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### **(Introduction)**

Thank you, Doug for that introduction. It is truly a pleasure having you here as it was last year.

I do have one quick question for you:

Will you still introduce me at next year’s State of the City Address even though you will be Governor?

Or will that be inappropriate?

Thanks also to Greg Patterson, Mark Dewane and all the members of the Scottsdale Business Development Forum for hosting today’s luncheon, and for helping us reach all of you for the ultimate benefit of Operation Fix It.

### **(City Awards)**

As we enter 2014, the state of the city is strong and vibrant.

Scottsdale’s economy is robust and growing. Our quality of life is second-to-none.

Our future is incredibly bright.

That’s great for those of us who live and work in Scottsdale.

And it makes my job as your speaker today pretty darned easy.

Of course you probably expect a mayor – any mayor – to say great things about his city.

But what are other people saying about Scottsdale?

They are saying great things, too.

Scottsdale was named in the top 10 best run cities in America by 24/7 Wall Street.com.

Now, out of respect for my municipal colleagues here with us today, I will not mention which Arizona cities failed to make the list.

Scottsdale was named one of America’s best places to live, according to Livability.com.

The Daily Beast ranked Scottsdale among “America’s Thriving Cities.”

MSN Money called Scottsdale the best place in the nation for retirees.

And Google named Scottsdale the “E-City of Arizona.”

It’s nice to be loved, isn’t it?

Speaking of love, Scottsdale also was named the Most Romantic City in the U.S., by Livability.com.

Even more important than those impressive awards and accolades is the feedback we just received from our own residents.

According to the citizen survey conducted late last year – 98 percent of people in Scottsdale consider their quality of life excellent or good.

Let me say that again – 98 percent.

Yes, Scottsdale has challenges and issues like every other community.

Well, let’s be honest – we don’t have as many challenges as most communities.

For just about every single person in Scottsdale, this city is delivering on its core product – quality of life.

Now it is certainly encouraging that 98 percent of Scottsdale residents are pleased with their quality of life.

And I am here to tell you that we are working hard to win over that other 2 percent.

### **(City Accomplishments)**

We did not spend all of 2013 basking in the glow of awards and recognition. We tackled some tough issues, and made important policy decisions.

We all were deeply shocked to learn that Child Protective Services failed to investigate more than 6,000 reports of child abuse or neglect around Arizona.

The single most important role of the government is to protect human life.

As I said when this story broke, the fact that children in our community have gone neglected is absolutely unacceptable.

As Mayor, it was paramount to me that Scottsdale step-up and step-in to assist the state in thoroughly investigating these reports as quickly as possible.

I asked our City Manager and Police Chief to find the resources to investigate every overlooked report that occurred in Scottsdale.

I am pleased to tell you that last month the Scottsdale Police Department completed investigating all 143 reports in our jurisdiction, and thankfully only one of those required additional follow-up with CPS.

Other cities and agencies around the state have taken Scottsdale’s lead, and investigated the backlog of cases in their communities.

With that resolved, I am confident that Governor Brewer’s newly-created Child Advocate Response Examination Team will make sure that reports of child abuse never go without investigation again.

Please join me in giving the Scottsdale Police Department a round of applause for a job well done.

On a lighter note, 2013 was the year Scottsdale lifted the nearly 40 year ban on the ice cream man.

After de-criminalizing ice cream trucks, I was excited to issue Scottsdale’s very first ice cream truck license to “Leo’s Ice Cream” - the same company that started us down this path two years ago.

It was a rocky-road, but thankfully, a cone is no longer a crime in Scottsdale.

In 2013, we also added a gorgeous new trailhead and more than 2,000 acres to Scottsdale’s McDowell Sonoran Preserve.

Your preserve now encompasses more than 47 square miles – nearly the size of Washington, DC.

With the 2013 acquisition, we are only a short hike away from our long-term goal of preserving 34,000 acres – about one-third of Scottsdale’s land area.

Indoors, we opened the Eureka Loft at the Civic Center Library.

This is the first location in the Alexandria Network, a new ASU initiative that brings together inventors, problem-solvers, entrepreneurs and small businesses.

In 2013 we fended off an attempt to steal our brand.

Our friends in Cave Creek proposed some interesting challenges.

But pig wrestling aside, everyone knew that the brand that started in Scottsdale should stay in Scottsdale.

Besides, the home of the Creekers is already well-known – as the town just north of the West’s Most Western Town.

Speaking of our western heritage, I want to thank one of our great corporate citizens, Taylor Morrison homes.

They recently purchased the Greasewood Flat property and plan to preserve that famous Scottsdale restaurant.

It was a big year for Taylor Morrison, whose corporate offices are located in Scottsdale.

In addition to saving a piece of Scottsdale history, they were named a national builder of the year, they opened their first Scottsdale community and they launched the largest homebuilder IPO in U.S. stock exchange history.

Congratulations and thank you for joining us today.

Also with us today are folks from North Central University – which is among the fastest growing online PhD universities in the country.

If you’re wondering how popular an online university is, consider this:

NCU moved their academic headquarters to Scottsdale two years ago with 40 employees. Today, they have more than 330 employees in Scottsdale and they are still growing.

It doesn't take a PhD to see – that's a successful company.

To all of today's Gold Sponsors, thank you for being here, for continuing to invest in Scottsdale and for supporting Operation Fix It in a big way.

### **(Tourism)**

In 2013, we allocated portions of bed-tax dollars approved by Scottsdale voters to invest in our tourism capital infrastructure.

We put these bed-tax dollars to work, with some spectacular results.

We completed construction of the Tony Nelssen Equestrian Center at WestWorld.

With this \$50 million dollar, fully enclosed and air-conditioned facility, we finally have an appropriate venue for the world-class events hosted at WestWorld.

This larger and better facility will extend our event season and attract new events, more people, and more attention to Scottsdale.

Please help me thank the wonderful partners who put in their money to make the Tony Nelssen Equestrian Center at WestWorld a reality:

- The Barrett-Jackson Collector Car Auction

- The Arabian Horse Association of Arizona

and

- The Arizona Sun Circuit Quarter Horse Association.

<Initiate applause>

I also want to thank Barrett-Jackson for being a gold sponsor of today’s event, and congratulate you on a record-setting 2014 Scottsdale auction.

Craig Jackson also was the Grand Marshal of this year’s Parada del Sol – it was great to see he and his wife Carolyn at the parade.

Craig is the only guy in the parade who is used to riding 400 horses at the same time.

Working in partnership, we have created a facility worthy of Scottsdale, and worthy of the man for whom it is named – Tony Nelssen.

Tony was a member of the City Council, and a passionate, dedicated citizen who was truly devoted to improving our community.

He lived by the code of the west.

I could not be more pleased with what we have created in his honor.



With the Tony Nelssen Equestrian Center completed, our attention has now turned to other tourism and event venues.

With cheers from the world-record Phoenix Open crowd still echoing across the greens, preliminary work is already underway to modernize the TPC Scottsdale.

This is another example of our tourism tax dollars at work.

TPC Scottsdale is nearly 30 years old, and this \$15 million project will bring it up to the high standards equal to the name Scottsdale.

It will improve its ability to continue as host of the Waste Management Phoenix Open --- the most attended golf event on the planet.

The project will also improve the facility for everyone who plays at this public course, from beginners to the pros.

This reinvestment of tourism dollars into a city facility was also instrumental in allowing us to ink a new agreement with the PGA TOUR to keep the tournament in Scottsdale through 2022.

To connect it all together, there is still momentum toward master planning Bell Road between the TPC and WestWorld as a sports and event corridor.

We are continuing discussions with our partners toward this goal.

Additionally, a private group is forming around the idea of advancing the Desert Discovery Center concept.

I look forward to seeing where that goes, and to continuing discussions as a community about whether that idea is right for Scottsdale.

Meanwhile, just a few weeks ago in downtown, we broke ground on Scottsdale’s Museum of the West.

This exciting new project has actually been on Scottsdale’s wish list since 1964.

With a funding source finally in hand, I am pleased to tell you that just about a year from now, we will be celebrating the opening of a spectacular new cultural and arts venue.

One that celebrates our heritage as the West’s Most Western Town.

These projects show clearly how investing our tourism dollars in our tourism infrastructure, we can continue to strengthen Scottsdale’s standing as the event and tourism capitol of Arizona.

Scottsdale’s love of arts and culture is part of our community’s fabric.

The Scottsdale Cultural Council commissions and hosts public art and performances for our community.

Their award-winning IN FLUX program started in downtown Scottsdale in 2010, and has grown even bigger and better.

This program is creative and innovative, connecting local organizations, artists, merchants and property owners --- to the delight of the public.

The current IN FLUX program will bring 16 installations by local artists to 8 cities and towns across the Valley – including Scottsdale.

It is supported by arts organizations like ours, as well as cities, towns and private groups.

I want to congratulate the Cultural Council on their continued success.

8.9 million people visit Scottsdale each year. They enjoy our arts and culture. They stay in our hotels. They eat in our restaurants.

They shop at our stores and they enjoy everything there is to see and do here.

They support an environment and tax base that makes Scottsdale – “Scottsdale.”

In fact, more people will visit Scottsdale this year than the combined populations of Wyoming, Vermont, North Dakota, South Dakota, Alaska, Delaware, Montana, Rhode Island, New Hampshire, Maine, Hawaii and the District of Columbia.

### **(Downtown)**

And did you know that EIGHT out of every TEN visitors to Scottsdale spend time in Downtown Scottsdale?

That is because Downtown Scottsdale is a place unlike anywhere else. It is the anchor of our brand and the envy of the Southwest.

As a result of the forward thinking of a majority of the City Council, civic leaders and business owners, Downtown Scottsdale can easily be described as a modern-day boomtown.

There are more restaurants, nightclubs and shops in our downtown than anywhere else in the State.

Private investment in the past three years has reached nearly half a billion dollars.

More and more people are choosing to live in our downtown thanks to great options like Optima Camelview and Optima Sonoran Village - which has just begun building its second phase.

Broadstone at the Waterfront is nearing completion, and another new project, called “Industry,” will begin construction soon in the Entertainment District.

More people living downtown is injecting more life, more energy, and frankly, more money into our downtown.

According to data from the Scottsdale Area Association of Realtors, residential real estate in downtown Scottsdale has appreciated at double the rate of residential real estate around the rest of the city.

Part of the reason so many people want to live in downtown Scottsdale is the number of good jobs there.

Not long ago, downtown caught the eye of CBS news where they proposed an intriguing question: “Is downtown Scottsdale the next Silicon Valley?”

With high-tech companies like Yelp, McKesson, Clear Demand and ZocDoc choosing downtown, it makes you wonder if the answer could be, “yes.”

Downtown Scottsdale was certainly the answer for Zyver Berg.

He was raised in Scottsdale and attended Arizona State University before starting Zivelo – his digital kiosk company – in Indiana five years ago.

Now, Zyver is coming home – and he’s bringing his company headquarters with him.

Zivelo is recognized as one of the fastest growing tech companies in the U.S. by both Inc. and Forbes magazines.

Their new 14,000 square foot headquarters is beginning construction at Scottsdale Fashion Square, and they will have 70 employees here by the end of the year.

Just across the street, Mercedes-Benz of Scottsdale opened in 2013.

With typical Scottsdale style, this new dealership includes a bi-level showroom and a luxury lounge for its customers.

It is a \$25 million investment in downtown that is creating more than 100 jobs.

President and CEO Chuck Theisen is here today – I would like to welcome him and thank him for making such a great decision.

It’s easy to see why I am so bullish on downtown Scottsdale.

We have built something special, and it is growing just like we hoped it would.

As long as I am your Mayor, I will continue to encourage and support a strong, healthy and vibrant downtown.

But I think we can and must do more.

This morning I issued a proclamation forming the Downtown Enhancement Task Force.

I am calling on downtown property owners to work together to keep Downtown Scottsdale strong and vibrant.

Whether it is the creation of an improvement district, as prescribed by law, or a public-private partnership between the city and a downtown association, we need to come together to explore new ideas on how to enhance downtown, with private property owners playing the leading role.

The last five years have seen a great partnership between the city and downtown stakeholders but I believe more can, and should, be accomplished.

Public-private partnerships have been important in our progress to date, and government certainly has its place.

But I am looking to the private sector to step forward with ideas, with expertise, and with investment to help downtown continue its evolution.

The members of this Task Force will be property owners representing every segment of our downtown, from gallery owners, merchants, restaurants, bars and our large retailers.

If we are going to ensure that downtown Scottsdale remains the entertainment capital of Arizona, we can and must come together.

This effort will take time, but with every downtown property owner represented—everyone with a stake in its future—working collaboratively to achieve better outcomes, we will establish a long-term vision for downtown Scottsdale.

There is also a threat that must be addressed.

During last year’s State of the City, the murder of Tyrice Thompson was still fresh in our minds.

Tyrice was a young father who was brutally stabbed to death working as a civilian security officer at a downtown nightclub.

Last year I committed to you that the City of Scottsdale would respond accordingly and establish a higher safety standard for all Scottsdale’s bars and nightclubs.

Working hand-in-hand with the public and the business community, we created the Public Safety Plan Ordinance that is now in effect.

This ordinance requires bars and nightclubs to put the safety of the public and their employees front and center, with training and assistance from the Scottsdale Police and Fire departments.

Today, our ordinance is being considered as the model in the United States with more and more cities looking to us as a leader in this area.

In just a few months, downtown Scottsdale will host the annual summit of the Responsible Hospitality Institute.

This non-profit organization is dedicated to sharing best practices in promoting and developing positive nightlife entertainment experiences.

They specifically selected Scottsdale for this summit because of the excellent national reputation that our downtown has earned.

Representatives from similar areas around the nation are coming here to see it up close, and to learn about the collaboration that continues its work to make downtown stronger in the future.

As long as I am Mayor, I will do everything within my power to ensure that all of Scottsdale remains safe and fun for everyone to enjoy.

### **(Economic Development)**



Downtown Scottsdale is an exciting facet of our community character.

I am equally excited about Scottsdale’s Cure Corridor, which we formally introduced to the world in 2013.

The Cure Corridor is a concentration of cutting-edge bio medical research and education, clinical-trial activity and world-class patient care.

Organizations and companies in the Cure Corridor are focused on curing some of the world’s deadliest diseases.

The Cure Corridor includes the Scottsdale Airpark and a stretch of Shea Boulevard.

It is anchored at one end by Scottsdale Healthcare Shea Medical Center and on the other end by the Mayo Clinic’s Scottsdale campus.

We all know that Scottsdale is a tourism destination.

But did you know that healthcare is Scottsdale’s largest industry?

Nearly 20 percent of the people who work in Scottsdale are in the health and bioscience industry.

That’s 28,000 people who help create a direct economic output of \$2.5 billion each and every year.

And the outcomes are far more impressive than the outputs.

Miracles are happening on Scottsdale’s Cure Corridor.

New treatments and new drugs are being created, and they are improving the quality of life for millions of people stricken with cancer – including many people right here in Scottsdale and across the Valley.

Leading those efforts are powerful partnerships among some of the world’s best and brightest bio-scientists from Scottsdale Healthcare, Mayo Clinic, TGen and TD2, as well as other bio-science businesses and organizations.

In Scottsdale’s Cure Corridor, the spark of innovation and the spirit of collaboration are creating a legacy of hope.

Innovative new companies and people are attracted to this thriving bio-science industry cluster.

Scottsdale’s Tallwave, a venture development firm, clearly recognizes this growing strength.

They recently announced High Tide for Healthcare, a competition for bio-science entrepreneurs from around the country who want to take healthcare treatment and technology to exciting new places.

Thank you to everyone here who is part of Scottsdale’s Cure Corridor, and part of our incredible bio-science sector.

Battling disease is a noble and important undertaking.

But keeping our community healthy is also important.

The defeat of city bonds in November of 2013 means that our city government must develop a plan to meet our long-term capital needs without an ability to bond for long term capital debt.

Addressing our capital needs will be challenging but I commit to you that your city will maximize every available dollar to minimize unnecessary spending in order to achieve our long-term goals.

**(Operation Fix It)**

Now, I want to focus attention on a particular group of Scottsdale residents.

People who, sometimes, need a hand.

Scottsdale is known as a wealthy, upscale community.

But even in a place as wonderful as ours, our neighbors can fall on hard times.

In our community, we step-up and step-in to assist people in need.

That’s why I am so thankful to see a full house here today.

Because every penny of the net proceeds from this lunch will go directly to support Scottsdale’s Operation Fix It program.

This is the second year that we have used the annual State of the City address as a vessel to raise money for Operation Fix It.

Thanks to your support at last year’s program, Operation Fix It helped more people than ever.

In fact, we doubled the number of homeowners we were able to help.

<VIDEO>

Thanks to outstanding corporate citizens like Henkel and CVS Caremark, and thanks to the support of everyone here this afternoon, Operation Fix It continues to operate entirely on the power of private donations and community volunteers.

In the video you saw Ed Capasso, Senior Vice President for Henkel in Scottsdale.

Ed could not be with us here today, but that’s okay --- because he did send a \$10,000 check from Henkel to support Operation Fix It.

This is the second straight year that Henkel has given \$10,000 to the program, and we thank them for their continued dedication to our community.

### **(Conclusion)**

As I begin to wrap-up today’s remarks, I want to thank all of you for being here.

Thank you to everyone who plays a part our shared success.

Thank you to the remarkable citizens of Scottsdale and to my colleagues on the City Council.

Thank you to the city’s charter officers, and thank you to all of our professional staff who serve this community so well.

You have often heard me say that Scottsdale is the best city in America.

But I don’t think I have ever explained to you why I think that.

If you were to stop and think for a moment about what would make America’s best city, what criteria would you use?

Likely on your list would be measures like a vibrant downtown with upscale shopping, art galleries, dining options and entertainment.

A city with top-notch events that attract visitors from all over the globe.

Scores of high-class golf courses and high-end resorts.

More than 100 miles of world-class trails in the largest municipally-owned preserve in the country.

It would have award-winning parks, and neighborhoods that suit every style of living.

It would be economically diverse with a city government on strong financial footing.

It would undoubtedly be a city with one of the lowest crimes rates in the entire nation.

And it would be a place where everyone from any background is welcomed with open arms, where anyone can find opportunity to pursue his or her God-given talents.

Can you think of any other city in the country that meets these benchmarks any better than our Scottsdale?

I can't either...

Scottsdalians have a city government and a community of which they can be proud.

And each and every one of you contributes to its greatness.

Thank you all for what you do to make Scottsdale a wonderful place to raise a family, to have a business and to live or visit.

Each day I wake up proud to live in Scottsdale and honored to serve as your Mayor.

If you have ever wondered what the best job in the world is, I have the answer for you: to be Mayor of the best city in America.

2014 State of the City Address – Mayor W.J. “Jim” Lane

May God bless you and continue to bless Scottsdale.

Thank you.