point as mayor and how we will

address them. But if ALL you walk away with is an update on what city government is working on then you will have missed the larger point of today's gathering.

For those that have heard me speak before or have spent any time around me as Mayor, you know that Merced is a City on the Rise. In fact, I fully expect that there is someone in the audience that is keeping a tally of how many times I might use that phrase in my remarks. So far, only once! If you want to know the over/under, in 2017 I mentioned it 4 times in my speech. Last year three times.

The larger point that I hope to communicate to you today is that you have a role to play in the direction of our city. My hope is that each of you will hear or feel something today that motivates you to do something that will improve your block, your street, your neighborhood, your circle of friends or a group of unknown strangers. Something that will benefit our city.

I get better at this mayoring thing every year. I like to think that I was a pretty decent mayor in 2016, but I can tell you that I am better today than I was then and I will be even better tomorrow. You make me a better mayor. I want to be the type of mayor that my kids can look back on when they are grown and be proud of their dad for doing the right things. The tough things. And doing them all of the time.

Speaking of my family, I want to thank them for the way that they support me. I've been married to Heather for 17 years, but we have been "mayor-ied" for the past two and that isn't easy. Everyone that knows us knows that I married up when she said, "I do." We also have 4 great kids. They are all here today.

Thank you to the voters of Merced for electing me to another 2 year term in 2018. My time will end in 2020, which creates an enormous sense of urgency to move forward on a number of initiatives that are currently underway. Let's talk about what some of those are. In particular, I would like to focus on our downtown revitalization, housing needs, infrastructure projects and homelessness.

We have an amazing transformation occurring in our downtown right now. If the mayor would have told you a few years ago that our three largest and most blighted Main Street buildings, the El Capitan Hotel, Mainzer Theatre and Tioga, requiring millions of repair work and investment would be under remodel in 2019 and 2020 it would have been hard to believe. Nevertheless, that is what is occurring today.

You can't walk down Main Street without noticing the construction underway- at Main and M to bring to life a Joie de Vivre hotel, at Main and N to bring to life the Mainzer Theatre and The Tioga. Each of these projects are important pieces in the future of Merced as we work with the private sector to bring more amenities including entertainment, arts, housing and restaurants to our historic downtown.

Let's watch an update on these projects.

These catalyst projects aren't the only ones that have happened or are underway on Main Street. A local restaurant is in the process of buying the burnt-out Reiner's building across the street to relocate their restaurant to this same area. Playhouse Merced recently raised money to put an updated façade and marquee on their theatre. After much anticipation, the Partisan reopened its doors a few months ago. If you haven't seen the new and improved Partisan, you need to see it. Trevino's Mexican Restaurant updated its exterior and so did Gottschalk's Music. I understand a new eatery is looking into the vacant space next to Asip Coffee. After moving out of the downtown, McNamara Sports relocated back to downtown.

Another thing that has come back to downtown are consistent patrols by the Merced Police Department. In the last year we purchased 6 "scooters" that help our officers get around on sidewalks, grass and other terrain. You might have already seen them. When you do, please thank our officers for all that they do to keep us safe.

Our city is growing rapidly. Earlier this year, the press reported that our county's population is the fastest growing in the state. There are approximately 87,000 people that live in the city limits. When you take into account the homes with Merced addresses that aren't within the city limits and the adults and children that come into Merced every day for work and school our daytime population is closer to 104,000. UC Merced's ambitious 2020 Project to double the size of the campus by 2020 is also well underway.

Population growth is an important part of our future, but we need to be able to house these families. Let me share how new home construction has ramped up. By the end of last year, the City of Merced had processed permits for 659 new single family homes. To put that in perspective, the year before, we only had 148 new homes. In 2016, the number was 171. Between 2012 and 2015 there was a total of 149 new homes built in our City.

This new home construction is important because we have a very tight housing market. Currently, the vacancy rate is just 1 percent. Adding more housing stock when there is a tight market will help to alleviate some of the pressure on affordability. We have 31 active housing projects going on in the City. These new homes are being constructed in both North Merced and South Merced.

Let's talk infrastructure. As the City grows the sewer system needs to grow too. Why not start with sewer? When you run for mayor you focus on police, fire, parks, roads, trimming budgets, etc. and you don't fully appreciate how much making sure that the sewer systems works is a part of the job. Our residents don't think about the city's sewer system because our crews do such a good job and make it look easy. They deserve our thanks. The mayor and city council are thinking a lot about the sewer system and have some important policy decisions to make in the coming months.

As the city grows northeast towards UC Merced we need to be able to serve that area with adequate sewer capacity. Laying miles of sewer mains and building a new addition at the treatment plant is expensive. Existing users don't pay for it. Only the new users and

developers are the ones who pay for any expansion of service, but we want to do it in the wisest way possible.

It's not just new annexations that are getting sewer upgrades. All of our infrastructure that makes our city work has a given lifespan. Just like your home, it needs to be maintained, repaired and eventually replaced. Places like B Street, Gerard Avenue, Kibby Road, Orchard Lane and West Avenue all have or will soon have sewer line replacements occurring. Sorry for the inconvenience, but we do want to keep the sewage flowing.

We also have some big water projects going on. One that you are not going to miss is a major water line rehab project will occur downtown in the alleys between G St and M street and between 18th and 24th.

We recently participated in a Pavement Management Study to assess the condition of each of our city streets and it came back and said that half of them are in fair to good condition. But, what that means is the other half needs a lot of work. Thankfully, we have some help for that, the county-wide sales tax measure, Measure V, and the statewide sales tax, SB 1. Those two will help, especially by using them as matching dollars when we get grants to fix our roads.

Those of you that were here last year might recall that I told you that our street crew would be up to the task of filling any pothole within 48 hours that you report via the Merced Connect app. That was a tall order, but they did it. In fact, they filled 28,709 potholes. And a lot of that was due to your help. Download the app and keep reporting those potholes.

We aren't just filling potholes in our city. We are rebuilding our roads. We just wrapped up projects on El Portal Drive, Merced Avenue, Canal Street and 26th Street. The awkward intersection along Yosemite Avenue near Highway 59 is now a thing of the past. We also added needed ADA ramps to our sidewalks on Q Street in South Merced. Construction begins soon on missing sidewalks around John Muir School and a missing stretch of bike path along Black Rascal Creek.

And in the future, this is not a wish list, there are more projects including M Street, R Street, Alpine Drive, and Canal Street to name a few. We are also planning for a much needed traffic signal and right turn lane at Highway 59 and 16th street, improvements along Childs Avenue, widening Highway 59 and the Black Rascal Creek bridges. As you can see, we have a lot going on.

The last major road project to talk about is Campus Parkway. It's actually a county road project but it has big implications for the City. When completed, Campus Parkway will tie Highway 99 to Yosemite Avenue, right near the UC Merced campus and create many new links for businesses and residents throughout the community. It will be easier to access Highway 99 from North and Central Merced, and it will serve as a 4 ½ mile expressway for Eastern Merced. You may have seen the large mounds of dirt that have been formed along Highway 140 as you head to Planada. Construction is underway now and when complete, it will be the major access to UC Merced.

If you add all these projects, plus the commercial projects underway, you can see there is a lot happening in Merced.

Speaking of UC Merced, you have probably heard about the university's 2020 Project, and the plans to double the facilities to allow more students, faculty and staff on campus. That also has big effects for the City of Merced. Let me digress for a moment. Undoubtedly you hear about Merced getting on many different lists, some good lists, some not-so-good lists. Take them all with a grain of salt. One list we ended up on had as one of its 10 criteria how professional sports teams performed. Well we don't have any of those so we didn't fare well on that list.

Two weeks ago, the Milken Institute put out its list of "Best-Performing Cities" in the country. Rather than rely on our professional sports teams, it looked at things like growth in jobs, growth in wages, growth in salaries, and technology output. Out of 400 cities, Merced placed 38th and was called out specifically for its achievement. That is something to be proud of. According to the Institute, we owe it to the expansion at UC Merced. Take a look at what's going on out at UC Merced.

Earlier I thanked the school districts that educate the future leaders and workers of Merced. I also want to thank Merced College for the excellent job it does providing technical education and preparing our students for transferring to four years universities. Merced College has 16,350 students and, something I can relate to, 52 percent of them are first generation college attendees. The college has been included in the Governor's budget for a new \$21 million Agricultural and Industrial Technology Complex, which will benefit the students immensely. The school is also the No. 1 provider of health care professionals in our community. It is providing us with EMTs, diagnostic radiologic technicians, nursing assistants, sonographers, vocational nurses and RNs. Thank you Merced College.

Speaking of healthcare, we know that our region is underserved when it comes to medical providers, in particular specialist doctors. Attracting more doctors to our city is an important part of our success and that is why I am so excited about the project we are working on with Valley Children's Hospital to construct a beautiful facility near our hospital. Currently, Valley Children's has a small clinic in Merced that can only handle 23% of our families' needs. Upon completion of this new facility, 90% of our children's outpatient needs can be handled here in our city. This is an important step forward for healthcare for kids in Merced.

I'd like to turn to homelessness. In preparing for this address, I had a number of people ask me, "Are you going to talk about homelessness?" Why wouldn't I talk about it? It is one of the biggest challenges that we face. We need to be a city that recognizes our opportunities and accomplishments, but doesn't shy away from addressing problems. Homelessness is a big problem and a big challenge. Fixing a big problem is going to take big thinking. Fixing a big problem takes cooperation from a large set of stakeholders.

What I will share is both a diagnosis of the problem and ways that we can make improvements.

Let me start with what the solution to homelessness in our city is NOT. As mayor, I have the opportunity to interact in a very unique way with our wonderful residents. I know so many of you personally and you have gotten to know me and who I am. Some of you have become too cavalier in the way that you talk about addressing homelessness.

Otherwise good people have shared with me that their solution would be to round them all up and take all of their belongings, or something worse. Or somehow have our first responders turn the other way when they are the victims of violent crime or experience a drug overdose.

If this sounds foreign to you we don't have to look any farther than New Year's Day 2019 when a gunman opened fire on a homeless encampment in the county on the outskirts of Merced firing into an occupied tent. One man was killed and another was injured. That isn't who we are as a people. That isn't who we are as a city. That isn't what makes us great and I don't tolerate that type of hate towards another human (housed or unhoused).

On the other end of the spectrum, we have a large community of humanitarians that only want to alleviate suffering when they see it. They see an opportunity to help and they spring into action. Some of these efforts, although good intentioned, are in fact counterproductive. Working through an established non-profit is much more helpful than providing money or food on the streets.

Additionally, the notion that all of the safety net services for the homeless (or mentally ill or substance addicted individuals) in a county of 280,000 people need to be housed in our city limits of 87,000 people is flawed. It is a disservice not only to our residents, but also to the homeless that we are trying to help.

There are homeless people from all corners of our county. We know that because we have outreach workers that interview them and get to know them. 55% of the unhoused state that they are from the City of Merced. That includes places that have Merced addresses like the Franklin Beachwood area and other unincorporated areas. The remaining 45% are generally from other parts of Merced County and some are from outside our county. We can't be the destination for every homeless person in Merced County. That's not fair to them, and it's not fair to us. Even the unincorporated areas of our county have homeless individuals. For example, there are 30 people from Winton, Cressey, Delhi and Hilmar. 50 of the homeless individuals in our area say they came from Atwater. There should be shelter resources for them in their communities. They should be offered services close to their families and friends, close to their support networks, close to where they have a chance of getting back on their feet again. We need to remember these are people, they aren't just homeless, or vagrants or street people. These are brothers and sisters and mothers and fathers and sons and daughters. Merced can't continue to be the only destination for homeless services in Merced County. We will continue to show compassion, but other communities must do the same.

Law enforcement has a role to play, but anyone that thinks we can arrest our way out of homelessness is misled. Our officers are skilled and professional and respond when seconds count. Residents call 911 in moments of distress and our men and women in uniform respond.

But they aren't social workers. They are trained to diffuse and de-escalate situations, but they are first responders, not long term counselors and social workers. Our officers respond, but there aren't enough state and county resources available to follow up after our officers have done their job as first responders.

And, actually, our firefighters end up responding to more calls for the homeless than our police officers. They get the medical aid calls for the homeless, the calls for the overdoses, the heart attacks, the pneumonia, even for child birth. And they also get numerous calls for fires at homeless encampments.

California has become a state that doesn't allow for the prosecution of crime and housing of criminals the way that it used to.

From 2011 to 2016, one bill and two propositions changed the way felonies and criminals were treated. AB 109, Proposition 47 and Proposition 57 diverted people from state prisons to county jails, reclassified many felonies to misdemeanors and provided more parole and less jail for certain felons. The end result is that we ended up with more people on our streets and fewer in our jails, and police have a tougher time dealing with the effects.

We could debate the merits of whether these laws are good public policy, but I can tell you as the mayor (as would most other mayors that I talk to) that the undeniable result is that California is much softer on crime and in many cases it ties the hands of local police departments, the justice system and corrections. Many of them are living on the streets in our state.

Let's talk about things that are within our control to change. We are not without hope. Things are not all bleak.

The Governor's budget has \$650 million to address the issue of homelessness. Now, we can't get all of that money, but we get a piece of it to build emergency shelters to help the homeless on the Westside stay close to their friends and family, or meet the new Governor's challenge to cities and counties to come up with a plan to allocate this new money for us.

There are a number of homeless individuals that are trying to turn their lives around. They have been working on their addictions and obtaining employable skills. When it comes time to find a job, old warrants and fines that these people will never be able to pay and that the court will never see become the road block to getting a job and re-entering society.

Last fall, I reached out to Presiding Judge Don Proeitti of the Merced Superior Court and shared with him my interest in establishing a homeless court in Merced County. I need to give huge credit to Judge Proeitti who was already thinking along the same lines and jumped into action to learn how we could establish one in Merced County. He and I traveled to San Diego in November along with Judge Paul Lo, a representative from the new District Attorney's office and city and county staff.

San Diego was the first county in the nation to start a homeless court program and now 13 of the 58 California counties have them. Merced should have one, too. The goal of homeless court is to identify homeless individuals that have demonstrated a willingness to change their lives and are otherwise ready to do so, but have fines and penalties that have accumulated to a point that they could never repay them. As a result, they often have suspended licenses that prevent them from being able to get to work.

Homeless Courts meet these people where they are. Court is held away from the courthouse, often times at a homeless shelter and the judge restores the records when it is just and fair.

I am committed to providing whatever support we can from the city's police department and city attorney to be supportive of this initiative.

What else can we do? Our county needs more resources from the state to address our mental health crisis. The county is limited by its own budget constraints and I am sympathetic to that. But each of us should be advocates for more mental health resources in state and federal budgets. It is a crisis that manifests itself in many forms in our communities, including our homeless neighbors on the street. We need to become lobbyists on behalf of Merced County, our county.

The City is partnering with Merced County to create a 119 unit housing project at Childs and B Street that will create affordable housing, and also housing for the homeless. This project is permanent supportive housing, so it's not something they check into at night and then leave in the morning. This is designed to put a roof over their heads and a place for them to hang pictures on the wall and put eggs in the refrigerator. A real home. And the supportive part of it is give the residents the services they need to keep them off the streets. There will be office space for case managers for all the residents and so Human Services or Mental Health or Public Health or Veterans Services or whoever might need to go spend time there will have space and privacy. There will be a bus stop there so people can get to and from their jobs and school.

Success occurs not just when they get off the streets and into shelter, but when they transition out of this development and into market rate housing as an employed person managing their problems, like mental health issues and addiction. We are submitting our grant application this month, and we hear the results in July. If all goes according to plan, we should start construction in the spring of 2020.

The nonprofit groups in our city have really stepped up in a big way. When we call on them for assistance they show up and stretch their limited resources in phenomenal ways.

I'd like to highlight the work of Restore Merced. Caleb Medefind and Matt St. Pierre's vision for creating a jobs program for the homeless that not only provides life skills and job training, but also pays them an honest day's wage for an honest day's work is to be commended and recognized.

Last year at the State of the City, I mentioned my visit to Harlem to visit the Doe Fund that was doing a similar project. I knew that Caleb and Matt were hoping to start a similar project so I invited them to come along, which they did. Let's watch a short video highlighting some of the wonderful work that Restore Merced is doing in our community.

If you are inspired by what this program is doing then I hope that you will consider supporting them with your time and with your financial contributions. For our part, the City of Merced has a contract with them to clean up trash in our downtown and along our creeks. It is a meaningful contribution, but they need the support of others in order to grow and sustain this important work.

Remember when the foreclosure crisis in 2008 had many of your friends and neighbors, and maybe even yourself, a few dollars away from homelessness? We're dealing with people who weren't so lucky. Something happened in their lives and they ended up with everything they own in a shopping cart instead of their weekly groceries.

In the coming months the Continuum of Care will begin to answer the call from the Governor who said the state is enduring a "homeless epidemic." We need to join that effort. We need to get all the neighboring cities, and the county to join in the effort to come up with a regional plan. We need a plan that will get our homeless, our displaced, our transients, whatever you want to call them, but they are our fellow human beings, we need to get them off the streets and under a roof.

I'd like to give particular mention to our state assemblyman Adam Gray who was able to secure \$30 million for Merced County to address homelessness. This provides our county supervisors with the opportunity to do something bold. I believe they are up to the challenge.

We can continue to address the issue the old way, the way that hasn't worked for decades, or we can try some different ways that have proven results. But we need to work together, the cities, the county, you and me, and we need to work quickly.

I've spent a lot of time discussing homelessness this morning and how we are going to approach it as a community. Allocating that much time to a topic means that I don't get to touch on many other important projects that are underway.

No one should walk away from this address and think, "The mayor didn't talk about the mall renovation this time. It must not be happening." It is happening!

No one should walk away from this address and think, “The mayor didn’t talk about the retail development at Highway 99 and Campus Parkway this time. It must not be happening.” It is happening!

No one should walk away from this address and think, “The mayor didn’t talk about city beautification, passenger rail, or cannabis this time. Those must not be happening.” It is happening!

Do you get the drift? The projects that we’ve talked about in the past are underway.

I also want to personally invite you to our upcoming town halls on February 26th, 27th, and 28th at the locations listed on the screen in north, central and south Merced. All of the town halls go from 6 to 8 pm. They are very interactive and provide an opportunity for our residents to ask questions of the mayor and city council members. We also have of our department heads there, including the police chief, fire chief, and public works director to address questions or neighborhood concerns.

In conclusion, I want to let you know that I believe in Merced. The state of our city is strong. We have a tremendous amount of good things occurring in our city. We have wonderful renovation projects that are occurring on Main Street, our people are employed at a record level, and our housing market is strong and stable. We are preparing for the ACE Train and high-speed rail that will create connectivity to jobs, commerce, and amenities from other areas of the state. There is bickering and back biting in our nation’s capital and in our state capital. This isn’t the case in the City of Merced. We are all rowing in the same direction on the important things. We pass balanced budgets and we do so on-time. I’ve never been more certain in my conviction that Merced is a City on the Rise. I am fortunate and very humbled to be able to represent my hometown as your mayor. I commit to represent you well every day. If we are going to continue our forward motion then you have a part to play as well.

A city is only as strong as its residents resolve to be. As a general matter, you know that things are improving. You feel it and you’ve seen evidence. Importantly, I’ve noticed that we have begun to elevate the way that we speak about our city. Our self-image as a city is improving. You have each played a role in that in some way and I thank you.

We are also not without challenges. No one is. What defines us is whether we decide to rise to the challenge.

Here’s an example of the countless hours of volunteer time put in by our residents who work hard to make our community better.

What role are you going to play in the city’s future? What assets and talents do you have to share with your friends and neighbors to strengthen our city? It is easy to tear things down. Being overly critical is a lazy man’s game. Being against something is easy. Being for something and standing up for it is harder work, but much more rewarding. What type of person do you want to be? When the next generation looks back at this transformative time in our city’s history what will your posterity see as your role in it? We stand on the

shoulders of many great men and women who paved the way for us. What are you doing to pave the way for others? He who travels the road of life best is he who makes the road smoother for those that will follow.

Decide what you are passionate about. For some of our residents it is downtown beautification. For others it is volunteering with our youth. Some are able to provide financial support. Others feel called to run for office. Make a ripple. Leave a mark. Don't wait to do it. This is your official invitation from the mayor to be involved. Don't put it off. The future is bright in Merced. We are a City on the Rise and you need to be a part of it.

Thank you.

*I appreciate you taking time out of your day and coming here. Now, I would like to share a final video of the City that I love. It is not a coincidence that this meeting wraps up at lunchtime. Please consider having lunch at one of our downtown restaurants today.