

2018 State of the City Remarks  
Mayor W.J. "Jim" Lane  
Jan. 31, 2018

Good afternoon,

I am pleased to be here with you today to report on the state of our great city.

I'd like to take one moment to thank my wife, Joanne, and my family for the huge part they play in making my life great.

Everyone in this room can be proud of the part you play in making Scottsdale great.

We remain blessed with many physical and geographic attributes that make our city a wonderful place to live, and for that we are grateful. Scottsdale is a community of thoughtful, engaged and caring people.

We consistently net out positive in the impact and results of decisions made to move Scottsdale forward...balancing individual opportunity and our environment.

I am thankful for the dedicated people who step up to serve Scottsdale. In particular, I would like to recognize and thank my City Council colleagues.

In Scottsdale, there are definitive lines between the City Council's policy-level responsibilities, and management's role in carrying out those policies, but they work in concert to guide our city's future growth and prosperity.

Citizens should take pride in the city's accomplishments and recognize your important role as well.

Transparency and accountability are major priorities for me, and have been integral parts of Scottsdale's principles of governance as committed to within our city's charter as amended in 2010.

Today I hope to rekindle your love of Scottsdale and refresh your spirit of community.

A bad day in Scottsdale – more often than not – is at least equal to the best day in a lot of other places.

With that, it's time to take stock of Scottsdale, starting with our economy.

The people have spoken, and say that Scottsdale's economy is in excellent shape. In a survey, residents rated seven of eight aspects of "economy" higher than national benchmarks.

This earned Scottsdale the national 2017 Voice of the People Award for Excellence in Economy.

Others agree. National online finance site "WalletHub" put Scottsdale number one on its list of the best cities for jobs in 2017, and we have the numbers to back that up.

I have often said that Scottsdale is open for business – and the scale and scope of businesses that choose Scottsdale is remarkable.

Since 2013, Scottsdale companies have been outperforming the region, state and the nation. We see continued expansion in key segments: technology, bio-life sciences, finance and insurance.

One of my favorite developments from the past year is the complete renovation of a dated office park in southern Scottsdale, which has led to business relocations and revitalization of an important area of our city.

Acronis, a global leader in hybrid data security collection, opened a new technology center at the Quad on Thomas Road.

After locating here, Acronis announced an additional \$10 million-dollar investment into the city over the next three years through future research and development projects in machine learning and artificial intelligence.

Acronis's President, John Zanni, is here with us today so please help me welcome him to Scottsdale.

Thank you, John. Acronis is a perfect fit for Scottsdale, and the Quad is a beautifully renovated location that was a perfect fit for them.

It is very encouraging to see how Scottsdale's commercial office developers continue to reinvent their offerings to attract the best to our city.

I could go on and on about the many other successful expansions and relocations that have occurred in Scottsdale. Companies like The Hartford, Web.com, Datashield, JDA Software and so many others.

I could explain the positive impact of Scottsdale Fashion Square's redevelopment plans and how they are bucking national indoor mall trends and breaking records.

I could probably talk for an hour just about all the innovation at SkySong and how they are at 90 percent occupancy, but you will hear plenty from me today.

Instead, let's watch this quick video for some more economic development highlights.

<<<2018 Economic Update Video>>>

As most of you know, one area most near and dear to me is Scottsdale's Cure Corridor, the incredible array of health care and bio science companies in Scottsdale.

The Cure Corridor, which marked its 5<sup>th</sup> year in 2017, is a source of local pride and an international force.

We have lots of statistics about the companies in the Cure Corridor, their growth and record of accomplishments in the last five years, but stories like the one Senator Kate Brophy McGee relayed to me really tells it best:

The Senator's son was pursuing a bioscience research career, and had travelled to Germany to pursue opportunities there.

Following a presentation on Scottsdale's Cure Corridor, the Senator suggested to her son that he look into Arizona bioscience opportunities. It was a good suggestion – he ended up finding the right opportunity right here at home, which pleases his mom to no end.

That is just one example of how home-grown talent and their organizations are expanding Scottsdale's international reputation and footprint in an incredibly important field.

Senator Brophy McGee is here with us today. Please help me thank her not only for her support of the Cure Corridor but also for her wonderful leadership in the legislature.

Today, one in every five jobs in Scottsdale is in the health and bio-sciences industry. We may be better known for resorts and tourism, but one day that could very well change. We are and will continue to be a health care and medical innovation hub for the best and brightest in that industry.

Scottsdale continues to be top of mind for innovators across industries. The autonomous vehicles that General Motors began testing here two years ago were soon joined by similar vehicles being tested by Uber. Those vehicles continue to travel our streets, testing and evaluating the latest technology.

This is an area where government and business clearly share interests. Moving people more safely and more efficiently without the need for new and costly infrastructure investments is the ultimate promise of this technology.

Politics and government regulation can be a barrier to this kind of innovation, and breaking down these barriers to business is a large part of exactly what I intended to do when I won my first election.

And now Scottsdale, with the help of some great leadership from Governor Ducey, is doing our part to aid the evolution of this technology by facilitating conversations, supporting innovation and sometimes simply stepping out of the way.

Appropriate rules, however, are sometimes necessary. Some of you probably noticed these brightly colored bicycles that popped up in large numbers here a few months ago.

While they may look pretty low-tech, they pack modern technology, allowing folks to find and rent them via smartphone apps.

We think they will be a convenient alternative transportation option for many tourists and residents in Scottsdale. In fact, the operators report more than 55,000 uses since November 1<sup>st</sup>.

We love the bike share companies, and we love the fact that we didn't need to sign expensive agreements to bring them here.

But we don't love blocked sidewalks and some of the safety concerns citizens have brought to our attention.

So your City Council will be discussing what needs to be in place to help this two-wheeled tech be a positive part of the Scottsdale experience.

No discussion of Scottsdale's financial environment would be complete if we didn't talk about the anchor of our economy – tourism and events.

According to our latest analysis, domestic visitors to Scottsdale spend about \$2.1 billion every year.

Those visitors also generate more than \$37 million in annual local sales tax revenue, money that stays in our community to repair roads, maintain libraries, train emergency responders and provide other services.

The infusion of visitor cash helps Scottsdale residents enjoy a quality of life that's annually rated among the nation's best.

Additionally, about \$20 million is generated through our voter-approved hotel bed tax. Money that we re-invest in destination marketing, through our wonderful partners at Experience Scottsdale, and in tourism and events venues at places like WestWorld, the TPC and Scottsdale's Museum of the West, and some of that tax revenue helps offset public safety costs.

Scottsdale's event season drives much of that impact, and 2017 was another record breaking year in that regard.

The year got rolling with one of the biggest and best Barrett-Jackson auctions ever.

Got rolling? See what I did there?

Barrett-Jackson wasn't the only one to break records.

The greatest show on grass, the Waste Management Phoenix Open, shattered their attendance record with more than 650,000 people attending last year.

Not to be outdone, Spring Training also ended in record setting fashion – including more than 180,000 who attended games at Scottsdale Stadium.

Each impacts our reputation in very big and very positive ways, which is why it is so important that we continue to support those who make them happen.

Events in Scottsdale have helped create an ecosystem that attracts and supports other events that keep the city buzzing just about year-round.

The Grand Prix of Scottsdale, the Scottsdale Polo Championships, the Scottsdale Culinary Festival, the Arabian Horse Show, Scottsdazzle, The Hashknife Pony Express – when you consider it on the whole, the breadth of event offerings in Scottsdale is truly amazing.

And there is even more.

Scottsdale's artistic side is equally impressive, drawing on our community's early roots as a hub of artistic and creative people. Their legacy is in good hands.

Scottsdale Arts, our nonprofit arts and cultural partner, continue to provide world—class experiences and educational opportunities for our community.

Two of their signature offerings are the simply-spectacular Canal Convergence, and the always-inspiring Scottsdale Arts Festival. These events won a combined 10 awards for excellence from the International Festivals & Events Association in 2017.

I think 2018 will be even better, as Canal Convergence expands to two weekends on the Scottsdale Waterfront.

Canal Convergence is a beautiful – temporary – public art installation. But Scottsdale offers plenty of opportunities to experience the arts on your schedule.

Western Spirit: Scottsdale's Museum of the West offers an unmatched collection of classic and modern western art and artifacts, and is getting better all the time.

A new permanent exhibit at the museum, called "Canvas of Clay" was among 11 "must see" fall exhibits highlighted nationally by USA Today.

The Museum of the West is one of the most beautiful additions to our downtown in recent years.

The vacant city land next to the museum offers an incredible opportunity to enhance our city's arts and culture through private development.

We are a city of arts. We are a city of museums. We are a city of events. And we are looking at that area as a way to enhance that reputation and further activate this critical part of downtown.

I am excited to work with the private sector on the continuation of Old Town Scottsdale's remarkable transformation.

Elsewhere, the McDowell Road Corridor has long been a priority for me and my Council colleagues. Last year we saw so much reinvestment, revitalization and even a rejuvenation of the energy along that important part of Scottsdale.

I'd like to recognize Councilwoman Suzanne Klapp for her engagement and leadership along the McDowell Road Corridor through her work with the Scottsdale Gateway Alliance.

McDowell Road looks and feels better than it has in a long time. I look forward to its continuing resurgence.

Also in the McDowell Road Corridor, Coronado High School was under-performing when compared with some of the other High Schools in a city filled with great educational options.

Dr. Denise Birdwell, SUSD Superintendent, and her team started the Coronado Success Initiative.

It is a prime example where educational systems and community come together to create academic success – this includes the SUSD Governing Board, the business community, the Scottsdale Charros, ASU, committed teachers and parents. The school is experiencing a new culture focused on building dreams for the future.

In just one year, Coronado is seeing academic scores improve, significant growth in the enrollment of Advanced Placement courses. And I am pleased to report that this year every senior has applied to college.

Scottsdale has lots of reasons to celebrate – I certainly think so, and I'll bet you agree.

Why am I so confident saying that?

One reason is the results of our last citizen survey, which we received early in 2017.

98 percent of residents in Scottsdale rate the city an "excellent" or "good" place to live.

Only Kim Jong Un has a higher approval rating than that.

But seriously, about 9 of every 10 residents surveyed rated the city's image and appearance positively, along with the quality of services provided by the city and customer service provided by city employees.

These among other ratings were higher than national benchmark comparison cities, and remind us that despite the things we may not like, or may wish were different, Scottsdale is an enviable place to be.

Some other reasons to celebrate?

Our international business and tourism relationships are flourishing. Today we are joined by many members of the Consular Corps of Arizona.

Their Chairman Alberto Molino has intensified the positive impact on our international connections. Our important relations with Mexico in particular are more solid due to his efforts and those of the recently appointed Mexican Ambassador to Phoenix, Claudia Franco.

Please help me thank them both and the entire Consular Corps of Arizona for their great work on behalf their countries and the relationships with our state.

I also have the opportunity in my role as mayor to be involved in many Sister City programs.

We have enjoyed recent international exchanges with Haikou, China, Alamos, Sonora Mexico, and Interlaken, Switzerland, in business, arts, education, medicine and human relations.

This spring I will head-up a sister city and business delegation for a trip to Marrakesh, Morocco, at the invitation of their Mayor.

In Alamos, not only have we had the typical sister city cultural and business exchanges, but our public safety departments and medical community have gotten involved through unique exchanges of best practices and equipment.

Thank you to the nonprofit Scottsdale Sister Cities association and all your board members for doing so much to bring Scottsdale to the world, and vice versa.

Scottsdale is a five-star city, at least according to Yelp, the leading online review app that happens to have its largest office right here in Scottsdale.

The women and men throughout Scottsdale city government pride themselves on delivering five-star service to our community.

In 2017 the city partnered with Yelp to claim more than 80 listings of city facilities and venues, the first local government to do so. This allows us to gain more insight into who's using city facilities and why... and respond to reviews and complaints.

Claiming those listings is a big reason why Scottsdale was named – the Yelpiest city in America.

If you didn't know that, maybe you don't spend enough time looking at your smart-phone.

Those of you who do, probably follow the city on Twitter, Instagram and Facebook. If you don't, you should – it's a great way to stay connected with things happening in Scottsdale.

Here are some social highlights from the past year.

<<<YEAR IN SOCIAL VIDEO>>>

Some city venues that consistently receive high ratings are parks, libraries, senior centers and recreational facilities. We, the residents of Scottsdale have invested in these venues because they are such an important part of our quality of life, and city staff who maintain and operate them do so with an equal sense of pride.

2017 in particular was noteworthy for city parks, because a handful celebrated milestone anniversaries that demonstrate our long-standing commitment to creating a place that is truly enjoyable to be in.

Eldorado Park and neighborhood parks Agua Linda and Chesnutt all turned 50 years old in 2017. Pinnacle Peak Park turned 15, and McDowell Mountain Ranch Aquatic Center celebrated its 10<sup>th</sup> birthday.

We also had the pleasure – just a few weeks ago – of opening a brand-new playground at Chaparral Park, which offers an inclusive experience for people with disabilities, their families and friends.

Scottsdale is a place for everyone – and this new playground helps us make that idea more a reality for all the children in our community.

We have many people who have come before us to thank for the way Scottsdale is today. The importance of the decisions and commitments made by previous community leaders and residents to create a first-rate parks system should not be understated.

We enjoy the fruits of their labor at 41 wonderful parks throughout our city.

I hope that sharing these things bolsters your sense of community pride – our Scottsdale is a great community and we should all be proud to be part of it.

But as resident Connor Heron pointed out in a letter to the City Council, we don't have a great flag. That's right – Scottsdale's city flag, no more than the city seal sewn on a white background, is not up to Scottsdale standards.

But perhaps that will change.

My Council colleagues and I responded to his letter by initiating the Scottsdale Flag Challenge – an open call to submit design ideas for a true city flag.

After opening the challenge, we received more than 260 entries. The next step is to bring final design concepts to the public for your input, after which the City Council will be asked to determine whether a new design will become Scottsdale's next city flag.

Would you like to see the finalists?

I am excited to show them to you. For the first time outside the walls of City Hall, here are the final design concepts in the Scottsdale Flag Challenge.

<<<Pause while Flags are unveiled>>>

You may not have gotten a good look at them there, but that's OK. Online public feedback opens on the city's website later today – please visit [ScottsdaleAZ.gov](http://ScottsdaleAZ.gov) to tell us which is your favorite.

Thank you to everyone who submitted ideas, and thank you also to our Neighborhood Advisory Commission, many of whom are with us today, for helping us select the finalists from among all those wonderful concepts.

While we have much to celebrate as we look back, 2017 brought challenges as well.

But throughout it all, we see things that remind us that this is a community of people who care about each other.

Scottsdale cares.

Of course we are not immune to larger social ills – like other communities, Scottsdale is seeing the local impact of an increasing number of people battling drug addiction.

Rather than focusing purely on arrest and removal of offenders, Scottsdale Police recognized that they are often the first ones in position to help people suffering from overdoses.

Our officers have been trained on how to use Narcan, a drug that can reverse the effects of an overdose. By getting this lifesaving drug into the hands of these police officers, they are better equipped to save people in these dire situations.

And save people they have – at least six lives were saved in 2017.

The department also implemented an “angel initiative” that supports people looking to end their addiction – those who come forward can get help without fear of arrest.

Scottsdale Police Department also worked in partnership with the City Attorney's Office and Scottsdale City Court to create a program that reduces the number of first time youthful offenders entering the criminal justice system.

The Restorative Justice Intervention Program is a voluntary path that provides an opportunity for young people who have broken the law to move on with their lives without an arrest or court record.

On behalf of the community I would like to thank the Scottsdale Police Department, Fire Department, City Attorney's Office and City Court for your continuing commitment to creative problem-solving for the benefit of our residents.

You really make an incredible difference for Scottsdale.

I really can't discuss community involvement without noting that 2017 was an important year for the Desert Discovery Center concept as well. Many community discussions resulted in giving substantial form to the idea, now known as Desert Edge.

2018 will likely be the year of decision on this idea. The City Council has put our consideration on hold while citizen initiatives that have been filed complete their process.

As difficult as this idea and these discussions have been at times, we remain committed to a comprehensive public process before reaching a conclusion or resolution about the Desert Edge.

Scottsdale amazes me all the time with our engaged and passionate citizens. For example, last year the city benefited from nearly 6,000 volunteers. And when you think of the many more non-profit and community organizations that had Scottsdale citizens rolling up their sleeves to make a difference, it makes me proud.

Thank you all in this room and around the city for your extra efforts to make Scottsdale the very best city in the world.

On a personal note, this year I accepted an invitation to become a Scottsdale Charro Grande. I'm very proud to be part of this organization.

Like many of you, I knew about the millions of dollars the Charros have raised and donated to educational and charitable causes, but I had no idea just how much fun it would be.

As I move into the final section of today's remarks, it's time to shift our focus from the past and the present to the future.

Where should we focus our attention in the year ahead?

Scottsdale's award-winning Water Department has created one of the most robust and forward-thinking water systems anywhere in the world. They manage our water resources with a constant eye on a sustainable future.

On a statewide level, however, the way forward on water resource management is not as clear.

To achieve that unity of vision and singularity of purpose, Governor Doug Ducey has been leading the way: his office initiated discussions with the major water players in Arizona.

I am pleased to be part of his plenary group – we remain focused on building Arizona's history of responsible water resource management and planning. While it may be out of sight, out of mind for many, there is nothing more important to a vibrant future for our state.

Closer to home, the Scottsdale Airpark remains among the most important parts of the regional economy.

2017 saw some substantial changes get underway – changes that started by knocking down the old Scottsdale Airport terminal that had been a centerpiece since 1968.

A new Aviation Business Center is rising in its place. The development is a much smarter use of valuable "on-airport" real estate, and will include a public plaza, restaurant, event venue and two executive hangars, as well as offices for airport administration and U.S. Customs and Border Protection.

And I think it is important for you to know that the airport is a self-funding enterprise.

Thanks to a new nonprofit organization, the new building will also feature the Thunderbird II Veterans Memorial. This will be a wonderful tribute to the Airport's historic roots as a World War 2 training field, and to the thousands of cadet airmen who trained here.

The Aviation Business Center is an important reinvestment in a major economic engine for Scottsdale and the region. I look forward to cutting that ribbon later this year –

You're all invited.

Thanks to Scottsdale voters, we can look forward to realizing the benefit of other community investments in the years ahead as well.

The city is building three new fire stations, fixing roads and completing transportation projects, thanks to bond financing approved by Scottsdale voters in 2015.

We have more to think about and more to do when it comes to our public infrastructure. Part of Scottsdale's reputation for excellence, beauty and livability is tied to the investment made over time in our roads, parks, community centers, public safety..... and all our public amenities.

We have to maintain that.

I can't stress that enough.

On that subject, last year I convened a City Council Capital Improvement Subcommittee and they are hard at work reviewing our five-year capital plan.

They are exploring the financial resources available for projects, which can and should be built, and which projects we would like to build but can't afford.

Many thanks to subcommittee members, Vice Mayor Virginia Korte and Councilmen Guy Phillips and David Smith for the many hours of study and public meetings you've devoted to this important issue.

I look forward to the CIP Subcommittee recommendations for full Council deliberation later this spring.

The city isn't the only organization looking to invest in Scottsdale – far from it. Throughout the community, private industry is investing millions. We have earned their confidence by creating a place worthy of the highest quality investment.

2018 will be a year of intriguing possibilities as well.

La Via, the Village for Innovation and Art, is under review right now. Partners David Eaton, Mel Shultz, and Jerry Colangelo have designed a dynamic live, work & play project focused on the arts, innovation and walkability near Scottsdale's airport that compliments the Scottsdale Quarter.

Not far from there, I was disappointed to bid farewell to longtime community partner Henkel, which you may still remember as the Dial Corporation. But frankly that disappointment was short lived.

The interest in that iconic building was immediate. I recently received word that we are just short time away from some wonderful announcements. That building is attracting the very kinds of companies consistent with our Cure Corridor bio-science and bio-technical efforts.

We could also hear about big ideas for other parts of Scottsdale as well. We are home to several very attractive sections of state land, which will likely come to market soon.

How these parcels are planned and developed will be critically important for Scottsdale, and will have the full attention of the City Council when they come forward.

There is so much good news on the horizon; I already can't wait for next year's State of the City!

In closing please let me assure you that your city's representative government focuses locally, but also works collaboratively with our regional and state partners on issues that affect us all.

The City Council, city staff and I participate in multiple state and regional agencies, work closely with neighboring Tribal communities and with non-governmental organizations on important topics such as planning and policy in water resources, land resources, tax law, transportation, workforce and educational resources, forest and watershed protection and other issues where coordination is critical as a city and a state.

The level of coordination and collaboration on important issues for our city and across our state is at the highest level I have seen in my 9 years as your mayor. Forging ahead with a regional mindset is incredibly important for our future.

Communication and collaboration between these partners here in Arizona is necessary for us to get things done in an efficient and effective way. This same effort applies equally to our Council interaction and with our City Manager and our Charter Officer team. It all provides for the best results for our citizens and businesses.

There is no better way to get positive results in a democratic republic than to communicate and to respect one another. That is why this last year we proclaimed ourselves a "Golden Rule City" with the guiding principal to treat others as you would like to be treated.

Basic stuff....keep it simple and easy to consider.

This last year Scottsdale was noted to be the 13<sup>th</sup> happiest city in the country.

For 2018 – I'm targeting the top of that list.

Have a good day and God Bless Scottsdale.