



CITY COUNCIL SPECIAL MEETING STATE OF THE CITY ADDRESS AGENDA

GAVILAN COLLEGE THEATER
5055 SANTA TERESA BLVD.
GILROY, CA 95020

MAYOR
Greg Bozzo

COUNCIL MEMBERS
Dion Bracco
Tom Cline
Terence Fugazzi
Zach Hilton
Carol Marques
Kelly Ramirez

WEDNESDAY, NOVEMBER 5, 2025 | 6:00 PM

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AGENDA CLOSING TIME IS 5:00 P.M. THE TUESDAY PRIOR TO THE MEETING

COMMENTS BY THE PUBLIC WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. Public testimony is subject to reasonable regulations, including but not limited to time restrictions for each individual speaker. *****Please limit your comments to 3 minutes.***** The amount of time allowed per speaker may vary at the Mayor's discretion depending on the number of speakers and length of the agenda.

Written comments on any agenda item may be emailed to the City Clerk's Office at publiccomment@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1 p.m. on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1 p.m. deadline will be provided to the City Council as soon as practicable. Written comments are also available on the City's Public Records Portal at bit.ly/3NuS1IN.



In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at least 72 hours prior to the meeting at (408) 846-0204 or cityclerk@cityofgilroy.org to help ensure that reasonable arrangements can be made.



If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available with the agenda packet on the City website at www.cityofgilroy.org subject to the Staff's ability to post the documents before the meeting.

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**City Council
Special Meeting**

STATE OF THE CITY ADDRESS

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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If you need assistance with translation and would like to speak during public comment, please contact the City Clerk a minimum of 72 hours prior to the meeting at 408-846-0204 or e-mail the City Clerk's Office at cityclerk@cityofgilroy.org.

Si necesita un intérprete durante la junta y gustaría dar un comentario público, comuníquese con el Secretario de la Ciudad un mínimo de 72 horas antes de la junta al 408-846-0204 o envíe un correo electrónico a la Oficina del Secretario de la Ciudad a cityclerk@cityofgilroy.org.



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Use sus auriculares para escuchar el audio o leer la transcripción en el dispositivo.

1. WELCOME AND INTRODUCTION
2. INFORMATION ITEM
 - 2.1. No Council consideration/action or public discussion will be heard
3. STATE OF THE CITY ADDRESS BY MAYOR GREG BOZZO
 - 3.1. State of the City Address Transcript
4. ADJOURNMENT



2025 State of the City with Mayor Greg Bozzo

Thank you everyone for being here this evening. I am going to get right to it. I want to say what an honor it is being the Mayor of Gilroy. People stop me all the time and ask me how I like it. And I am going to say to you what I say to them, I love being the Mayor of Gilroy! To be clear, just because I love it doesn't mean it's always easy. It can be difficult! Not just for me but for all of us working hard to make Gilroy better. It's during challenging times that I am reminded of a saying that I stumbled upon when I was traveling alone with a backpack through central Mexico, 35 years ago. ***Lo que vale la pena es difícil.*** What is worthwhile, is difficult.

Progress is **never** easy. It takes courage, vision, ingenuity, and collaboration. It requires us to keep moving forward even when the path ahead isn't simple, to believe in what's possible and to work together to make it real.

In Gilroy, that's exactly what we do.

Ours is a community that rolls up its sleeves, faces challenges head-on, and keeps striving toward ambitious goals despite the obstacles.

Together, we're transforming challenges into opportunities and writing the next chapter of Gilroy's story, one that honors our past while building for our future.

And we do this work because we know why it matters. Every step forward, every improvement we make, touches the lives of the people who call Gilroy home, our families, our neighbors, our businesses, and our future generations. That shared purpose is what drives us. It's what fuels the hard work, the late nights, and the collaboration that keeps our city moving forward.

Tonight, I want to talk about that shared journey, because it affects each and every one of us who call Gilroy home. Let's begin by celebrating the progress we've made together and the people who make it possible. Every accomplishment in our city begins with partnership, the dedication of our City Council, the expertise of our staff, the collaboration of our community organizations, and the continued engagement of our residents and businesses. Your commitment and care are what turn plans into action and challenges into achievements.

I want to take a moment to recognize some of the **leaders** who've joined us this evening.

Gilroy City Council

- ☐ Mayor Pro-Tempore Carol Marques
- ☐ Council Member Bracco

- ☐ Council Member Cline
- ☐ Council Member Fugazzi
- ☐ Council Member Hilton
- ☐ Council Member Ramirez

County Supervisor

- ☐ Santa Clara County Supervisor Sylvia Arenas
- ☐ Community Relations Aide for the Office of Supervisor Arenas Cristian Conejo

Congressional & State Field Representative

- ☐ Zoe Lofgren's Congressional Field Representative Jacqueline Ocegueda
- ☐ State Speaker of the Assembly Robert Rivas' Field Representative Gilbert Ramos

District Attorney

- ☐ Deputy District Attorney Adam Flores

GUSD

- ☐ Gilroy Unified School District Superintendent Fr. Anisha Munshi
- ☐ Board President Tuyen Fiack
- ☐ Board Vice President Linda Piceno
- ☐ Board Member Kenny Moreno
- ☐ Board Member Jennifer Del Bono
- ☐ Board Member Gabriela Kim
- ☐ Board Member Michelle Nelson
- ☐ Board Member Hyon Chu Yi-Baker

Gavilan College Board Trustees

- ☐ Gavilan College President Dr. Pedro Avila
- ☐ Board President Rachel Perez
- ☐ Board Vice President Alicia M. Cortez
- ☐ Board Trustee Irma C. Gonzalez
- ☐ Board Trustee Dr. Gabriel Gutierrez
- ☐ Board Trustee Kathy Napoli
- ☐ Board Trustee Lorena Tariba

- ☐ Board Trustee Janie Wallace

Valley Water

- ☐ Valley Water Director John Varela

Thank you to you all for your continued partnership and dedication to Gilroy.

Alongside these individuals are the many organizations, separate from City Hall, that help make Gilroy a great place to live. These groups strengthen the fabric of our city every day.

They create opportunities for connection, provide critical support for residents in need, and contribute to the vitality of our economy and community life. There are so many organizations in Gilroy doing excellent work, it's impossible to list them all.

Community Solutions and Rebekah Children's Services: Your work includes working with people at what may be at the most difficult and challenging period of their lives. You've been doing this for decades! Thank you!

Leadership Gilroy: With our transition from at-large to district elections, leadership development is as important as ever. Don't stop what you are doing

Gilroy Rotary: Over 100 years of service to this community and hundreds of thousands of dollars, probably more, in support. Thank you!

Gilroy Foundation: Gilroy Foundation has been a catalyst for positive change for 45 years. Providing a platform for individuals, families, and corporations to create endowments that will endure for generations to come.

Their current project, The South County THRIVES initiative, is a community development program supported by a generous grant from the Great Communities Collaborative. The program fosters collaboration across local public, private, and nonprofit sectors to address South County's most pressing needs. Ultimately, this collaboration will bring both grant funding and progress to South Santa Clara County that, for too many years has alluded us, especially in Gilroy.

Visit Gilroy: Led by Frank Johnson. This organization is committed to attracting people to Gilroy. You are not afraid to think outside the box! Keep at it! Thank you!

Latino Family Fund: Excellent work. Especially with Youth IN Philanthropy at all of our Junior High Schools.

Miller Red Barn: Thank you for preserving this wonderful historical asset. I look forward to helping you write the next chapter of this story.

Gilroy Arts Round Table: Keep up the great work. Your public art is not only helping to beautify our city, but also giving us identity. I look forward to you playing a role in our future economic development goals.

Gilroy Gardens Board of Directors: Under new, much-needed, leadership, you are shifting from survival mode to one of sustainability.

YMCA: Your power-school program with Gilroy Unified School district is a lifeline for working families. Your meals program, in collaboration with City of Gilroy Recreation Division, is excellent. I am certain your potential here in south-county has yet to be reached.

Gilroy Unified School District: City of Gilroy and Gilroy Unified have been collaborating for decades. I look forward to building on years of precedent of working together so that we can leverage our assets and experiences to achieve our common mission.... serving the people of Gilroy.

Gavilan College

Special Thank you to Gavilan College. Very few cities have institutions of higher learning located in their communities. I am thankful for Gavilan.

- Gavilan College has grown over 40% during the past three years, now serving more than 11,000 students.
- Last May, the college had its largest graduation class in its history with more than 1,700 students receiving degrees and certificates.
- The Dr. TJ Owens Gilroy Early College Academy high school, also known as GECA, located on the Gavilan Campus and part of the Gilroy Unified School District. 90% of those high school students are graduating from high school with an associate degree from Gavilan College.
- The construction next to the theater is the college's new Library and Student Resources Center, scheduled to be completed in about a year from now.
- Thank you very much to Gavilan College President, Dr. Pedro Avila, and his team, for hosting us here this evening.

Gilroy Garlic Festival Association: You have preserved through very hard times. You have allowed our city to not just be remembered for something very terrible that occurred here, but rather known for how a community responds when something bad does happen. This comeback story is not over. I will stand beside over the next few years to make sure that this wonderful community event is positioned well to thrive in its new form. Thank you!

In order to run a **great city**, you need a great **organization**. And in order to run a great organization, you need strong leadership and a dedicated team. The **City of Gilroy** is fortunate to have both. Every day, our staff, managers, and department heads work behind the scenes to ensure that city services are delivered efficiently, effectively, and with care.

Their work touches every aspect of life in Gilroy, from the safety of our streets and the reliability of our utilities to the maintenance of our parks and the service at our front counters.

Leadership also means planning for the future, ensuring that the right people are in place to guide our organization through change, growth, and opportunity. Over the next several months, this Council will undertake one of its most important responsibilities: finalize the search for our next **City Administrator**. This individual will play a pivotal role in guiding Gilroy through today's challenges and preparing for tomorrow's opportunities, all while strengthening the trust and connection between local government and the community we serve.

At the same time, the City is also beginning the **search for a new Police Chief**, another critical leadership position. Our next Chief will be someone who leads with professionalism and heart, who is approachable, visible, and deeply connected to the people of Gilroy. The search will begin now, with the final selection to be made by our incoming City Administrator.

These new leaders join a highly skilled and deeply dedicated executive team:

- **LeeAnn McPhillips**, our Assistant City Administrator and Administrative Services Director, has served Gilroy for 26 years. She leads Human Resources, Risk Management, and special projects with professionalism and care that reflect her lifelong commitment to public service.
- **Sharon Goei**, our Community Development Director, brings over 25 years of experience in both the public and private sectors. Her leadership in development services has strengthened collaboration, improved efficiency, and helped shape Gilroy's future growth.
- **Heath McMahon**, our first-ever Utilities Director, joined the City in 2024 to establish Gilroy's new Utilities Department. With three decades of engineering and utilities experience, he is helping to modernize and strengthen critical water and wastewater operations.
- **Harjot Sangha**, our Finance Director and City Treasurer, provides steady financial stewardship and fiscal accountability, ensuring that every dollar is managed with integrity and transparency. The City of Gilroy has been awarded the Distinguished Budget Presentation Award from the national Government Finance Officers Association for its recently adopted Biennial Budget. This is the City's fourth consecutive biennial budget award.
- **Public Works Director: John Doughty** John brings nearly four decades of public-sector experience, including leadership roles in Half Moon Bay, Watsonville, and the Association of Monterey Bay Area Governments. His deep expertise in infrastructure and community development is already making a strong impact here in Gilroy.

- **Fire Chief Rob Fleeup**, joined us in May 2025, bringing more than 36 years of fire service experience across California, Colorado, and Kansas. He also serves as President of the Santa Clara County Fire Chiefs Association and is an exceptional regional leader and partner in public safety.
- **Interim Police Chief Ken Binder** brings nearly three decades of law-enforcement experience, including senior leadership roles across multiple Bay Area communities. His focus on professionalism, safety, and community trust continues to guide the department through this transition.
- And **Interim City Administrator Brad Kilger**, who joined Gilroy earlier this year, brings more than 35 years of municipal leadership experience across California. His steady hand, experience, and calm leadership have provided a bridge of stability as we move forward with this important transition.

Together, this team provides the expertise, vision, and commitment that keeps Gilroy moving forward. Their collective leadership reflects both continuity and renewal, the ongoing process of building a strong, forward-looking organization that serves our community today and prepares for the challenges and opportunities of tomorrow.

As a Council, we've accomplished a great deal during this first year. Together with our dedicated staff and engaged community, we've advanced several major initiatives that reflect both our commitment to good governance and our vision for Gilroy's future.

This year, the City began an important transition to **district-based elections**; a change designed to strengthen neighborhood representation and ensure that every area of Gilroy has a direct voice on the City Council. Under this new system, residents will elect Council Members who live in their own district, while the Mayor will continue to be elected at large.

District-based elections offer the opportunity for stronger connections between residents and their elected representatives, fostering local engagement and accountability. At the same time, this shift challenges us to maintain a unified, citywide perspective, working together as one community rather than six separate districts.

This new system will require even more collaboration and open communication, and a continued focus on what brings us together.

Another significant milestone this year was the Council's approval to move forward with the **fourth fire station**, to be located at the corner of West Luchessa Avenue and Miller Avenue. Securing the funding for the design and construction of this station represents a major achievement, one that has been many years in the making. Once complete, this new facility will enhance service coverage and improve response times for residents and businesses on Gilroy's west side, strengthening public safety across our growing community.

However, while the design and construction of the station are fully funded, staffing remains an important challenge ahead. As we experienced with the Sunrise Fire Station, it's possible that the new facility could remain unstaffed for a period of time while funding is identified.

To prevent that outcome, the Council will be actively exploring all available options to ensure that the station can open its doors with a full, capable team in place.

One option I feel should be examined is a potential revenue measure, such as a modest sales tax adjustment requiring voter approval, or identifying alternative funding sources and partnerships that could help cover ongoing operational costs. Every option will be evaluated carefully, with an emphasis on fiscal responsibility, community input, and long-term sustainability.

This is about more than bricks and mortar, it's about ensuring that our investments in public safety translate into real, on-the-ground service for the people of Gilroy. As a Council, we are committed to finding a solution that honors that responsibility and keeps our community safe.

This year, the City conducted extensive community outreach to gather feedback on the **Civic Center Master Plan**, a once-in-a-generation opportunity to reimagine the 14-acre site where City Hall, the library, the police department, and other city facilities currently stand.

The community's input has been invaluable in shaping this vision: a space that balances preservation and modernization, retaining well-functioning facilities such as the library and police department while potentially making room for new civic and recreational amenities. These may include a recreation and aquatics center, a community center serving youth and older adults, a new city hall, and a central civic park capable of hosting concerts and community events.

Plans are now undergoing environmental review, and while this project will take time, it represents a major investment in Gilroy's future, one that reflects our values, our identity, and our belief in community.

It is important to remember that funding for this has yet to be established. Often, municipal infrastructure, such as this, is funded by public bonds. Community interest is crucial.

At the beginning of the year, Council was flooded with applications for our **boards and commissions**. Having this type of community participation is vital. Applications are now being accepted for upcoming expiring seats.

In June, we finalized our council two-year goals and objectives. This includes a balanced budget that reflects the dedication of past and present Council and staff to long-term financial stability and fiscal responsibility.

Recreation connects us. It builds community, supports our economy, and enhances quality of life. The parks, trails, and gathering spaces we invest in today are the places where families will spend their weekends, where youth will learn teamwork and resilience, and where our community will come together to celebrate.

As Gilroy continues to grow, we're focused on creating recreation opportunities for all, from youth leagues to fitness and art, and community programs for every stage of life. These programs not only strengthen community spirit but also position Gilroy as a true recreation destination in the South Bay.

Over the next year, the City will also begin a comprehensive **Recreation Assessment** led by an outside consultant. This effort will take a close look at how our recreation programs are structured, funded, and delivered, and how we can expand opportunities in a way that is both responsive to community needs and fiscally responsible.

Before the pandemic, Gilroy's Recreation Division operated as its own department with a dedicated director and a budget of approximately \$2.7 million. Today, recreation services are managed under the Administration Department with a smaller team and a reduced budget of \$1.5 million. While staff have worked hard to continue delivering programs, we know that many families are now looking outside Gilroy for recreation opportunities.

This assessment will help us change that; identifying where we can grow, what partnerships we can strengthen, and how we can make recreation in Gilroy more accessible and sustainable for everyone. Because investing in recreation is more than building parks or facilities, it's investing in our people, our youth, and our quality of life.

However, we are not waiting for the assessment to have an impact. We have set aside \$500,000 per year for the next two years for **capital improvements in our parks**. Council has also directed staff to develop a **Capital Infrastructure reserve policy** outlining parameters for additional revenue for parks and gateways, with a percentage of money left over from the end-of-year fund balances. Additionally, the city is moving forward with **work at San Ysidro Park** with monies from federal grant that will bring improvements totaling \$3,000,000 dollars.

Sometimes, it's the smaller projects that generate the biggest smiles. After years of community feedback, the City Council approved \$862,500 in the FY26 Capital Budget for **new pickleball courts** at Las Animas Veterans Park. Following strong public interest and action, the Council recently directed staff to move forward with design with an anticipated opening in late summer 2026. These courts will provide residents with a new, accessible recreation option and demonstrate how listening to community voices leads to meaningful action.

We are also in the design phase of the **Lions Creek Bike Trail**, which will eventually connect the area of Church Avenue and Farrell Street to the northwest portion of the City and Christopher High School. This project represents another step toward creating a more accessible and sustainable community, expanding recreation opportunities for residents of all ages and promoting healthier, more active lifestyles.

In March, we launched **GilroyConnect**, a new online and mobile tool that allows residents to easily report maintenance and service issues directly to City staff. Since its rollout, the system has

received nearly 1,900 requests, helping us identify and address everything from streetlight outages to graffiti removal more efficiently.

GilroyConnect has already proven to be a valuable resource for residents, and an equally valuable learning tool for our organization.

It's helping us see where we can strengthen internal coordination, communication with the community, improve response times, and streamline communication across departments. In our current state, the number of requests submitted through GilroyConnect far outweighs the City's ability to address them in a timely fashion.

Change often reveals opportunity, and this is one of those moments. Gilroy is no longer a small town; it has grown into a dynamic urban center. As our community evolves, so too must our organization, which will take both time and strategic leadership.

Today, our City is staffed and structured to provide a reactive response, meaning that when a service request or issue is reported, our teams respond.

But the sheer volume of service requests being submitted today far exceeds the staffing capabilities we currently have in place to respond at the pace our community expects. The result is that some issues go unaddressed until they are reported, and others take longer to resolve than any of us would like.

As a Council, we want better for our community. We want Gilroy to move from a model that simply reacts, to one that anticipates and prevents issues before they arise, a model built on proactive service, thoughtful planning, and continuous improvement.

Achieving that shift will require collaborative leadership and intentional change. It may also mean increased staffing in key areas, rethinking how departments collaborate, and investing in new tools and technologies that make service delivery more efficient. These changes may come with a culture change and a cost, but they also come with value, building an organization that's not just responsive, but forward-thinking and prepared for the future.

In the meantime, I want to acknowledge our City staff, who are working to adapt to respond to Gilroy Connect requests, while balancing daily responsibilities to keep our city running. Their commitment and professionalism, often under tight constraints, reflect the very best of public service.

It's through programs like GilroyConnect that we're learning, adapting, and improving. Each step forward brings us closer to building the proactive, transparent, and resilient organization that our growing city deserves.

These milestones reflect how far we've come, but they also remind us that progress isn't measured only in the buildings we construct or the programs we launch. It's also measured in how we care for one another and how we confront the challenges that test our compassion and our resolve.

As we look ahead, the City Council is focused on several key opportunities that will shape the next chapter of Gilroy's story, starting with one of the most pressing issues facing communities across California: supporting our unhoused residents.

I believe addressing **homelessness** remains one of the most complex and urgent challenges facing cities across our region, and Gilroy is no exception.

For years, we've attempted to address this issue locally, providing outreach, connecting individuals to services, and enforcing local ordinances when necessary. But experience has shown us that no city can solve this challenge alone.

That's why I would like to shift the City's focus toward a more regional approach; working closely with Santa Clara County and the major service providers who specialize in this field. Together, I think we can pool our resources, coordinate our strategies, and pursue solutions that have a greater and more lasting impact.

This approach doesn't mean stepping back; it means stepping forward, strategically and collaboratively.

It means recognizing that homelessness is not confined by city limits and that our collective success depends on shared responsibility. By working as one region, we can better align housing opportunities, mental health services, and long-term support systems to help people rebuild their lives while also protecting the health and safety of our community.

I believe the City Council is committed to continuing this work with compassion and accountability, ensuring that our policies reflect both the dignity of every individual and the responsibility we have to our residents, businesses, and neighborhoods. My goal is to bring this issue to the Council for discussion after the first of the year.

Addressing homelessness reminds us that a strong community depends on both compassion and opportunity. While we work to lift up those in need, we must also continue building the economic foundation that supports every household, every business, and every future in Gilroy.

Unfortunately, uncertainty and suffering in our community are not limited to those experiencing homelessness. Make no mistake, even before the federal government shut down, food insecurity was already part of many people's lives here in Gilroy. Also know, undocumented residents are not the only ones experiencing fear and uncertainty. This is a scary time for their children, other legal members of their families, their co-workers, and their employers.

I love hearing when people outside of Gilroy comment about the friendships and camaraderie they observe when visiting or when doing businesses in Gilroy. Unfortunately, there are still members of our community who are not as connected as others are.

Anyone who wants to, can make a difference. In most cases, it costs nothing. Kind words of encouragement, a handshake, a pat on the back, a smile, a simple acknowledgement can and will change the way someone who is less connected feels.

Our city cannot elevate this community just by implementing services and infrastructure like I have spoken about this evening. To reach our full potential, everyone must be given the opportunity to feel like they, too, BELONG.

I want to take a moment to **recognize the people** of Gilroy who quietly, yet powerfully, exemplify the best of what it means to be a Gilroyian and are connecting and uplifting people in their own unique way. These are our neighbors, teachers, volunteers, and local champions who step forward not for recognition, but out of genuine care for this community. They remind us each and every day what makes Gilroy special: a community defined by service, generosity, and heart. Their spirit represents the very best of who we are, and their example inspires us all to give back in our own way.

Promotoras are trusted community leaders and advocates who serve as cultural and social bridges between groups like Catholic Charities of Santa Clara County, Nueva Vida Community, and South County Youth Task Force and the diverse communities it serves. While not formal community health workers, Promotoras play a vital advisory and leadership role by helping civic organizations and our community better understand the needs, priorities, and strengths of local families.

Maria Carmen Pérez: Born in Mexico she immigrated to the United States in 1986. She began fostering children at her home in Gilroy nearly 25 years ago. Since then, 100 kids have passed through her doors. Her commitment to her adopted homeland and community is exemplified even further by the fact that everyone she fosters are teenage girls.

Lastly, I want to highlight another special Gilroyian. With his non-stop promotion about everything that is good about Gilroy, he tirelessly elevates local people, events and businesses.

His optimism is infectious, and I love how he unselfishly promotes our local economy. If you are ever feeling down, go hang out with this guy. **Ruben Perez**

With this same sense of optimism, I am excited to say economic growth is one of the City Council's top priorities, because when a fair, well-balanced economy thrives, our community thrives.

A strong local economy means more jobs, more services, and more resources to invest back into public safety, infrastructure, and quality of life.

Gilroy has always been a place where innovation, agriculture, and entrepreneurship come together to create something uniquely our own. This year, the Council is advancing a series of strategic initiatives to strengthen that foundation and ensure that Gilroy continues to grow responsibly and sustainably.

One of the most important steps ahead is the creation of a dedicated **Economic Development Department** and the recruitment of an **Economic Development Director** to lead it. Our vision is for this new department to coordinate business attraction, retention, and expansion efforts, while also aligning development strategies across departments. It represents an investment not only in our economy, but in Gilroy's future competitiveness and identity as a regional hub for business and innovation.

Work has already begun to **enhance Gilroy's gateways**; the primary entry points that shape visitors' first impressions of our community. Through partnerships with regional agencies and a renewed emphasis on code enforcement, we're improving these corridors to address blight and beautify the areas that welcome people into our city. Clean, inviting gateways show pride and signal that Gilroy is open for opportunity.

Our economy continues to be powered by both long-standing employers and new ventures. **Gilroy Unified School District, Christopher Ranch, St. Louise Regional Hospital, and Olam International** remain among our largest employers, providing thousands of local jobs. Meanwhile, **auto dealerships, the Gilroy Premium Outlets, and local service stations** continue to anchor sales tax revenues, with auto sales alone representing nearly **17% of total city sales tax**.

These businesses form the backbone of our economy, and through ongoing business roundtables and retention initiatives, we must work tirelessly to ensure they continue to thrive. Gilroy's diverse retail, agricultural, and service economy provides resilience and long-term strength.

Still, we cannot become complacent. As consumer habits evolve and economic cycles shift, we must be prepared to adapt and expand our tax base to ensure long-term stability.

Sustained growth will require diversifying our revenue sources, supporting innovation, and continuing to make Gilroy an attractive place for businesses to invest and residents to thrive. By planning ahead, we can protect against future downturns and keep Gilroy's economy strong for generations to come. We must do so with the idea that the niceties must be balanced with support and opportunity for all those who want it.

Together, these initiatives represent a balanced, forward-thinking approach to economic growth, one that values our small-town character while embracing innovation and regional opportunity. You can see this momentum taking shape right in the heart of our community — in **Downtown Gilroy** — where new ideas and local pride are beginning to spark renewed growth and connection.

Downtown Gilroy continues to evolve, showing new signs of growth, creativity, and energy. In the past year, we've seen new businesses open their doors, bringing fresh flavor, style, and community connection to the heart of our city.

And the momentum continues, new additions are on the way, including **Café Dolce Vita** and **Petiscos Portuguese Restaurant**. Each brings something unique to the mix, reflecting the diversity, creativity, and entrepreneurial spirit that make Gilroy special.

We've also increased support for downtown community events and a renewed sense of activity in the heart of our city. There's real energy beginning to build, and if you haven't been downtown lately, I encourage you to go see it for yourself.

But we also know there's more work to do. Continued progress will require ongoing investment, collaboration, and patience. Revitalizing a downtown doesn't happen overnight; it takes the coordinated efforts of property owners, business leaders, city staff, and the community itself.

The City will continue working alongside the **Gilroy Downtown Business Association**, **Visit Gilroy**, and the **Chamber of Commerce** to support existing businesses, attract new ones, and create an environment where business owners can succeed.

Downtown Gilroy's transformation is not finished. Each new storefront, event, and investment adds another layer to the story of renewal. As we move forward, the Council remains committed to keeping downtown a priority and ensuring that it continues to grow as a cultural and economic heart of our community.

As we look beyond downtown, we're also exploring new opportunities to expand recreation and entertainment in Gilroy. One of the most significant projects currently under consideration is the proposed **Gilroy Ice Center** at the Sports Park.

The City is still in negotiations with Sharks Ice and Entertainment, and while we're encouraged by the possibilities, it's essential that any agreement reached is one that serves both the economy and the community, and that it is fiscally responsible for the City of Gilroy.

If a deal is finalized, it must deliver real value: creating local jobs, supporting nearby businesses, and providing amenities that residents can enjoy, all while maintaining financial prudence. Our priority is ensuring that every partnership and every project reflects sound fiscal judgment and the best long-term interests of our community.

Another key component of Gilroy's recreation network is **Gilroy Gardens Family Theme Park**, a beloved community asset located within the **536 acres of City-owned land** at Hecker Pass. Gilroy Gardens provides not only joy for families and visitors but also significant economic and employment benefits, for 100's of young people.

In the coming year, I would like to see the City re-ignite efforts to evaluate the best use of the Hecker Pass property to ensure we balance open space preservation with future opportunities for recreation and responsible development. This process will help us determine how the land surrounding the park can best serve the community while maintaining the natural character that makes the area so special.

Another important part of Gilroy's economy is our strong and **growing network of health care facilities and providers**. From St. Louise Regional Hospital to local clinics, specialty care centers, and wellness providers, these institutions not only meet critical community needs but also serve as major employers and economic anchors. Together, they attract talent, support ancillary businesses, and provide the kind of high-quality care that families and companies look for when choosing where to live, work, and invest.

As the region continues to grow, Gilroy's expanding health care sector offers both stability and opportunity, helping strengthen our local economy while enhancing the overall well-being and desirability of our community.

One area closely connected to our health care network, both geographically and economically, is the **East Side 101 corridor**. I feel this area holds significant potential for thoughtful, mixed-use development that could bring new vitality to an underutilized part of our city. I think we should explore opportunities to update the General Plan to allow for a more flexible land-use vision along this corridor; one that could integrate housing, retail, dining, healthcare, and lifestyle amenities in a connected, campus-like environment.

Imagine a place where residents can live close to where they work, where healthcare professionals and patients have access to nearby services and dining, and where families can enjoy gyms, kids' activities, and open space - all within walking distance.

This type of mixed-use development would not only expand our housing options but also help bolster the city's economic base, reduce commute times, and create a vibrant new community hub that reflects the future of Gilroy.

As we look toward the future of development and growth, it's equally important to remember what has always grounded Gilroy: our connection to the land. **Agriculture and open space** are not just part of our landscape; they're part of our identity, our economy, and our way of life.

Gilroy's agricultural roots continue to provide jobs, innovation, and a strong sense of place. Protecting these lands while supporting modern agricultural practices is essential to maintaining that balance between progress and preservation. We can't take our open space for granted.

Just outside our city limits, Blue River Technologies, owned by John Deere, a \$50 billion global leader in agricultural equipment, is pioneering intelligent machinery designed to revolutionize how farming is done. This type of innovation demonstrates the incredible potential that exists right here in South Santa Clara County: the intersection of agriculture, technology, and economic opportunity.

By continuing to support partnerships, attract ag-tech industries, and protect the open spaces that define us, we can ensure that Gilroy remains both a leader in agricultural innovation and a community deeply rooted in its values.

Tonight, I've reflected on the work we've accomplished together, the policies we've shaped, the projects we've advanced, and the plans that will guide our future. Each represents progress, but together they represent something more enduring: the spirit of a community that continues to move forward, even when the path is challenging or uncertain.

Gilroy's story has always been one of perseverance and possibility, a city shaped by the people who call it home. It's seen in the farming families and the hardworking farm workers who tend our fields, the small business owners who open their doors each morning, the volunteers who give their time, and the city employees who serve day and night. That's who we are: a community defined by heart, hard work, and courage.

I believe strength lies not just in what we build, but in why we build it. We move forward because we believe in this place, in its people, its potential, and its promise. We take on challenges not because they are easy, but because they matter. And each time we do, we grow stronger, more connected, and more inspired by what's possible when we work together.

As we look ahead, let's continue to define who we are, a community rooted in heart, guided by purpose, and united by the belief that together, there is nothing we cannot achieve.

This is Gilroy — resilient, hopeful, and always moving forward.