

State of the City Address

Mayor Ken Miyagishima

February 15, 2017

Good afternoon. Thank you for being here. It's an honor to speak with you today.

First of all, welcome. Bienvenidos and my deep appreciation to my colleagues on the city council, to members of our city staff, and to all our fellow citizens who are in attendance today or watching at home. I especially want to welcome and thank my wife and first lady, Rosie Miyagishima, for your love, support and inspiration. Some of you may know that my father, Mike Miyagishima, has had a difficult time the past few months, but he is doing better now and recovering at home. Therefore, my mother, Catalina and my in-laws are staying home this time.

Again, thank you for being here.

I am pleased to report that the state of our city is strong.

It's customary in these addresses to reflect that strength by reporting on some of the many things we've accomplished together. This year I would like to highlight a few initiatives that have recently come to fruition or are currently underway.

Nowhere is change more visible, of course, than downtown, where in September we dedicated our beautiful civic plaza. In coming months we will be watching the transformation of the old city office building into a large facility for La Clinica de la Familia, and the conversion of our former City Hall into an office building for the federal courts.

On the private side of the ledger, construction crews will, over the next year, be giving shape to the new restaurant and entertainment complex stretching from the old Amador Hotel to where My Brother's Place stood on Main Street. The upper floors of the Bank of the West building have been fully rented out, and we are awaiting the announcement of a new restaurant for the ground floor, at the edge of the plaza.

Importantly, in and around these larger capital developments, last year saw a steady stream of small businesses moving into our downtown area.

We have representatives from several of those new businesses with us today: Dwell Fresh Juice and Dwell Yoga, Peebs and Oli, the Southwest Creative Company, and Berkshire Hathaway Home Services.

Please join me in recognizing these new businesses from the "Downtown Class of 2016." With them is Arianna Parsons, Executive Director of the Downtown Las Cruces Partnership. Thanks, Arianna, for all the great work that you and your organization do.

As a city we have enjoyed an impressive range of capital improvements in recent years, from the Convention Center to this new City Hall, from the museums along our re-opened Main Street to our beautiful Aquatic Center and the soon-to-be-completed Public Safety Complex on Sonoma Ranch. This much needed infrastructure was made possible by the foresight and strong financial stewardship of successive city councils, and is testament to the importance of regular investment in the future of our city.

As part of this commitment to our future, the city council made the decision two years ago to raise the city Gross Receipts Tax in anticipation of the loss of Hold Harmless reimbursements by the state.

The resulting Community Investment Projects fund has allowed us to leverage an excellent bond rating and low interest rates into real benefits for the people of our city. Last year we embarked on the largest street maintenance project in our city's history, investing over \$140 million which boosted local employment and saved millions of dollars in future costs. The Community Investment fund also allowed us to install five new photovoltaic installations for municipal buildings, complete a citywide streetlight transition to LED lighting, and enter into Energy Performance Contracts for 12 other city buildings. These energy projects alone have reduced city electric costs by 20% annually, saving us one million dollars a year.

Our ability to take this course was greatly enhanced by the guidance of former City Manager Robert Garza. It was hard to lose Robert to retirement last year, but that leads me to yet another recent achievement, the hiring of our new city manager. After a nationwide search, including a second round of interviews to make sure we had the best candidates, the council unanimously selected City Manager Stuart Ed. He is already doing a great job for the city, and I'd like you to join me in welcoming him today.

Many of you already know that City Manager Ed has put a high priority on economic growth, including the creation of a new Department of Economic Development for the city.

I support this emphasis, and I would like to spend much of today's address talking with you about our economic landscape, and what we can do to build a broad-based and sustainable economy for the people of our city.

All of us were disappointed to lose the SITEL Corporation, which announced it would be closing its Las Cruces facility in March. We are concerned about the jobs that will be lost, of course, but the city has fielded inquiries from a large number of other companies wanting to utilize that facility, and the talent base that SITEL developed during the 10 years they were here.

Still, SITEL's departure served as a reminder that large companies today function within a volatile and competitive international market, where relationships can be upended by decisions made far away.

Given that larger dynamic, which shows little likelihood of changing, our competing with hundreds of other cities in the recruitment of outside companies – while important – can never be our only, or even our principal path for economic development in our region.

Historically, one of the strengths of our local economy has been its diversity, starting with the agricultural base provided by the fertile Mesilla Valley. We have long been a retail center for the southern part of our state, with a strong health care and service sector for the surrounding region.

Another traditional pillar of the local economy has been our federal and state institutions, like the White Sands Missile Range, New Mexico State University, and the Johnson Space Center. These facilities have provided solid employment for generations of local workers, while fulfilling important tasks for our growing nation.

Unfortunately, decreases in federal employment following the recent financial crisis have had a strong ripple effect through our local economy. While the larger crisis was beyond our control, its effects have been compounded, in my view, by irresponsible tax cuts by the last two state administrations. These cuts, benefiting high income residents and out of state corporations, have done little to grow the economy. Instead they have created a severe and continuing budget crisis, sharply restricting state investment in our city and region.

This has been a blow not only in terms of local employment but to the people of our state, especially our school children, infrastructure and institutions of higher learning. The results have been disastrous: while our neighboring states have moved forward, New Mexico has sunk to the bottom of almost every index of economic security and social well-being. This is an embarrassment for all New Mexicans and an ongoing tragedy for the people of our state.

In my view, this decline was largely preventable. It also can be reversed. The question isn't one of big government or small government, but appropriately-sized government, where the public sector provides, effectively and efficiently, services that our people want and need. Vigorous and comprehensive public investment is essential if we are going to provide the education our children need, train the workforce necessary for today's economy, and guarantee the long-term health and stability of our community.

This renewed commitment to our children, families and workforce would not only improve our lives, it would produce the many teachers, early childhood educators, construction workers and technicians needed to build the infrastructure of a modern economy. These jobs will in turn help support a strong middle class – just as they have for the past fifty years – increasing purchasing power and resources throughout the entire region.

As we've proven in Las Cruces, we need to believe in ourselves, raise public revenues, and devote the resources necessary for the future of our people. Renewed investment by our governor and lawmakers isn't optional – it is crucial to the very viability of our state in the coming years.

At the same time, as someone who has earned his living primarily as a business person, I also know that nothing can match the creative energy of private enterprise, which remains the linchpin of local economic success. That brings us to the question of what we can do as a city to support the private sector.

One of the first things involves prioritizing our local businesses and helping them grow.

Traditional economic development strategies involve persuading outside businesses to relocate to our area, often by offering tax incentives and other inducements. Recruitment of outside industry has a role in a mobile economy, but it needs to be balanced by an equally strong commitment to the business owners who have already invested in our city, who live with us in our neighborhoods, work with our nonprofits and charities, and send their children to our local public schools.

I was pleased to see that City Manager Ed's new Economic Development Department incorporates this strong commitment and priority.

Some of the new department's first initiatives will be procedural: a key early objective is to expedite the permitting process, with the creation of a One Stop Shop for all building and development applications. We would like Las Cruces to have one of the fastest and most transparent plan review procedures in the state, using Electronic Document Review and other tools to facilitate the process across departments.

We want to bring down the cost of doing business in the first place, which is one of the reasons the city has been so active in our interventions with El Paso Electric. We want business investment to be in new products and workers, and for consumer dollars to be spent in the local economy, rather than being drained off to reimburse corporate investors for unnecessary power plants.

We also eventually want to provide existing and emerging businesses, through our Economic Development Department, the kind of marketing research enjoyed by large corporations, providing the resources and expertise to help them market local products and services more effectively, not just here but around the nation and world.

This isn't rocket science; research has consistently shown that the most cost-effective and sustainable way to expand local employment is through helping already-existing companies grow. We will continue to encourage good businesses to join our community, but we won't forget the many good businesses already here.

One way we can speed local economic development, of course, is to leverage our advantages as a region.

It's easy to go through the list with you: an abundance of renewable energy to power our future, the film industry's love for our climate and wide open spaces, the entrepreneurial opportunities that grow naturally from our research facilities and labs, especially in the areas of energy generation and storage, water management, and new models for agriculture in a changing environment.

We have abundant public lands to support tourism, and a growing specialty agriculture industry. We enjoy a rapidly expanding manufacturing and transportation sector along our county's southern border, with capital expenditures unprecedented in our county's history.

All of these offer real and enviable possibilities for economic growth.

There is one other important advantage that I want to talk about, because it affects our choices and decisions about future economic development. It's a resource that's all around us, but often overlooked. It's precious to everyone, but easy to lose.

That advantage is that people like to live here. That's it. It's that simple, but also that profound. It helps define who we are as a community, and underlies not just economic development but all that we do.

Historically, we have not enjoyed a high wage economy in Southern New Mexico. Many of us take a hit financially to live here: we've come to prefer our great climate and beautiful landscape over a higher paycheck.

Many of us have made it a priority to live close to family and within a welcoming culture. Others enjoy our shared respect for the dignity of each individual, and the enormous role of diversity in enriching our lives. All of us have been refreshed by the steady influx of people who come to visit, and find out that they want to live here too.

Sometimes these advantages aren't easy to "monetize." Much of our "added value" comes through the pleasure of living here, from the human networks that we inhabit, and from the natural world that surrounds us every day.

At the same time a low wage economy causes real hardship for too many in our city. What we want from economic development is financial security for all of our residents, so they have the resources to live better lives, and participate more fully in the social and economic life of our community.

In the process, we want to preserve all the great things that make this home for us, and give context and meaning to our lives.

In my view, we can have both: an improving economy and a great place to live. Sometimes I grow weary of hearing that we have to choose one or the other. I've never believed that's the case.

That's why I think it's significant that when City Manager Ed created the new Economic Development Department, he also created a new Quality of Life Department. This reflects our understanding that economic development and quality of life are intimately related. For us the two concepts go hand in hand, and are at the very heart of what we work for as a city every day.

Economic development contributes to quality of life. By raising the economic security of our families we increase options and opportunity, the likelihood of a job that is rewarding, and the means for all of us to prosper and advance.

We also know that many categories we traditionally assign to "Quality of Life" are essential for economic development. A strong economy needs a healthy and well-educated workforce. It needs a variety of transit options for employees to get to work. It depends on consistent codes and well-planned growth and development, and lower cost utilities for both business and homes.

We as a city will do whatever we can to build a strong economy for our residents. At the same time, it's unlikely that we will be the next Silicon Valley. We're unlikely to be the next Wall Street, anchoring international finance. Those models and circumstances are already taken, and it's a mistake to be something we aren't. It's more important to build on who we really are as a city and region, never forgetting who we've been and what we can become.

I've mentioned the rapid growth on our county's southern border. Communities all over the country are trying desperately to attract and keep industry, while we sit less than fifty miles from one of the most robust manufacturing centers in the world, in northern Chihuahua, stretching from Ciudad Juárez west along the Mexican border.

This border industry represents one of New Mexico's greatest economic opportunities in decades, with the potential for hundreds of support industries on our side of the border. When coupled with the new Union Pacific intermodal rail center and a proposed rail route from Mexican ports to our border crossing at Santa Teresa, there is talk that this area could become the largest inland port in North America, with all the economic activity that would entail.

Then again, a lot can happen. Withdrawal from the Trans Pacific Partnership could deal our country out of the vast Pacific Rim economy, turning our Asian trade partners toward China instead. A tariff war with Mexico could close down the border economy overnight.

On the other hand, the more expansive predictions could come true as well. The border economy could grow explosively, with local government racing to pay for the infrastructure to support it. How can we make sure our own residents benefit, and that New Mexico workers have access to the new jobs that are created? How do we position ourselves as a city within the larger region? How do we make sure our community remains a good place to live?

Both scenarios require that we think carefully about our values and who we are as a city – especially how we have come to think of our “quality of life.”

That’s when we remember that education, for us as a city, will always be more than workforce training. A real education involves music and service learning and outdoor recreation; it goes far beyond the classroom into business districts and living rooms and parks.

That’s why the City partnered with our public schools, our nonprofits and our local business organizations to open, last month, our first Community School. Lynn Middle School will be, we hope, the first of many active centers for their surrounding neighborhoods, sites for lifelong learning, engagement and support.

When we consider quality of life we think about our public safety officers working every day to build trust, so that residents see them as welcome partners in their safety and wellbeing. We think about why we continue to build ball fields and bike trails and playgrounds. We think about our commitment to careful planning for growth and development. We think about how that planning is intended to build community ties rather than impede them, through creating better access to one another and the things that we need.

Some of this consists of understandings we’ve come to together. We won’t sacrifice our older neighborhoods to finance the building of new ones. Workers in our city will receive a fair wage for every hour worked. We are dedicated to the long-term protection of our air and water, and the belief that we make our best decisions as a city with everyone involved.

These are values that have defined us as a city and people, and they will continue to inform our choices as we grow our economy. In the meantime, they guide us in building the kind of community we want to enjoy as residents, a community we will be able to depend on in good times and bad.

We’ve talked today about the value of investing in ourselves as a city, and the many positive results that we’ve seen. We’ve talked about the importance of a corresponding re-investment by the state in our children and families, reversing far too many years of neglect and decline.

We’ve talked about re-prioritizing local businesses in our economic development strategies, recognizing their vital importance in our lives. We’ve talked about leveraging our advantages as a city and region to build a strong economy, while continuing to build on the values and quality of life that sustain all we do.

This great community and these same values sustain me, too. I rely on the importance we assign to one another as people. I remember that our common goal, whatever our differences, is to make this a great place to live.

I'm inspired by the easy way we continue to welcome everyone into the shared life of our city, whatever our background or religion or sexual orientation; whatever our age or the problems we struggle with; whatever our income or station in life.

That's why I'm proud every day to be your mayor, and that's why the state of our city is strong.

Let's keep on building this great community together.

Thank you very much.