

Origin and Historical Summary

In 1888, Army Chaplain Winfield Scott visited the Valley of the Sun and subsequently made a down payment on a section land in order to start a farming practice upon his retirement from the Army. Scott's purchase and subsequent farming of the land would be the impetus for the historic development of the town that is now modern day Scottsdale.

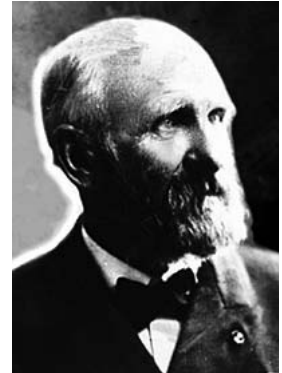
Like other Arizona cities and towns, the provision of a reliable water supply was critical to sustaining the community after its initial settlement by Chaplain Winfield Scott in the late 1800s. With the construction of both the Granite Reef Dam in 1908 and the Roosevelt Dam in 1911, Scottsdale shared in the population boom that transformed the Salt River Valley. Between 1908 and 1933 Scottsdale grew slowly, but steadily as a small market town principally providing services for families involved in the agricultural industry.

Scottsdale's favorable climate, irrigated desert location, and beautiful scenery influenced its initial settlement as well. Many health seekers came to Scottsdale, and those who were able to relocate to enjoy the advantages of the climate tended to be affluent. Many of the community's original settlers who were recruited by Winfield Scott from the East and Midwest were educated and had an established appreciation for cultural activities. These early settlers established the Scottsdale public school system in 1896, supported the burgeoning artists and writers culture that began relocation here in the early 1900's, and promoted Scottsdale's affiliation with the earliest area resorts, the Ingleside Inn (1909) and the Jokake Inn (1922).

The Depression Era saw an influx of artists and architects to Scottsdale, one of the most renowned being Frank Lloyd Wright. Wright first came to Arizona to work on a desert resort project in Chandler in 1927 and worked on the design for the Arizona Biltmore Resort in 1929. In 1937, Wright and his wife purchased 600 desert acres at the foot of the McDowell Mountains and built Taliesin West, his winter home and his architectural firm's southwestern headquarters.

In 1947, the Scottsdale Chamber of Commerce was incorporated and Scottsdale leaders engaged in a conscious effort to promote a special identity for the town. Scottsdale was the only local community to formally embrace the western atmosphere that helped distinguish it from other tourist destinations. A design theme for the downtown was established with a "western" image and lifestyle and the city's moniker the "West's Most Western Town" was coined. In 1951, the town incorporated into the City of Scottsdale.

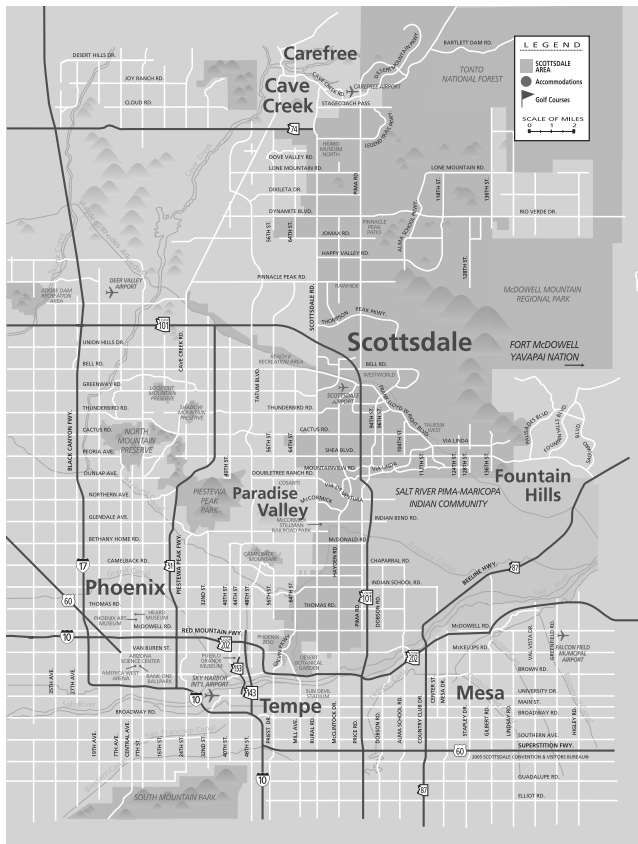
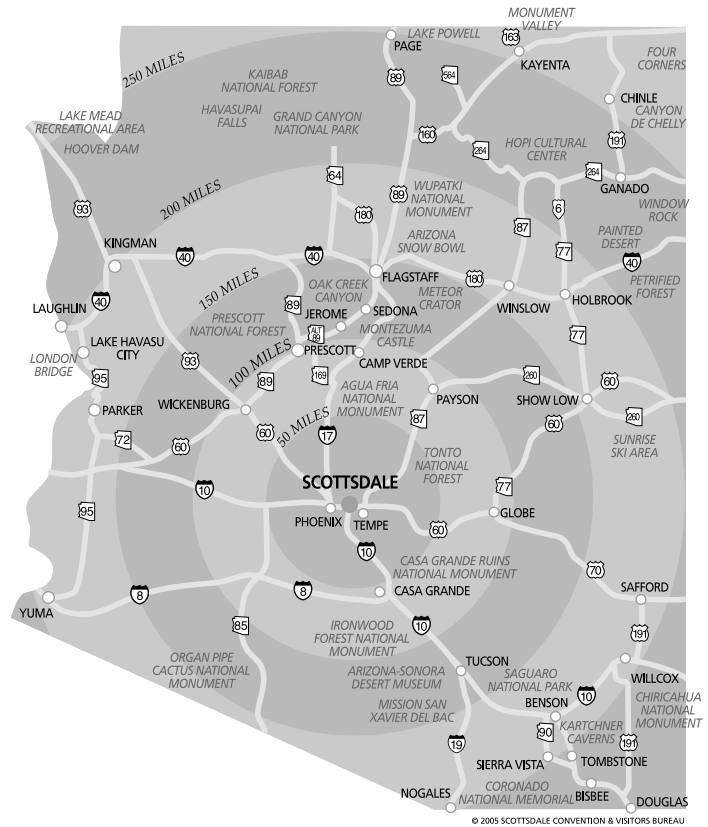
Although Scottsdale has grown in size and population, its historic origins still shine through today. Scottsdale is nationally and internationally well known for its reputation as an artistically and culturally rich community; a premiere resort, tourist, and golf destination; as well as an attractive location for numerous corporate commercial, retail, and medical-biotechnical opportunities.



Location

Scottsdale is centrally located in Maricopa County, Arizona, with its boundaries encompassing an area approximately 184.2 square miles, stretching 31 miles from north to south.

The City is bordered to the west by Phoenix, the state capital, by Tempe to the south, and by the Salt River/Pima Maricopa Indian Community to the east. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.



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Climate

Lying at an elevation of 1,260 feet above sea level, the City averages 314 days of sunshine and 7.74 inches of rainfall per year, with the average minimum and maximum temperatures ranging from 56.2 degrees to 86.3 degrees, respectively.

Scottsdale offers its residents the advantages of a warm, dry climate with low humidity even in the summer months.

- * The average precipitation: 7.74 inches per year
- * The average number of sunny days per year: 314

AVERAGE DAILY TEMPERATURES

	High	Low
January	67°F	37°F
April	84°F	50°F
July	105°F	75°F
October	87°F	54°F

Tourism

Tourism generates millions of dollars in economic activity in the City each year and is one of the most significant sources of revenue for the City 's operations and budget.



photo courtesy of Scottsdale Convention & Visitor's Bureau

Numerous resort and convention facilities, along with more than 70 hotels and resorts, provide nearly 13,700 guest rooms. The City boasts many public and private golf courses, tennis courts, country clubs, day spas, nightclubs, bars, and lounges. More than 2,500 retail shops,

boutiques, and galleries are located throughout the City and a selection of almost 600 restaurants is available. These services and facilities, complemented by the mild winter, have made Scottsdale a popular vacation spot for tourists and winter visitors.

Preservation

In 1990, Scottsdale citizens (through the non-profit McDowell Sonoran Land Trust) initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert. The vision is to preserve approximately 36,460 acres, equivalent to 1/3 of Scottsdale's total land area.

In 1995, Scottsdale voters approved a .2% sales tax increase to purchase land in the 16,460 acre original preserve. In 1998, voters approved using the sales tax to purchase 19,940 acres of land in the expanded preserve, of which 16,600 are State Trust Land. In 2001, the State Land commissioner issued an order reclassifying 13,021 acres of the 16,600 acres as suitable for preservation. In 2004, Scottsdale voters approved an additional .15% increase in the sales tax for land acquisition and for access area amenities. When completed, the McDowell Sonoran Preserve will be one of the largest urban preserves.



This rare, majestic crenate saguaro is now standing watch along the trailhead of the Lost Dog Wash Access Area in the McDowell Sonoran Preserve.

Revitalization

Original neighborhoods form the core of southern Scottsdale. As this area continues to mature, the neighborhoods require concentrated efforts to keep Scottsdale great. Through a Scottsdale Revitalization program, the City has stepped up its efforts to maintain, renovate, or rebuild City buildings, parks, and other public facilities, and to attract new businesses and investment. In addition, the City hopes to partner with its residents, business owners, and community groups to exchange the tools necessary for the revitalization, restoration, and renewal for south Scottsdale.



Transportation

Scottsdale's transportation network offers citizens a variety of mobility choices. The Pima and Red Mountain Freeways and City streets let people move into and around the City. The advanced technology of Intelligent Transportation Systems detection, dynamic message signs, and signalization help minimize delays, especially during special events like the FBR Open.



Scottsdale residents enjoy 56 miles of paved multi-use paths.

Local and regional bus routes and alternative modes of transportation such as Cab Connection and bicycles provide additional access to this extraordinary City. Scottsdale Airport, operated by the City, provides general aviation and worldwide charter air service.

The Transportation Department's divisions are Aviation, Traffic Engineering, Transportation Master Planning, Capital Improvement Projects Planning, and Administration. They work together to support the mission of encouraging livable neighborhoods and providing for safe, efficient, and affordable movement of people and goods in Scottsdale.

Educational Facilities
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Several institutions of higher learning are available to City residents. Arizona State University, one of the major universities in the nation, is located in Tempe just south of the City. The University has approximately 61,033 students, graduate and undergraduate, a choice of 19 colleges and has 2,419 full-time faculty members. Scottsdale Community College, a part of the Maricopa Community College System, is located on the eastern border of the City, on the Salt River/Pima Maricopa Indian Community. The college is a two-year college, which offers a wide variety of academic, occupational, developmental, and special interest programs. Other higher educational facilities include the University of Phoenix and the Scottsdale Culinary Institute. The City is also served by 32 public elementary and middle schools, 5 public high schools, and a number of private schools.

WestWorld
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WestWorld is a premier, nationally recognized, user-friendly equestrian center and special events facility serving the community and target market visitors. It is located in the geographic center of the city, adjacent to the gateway to the McDowells. The City of Scottsdale assumed management responsibility of the 120 acres and purchased the fixed assets in 1997. The Bureau of Reclamation owns the land that WestWorld is situated on. WestWorld now serves as a community asset.



Demographics

The following tables provide additional demographic statistics for the City of Scottsdale and its citizenry from the 2000 U.S. Census.

Gender

Male	48.2%
Female.....	51.8%

Age Composition

Under 5 years	5.2%
5 – 19 years	16.0%
20 – 24 years	4.8%
25 – 54 years	45.4%
55 – 74 years	21.0%
75+.....	7.6%
Median age (years).....	41.0

Occupational Composition

Managerial & Professional	46.9%
Service	11.6%
Sales & Office.....	33.1%
Construction, Extraction & Maintenance	3.8%
Production & Transportation.....	4.5%

Race/Ethnic Origin

White.....	92.2%
Asian.....	2.0%
African American.....	1.2%
Native American	0.6%
Other.....	4.0%

Educational Attainment

4 or more years of college	44.1%
1 – 3 years of college.....	33.2%
High School Diploma	16.4%
Less than High School Diploma.....	6.3%

Land Use

Residential	63.0%
Undeveloped/Agricultural.....	25.0%
Industrial/Commercial	12.0%

Population

1951	2,021
1960.....	27,010
1965.....	54,504
1970.....	67,841
1975.....	77,107
1980.....	88,364
1985.....	108,447
1990.....	130,069
1995.....	168,176
2000.....	202,705
2005 estimate	226,390

Household Income

Less than \$25,000	17.0%
\$25,001- \$34,999.....	9.0%
\$35,000 - \$49,999.....	13.4%
\$50,000 – \$74,999.....	18.6%
\$75,000 – \$99,999.....	12.4%
\$100,000+.....	30.0%
Median Household Income	\$65,361

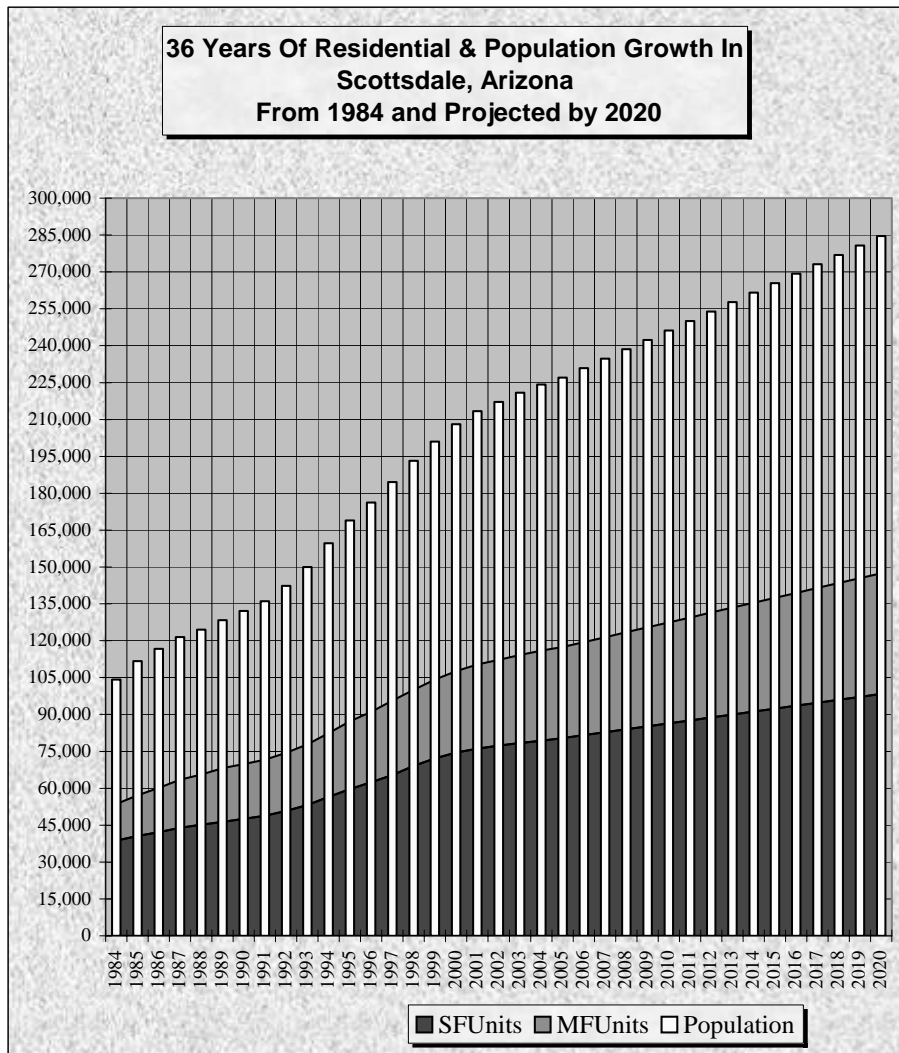
Growth

Scottsdale is the fourth largest city in the Phoenix metro area has experienced significant increases in population. During the 1990's, the City of Scottsdale experienced an average annual population growth rate of 5.6 percent, which has slowed to 1.6 percent in 2004.

Population

1990	130,069
1995	168,176
2000	202,705
2004	221,130
2005*	226,390

*Indicates estimated number



Source: City of Scottsdale Department of Planning and Development Services

Scottsdale Employment by Industry and Year

	2000		2010	
	Employment	Percent	Employment	Percent
Agriculture	1,918	1.5%	2,225	1.4%
Mining	122	0.1%	123	0.08%
Construction	7,077	5.5%	7,938	5.1%
Low Tech Manufacturing	2,985	2.3%	3,639	2.3%
High Tech Manufacturing	8,138	6.3%	8,762	5.6%
Transport	3,842	3.0%	4,038	2.6%
Wholesale Trade	6,674	5.2%	8,378	5.4%
Retail Trade	18,725	14.5%	23,507	15.0%
Finance, Insurance, Real Estate	16,440	12.8%	18,141	11.6%
Business Services	26,848	20.9%	36,081	23.1%
Health Industry	12,785	9.9%	14,934	9.6%
Hospitality	14,652	11.4%	17,900	11.4%
Personal Services	8,446	6.6%	10,600	6.8%
TOTAL	128,652	100.0%	156,267	100.0%

Source: Gruen Gruen & Associates, June 1999

Largest Employers in Scottsdale

Rank	Company Name	Employees
1	Scottsdale Healthcare Corporation	4,400
2	General Dynamics	4,000
3	Mayo Clinic - Scottsdale	3,995
4	Scottsdale Unified School District	3,500
5	City of Scottsdale.	2,191
6	CareMark (formerly AdvancePCS)	1,636
7	DMS Direct Marketing	1,500
8	Scottsdale Insurance Company	1,300
9	Fairmont Princess Resort	1,200
10	The Vanguard Group	1,120
11	Rural Metro Corporation*	875
12	McKesson	700
13	The Boulders Resort	680
14	USPS – Scottsdale	680
15	Dial Corporation	650
16	JDA Software Group	650
17	Desert Mountain Properties	638
18	First Health Group	610
19	Pegasus Solutions	600
20	E-Telecare Global Solutions	600
21	First National Bank of Arizona	530
22	Nordstroms	525
23	Hyatt Regency at Gainey Ranch	500
24	United Blood Services	498
25	Scottsdale Conference Resort	400

Source: City of Scottsdale Department of Economic Vitality

Principal Property Taxpayers

June 30, 2005

Taxpayer	Type of Business	Assessed Valuation (in thousands of dollars)	% of Secondary Assessed Valuation
Arizona Public Service Company	Gas and Electric Utility	\$47,752	1.10%
Scottsdale Fashion Square	Shopping Center	41,698	0.96%
DC Ranch, LLC	Resort	38,571	0.89%
Qwest Communications, Inc.	Telecommunications	36,168	0.83%
First American Tax Valuation	Resort	25,008	0.58%
Gainey Drive Associates	Resort	18,792	0.43%
Scottsdale Acquisition LLC	Shopping Center	15,497	0.36%
Southwest Gas Corporation	Gas Utility	13,639	0.31%
Marvin F Poer & Co.	Resort	10,371	0.24%
Pederson/BVT Promenada Assoc.	Retail	10,336	0.24%
		\$257,831	5.94%

Source: The City of Scottsdale's Property Tax Auditor, as obtained from the Arizona Department of Revenue, CVP Department and the 2004 Maricopa County Treasurer's Roll.

The Salt River Project Agricultural Improvement and Power District's (SRP) assessed valuation is not reflected in the total assessed valuation of the City. SRP is subject to a "voluntary contribution" in lieu of ad valorem taxation. The 2005/06 secondary assessed valuation of the Salt River Project within the City is \$23,638,512. The estimated secondary in lieu contribution is \$201,060.

Median Household Income Comparison

Median Household Income

City	2005	2000	1995	Growth Rate
Scottsdale	\$65,361	\$57,484	\$48,319	35%
Phoenix	\$45,407	\$41,207	\$32,950	38%
Mesa	\$47,698	\$42,817	\$33,676	42%
Glendale	\$50,029	\$45,015	\$35,483	41%
Chandler	\$65,163	\$58,416	\$46,096	41%
Tempe	\$46,932	\$42,361	\$36,049	30%
Gilbert	\$76,716	\$68,032	\$51,660	49%
Peoria	\$58,984	\$52,199	\$40,820	44%
Metro Area	\$55,707	\$45,358	\$35,623	56%

Scottsdale median income as compared to Phoenix metro area median income - Scottsdale is higher by: **17%** **27%** **36%**

Source: Sites USA 2005 estimates, 2000 US Census, 1995 Special US Census