

Introduction

Thank you for that introduction, Joel.

And thanks to all of you for being here today.

It remains my distinct honor to be mayor of the greatest city in the country.

Before I begin today’s remarks, some other introductions are in order.

First, and most importantly, my wife JoAnne, my son Bill and his wife Tami, and my son Scott and his wife Meredith.

At my State of the City address last year, it was my honor to be introduced by a friend of mine named Doug Ducey. Though at the time Doug was focused on a campaign to become our governor, he took the time to be here and for that I was thankful.

There may have been a bit of prophetic luck bestowed on Doug (pardon me Governor) in my request for him to return to attend again this year as Governor.

Truly I know it has more to do with Doug’s message, his philosophy of governance and his ability to execute the actions necessary to move our great state forward than any prophetic luck.

Now he is here as governor in fulfillment of last year’s request. Please join me in welcoming with us here today, our governor of the great state of Arizona...Governor Doug Ducey.

This annual State of the City address is our opportunity to catch up on what is happening in Scottsdale. I’ll talk about things we’ve accomplished in the previous year, and challenges we must overcome in the year ahead.

If I had to sum-up the state of the city in one word, it would be “remarkable.”

The evidence is all around us. We are in the midst of perhaps the most active and intense event season that we have ever seen.

During a single week in late January and early February, Scottsdale took center stage during two of the largest sporting events on the planet.

As host of the Waste Management Phoenix Open at TPC Scottsdale, we showcased our city to more than half-a-million fans at the tournament, and millions more around the globe.

We also hosted ESPN’s live broadcasts for the Super Bowl as part of Fan Fest Scottsdale, along with dozens of other public and private events around the city.

The game may have been in Glendale, but the party was in Scottsdale – and Scottsdale knows how to throw a party.

We earned the opportunity to host these big events, because Scottsdale is truly an all-star city. When the pressure is on, when the spotlight shines brightest, Scottsdale performs its best.

I want to make special mention of our partners at the Scottsdale Convention and Visitors Bureau for their work helping us shine in the international spotlight.

All of us collectively, whether it is at city hall, the CVB, or in the great businesses and organizations all over this community, make it happen. Together, we make Scottsdale a remarkable place.

I know you might be saying, “of course you’d say that, you’re the mayor.” And I’ll admit to being a little biased.

But it’s not just me. Throughout the course of any given year, you will consistently see awards, accolades and recognition bestowed on Scottsdale from all kinds of sources.

During 2014 Scottsdale was named among the top tech-savvy cities, safest cities, best places to retire, raise children, do business and take a “selfie.”

Some specific ones are worthy of our attention.

For several years now, Wall Street 24/7 .com has included Scottsdale on its list of the best run cities in America. In 2014, we were ranked number six – in large part

due to strong fiscal management and the robust local economy, for which so many of you share the credit.

When the three industry standard bond rating agencies affirmed the city’s “AAA” rating early in May of last year, we maintained our position as one of the few cities with the best possible credit rating.

That’s about as unbiased an opinion as one can get.

The result is very tangible – on the heels of that rating, the city saved \$7 million in interest on a variety of debt. A majority of the savings will result in lower taxes to Scottsdale property owners.

To a fiscal conservative businessman and accountant like me it is something we should all be proud of.

But Scottsdale’s ranking on one list left me wondering a bit.

One real estate site named Scottsdale among the nation’s “snobbiest” cities.

When I heard that, I nearly dropped my monocle in my lobster bisque.

I had to have my butler read the article to me a second time, just to make sure I was hearing it correctly.

Seriously, though, I am always curious about what criteria are used to rank Scottsdale on these lists, and I’m sure you are, too. Here are the criteria used to rank the snobbiest cities: high property values, high income and education levels, wonderful arts & culture.

I am sure you agree with me that these are enviable characteristics that every city strives for. They are signs of a thriving community, and Scottsdale is certainly thriving.

If you ask the 225,000 people who call Scottsdale home, and the millions more who choose to visit Scottsdale every year, I think they’ll say that we are a friendly and welcoming community.

We heard from a few of them in our opening video.

Scottsdale is far from snobby. We just happen to offer an uncommon quality of life with a side of Western hospitality.

Remarkable people

It would be easy to look at the beauty of our natural surroundings and call Scottsdale remarkable. But we are much more than the majestic McDowell mountains and stately saguaros.

Scottsdale is a remarkable city because of remarkable people.

While there are far too many to name individually, I am going to mention a few.

One fine gentleman and a great personal friend, who built the vitality and history of our city and state through his community service, business and work in government as a City Councilman and State Representative is Mr. Paul Messinger.

He has seen and helped Scottsdale grow from an unincorporated town of one square mile with less than a thousand people to the wonderful, modern western city it is today.

Paul and his wife Cora started Scottsdale’s first mortuary and first ambulance service, both of which still serve Scottsdale more than 50 years later.

Ladies and gentlemen please join me in welcoming and thanking Paul along with his wife Cora, for all that they have done to make our city great.

What do you call someone whose biography includes semi-professional baseball player, folk singer, educator, author, storyteller and United States Marine?

You call them remarkable – and Marshall Trimble is that, and then some. Marshall retired in 2014 after teaching Arizona history for 37 years at Scottsdale Community College.

He has authored several books on the subject as if he lived it, and he remains Arizona’s Official Historian, and an icon in our community. Please join me in welcoming, and thanking, Marshall Trimble.

The last guest I want to talk about today is also well versed in Scottsdale history.

Although clearly much younger than Mr. Trimble and Mr. Messinger, Joan Fudala has lived in Scottsdale for more than 20 years.

In her mind’s eye, she has been here since the days of Winfield Scott. You can learn what that was like in any of the seven books she has written about the history of our community.

The most recent is called “The People’s Preserve,” an in-depth look at how a remarkable group of people created Scottsdale’s McDowell Sonoran Preserve.

Please join me in welcoming, and thanking Joan Fudala.

Early in 2014, the Scottsdale City Council adopted a new mission statement as part of re-setting our priorities for the next 12 to 18 months.

“Simply Better Service for a World-Class Community” provides direction and describes the commitment that city employees have to keeping Scottsdale great.

Our city staff are a wonderful and proud group and to them the mission statement is more than lip service.

A team of staff members working with our City Manager, Fritz Behring, are advancing a number of initiatives in the planning and permits process to reform the efficiency and the quality of customer service for our citizens, businesses, and visitors, all to meet and exceed the city’s pledge of “Simply Better Service.”

Investing in quality of life

A world-class community invests in its quality of life, and few cities do that better than Scottsdale.

Perhaps the most visible result is Scottsdale’s McDowell Sonoran Preserve, the beautiful Sonoran Desert and mountains that provide such an iconic backdrop to our community.

Many of you know the story, but we should never tire of repeating it. The preserve was created by Scottsdale citizens working in partnership with their local government, a wonderful model for getting things done.

These 47 square miles of desert with 120 miles of trails are preserved for the benefit of citizens today, and for their children, grandchildren and generations beyond.

The preserve is a tremendous attraction for tourism, and a proud amenity for our residents to enjoy and show-off to their visitors.

Not everyone who enjoys the outdoors in Scottsdale heads to the preserve.

That’s because our city offers a parks system that definitely is world-class. Our parks department is one of about 100 across the nation that has earned accreditation from an independent agency that evaluates parks against a tough national standard.

We’ve met the standard for the past 20 years thanks to our beautiful, clean parks and facilities, a well-rounded scope of programs, and professional staff that is second to none.

This past September 8th, Scottsdale received 5 inches of rain in just a few hours and when those heavy rains fell, a large part of our park system located in the Indian Bend Wash went to work at its second and primary job of flood control.

Thanks in large part to the Greenbelt, storm disruptions in Scottsdale, while substantial, were minimal in comparison to other parts of the Valley.

Thanks also goes to a group of staff – the Emergency Response Team – who volunteer to be called out when storms and other disruptions begin to restrict city streets.

Everyone on city staff did a terrific job, including the Scottsdale Police officer who helped this fish cross Hayden Road.

Arts & Culture

Our investment in the cultural well-being of our community is on display year-round, thanks in large part to the Scottsdale Cultural Council, who manages the Scottsdale Public Art program.

During storms, the breathtaking group of sculptured steeds along Indian Bend Road called “Watermark” help move a little water themselves.

That piece of art is among dozens from our world-class public art collection.

You can tell a lot about how a community feels about itself by looking at the public face it shows.

In the last year we welcomed new art installations at WestWorld, at Cavalliere Park and a beautiful enhancement of the canal in the heart of our downtown.

I want to thank everyone at the Scottsdale Cultural Council for Scottsdale’s art and cultural image.

This is the perfect moment to publicly welcome Neale Pearl, the new president and CEO of the Scottsdale Cultural Council, who started last year.

Neale’s team creates arts and cultural programs that help make Scottsdale a city that everyone can enjoy.

A visionary man once said, “If you foolishly ignore beauty, you will soon find yourself without it. But if you invest in beauty, it will remain with you all the days of your life.”

That man was Frank Lloyd Wright, and I quote him here to remind us of the lasting and profound importance that our investment in the arts, and in the preserve, has had on Scottsdale.

I also mention Mr. Wright because he spent a great deal of time at Taleisin West, the famous desert retreat and school of architecture he founded in 1937 at the foot of the McDowell Mountains.

Established in 1937, this national historic landmark is yet another remarkable facet of Scottsdale’s character. With new leadership and new direction, Taleisin West is reasserting itself.

Frank Lloyd Wright, like many of our earliest residents, recognized the importance of living and growing in harmony with nature, and I encourage all of you to visit Taleisin West to experience that for yourselves.

In the spirit of living and growing in harmony, my council colleagues and I unanimously supported “The Unity Pledge.”

The Unity Pledge is a concerted effort by the city, businesses and individuals to advance workplace and community equality for the LGBT community.

Our pledge affirms the city’s commitment to inclusion, and is a public expression of Scottsdale’s desire to be an inclusive place and respect all people.

Scottsdale’s Business Environment

Scottsdale’s quality of life is created by all of us, and it must be supported by all of us.

As I begin to talk about our business environment, I think you’ll see a much broader base of business diversity in our economic engine than ever before.

A wide range of technology businesses are now attracted to the environment we have created in Scottsdale. Business and industry that is well suited to the Scottsdale environment now grow in a healthy organic way.

Investors now find Scottsdale a great place to start, relocate or re-invest. In fact, since 2012, Scottsdale ranks number one for venture capital funding investment in Arizona.

Let me be clear on one point – we do not pay companies to come to Scottsdale.

The remarkable community and lifestyle we have created together is what attracts them. And once they are here a variety of services, such as assistance in marketing

to skilled talent and helping to integrate new firms into the local community help keep and grow them.

In this effort, we have made over 150 visits to local companies in the last 18 months, and hosted interactive feedback sessions after which one company stated “It was nice to meet some fellow Scottsdale business leaders. Dare I say that it felt a little bit like a family all working together as a team?”

Downtown Scottsdale offers an urban experience that you don’t find too many other places in the United States. It is particularly attractive to technology companies whose employees like the live, work, and thrive lifestyle that it offers.

2014 saw impressive corporate activity in downtown Scottsdale.

The biggest was announced late in the year. Zenefits is a human resources technology company that chose Scottsdale for a major expansion out of California.

The company will eventually lease a total of 100,000 square feet of space in downtown Scottsdale and plans to hire more than 1,300 employees here over the next three years.

That announcement came on the heels of another expansion from California.

Web technology firm Weebly leased 25,000 square feet of space for their North American Customer Operations Headquarters, and plans to bring 250 new jobs to Scottsdale.

I’d like to welcome Weebly CEO, Alan Chambless. Alan, thanks for your investment in our community and your support here today.

Nearby, ZocDoc announced a major expansion of their Scottsdale location, and Zivelo moved forward with the relocation of their corporate headquarters, which was announced at the end of 2013.

Two miles south, the McDowell Corridor continues its resurgence, anchored by SkySong, which continues to attract attention and talent to Scottsdale.

SkySong 3 is a new 145,000 square foot building that opened in the summer of 2014 – and it is already at 90 percent capacity.

A wide variety of firms are relocating or expanding at SkySong, including digital marketing and technology firms Revel Systems, Yodle and Pxyl.

One of those companies’ founders called SkySong the right place for serial entrepreneurialism to grow and prosper. That is an apt description of SkySong, but also of Scottsdale’s entire business environment.

SkySong is more than just office space. It is a place for collaboration and innovation. An example of this is E-liances – a group of entrepreneurs who meet regularly at SkySong to foster innovation and help businesses start and grow.

SkySong is becoming a place for innovators, who attract more innovators.

Imagine if in-depth medical tests could be conducted from blood drawn via a simple prick of the finger. That’s the innovation that Theranos, another company that selected SkySong, is perfecting.

Theranos, based in Palo Alto, California, has leased a 20,000-square-foot wing at SkySong 3. Their expansion to Scottsdale will bring hundreds of jobs in the short term, and many more in the years to come.

Theranos is an example of another trend we are seeing in Scottsdale – the rise of technology companies that are focused on the bio-medical industry.

Elizabeth Holmes, their founder and CEO, was keynote speaker at the sold-out Second Annual Scottsdale Cure Corridor event.

The Scottsdale Cure Corridor, generally along Shea Boulevard and in the Scottsdale Airpark, is anchored by Scottsdale Lincoln Health Network, the Mayo Clinic and TD2, the drug development arm of TGen.

This collaboration of incredible health care minds is focused on using innovative genomics to take medical research from the bench to the bedside to cure cancer and other diseases. The results they have achieved over the past few years have been remarkable.

I want to mention two other healthcare companies that made major announcements in Scottsdale in the past year.

We were excited to welcome Orion Health to the Scottsdale Airpark and the Cure Corridor late last year. They are a health care information technology company who chose Scottsdale for their North American research and solution center.

They are another example of the exciting blend of health care and technology that is becoming one of Scottsdale’s signature industries.

In the spring of 2014, Magellan Health announced that it will move its headquarters from Connecticut to Scottsdale. The health care management company has nearly 6,000 employees at locations in 22 states, and we are very pleased to have them in Scottsdale.

Another very strong business sector for Scottsdale is the financial and business services sector. 2014 saw large expansions in Scottsdale from Vanguard, Scottsdale Insurance, Nautilus Insurance, and Homeowner’s Financial Group to name just a few.

These types of businesses and industry clusters working alongside and together across our community fuels innovation, collaboration and competition. They invest in our city and provide jobs for our residents. It is all about a diverse makeup of future-oriented industries that builds and secures our economic engine.

Their success is our success.

Tourism

As fiduciary of our taxpayer’s resources, the Council must evaluate, approve, and spend wisely those resources that maintain and enhance our capital infrastructure.

The voter-approved allocation of bed tax funds to tourism capital projects is one resource.

One allocation was for the multi-use Tony Nelssen Equestrian Center at WestWorld.

It has earned a reputation as the most flexible event venue in the Southwest and we are seeing a growing list of world-class events at WestWorld.

This year, I’m fortunate to be able to talk about the completion of Scottsdale’s Museum of the West, aptly dubbed Western Spirit.

When the city council devoted a portion of our bed-tax revenues to build this museum, the goal was to reinvest in our most popular tourist attraction – downtown Scottsdale.

This beautiful new museum immerses guests in the unique story of the American West.

Earlier we recognized longtime Scottsdale resident Paul Messinger. In addition to Paul’s accomplishments mentioned before, he was part of the Scottsdale Town Enrichment Program – STEP – that early in our city’s history set the course for the remarkable city we have become.

In 1965, the STEP committee issued a robust report of dozens of capital projects that they desired to build to move Scottsdale forward.

Elemental parts of Scottsdale today were first envisioned in that report – things like the Indian Bend Wash, City Hall and the Civic Center Mall.

The STEP report called for construction of “a Scottsdale Town Museum” to display “certain types of western art, both unique and modern.”

Well, Paul, it’s been 50 years, but we’ve finally got our museum of western art. The STEP Committee can check another project off the list.

I think this one was worth the wait. Scottsdale’s Museum of the West is a wholly modern experience that provides an interactive journey via art, authentic cultural materials, riveting stories and engaging technologies.

Thank you to the many people who held this vision and worked for years – and years – to make it real. And special thanks to the Scottsdale Charros, our Spring Training and community partners, who rode in with a \$250,000 check to support the new museum.

Toward the other end of our tourism corridor, the city has completed renovations to another high profile venue – TPC Scottsdale.

This public golf course is home to the largest spectator event in Arizona – the Waste Management Phoenix Open – which routinely draws more than half-a-million people over its weeklong run.

After the conclusion of the 2014 tournament, the city began a \$15 million project to modernize the 20-year-old facility and bring it up to current standards for everyone who plays there, from the beginners to the pros.

Making these improvements was also instrumental in an agreement between the City of Scottsdale and PGA TOUR that will keep the professional tournament at TPC Scottsdale through 2022.

These investments in our capital tourism infrastructure are made with tourism dollars, and we are fortunate to have that dedicated funding source to support our tourism facilities and industry without burdening the city’s general fund.

No discussion of tourism is complete without talking about the biggest event of the season – Spring Training, which is right around the corner.

For the third time in five years, the San Francisco Giants – Scottsdale’s home team for spring – are the World Champions.

We love our partnership with the Giants, and with the Scottsdale Charros, and welcome everyone who makes downtown Scottsdale a sea of orange during the month of March each year.

Not long after Spring Training concludes, we will welcome a new team to Scottsdale Stadium.

Arizona United Soccer Club is the state’s only professional club playing at the USL-PRO level – in support of Major League Soccer.

They announced their move from Peoria to Scottsdale late last year, to expose their game to more fans, and offer a game day experience that is second to none.

We are truly excited to have them here, and I encourage all of you to check out some games when their season begins in April.

Challenges ahead

It’s easy to see why I am so excited about Scottsdale’s future. As bright as that future will undoubtedly be, there are challenges that our community must face together.

Can we reach consensus on the city’s future vision and direction via General Plan 2035?

I think we all agree that we must work together to keep Scottsdale, “Scottsdale.”

But we may differ in opinion about what that means.

Many citizens have put many hours into developing the General Plan draft, and as it moves forward, it is the civic duty of everyone with a stake in Scottsdale to learn about that plan, ask questions, provide input and make an informed decision when the plan ultimately appears on the ballot.

Can we maintain our capital infrastructure – our streets, parks, water lines and traffic systems at the level Scottsdale residents expect?

When you cross from a neighboring community into Scottsdale, you can see and feel the difference, because we have a higher standard of capital infrastructure.

Drastic reductions to city revenues brought on by the Great Recession, however, have pushed funding in our capital program to the lowest level in years.

We simply must maintain the investments made by previous generations, and bond funding is the best way to do that in most cases. On an emergency basis, we have squeezed money out of the general fund to handle critical repairs, but every dollar we spend there is a dollar unavailable for day-to-day services.

Previous bond packages submitted to the voters have failed to earn their support, so this question remains un-answered.

And Scottsdale must be particularly careful, because as a well-run city, the damage caused by reduced capital funding may not be seen for many years.

We at city hall are working hard to build the same level of trust with each and every one of our voters that we have with the bond rating agencies.

As healthy as it is, we also have questions to answer about our tourism industry – can we maintain and improve it?

In the year ahead we will revisit master planning the entire WestWorld area to develop long-term plans that will support parking, traffic flow and other things we need to keep signature events there healthy and thriving.

A citizen group is continuing to explore and advocate for the Desert Discovery Center, a destination envisioned as a place for residents and visitors to discover the story of the Upper Sonoran Desert.

It is an intriguing idea, but there are many questions to be answered. Where would it go? How much would it cost? How would we pay for it? Do we as a community really want it?

That’s a discussion that I believe will become more prominent in the year ahead.

There are two groups working to make sure Downtown Scottsdale maintains its position as a major attraction.

A Tourism Advisory Task Force appointed by the City Council is developing tactics to re-invigorate the Scottsdale experience, with much of its attention to our downtown core.

Their activities are also funded with our dedicated tourism revenue.

A private group of downtown businesses is developing strategies to maintain and improve our downtown infrastructure – including exploration of private funding to pay for enhanced service levels to keep downtown special.

Scott Nelson is chair of that effort. I thank him for his leadership, and look forward to seeing that group’s recommendations soon.

In both of these examples, stakeholders are working alongside the city, and even leading the charge in some cases, and that is how it should be.

Conclusion

Our governance, financing, tax funds and economy are solid, disciplined, growing and diversified.

But with all that – we have a peculiar challenge in the upcoming years.

As we know, we will have to wean ourselves of our dependency on State and Federal funds. We will need to remain solid in our fiduciary governance.

We will need to remain disciplined in our budgeting.

We will need to continue to be a great place to have a business and a remarkable place to live so that taxable activities grow.

And finally we will need to be a community that is united and welcoming so that our free economy will continue to grow unfiltered by higher than necessary taxes or over regulation.

To stay true to this path, I will propose that we establish a Citizen’s Committee to review our ordinances, rules and fees for a continuing need, intended results and regulatory cost to both city and targeted businesses or citizens.

In every case that we can we will consider how certain taxes or fees impact businesses and citizens here in Scottsdale.

That is what an open, accountable and responsive government does.

I will conclude by saying, once again, that Scottsdale is remarkable.

We are a community of remarkable people who, throughout our history, have made smart, sometimes tough choices, to create a place that lives up to its sterling reputation.

I am incredibly optimistic about our future.

Every community changes over time, and we are no different. Where we stand apart, however, is that Scottsdale’s history is one of consistent and steady improvement.

We all share the credit – government, business, involved and energetic citizens – have made Scottsdale what we are.

And we all inherit the responsibility for continuing that success.

I know we are up to the task.

Some communities age, Scottsdale just gets better.

Thank you.