**State of the City 2014**

My name is Lucy Johnson, I serve as Mayor of the city of Kyle, and it’s my pleasure to update the Kyle Area Chamber Membership on the state of our fair city. As many of you know, this is my last “State of the City” address, as my term of office will be over in a couple of months. Because of that, I hope you will indulge me. I want to start off this afternoon by talking about a bigger picture than I usually do. Specifically, bigger numbers like this one: 41.3 million. That’s the expected Texas population 36 years from today. The state demographer’s office of Texas put out this number, and what’s startling is that they were using growth models calculating half the migration to Texas seen from 2000 to 2010, so this is their *conservative* estimate. It represents a 64% increase from our last census. But 64% is nothing compared to my next number. 202% - this is the projected growth rate of Hays County over the same time period. In 2050 Hays County could see nearly half a million people living here. That makes us, by a wide margin, the fastest growing county in Texas. For those you wondering how fast Kyle could see 200% growth, don’t worry about waiting around that long. By 2032 we could easily see over 85,000 people in Kyle, just using the relatively moderate growth patterns of 2010 to 2012.

It’s clear that this state and this region are undergoing massive changes, and that we are one of the swiftest developing area in the US. With growth, as we all know by now, comes challenges, but more importantly, opportunities. Kyle is part of the greater Austin Metro Area, and make no mistake - it is Metro areas that will mold our country’s future. Today, Metro areas create over 90% of US GDP, they hold 85% of our total population, and are set to continue their dominance over the US economy for the next 50 years. The Austin Metro Area, by the way, is outperforming 95% of the other Metro areas in the US in terms of GDP growth.

Economic development and intelligent planning are the only things that can sustain population growth. Austin clearly has one of those. Kyle has both. We’re blessed to have found ourselves at the right time and right place to prosper – there are few better places for residential and commercial growth than right here in Central Texas, but we also are blessed with the right people. We have City of Kyle employees that have filled back up our financial reserves, increased our bond rating, expanded our parks system, planned new roads, streamlined our development process, and made the city safer. We have a legion of citizen volunteers on 18 different boards and committees working to create and redesign our municipal policies. We have a business community of hundreds who work together every day to expand each other’s businesses and give back to their community. We have so many young people who are excited for the future, who are ready to embrace change and new opportunities, and even do crazy things like run for Mayor. And we have, and this is what makes us really unique, so many older residents, senior citizens, veterans, old timers, and all around good ‘ole boys, who have completely embraced us. They cheer us on and support us, embracing the future and often actively leading us there, taking the initiative when so many others won’t.

It’s Kyle’s people who are enabling our city to become, and in many ways already is, a flagship community for other cities within Texas to look to. This is how you face population growth, this is how you encourage new business, this is how you embrace your neighbors, this is how you make the state of your city strong.

**Economic Development**

Last year, Kyle hit a commercial milestone. By the end of FY2013 the city had collected over $4 million dollars in city sales tax. To put this in perspective, at the end of FY2008, just a couple of months after I had joined the city council, the city had only collected $2.2 million. As of this month, I’m happy to report, the city has already reach $2.2 million for FY2014, and we’re only half way through. Overall city property values have also been on the rise, as valuation for all Kyle properties increased $74 million last year, up 5% from 2012, bringing us to a total citywide value of just over $1.5 billion.

The Medical services industry continues to boost Kyle's economy and contributes heavily to our commercial development. In 2007, Kyle had less than 20,000 square feet of medical space. By the end of 2014 that number will be over well over 800,000 square feet. Of which the original portion of Seton hospital only contributes 39%. Overall, the medical industry represents an incredible 1,800 jobs in Kyle, with salaries from $25,000 to well over $100,000 annually. The largest groundbreaking ceremony held in Kyle last year was for the Warm Springs Rehab hospital opening this summer across from Seton on Kyle Parkway. At the ceremony you really got a sense of how many state and national players are involved in these large medical developments, and how much interest, and money, there is available for continuing to expand the medical industry in Central Texas. I would suspect that Warms Springs is far from the last large medical project that Kyle will be seeing in the next five years.

Another large groundbreaking ceremony that we had this past year, though certainly not as beneficial to your health as new hospital, excited the entire community and marked the first large indoor entertainment complex to be developed in Kyle. EVO is kind of a weird name for a movie theater, but for the joy they’re bringing to our city, they can feel free to name it anything they’d like. The development by Texas Cinemas out of San Marcos is actually much more than your typical movie theater. Along with 11 screens, the development will also include a bowling alley, restaurant, bar, and arcade. The construction is moving along very quickly, and they are on pace to open before the big holiday movie season gets started.

Overall, Kyle continues steadily on the path of growth, issuing 42 new commercial permits and 320 residential permits in 2013. On the screen is a list of many of those new businesses, and let me tell you, each one contributes uniquely to our community. As of August Kyle’s unemployment rate has dropped to 3.9%. Small businesses contribute big time to their local economy, and one reason they are so valuable is the increased likelihood that they are employing local residents, particularly in management positions. The next slide shows business opened or opening in 2014. There are plenty of big names on the coming soon list, and but the smaller names that some of you may not recognize are just as important to growing Kyle’s business community. I love our big box stores, I love our national chains, I use them. And trust me, we are doing everything we can to get Wal-Mart to start building; they turned in all their construction documents last month. But when I look at New Haven Assisted Living Center, I see the old ranching family that went to the city to develop their property; when I see Warm Springs Rehab, I see a brand that was started in Seguin. I see jobs that improve the quality of life for entire families. The city remains very serious about helping small businesses through our development process, and we’re happy that so many of you have reached out for help when trying to navigate the complexities of opening your own business.

**Chamber Relationship**

There is, of course, one organization that stands out above the rest when it comes to assisting small businesses, not only in Kyle, but throughout a very large part of Hays County. The Kyle Area Chamber of Commerce is an essential ingredient in Kyle’s economic success. In 2013 the Chamber added 99 new members and hosted 35 individual ribbon cuttings. The Chamber raised $20,000 at the annual gala last month to help fund valuable programs for its members and the city, and they just donated $4,000 to help complete restoration of the Kyle Train depot.

The Chamber provides educational lectures and workshops to their members, including discussions on networking, social media, and business development. But they do stuff even cooler than continuing education too. At the last ribbon cutting I attended, I learned how easily that business in question was able to make contacts with local banks and navigate the city’s permit process thanks to reaching out to the Chamber leadership and staff. I was just so blown away hearing this that I had to rethink my prepared comments right on the spot and just marvel at what happened. I mean, what more do you want in a Chamber than, “They connected me with a bank to get me a loan, and then helped me get my permits.”

This is the Chamber that we have right now. I still miss Ray, like, all the time, but I think of how Julie Snyder got up in front the of city council last month, and gave us some real hard facts on the ineffectiveness of our tourism policies, and I feel like you’re in really good hands. Julie, its always a brave thing to do to, presenting facts to politicians, but you seem really intent on ignoring the status quo. Good luck, and know that I’ll be rooting for you.

**Community Services**

**Planning**

2013 brought significant changes to Kyle’s boundaries. After a three-year long negotiation with the city of San Marcos, we finally resolved jurisdictional disputes and entered into an ETJ agreement that would allow Kyle’s Extended Territorial Jurisdiction to move eastward all the way to Highway 21 for the first time in our history. Following this agreement, the city annexed 285 acres on Kyle’s east side, along the future commercial growth corridors of FM 150, Windy Hill, and Bebee Road. We also approved a development agreement to annex any future commercial developments, should they ever materialize, on property owned on the city’s west side by the General Land Office. They own approximately 2,100 acres of land located along the Blanco River and are in the process of creating a master planned community just outside of Kyle’s city limits.

The city council also approved the planning department’s proposal to streamline the development process. Platting and site plan approvals take far less time than before, and can either be passed administratively, or approved by P&Z alone, rather than head to the city council. For companies willing to comply with our zoning ordinances and overlay district requirements, this new process can save them up to a month in waiting for approval.

2014 is going to be a busy year for planning as well. During the last week’s city council meeting, our council approved two very important land use updates to our city’s code. The first was the city’s first full across-the-board update to the 2010 Comprehensive Plan’s list of recommended zoning categories. As of April 2nd both the neighborhood and community commercial zoning categories will be formally listed within the land use plan, and other changes have been made to better represent the preferred future zoning in rapidly changing areas of the city. We also approved changes to the Plum Creek Planned Unit Development agreement to better structure commercial development in that area, creating buffer zones and quiet hours when new development abuts single-family homes.

In January of this year the Planning and Zoning Commission was tasked with an assortment of policy goals, three of which they’ve already completed, including recommending approval of the Lone Star Rail District at their meeting this month. In the coming months they will be reviewing our current landscaping ordinance and preparing an ETJ management plan. We also have two new apartment complexes up for approval, one next to Amberwood, and the other in Plum Creek. Along with the Planning and Zoning Commission, the Long Range Planning Committee remains hard at work helping to implement and evolve aspects of our Comprehensive plan. It is no small endeavor to look forward 30 years or more and hold ourselves to a standard that often won’t be realized for decades, if ever. The discipline that our staff and planning commissioners alike have shown in the past few years, holding fast to the belief that good developments take time, but are worth the wait, make me feel secure in Kyle’s future.

**Parks**

I’m happy to report that this May, when the Kyle Pool opens for the 2014 summer season, our residents will find much needed improvements and renovations. The pool itself is being entirely re-plastered with an extra durable Pebble Sheen surface. Guests will also find improved splash pad features, a new slide, and, essential for the ladies, real doors on the bathroom stalls! The full program of water aerobics, swimming lessons, and movie nights will also be back for the summer season.

Overall, the Parks & Recreation Department continues to make great strides in both improving and expanding outdoor experiences for our residents. Last year marked the debut of Lake Kyle’s Full Moon Jubilee, which featured local bands, a bonfire, fishing, overnight camping, and a slue of activities for adults and children. Approximately 500 people came out to enjoy the festivities. In Kickball we saw more than 50 teams participating over the Winter, Spring, and Summer seasons. Santa’s Arrival saw a crowd of 3,000 people in city Square Park. The Parks & Rec Department hosts 20 events and programs throughout the year, totaling nearly 100,000 participants across them all, and looks after 1,059 acres of parkland. If you’re interesting in learning more about our parks, or volunteering over the summer, please check out www.kylePARD.com

**Police**

One of my favorite things to do as Mayor is to go on ride-alongs with Kyle police officers. At last count I’ve been on five since joining the council, and I always try and prepare myself for the worst that Kyle could throw at me. I’ve even scheduled ride-alongs on Friday nights during a full moon. I feel like if I go out there at just the right time I’ll get a chance to witness Kyle’s seedy underbelly. It never happens. Instead, I spend the next six to twelve hours of my life trying to find speeders, herding escaped animals, investigating noise complaints, and listening to teenagers argue with their parents. Occasionally, someone gets arrested for an old warrant and we drive them to the county jail. If I was lucky, we’d find a teenager smoking pot. But in general, that was as fun as it ever got. Every year, with more people moving in all the time, and new businesses opening up every week, I am worried that Kyle will become a greater target for crime. I continue to hear about break-ins and domestic violence and drunk drivers and I don’t always feel certain that our police department can handle the influx of crime that comes with increased development. I have to tell you that a couple of weeks ago, when I requested some of Kyle’s crime and safety statistics from our police chief for the presentation today, I was expecting different results than what I saw.

In multiple categories, crime is down or off its highs from recent years. The number of assaults is down below 200 for the first time since 2010, and we’ve seen decreases in the number of burglary’s, car break-ins, and DWI’s reported as well. Even drug related arrests, up from last year, are noticeably lower than what they were in 2010 and 2011. The reason for these slow downs? One, the economy is doing better and people with jobs tend to get into less trouble, and two, we hired an amazing Police Chief in 2011 by the name of Jeff Barnett. The number of new programs and policies he as initiated is astounding. Just for 2014, Chief provided the council with a list of nearly 20 different objects for his department to achieve. He also started the Citizens Police Academy, which runs twice a year, and has since developed into one of the more active volunteer groups in Kyle, generating over 800 volunteer hours, saving the police department over $18,000, and premiering the Heroes Behind the Badge Documentary this past fall. They’re also pretty good shots.

There are, of course, challenging issues that we all know no amount of good police work can prevent. With more people in town, the workload for our officers in not getting any lighter. 911 calls continue to go up every year, accidents increased by a noticeable amount in 2013, including injury accidents. As we continue to see more cars on the road, increased accidents are a very real danger. Of the many goals that Chief Barnett has initiated for his officers, increasing the number of officer initiated calls and traffic stops is one of the most important tools the police department has in combating unsafe driving. While there is no road in Kyle our officers don’t patrol, they pay special attention to our neighborhoods, schools, and commercial centers.

**Transportation**

Of course, there is more than one reason that our roads are becoming less safe. The substandard conditions of many of our local roads, both in terms of capacity and quality, really do negatively affect driving conditions and contribute to unsafe driving and increased accidents. That’s why 2013 was so important for our city. Last May, our $36 million road bond package passed overwhelmingly in its referendum to voters. Shortly there after, a committee was formed to evaluate engineering proposals for the five different roads included in the bond: Goforth, Bunton, Burleson, Marketplace, and Lehman Road. By the end of August the committee had made it’s recommendations to council, and the city proceeded to negotiate the engineering contracts. Unfortunately, life got in the way: our city engineer left, we switched city attorneys, and our assistant city manager, who had been helping facilitate negotiations, has been on leave for three months taking care of a sick family member. All of this to say, it took us longer than we expected, but last week we finally approved all five contracts, and we’ll be on track to start construction on the first road in 2015, hopefully only a few months delayed on what is scheduled to be a six year process.

These are far from the only transportation projects set for Kyle. TxDOT has begun preliminary construction on overpass turnarounds on both the FM 1626 and Center Street Bridges. Engineering is finally finished on the FM 2770 and FM 150 sidewalk projects, and construction should start this summer and be ongoing throughout the fall semester. TxDOT and the county are also currently improving conditions on FM 150 East, repaving the road and adding a center turn lane. I would go into more detail about some of these larger county and state projects, but I realize that Mark Jones needs something to talk about during the State of the County, so I’ll leave it there.

There is one big transportation decision that the city council will be voting on this spring, and that is the Lone Star Rail District. I count myself very lucky that I don’t have to commute into Austin every day. I know that a lot of the people in this room, just based on the fact that you’re here at lunchtime on a Tuesday, are very lucky as well. It doesn’t change the fact that the majority of Kyle’s workforce heads into Travis County everyday for work, and what they have to put up with is becoming a nightmare. Leadership in Central Texas, including the My35 group, have put together preliminary plans that show it’s possible have an 8-lane highway all the way from I-10 in San Antonio to Williamson County. But this plan would cost upwards of $4 billion. Considering what the population is expected to climb to over the next 36 years, an extra lane will not be enough to relief congestion, but perhaps just slow down the rate at which it continues to get worse.

Lone Star Rail is proposing a $2 billion system connecting Austin and San Antonio, and providing commuter rail to major towns in between, including Kyle. Kyle’s proposed contribution would include the creation of an oval-shaped funding district located around the proposed station site that would provide the rail district with half of all the future growth in property and sales tax. In other words, if property tax rates increased 2% each year, the district would only take half of that 2%. These funds would go towards our percentage of the rail’s total operations and maintenance costs. The city has not been asked to provide a single penny in capital costs, and the length of the contract, 36 years, though long, is the bare minimum time frame required for the district to secure federal funding and loans. In return, the city will receive a station, parking, and an alternate path for our residents to get into downtown Austin. I urge members of the chamber to contact city council and let them know how you feel about Lone Star Rail. Austin and San Marcos have already passed preliminary agreements, and I hope that Kyle doesn’t get left out of the loop. Rail is steadily becoming recognized across the nation as the best way to relieve traffic congestion and move people and products efficiently. The federal government is dedicating more resources than ever to rail development, and I believe Lone Star is in a great position to benefit, but we have to approve the station first.

**Education and Workforce Development**

Through the US Conference of Mayors I receive the opportunity to travel to Washington DC every January and learn about new programs being implemented across the country that could possibly benefit Kyle. This past January over 300 Mayors were invited to the White House for a five-hour long series of workshops and discussions regarding the state of the nation’s cities. One of the most meaningful moments, to me at least, happened during a panel discussion on workforce development. Arnie Duncan, the Secretary of Education was lecturing us mayors on the extreme importance of providing practical and inexpensive education to our residents tailored specifically to meet the needs of local industry. He talked about reaching out to local high schools, understanding the needs of low-income students in your community, and most importantly, he said, nothing could be better than building a community college in your city. Naturally, I felt like the proudest Mayor in the entire room at that moment. I want to raise my hand so bad, and just yell out, “Arnie… done and done!” Kyle, apparently, is ahead of the game when it comes to the future of education.

**ACC**

This January we witnessed the opening of Austin Community College’s Hays Campus, an 86,000 square foot facility that can accommodate up to 2,000 students. Though only offering a limited schedule of courses this first semester, students attending ACC Hays are, as I speak, being trained in the complete range of STEM fundamentals, along with accounting, criminal justice, economics, English, history, government, management, and sociology. Again, that’s the limited schedule. I’m really excited to see what they offer in the fall, and you can be assured that the city council will continue to push ACC to offer classes that focus on industries important to Kyle and Hays County, particularly the medical sector. I would also call on members of the Chamber to reach out to ACC themselves to let the board of trustees know how important properly educated employees are to your business, and what ACC can do to prepare their students for entering the local workforce.

**Library**

The city’s primary contribution to education and workforce development is, of course, our municipal library, which continues to expand its level of service in our new facility downtown. In fiscal year 2013 there were 142,716 circulations, up 14% from last year. That’s an average daily check-out rate of 475 books a day! We also had over 3,000 new library cards issued, and the new ebook program is becoming increasingly successful, with 2,188 different ebooks being checked out since the program started 15 months ago.

For children, Story Time, hosted every Wednesday and Friday, continues to be an excellent, free way to expose children to a wide array of books, music, and craft projects. In the summer, the children’s reading and education programs attracted over eleven hundred kids and teens and focused on multiple subject areas, including biology, physics, cars, aerodynamics, 3D animation, and sculpting. We even started a Lego Club! Just as importantly, the library also hosts a variety of educational and assistant programs for Kyle’s adults. These include basic computer skills classes, Spanish and French classes, social media workshops, writing seminars, and free income tax prep assistance from February to April.

**KAYAC**

The City Council has also set out to gain the perspectives of Kyle’s high school students, authorizing the significant expansion of the Kyle Area Youth Advisory Committee, originally created in 2012. Started with just 8 members, four from each high school, the students serving on KAYAC have far exceeded the expectations of both the city and the school district. Just a few months ago council approved new bylaws for the committee, written by the students themselves, along with expansion to 16 members, and placing representatives from the committee to honorary positions on the Economic Development and Tourism Committee, the Planning and Zoning Commission, and the City Council itself. Let me share with you the super long list of stuff they’ve been up to the past year. Committee members participated in the Kyle Founders’ Parade, volunteered with the Hays County Food Bank, volunteered and raised funds at Santa’s Arrival, volunteered at the Plum Creek Watershed Clean-Up, attended a day long tour of city facilities, attended the Texas Municipal League’s Youth Summit as Kyle representatives, created their own logo, of course rewrote their own bylaws, assigned their own leadership positions and responsibilities, and completed Open Meetings Act training.

And there’s more! This year, they have even bigger plans for their committee. KAYAC members are about to complete and distribute a youth survey to both high schools to better understand the needs of the youth in Kyle. Once completed, they plan to distribute the results to the city council and various city departments to help aide in future planning. They are developing a new city ordinance to ban the sell of e-cigarettes and e-vapor products to minors. After the ordinance is finished, they plan on writing a Mission Statement and 5-year plan for the committee. Which, by-and-by, you should probably do for your business if you haven’t already. And lastly, in their spare time, they will also be volunteering at Legend Oaks Rehab Facility for “Youth Global Service month” in April, and are planning a “Teen Night” event at the Kyle Pool. Wow! We are so lucky to have them.

**The Coming Election**

In about six weeks, you will need to decide who the new council will be. There are three races going on this spring, and a fourth that was just chosen by default. Early voting starts April 28th, and I suggest you reach out and get to know some of the people who would lead our city into the next three years. They don’t all have to be like me, they just have to understand what a special thing Kyle has going for it. Thank you so much for your attention, it’s been a pleasure.