



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

OFFICE OF THE MAYOR

January 5, 2006

STATE OF THE CITY - JANUARY 2006

To the Citizens of Paso Robles:

Is it just me, or is time flying by at the speed of light! 2005 came and went so quickly it's difficult to capture all that's happened in that brief moment in time, and now we are looking at 2006! As John Steinbeck, the famed American author said, "Time is the only critic without ambition." So, as ambitious as we are, I'll try to capture, albeit briefly, what happened over the past year, what we accomplished and what we look forward to in 2006?

The State Department of Finance has estimated the population of Paso Robles as of January 2005 to be approximately 28,000. As Dr. Bill Watkins stated in his economic forecast, "Paso Robles is one of, if not *the*, most unique cities in the state." While other cities have experienced difficult times and financial woes, Paso continues to maintain a healthy economy, a strong financial focus and continues to be a desirable place to live.

While some are experiencing deficits, we are fortunate to maintain close to a 36% reserve. As the fiscal year ended, we finished with \$1million of positive results. One may argue that, if you have the money you should spend it on projects. I would submit that it is more prudent to maintain a healthy savings account in case of emergency. We never know what may lie ahead, but it is important that we plan, prepare and maintain a viable reserve. In addition, we are hiring 20 personnel to bring us back to the level of workforce that is long overdue and desperately needed.

When the State found itself in a precarious financial situation, the Council established a one year budget until we could get a clearer picture of what impacts may be created by the State. After a couple of years of uncertainty, we are back on track and have once again adopted a two year budget and four year financial plan. The City also received an "outstanding reporting award" from the California Society of Municipal Finance Officers for the City's annual financial report. In addition, because the community asked that we run the city like folks run a business, thus we completed and presented the first ever "cost of services study". The Council adopted the study with the exception of independent organized sports, which will be re-visited in July 06'.

Over the past year we awarded a number of contracts for services in all departments. The Specific Plans for Chandler Ranch, and Olsen/Beechwood tracts are moving forward. Contracts for the rehabilitation of Fire Station #2, rehabilitation of Centennial Park, the first phase of the Sherwood Park Master Plan are all underway. We upgraded all City installed bus shelters with solar lighting.

This April, the City will be a joint sponsor and host for the Chamber Business Expo that will be held at our Airport. The City side of the Expo will place emphasis on the promotion of Aviation and Airport based business. In 2005 we saw the completion of the Airport Master & Land Use Plan. In addition, with grants obtained, we spent \$1.2 million for aviation pavement. With the main runway being completed three years ago, this extends the life expectancy of all surfaces at least another ten years before additional work will be required.

In October we held a three day design and public workshop for the Salinas River Corridor Planning of "Follow the River, Follow the Dream." This was one of the most successful and dynamic workshops ever held. Look for the unveiling of the plan in summer 2006!

We had almost 12,000 hours of volunteer time spent at our Library with over 12,600 folks attending special events. The Youth Commission was busy in 2005 with a variety of events and public service. REC Inc. offered \$10,000 to assist the City with the master planning of the downtown City Park. The Creekside Garden, 27 unit apartment, was completed in 2005 and the 68 unit Canyon Creek apartments are under construction. We saw the opening of Kohl's in January. In addition to Kohl's, Panda Express and Jamba Juice opened in the Walmart Center. The beautiful Gateway Center, which houses Mee Outpatient Center, opened in 2005.

We reviewed and adopted a Local Hazard Mitigation Plan as well as a Seismic Mitigation Plan. The seismic plan assists owners of un-reinforced masonry buildings to register for grants to offset the costs of preparing seismic structural analyses and plans for retrofitting their buildings.

We are still recovering from our little shake in Dec. 2003. But as you look around the downtown area, you continue to witness the resiliency and determination of folks that are rebuilding and remodeling. The old "Camera Corner" building that housed Marlow's Interiors has been rebuilt and is close to occupancy. Look for the second Mastagni building (the Acorn Building) to rise again in 06'. Our hats are off to those that found the will and the way to press on. I know it hasn't been easy, but the community is extremely proud of your efforts.

Funding has been secured for the seismic retrofit and repair for the Carnegie Library in the City Park. We hope to complete environmental assessment and permitting for repairs in the City Hall Parking lot. Paso Robles continues to play an active role in moving forward with the design of the Nacimiento Pipeline Project. The Nacimiento Commission has been meeting every other month and will continue to do so until the final design is complete. This is an extremely costly effort. However, one only needs to pick up a newspaper, or any magazine that writes or speaks about the Western United States, and the issue and the importance of water is at the forefront.

This year appears we will finish with a slight reduction in our crime stats compared to 2004 and still a significant lower crime rate since 1994 when our community oriented policing efforts were initiated. The Department of Emergency Services responded to 2,563 calls (an increase of 5% over the prior year. 70% of those calls were medically related. We also increased our emergency services staff by four.

I see no reason why we shouldn't experience another successful year in 2006. Many of the plans, goals and contracts will be completed in this calendar year. The "tools" will be available for well informed and sound decision making.

In the spring, you will see the presentation of the City's Economic Strategy. Currently there are twenty folks that meet on a regular basis to establish this plan for community review and comment. In the past I have referenced this plan as a companion piece to the General Plan. The General Plan is our blueprint and the Economic Strategy suggests ways to get there. This strategy will be considerably different from strategies of the past in that it will focus more on a philosophical approach regarding "where we want to go from here" as opposed to specific numbers of units and business that we wish to create. We are hoping that it will stimulate discussion and provide community insight. This strategy will have far reaching implications. We'll be looking forward to your comments.

As I mentioned earlier, look for the Salinas River Corridor Plan to be unveiled in late summer. You will see a grand vision of "what could be". I truly believe the possibilities are endless and the opportunities are phenomenal.

Also in the summer of 06' you will see the completion of the 13th Bridge Project. This is the last of the projects that were designated in the D-98 Bond measure approved by the voters in 1998. I think you will be pleased by what you see. This is a phased project that seeks to improve our traffic flow on that corridor. The following is a list of the D-98 Projects and their status.

- Niblick /Veterans Memorial Bridge expansion and improvements...complete
- Senior Center...complete
- Veterans Center...complete
- Airport Terminal...complete
- Public Safety Center...complete
- Cuesta College Improvements...complete
- Barney Schwartz Park...complete
- 13th Bridge...construction underway, completion Summer 06'

Look for completion of new hotels, restaurants and additional businesses in the downtown core. In addition, you will see new businesses in the Gateway, Walmart and Target Centers. Idler's is under construction on Theater Drive and a new restaurant is planned in that area as well.

The new and exciting Children's Museum (the site of old Fire Station #1 on 13th Street) has submitted plans to the city and is currently in plan check and moving forward. Hopefully, we will see progress toward a new Superior Court Building on 10th Street across from the Public Safety Center. There will be continuing efforts to upgrade and provide more services via e-commerce. The City Website will expand to allow for easier access to information.

With all of the exciting projects, events and planning efforts proposed, they do not come without caveats. The three most discussed and most difficult issues that continue to rise to the top are growth, traffic and housing. We cannot fault those that wish to come here. They do so for the same reason we love it here. We must recognize that, not only have we been discovered, we are one of the most desirable discoveries in the nation. But with that comes the demand to maintain our "small town" character.

In 2006, and in the years ahead, service demands will continue to grow. The "quality of life" we have come to expect require that we continually address current and future service needs. Streets, roads, water, sewer, school facilities, etc. will all require more focus and effort. All of this does not come without cost. You will see a number of opportunities for the community to engage in discussion regarding a proposal to establish a revenue stream to address these current and future demands.

Paso Robles has always taken extreme pride in its "can do" attitude. The year ahead and the years to come will challenge us to come face to face with what we want as a community. We've done well together and we will continue to prosper. But we must decide what we want and what we are willing to do to maintain the quality of life we've come to enjoy.

I believe Paso is only seeing the "tip of the iceberg" in relation to the possibilities and opportunities. Now is the time to decide where we want to go from here. We, as a community, can point to numerous successes. We cannot sit back and rest on our laurels. Now is when we should peak over the mountain and see what lies ahead. We have a lot of work ahead of us.

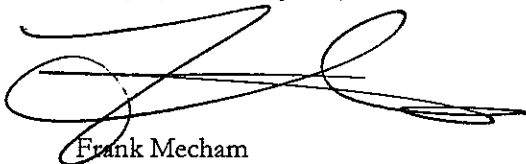
As one of our famous residents once said,

"If I miss one day's practice, I notice it. If I miss two days, the critics notice it. If I miss three days, the audience notices it."

-Ignacy Jan Paderewski (1860-1941)

Polish Pianist and Statesman and former resident of rural Paso Robles

I hope you had a great year, and we as a Council, look forward to serving you in 2006!



Frank Mecham
Mayor

cc: City Council
City Staff
Advisory Bodies