

**State of the City  
Mayor Sukhee Kang  
Tuesday, February 7, 2012**

Good evening.

Tonight, it is my pleasure to address you in my fourth, and final, State of the City as your Mayor. In addition to the distinguished members in this chamber, I welcome the opportunity to speak directly to you, the residents, who are crucial to the ongoing success and vibrancy of this great City.

I am blessed to be the Mayor at this time in Irvine's history. While every minute may bring challenge, each moment is also a reward. We've had a great year working together, and I am grateful for your continued support.

Throughout my terms, I have met with and listened to many of you – residents, community partners and business owners – about whether the economy will turn around in time to save a family from being shuttered out of its home. Whether core services that the City provides will be continued. Whether some of our prestigious schools will be affected by overcrowded classrooms – a scenario that would compromise the high quality of education that we so value.

Despite the success of our City, many of our citizens have not been immune to the realities of the weakened economy. If it hasn't affected them directly, the burden has hit their friends, their neighbors and their family members.

But while a cloud of uncertainty continues to loom over us, and our country, I stand here tonight to remind you of our resilience. This City's solid foundation – built upon 40 years of impeccable planning, innovation and inspiration – has pulled us through the worst of times – unlike so many cities and other public agencies that survive only by reducing services at a time when people need those services most.

Together, we are continuing to make our streets safer to travel, graduating the brightest students, producing state-of-the-art technology, and building the best of homes.

My journey as Mayor has been among the most rewarding experiences of my life.

The thousands of people I've met on this road have one common goal: to do what they believe is best for Irvine.

Some of these people include my colleagues on the City Council ... Mayor Pro Tem Beth Krom, Councilmember Larry Agran, Councilmember Steven Choi, and Councilmember Jeff Lalloway. While we may not always agree, we have set aside those differences to focus on the important work of running America's most successful planned community.

For this, I am so grateful.

I also want to recognize our City Manager Sean Joyce, who has showed his leadership during this recession. He successfully implemented our Bridge Plan and, along with City

staff, has navigated these tough economic times.

To our City staff: In the media, there has been a continuing disparagement about public employees. I am confident to say that we have the very best, from those who manage payroll to our equipment operators, to our police and to those firefighters who protect Irvine.

It is no surprise that Irvine was recently named one of the Best Run Cities in America by 24/7 Wall Street.

For this kind of leadership, and civic commitment, I am deeply thankful.

Few issues have challenged us in the 40 years since incorporation as much as the Great Recession.

Nevertheless, the City has a longstanding reputation of being able to plan effectively for difficult times. When the storm first rumbled through the country four years ago, we put our financial plan into place and we were ready. We immediately assembled our resources and prioritized our objectives to ensure that we were prepared, in every way.

This City Council adopted the Bridge Plan, now in its final year, to strategically leverage our reserves to maintain key services. Some might ask, why use the City's reserves? Why not pare down our workforce or reduce the services that we provide to our community? We disagree.

Preservation of our residents' quality of life was non-negotiable.

The pulse of the local economy is showing signs of improvement. This past fiscal year, we outperformed our budget expectations by nearly \$14 million and as a result, we returned more than \$11 million to our contingency reserve fund. So, reserves are at 15% of the City's general fund.

- This is an outstanding result.
- That means, today, we still have \$20 million in reserves.

In the current fiscal year, the City had a projected budget gap of \$7 million. According to our latest receipts on sales tax and hotel tax revenues, we are increasingly confident that we will close that gap ... and maybe exceed it ... by fiscal year end.

Our unemployment numbers also are improving: Irvine's unemployment is 6.1% while the state is experiencing 11.1%.

For those who have watched how Irvine has managed our limited reserves during the Great Recession, you will remember that our Bridge Plan contemplated exhausting our contingency reserves in three years. In fact, today I am pleased to report that we will recover from the recession with our reserves intact.

We are moving forward.

In early 2011, we completed the Jeffrey Road grade separation, a massive \$53 million project that put a major roadway under the railroad lines. As a result, traffic is running smoother for thousands of residents daily. And now, work has begun on the Sand

Canyon undercrossing to do the same.

We have also enhanced our goal to make this city greener than ever. University Park completed a \$6.2 million, LEED-certified community center equipped with sustainable materials. Renovation of the Northwood Community Park center begins this spring and will be completed in 15 to 18 months, more than doubling its current size.

We opened the Bommer Canyon Trailhead, which provides convenient access to the City's thousands of acres of permanent open space. Connections such as this help promote the 'mountains to the sea' experience for residents and visitors alike. We continue to benefit from the wisdom of Irvine voters, who in 1988, approved the historic Open Space Initiative to protect more than 16,000 acres of parks and wildlands.

Our partnerships and attention to detail have proven fruitful this past year. Our major developers, Irvine Company and FivePoint Communities, help shape our master plan.

Despite the continued slump in the real estate industry, the Irvine Company is actively building apartments and homes for sale, including the Cypress Village apartment project ... an expansion of The Park apartment community near the Irvine Spectrum Center ... as well as new homes across the villages of Irvine. High quality of planning and development are what the Irvine Company has long been known for. For that vision, we thank the Irvine Company for its long-standing commitment to our master plan.

I would like to ask Dan Young, President of the Irvine Community Development Company, to please stand and be acknowledged.

The City is continuing to set an example by providing affordable housing opportunities. The Doria Affordable Apartment Housing project had its Phase 1 Grand Opening last October. It is a great example of how an innovative city such as Irvine is able to work with many partners through the nonprofit entity we created ... the Irvine Community Land Trust ... to make housing permanently affordable. We recognize that a mix affordable housing is critical to the long-term success of our community.

Since 2006, we have added 5,200 affordable housing units. Our goal is to create nearly 10,000 affordable homes – which is 10% of our total housing stock – by the time Irvine is built out. And this City Council is deeply committed to the affordable housing policy.

As a sign of more positive activity in the housing market, FivePoint Communities held a historic groundbreaking ceremony last week. This indeed begins the transformation of turning the Great Park Neighborhoods into reality. The project will create thousands of new jobs across the region.

Adjacent to our Orange County Great Park, FivePoint Communities will produce nearly 5,000 homes, 1.2 million square feet of commercial space, as well as 23 miles of trails over the coming years.

This is quite an accomplishment.

The ongoing effort takes resilience and leadership during a very difficult economic period. I thank FivePoint Communities for making a commitment to move forward. The reward will be another beautiful community that will continue to define Irvine.

I would like to ask Emile Haddad, President and CEO of FivePoint Communities, to please stand and be recognized.

What is occurring at the Great Park Neighborhoods complements the activity that continues at the Orange County Great Park.

With new amenities such as the Palm Court Arts Complex and the North Lawn, more and more people are visiting the Great Park. Ridership on the Great Park Balloon and Carousel grew significantly in 2011. The combined number of riders as well as event attendees exceeded 600,000 last year. The Palm Court was also activated with outdoor cultural programs and the presence of artists-in-residence, creating art for – and inspired by – the Great Park.

Nearby, the newly renovated Hangar 244 is a popular spot for events. A signature annual event that draws thousands of children, the Great Park Pumpkin Harvest, is a hit. And, we hosted the first Great Park New Year's Eve family night, and 10,000 people, young and old, attended.

In 2012, we will continue on a path of growth for the Park, with the first vertical construction project – the new Visitors Center. The South Lawn soccer fields will also take shape in 2012, and the Community Garden will open.

Just last week, we received the great news that the U.S. Department of Energy has chosen the Great Park to host its national Energy Solar Decathlon in 2013. Four countries and 13 states will be represented as college students demonstrate what defines our City's interests – energy-efficient housing, clean energy technologies, innovative thinking, and marketable ideas.

Despite the challenges of the economy, and the elimination of redevelopment agencies throughout the state, we are deeply committed to continuing to build the Great Park and to use it as a resource.

Just as the Great Park is a symbol of welcoming everyone, so is our City.

No question, one of Irvine's unique advantages is its diversity of community.

The U.S. Census data from 2010 shows a City that grew from 143,000 residents in 2000, to 219,000 today. The growth reflects the tapestry of our City. Irvine over the years has attracted residents from around the region ... and around the world. Perhaps nowhere is diversity clearer than during our annual Irvine Global Village Festival. This past October, more than 20,000 people came to Bill Barber Park to enjoy the many performances, international cuisine, and merchants that reflect our community. In 2011, as we celebrated our 40 years as a City of innovation, the Irvine Global Village Festival celebrated its 10<sup>th</sup> Anniversary.

Apart from the Global Village day, we received more than 500 international visitors from countries such as China, Haiti, Japan, Korea, Latvia, Norway and Azerbaijan in 2011.

The City's future rests in the hands of our young people. It is our responsibility to

cultivate their talents, their dreams and their skills. They will create technology that far exceeds our imaginations. They will pass on their legacy to generations to come.

Little more than three years ago, Northwood High School graduate Stephanie Lin was a freshman at MIT. She certainly set her goals high. This year, she is one of only 32 students in the U.S. selected as Rhodes Scholars. Stephanie, a biology major, will be pursuing two master's degrees at the University of Oxford in England. She was home recently and we taped a brief welcome from her. And this is what she has to say.

What a wonderful young leader for our community.

Stephanie's mother and father, Jennifer and Muh-Ren, and brother Jonathan, a senior at Northwood High School, are here today. Will you please stand?

Stephanie's success is a testament to the outstanding results of our public school system – the Irvine Unified and Tustin Unified School Districts – and to the importance of community support. We know that future Stephanie Lin's are in our classrooms, moving onto higher learning institutions.

I am proud that our community understands the value of excellence in education. A network of support must be woven together to provide each of our students the maximum opportunity to succeed.

This is our asset; this is our strength.

We at the City recognize the importance of partnering with our schools. Alongside the hard work and devotion of our administrators, educators and parents, the City of Irvine sets the standard in California by providing financial support to our local schools. This evening, we are joined by Gregory Franklin from Tustin Unified School District; Terry Walker from Irvine Unified School District has his own Board meeting tonight and could not attend. Superintendent Franklin, please stand.

Of our many partners, the Irvine Public Schools Foundation is essential to achieving our goals. The nonprofit is entrusted with raising funds to match the City's support of our schools. We extend our gratitude to IPSF for its continuing effort to fill the gaps in public education. Would CEO Neda Zaengle please stand?

Along with our public schools, our colleges are continuing to grow and add vibrancy to our community. Last June, I was UC Irvine's School of Social Ecology commencement speaker. It was quite an honor to speak at one of America's great public universities in front of 6,000 graduates and family members.

UCI is heavily investing in its student body and producing high-achieving graduates. An example of our relations is Dean Joseph Lewis of UCI's Claire Trevor School of the Arts. There are more than 200 student performances, exhibitions and concerts each year presented through the school.

I had the pleasure of joining the grand opening last November for the Contemporary Arts Center, home to the next level of technology in art and design.

It is a busy place. And so is Joseph. He seems to be everywhere, all at once. And he is with us tonight. Dean Lewis, please stand.

At the core of our City is our vibrant business community that provides thousands of jobs and produces everything from Japanese ice cream and video games to memory cards and microchips.

There are many success stories in Irvine, but none better reflect the opportunity that abounds here than that of Vizio, Incorporated. CEO William Wang launched Vizio in 2002 with just two employees. He learned from earlier business experiences to reinvent his strategy and create a successful business model.

In fewer than 10 years, Mr. Wang took his company to the top of his industry. Vizio, based in Irvine, is now the No. 1 selling brand of flat panel high definition TVs in North America. And he is not finished: Vizio has just announced its first line of laptops and desktop PCs.

Thank you, William, for your entrepreneurship and for your commitment to Irvine as home for your business.

Would you please stand and be recognized.

Vizio, by the way, is a member of the Irvine Chamber of Commerce. The Chamber's chairman, Massis Chahbazian, is an Irvine entrepreneur who opened his company, The Printery, in 1989 with a small investment. Today, his company in the Irvine Business Complex uses the latest digital and offset printing technology to produce everything from brochures to annual reports.

As a small business owner, he has done a tremendous job of raising the profile of the Chamber. I would like to ask Massis to please stand.

We at the City also know the importance of linking our residents and business community to a seamless transportation network. It is part of our initiative to integrate jobs, housing and transit in a sustainable way.

Just a few months ago, we expanded our public commuter shuttle system, the iShuttle, into the Irvine Spectrum. Along with ongoing service at the Irvine Business Complex, we now have public transportation in our heaviest traveled business areas. Traveling to and from our Irvine Station, two routes stop in front of numerous Irvine Spectrum companies.

As I have previously presented, the City successfully secured \$121.3 million that will offset most of the operational cost of the iShuttle over the next 30 years.

This is the City's long-range transit vision.

And, there is more to come. The expansion of the Irvine Station, the busiest transportation hub in Orange County, is ahead of us. Soon, the City Council will select a firm to help us plan and design the expansion of this critically important feature that is key to our comprehensive, integrated public transit system. So, stay tuned. Also important to us is cooperation and collaboration with neighboring cities.

We helped identify transportation concerns that could arise as the Irvine Business Complex develops alongside the former Tustin airbase.

With the City of Tustin, we had a groundbreaking ceremony to begin the extension of Tustin Ranch Road to Von Karman Avenue. As a funding partner, this will provide a direct connection between the IBC and the I-5 Freeway to relieve traffic along Jamboree Road. We are pleased that the City of Tustin has begun grading operations in the first phase of this extension; the Tustin Ranch Road extension is due to be completed in late 2013.

Also, we have collaborated with the City of Newport Beach to improve traffic between our two communities.

It is about addressing regional needs. This way, we all win.

We all know that Irvine's focus on public safety sets us apart.

We are a major U.S. City with a population of 219,000. Ensuring public safety on our streets and in our neighborhoods is no simple task.

Preliminary statistics on crime for the first part of 2011 have been published by the FBI, and we look forward to another successful year. It is quite an honor to be the Safest City in America for seven straight years, based upon population and violent crime statistics. This is a culmination of a coalition between our community partners and our City staff across all departments.

I would like to recognize Police Chief Dave Maggard, Deputy Police Chief Jeff Noble, and Area Commanders Barry Aninag, Mike Hamel, and John Hare. Please stand. They represent a department that protects and reaches out to our residents and businesses. For your service to our community, I thank you so much.

We have also saluted the sacrifices made by our service men and women. After many years of working alongside a devoted group of Irvine residents, we dedicated the Northwood Gratitude and Honor Memorial in November 2010 to honor those who lost their lives in Iraq and Afghanistan – the first permanent memorial in the country dedicated to these service members.

This has been the site for numerous services. Last year was the 10<sup>th</sup> anniversary of 9/11. At the Memorial, our residents and visitors observed a solemn moment, in the shadow of those who served and died. We gathered together as Americans.

We will never forget the day; we should never forget the outcome.

More than 6,000 names are etched onto those panels. One of them is 2<sup>nd</sup> Lt. Mark Daily of Irvine, a 23-year-old Woodbridge High School graduate who died in January 2007 while serving in Iraq.

Let us not forget the brave, and brief, life of Mark and others. This past October, the City Council voted to rename Alton Athletic Field in his memory, as Mark Daily Athletic Field. The formal dedication will be in July.

We honor him with respect.

I am not afraid to say that times are still challenging. I was sworn in for my first term in December 2008, when the recession first took hold. What had been the American Dream is, for too many, replaced by a new American reality. What was attainable just a few years ago is no longer always true – to buy a home, to find an opportunity.

The weight of simply making ends meet has drawn many Americans down.

Through it all, I have held a steadfast belief that we will come out on top.

Much of that success will ride on working together – by paving the way for businesses, investing in our young people and keeping our heads high when there are so many reasons not to. And there is much we can do individually ... by lending a hand to our neighbors ... volunteering in our communities ... and contributing to the well-being of our City.

Your City leaders have worked hard to maintain your sense of security. In the past year, the City Council has approved ordinances that reflect a wide variety of issues – establishing child safety zones in parks; an animal welfare ordinance; and a social host ordinance designed to address underage drinking.

So, while I look forward to a busy year ahead, let me reflect on what it all means to us.

The days ahead will continue to require hard work. But I am confident. Just look around this Council Chamber: the diversity of people, the diversity of talent, and the diversity of ideas. The American Dream is alive, just as it was when my wife Joanne and I immigrated to America 35 years ago.

After moving up the ranks of my career and seeing our children through school, I found the calling for public service. I yearned to give back to a country that had provided so much opportunity for me.

I know that we have traveled together across these rough times, all the while with the highest level of civic commitment.

- We have preserved 100% of our core services to you.
- We have not laid off a single employee.
- We have replenished our contingency reserves.
- We have supported education by continually investing in our students.
- We have embraced our business community partnerships.
- We have remained Irvine.

What stays in place, as we begin our work in 2012, defines who we are.

- Difficulties? Of course. Opportunities? Absolutely.

Because each moment in time has its challenge ... and the opportunity to succeed. Without ignoring the challenges, I remain positive.

Because I am certain that the tools for Irvine's future are in place.



- Like the distance that I once took ... 6,000 miles from Korea to the United States ... life is indeed a journey.
- Positive thinking; the preparation needed for success; persistence; the importance of consensus-building; the truth that hard work is the only way ... define who I am.
- That is my personal journey ... inspiring me every day.

I have been humbled by the experience of serving you. I am honored by your commitment to this City. I give my heart and soul to Irvine, and in every way you repay me with a reminder of where we live, of how we live, and of why we live here.

I am filled with gratitude for having had the chance to serve the City I love.

I am not quite ready to say goodbye as your Mayor. After all, I still have 10 more months to go.

There is still much to be accomplished this year.

So tonight is not a farewell. It is instead a heartfelt reminder to the work of tomorrow ... and to the promise of the next 40 years.

Thank you.

**We are now adjourned.**