

## **State of the City Remarks – Mayor W.J. “Jim” Lane – Feb. 21, 2019**

Thank you very much – thank you for being here today, for supporting Operation Fix It and for everything you do for Scottsdale. Choosing to spend some of your valuable time here demonstrates your commitment to our community, and to being part of what makes Scottsdale a great city.

My first order of business is to thank my wonderful wife Joanne for her steadfast support throughout my service to the people of Scottsdale.

Please join me once again in thanking the elected officials from around the Valley who were introduced previously for their collaborative representation of Scottsdale citizen’s interests.

I would also like to recognize and thank my good friend, Senator Martha McSally, for being here today and for her dedication and courage in service to our country as an Air Force Combat Pilot, a United States Congresswoman and now as a Senator for Arizona. Please help me welcome her.

And I also would like to give a special thanks to my colleagues on the Scottsdale City Council, not just for joining us here, but for your civic engagement and service to Scottsdale citizens.

We are among those fortunate people who wake up each morning in a wonderful place. My morning routine in Scottsdale is usually something like this.

I’m up early, and at this time of year that usually means I get to enjoy an often-spectacular sunrise as the light builds behind the McDowell Mountains. If I’m lucky, there are a few clouds in the sky to amplify the effect.

I meet many people who aren’t from Scottsdale, and almost universally, they comment about the beauty of our community: our natural environment, our neighborhoods, our commercial core. They are not surprised when told Scottsdale has been rated one of the best run cities in America.

Beauty you can see and appreciate while driving on a city's streets is not that common – but it's one of Scottsdale's appealing characteristics. It's evidence of a well-managed city, and people recognize and appreciate that fact.

I offer that perspective as a reminder that in Scottsdale, there are a lot of small matters of routine that usually get overlooked, but add up to a wonderful quality of life we all share. It's easy to forget that -- especially when issues that seem bigger and more important cloud everything else.

Those of us on the City Council live in a world of big issues and big problems that demand our attention.

Zoning and land use.

Revenues, expenditures, budget and finances.

Capital infrastructure.

Water policy.

Efficient and effective use of our citizens' tax resources.

Maintaining and growing the value of our citizens' investment in Scottsdale.

We give these issues the attention they demand, just as you do with your big issues.

## **SPECIAL EVENTS AND TOURISM**

There are other things that demand attention in Scottsdale – in a good way – our big events.

This is a wonderful time of year in Scottsdale. The weather is cool, and our special event season is in full swing.

Obviously, Barrett-Jackson, the Waste Management Phoenix Open and the Scottsdale Arabian Horse Show are all known internationally, and have helped define Scottsdale's special place in the world. And that is a value for all of us.

These signature events keep getting bigger and better, building on that reputation, achieving incredible success and raising millions of dollars for local charities. So thank you to everyone involved in our amazing events.

Several years ago we transformed WestWorld from a collection of horse arenas into a truly multipurpose events center. This crucial investment of tourism bed tax dollars helped flagship events like Barrett-Jackson and the Arabian Horse Show, and also the dozens of other events that occur year-round.

While we continue to fine tune things at WestWorld, Scottsdale Stadium is now the focus.

We've been working with our partners – the San Francisco Giants and the Scottsdale Charros – to develop plans to renovate the stadium and strengthen its position as an anchor of our Old Town events and tourism scene.

### **SCOTTSDALE ARTS & CREATIVE SCENE**

The stadium is a signature venue of Old Town Scottsdale, but it is far from the only reason so many people choose to spend time here. One of the great things about Scottsdale is the variety of cultural offerings to be found in different parts of the city.

If you're looking for the best Spring Training baseball experience, Scottsdale has it. Great restaurants and nightlife? We have that, too.

What about arts and culture? Scottsdale offers that as well.

Under the direction of Gerd Wuestemann, Scottsdale Arts offerings, programming and community collaborations are better than ever. This, in turn, is helping grow our reputation as a fine arts community and destination.

Many consider the Scottsdale Civic Center, home of wonderful public art, performances and festivals, as the heart of our cultural community. But if you haven't visited recently, the Civic Center is not very attractive or even recognizable at the moment. While we repair the structure itself, we are also considering what the entire area should look like to best contribute to the health of Scottsdale's arts and culture in the future.

Like the stadium, work is underway, but more details are yet to be determined prior to holding discussions and making important decisions about this Scottsdale centerpiece.

The so-called shoulder season, the months just before and just after our prime event season of January through March, is growing stronger. Canal Convergence, a spectacular offering from Scottsdale Arts, was held in November for the first time.

This amped-up the attention and energy leading into events like the Scottsdazzle winter holiday celebration, which builds upon the success of legacy attractions like the Scottsdale Gallery Association's weekly ArtWalk.

Investing our hotel bed tax into events, marketing and venues is generating more attention and activity, and driving impressive results in the ongoing revitalization of Old Town.

According to Experience Scottsdale, our destination marketing partners, resorts and hotels in Old Town Scottsdale are seeing room occupancy and average room rates at all-time highs.

This level of demand is resulting in more hotels being built or proposed in Old Town, including the recent announcement of the first non-gambling Caesar's hotel in the nation.

This \$160 million private investment is but one part of the expansion of Macerich's Scottsdale Fashion Square – a project whose beneficial impact is rippling throughout the area, into Old Town and beyond. It is little more than two years into their five-year plan.

Within Scottsdale's diverse economic and business environment, do not forget about the fundamental importance of the tourism industry in our community.

Thank you to the resorts and hotels represented here today – particularly to our host venue, the Fairmont Scottsdale Princess. And congratulations to Experience Scottsdale for the successes you are helping to achieve.

## **SCOTTSDALE’S BUSINESS ENVIRONMENT**

As strong, varied and robust as our tourism-oriented businesses are, my intention has always been to attract companies operating in other fields, and we have seen great success in those efforts.

Today, Scottsdale is home to a growing number of businesses from around the globe, and was just named the NUMBER ONE city in the United States to find a job, and one of the top cities for entrepreneurial start-ups – and that translates to “A City of Opportunity.”

Our welcoming environment and quality of life make Scottsdale a location of choice for the people that make businesses successful and thus our city successful.

Our economic development team spent time speaking with some of those people – and here’s what they had to say:

It’s great to see so many people building and enjoying success in Scottsdale. Whether it’s financial services, information technology, data security, or health care, business is investing in Scottsdale and seeing results on those investments.

We are blessed in many ways – and won’t it be great when breakthroughs in technology and software lift some of the drudgery from our routine, and let us enjoy life just that much more?

I think we all know that advances in autonomous technology are happening quickly, but you may not know that two industry leaders are operating right here in Scottsdale.

Airobotics is a Scottsdale company as of October when they opened their North American Headquarters in the Airpark. This Israeli startup is pioneering pilotless drones, and is earning

awards and accolades from around the globe, including a spot on the Wall Street Journal's 2018 list of tech companies to watch.

In southern Scottsdale, Nuro began testing driverless delivery vehicles in partnership with Fry's late last year. Since then, Nuro has safely completed thousands of deliveries with their autonomous vehicles and continues to test new technology developments in Scottsdale, without incident.

I was pleased to speak on Stuart Varney's national FOX business show about autonomous vehicles in general, and driverless delivery vehicles specifically. Scottsdale is becoming well known as a community open to firms in that space. We are in an excellent position for future growth as part of Arizona's business-friendly approach to these new technologies.

Some might consider these autonomous vehicles a gimmick, or wonder whether they will ever be truly useful. But think about the degree of independence that driverless vehicles could provide to those who are unable to drive due to age or disability.

Consider also that Nuro just earned a nearly \$1 billion private funding investment – so clearly some are convinced that their future viability is worthy of their at-risk equity investment.

Cutting edge technology is no stranger to Scottsdale. A few short months ago, we celebrated the Scottsdale Cure Corridor, which has been a key focus of mine in our economic development efforts.

Companies like HonorHealth, Mayo, TGen and so many others continue to push the leading edges of advanced research and care. Collaboration continues to grow, and cures are being developed. Even tourism is feeling the impact -- Experience Scottsdale reports that now 20% of their meeting and convention bookings are related to the medical field.

That quick video said a lot more than I could say – and it just brushed the surface of the medical research and health care innovations forming in the Cure Corridor.

Many of those companies are located in the Scottsdale Airpark, which is a nice transition to talk about the incredible changes that have occurred at Scottsdale Airport in the past two years.

The redevelopment of the old and unused terminal building into a modern business center and private hangar facilities – funded through private lease agreements – takes the airport into the 21<sup>st</sup> Century and positions it for greater success as Scottsdale’s business environment evolves.

For the record, the airport is an “Enterprise” within the city, and thus it is independent of the city’s General Fund.

Not too far away, another transformation is beginning.

When Nationwide purchased 134 acres of Arizona State Trust Land in September, the stage was set for another signature Scottsdale project that could mean very positive things to our economy.

Nationwide has been one of Scottsdale’s largest employers for many years, but with this purchase and a related infrastructure agreement with the city, their future in Scottsdale is assured, as is the potential for even greater economic impact in the long term.

It’s a substantial project for Scottsdale, and signals that our business environment is entering a new and even more exciting era.

Meanwhile in southern Scottsdale, the McDowell corridor continues a transformation that is the result of years of revitalization efforts. SkySong remains the crucial anchor and catalyst for the positive changes we have seen in this area.

SkySong’s “1951” co-working space is serving our next generation of entrepreneurs. Three companies formed there in the last two years have secured funding, hired employees and are bringing products to market.

All evidence on McDowell Road points to a successful, organic revitalization that has certainly improved an area whose future was in doubt not that long ago

Papago Plaza is among the final pieces to redevelopment on McDowell.

This project is going through a very deliberate planning process that provides for public review and input, and evaluation by city boards and commissions, while being sensitive to the goals and vision of the property owner.

I have great faith that this process works, and I am encouraged to see the different parties working within it as this project moves forward to development review, permits and construction

A similar conversation is underway regarding the Museum Square proposal in Old Town, which would bolster the Gallery District near Scottsdale's Museum of the West and energize the most underutilized area in our Old Town envelope.

## **2018 ELECTIONS AND ISSUES**

We can't really talk about the state of our city without talking about the elections that closed out 2018.

Kathy Littlefield and Linda Milhaven were re-elected to the City Council, and Solange Whitehead was elected to council for her first term. Congratulations Kathy and Linda, on their reelection and welcome to Solange.

I think there were a couple of other things on the November ballot, but I can't quite remember what they were ...

Ah, yes – Proposition 420 – the amendment to the city charter directed toward preventing the Desert Discovery Center, Desert EDGE or similar projects from being built in the preserve without a specific vote of the people.

As you likely know, Prop 420 passed resoundingly. The system provided proponents a path to place the question on the ballot, and the system worked.



The people have spoken and citizens are now newly activated and engaged with their city governance, policies and processes.

Yes, the people spoke, but they also acted, and our community seems to have a growing awareness of the big questions and big challenges that Scottsdale faces.

Of equal importance on the November ballot was Question 1 -- a temporary transportation sales tax that was also approved. The money raised will allow us to tap into regional funds to build Scottsdale projects that also benefit the Valleywide transportation network.

As divisive as Scottsdale's 2018 elections were in many ways, we already saw a community coming back together to make an important decision on transportation funding to move Scottsdale forward.

I am glad to see it.

I know that if we can stand shoulder to shoulder for the good of the community, despite past or present disagreements about particular issues or policies, Scottsdale will be much better for it.

This will be incredibly important as we face mounting infrastructure challenges, which is one of the biggest issues Scottsdale has faced in years.

But we will find a solution. I know that working together, we can tackle this as well, and we can look into Scottsdale's history as a lesson.

The Scottsdale Town Enrichment Program that began in the late 1960s was a collaborative community effort that resulted in many of our iconic and most beloved amenities – like the Indian Bend Wash Greenbelt, Civic Center Library and Plaza, Scottsdale Center for the Performing Arts and City Hall.

Scottsdale's infrastructure needs today are a little different than they were 50 plus years ago.

The important things we need to address are perhaps not as easy to get excited about as the Civic Center or the Greenbelt, but the current state of those community icons demands our attention and tells us that the need is great across Scottsdale.

As I mentioned previously, much of the Civic Center has been closed since July, which is also about the time we had to close 68<sup>th</sup> Street north of Indian School.

We cobbled enough money together to fund these emergency construction and repair projects by deferring other projects and using contingency money that is budgeted for just this type of emergency use.

Given the community's love for the LOVE sculpture, we rescued it so that it was not a prisoner during the Civic Center reconstruction.

Another of our signature public spaces is the Greenbelt – and many of the parks and lakes within it are a decade older than the Civic Center. We have been discussing the Greenbelt with stakeholders in the community, recognizing that many foundational elements of our iconic 11-mile Indian Bend Wash need repair, renovation or reconstruction.

Like community leaders from decades past, we are up to the challenge.

My appointments to the City Council Capital Improvement Subcommittee – are Councilwoman Suzanne Klapp, Councilwoman Kathy Littlefield, and Councilman Guy Phillips – and they are already hard at work evaluating projects for the public's consideration of a vote for a general obligation bond.

Like the STEP program of generations ago, this process will be completely transparent and accountable to the public. Regular public CIP subcommittee meetings are being augmented by open house meetings where the public can learn about the issues and provide feedback.

Those meetings are underway, and review and feedback are also possible via the city's website.

The resulting infrastructure plan will be well-vetted, prudent, built with the community's input and worthy of your support – a bond election is likely to be on this November's ballot.

There is no more important topic, because it affects this and future generations as well. Earlier we heard from Scottsdale businesses – but what about the generation beyond?

If you asked children about the future of Scottsdale, what would they say?

## **CONCLUSION**

That's a tough act to follow, but I'll try.

Continuing Scottsdale's success into the future will mean facing other pressing questions.

Answering questions like "how much growth," "where," and "what kind" is part of the process in place thanks to our state-mandated General Plan and Scottsdale's own planning and development regulations. Following these processes will guide us as we consider these important questions.

The capital needs I discussed earlier are not just a Scottsdale issue – the regional transportation system is demanding attention as well. As those conversations occur and plans take shape, Scottsdale must work collaboratively with our regional neighbors.

The countywide transportation sales tax that funds regional infrastructure will expire in the next few years. What will take its place?

Drought – and what we need to do to adjust – must remain top of mind. We were directly engaged and involved in statewide discussions that led to Governor Ducey's approval of the Lower Colorado River Drought Contingency Plan.

Scottsdale has a tremendous record of managing our water resources carefully. But we can never take our eye off that ball.

It is important that we continue to attract the best quality of investment, jobs, products and tourists to Scottsdale.

These things have immediate, significant and positive impacts on our community and neighborhoods. They help increase property valuation and the overall vitality of neighborhoods.

I don't want Scottsdale to return to the malaise of the past when inaction and the lack of belief in ourselves had our downtown struggling and some of our neighborhoods losing vitality.

That's not so now – and it is our shared responsibility to make sure we continue moving Scottsdale in a positive direction.

Through the last ten years we have demonstrated the ABILITY, the INTEGRITY, and the LEADERSHIP to continue to have our city ranked among the highest in nearly every category of achievement any municipal government is graded on.

Of particular note in the last year is Scottsdale's selection for the What Works Cities program, which recognizes our commitment to making data-driven decisions about services and programs.

Much of the credit for that goes to the professional staff who work for the city. Our charter officers and executive leadership are accomplished and highly-regarded professionals who manage all the complexities that come with operating a city like Scottsdale.

They share credit for the city's many successes with more than 2,000 staff – police officers, fire fighters, water treatment operators, solid waste drivers, recreation coordinators, librarians, accountants and everyone else who provides Simply Better Service for our World-Class Community.

Please join me in thanking them for giving us their best.

The end result is that all of us in Scottsdale continue to enjoy the wonderful, little, routine things that combine to make this one of this nation's truly great cities.

Thank you so much for being here today – it continues to be my honor to serve Scottsdale.

May God bless us all and may God continue to bless Scottsdale.