

## 2012 State of the City Address (Feb. 23, 2012) Final

<Introduction>

Good evening, and thank you very much for that warm welcome.

Ronald Reagan once remarked that “This country was founded and built by people with great dreams and the courage to take great risks.”

He said, “We are too great a nation for small dreams.”

I believe him.

I am more excited for 2012 than I have been for any year in recent memory. As we look back on 2011, it truly was a year of accomplishments worthy of celebration.

But I think the year ahead is going to be even better, and when we gather once again to look back on it, we will be amazed.

This speech is our moment each year to pause and reflect.

And when someone reflects on Scottsdale, it doesn't take long to reach the conclusion that this is a great city.

But if you ask me, we are the greatest city.

We have more to celebrate, more to be proud of, more to give us hope for the future than any other community that I know of.

And yet we seem to spend much of our time wringing our hands, shaking our heads, doubting ourselves and second guessing each step we take.

It's easy to fall into that rut. In a great city, decisions are important – they have far reaching impacts. Great cities take risks; sometimes great cities stumble. But great cities don't stay down for long.

Scottsdale is a great city.

Great cities achieve, grow and prosper. Great cities don't stand still.

Great cities do not become great without effort, without overcoming substantial challenges. We have done that throughout our history, and we did so again this last year.

Before I explain why I think Scottsdale is great, I want to thank my council colleagues and the other elected officials with us here tonight.

Each year I also take this opportunity to thank the hundreds of board and commission members, and other city volunteers who support our community. Your work contributes so much to making this a great city – and it is truly appreciated. Thank you.

Thank you also to the city employees who are dedicated to helping Scottsdale stand apart from other communities – dedicated to making our city great.

And of course thank you to Scottsdale's citizens, who continue to be engaged and involved in the community.

It is our goal to continue to meet and exceed your high expectations. We recognize that Scottsdale is what it is today, because of your involvement. Your activism serves as an essential reminder that the people are the only legitimate fountain from which the government's power is derived.

Your collective energy powers our community, and will continue to spark great things, and that deserves a round of applause.

<McDowell Corridor/SkySong>

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This was a year of investment. Private businesses of all shapes and sizes are committing to Scottsdale – serious commitments that total hundreds of millions of dollars.

Progress often takes longer than we would like, but private organic growth will make for a stronger and more sustainable economy in the long run. Our job as government is to help create conditions for that growth – to cultivate the soil for business success.

How have we done that? Let's take the McDowell Road Corridor as an example.

A few weeks ago, the Economic Development Subcommittee, which comprises me, Vice Mayor Linda Milhaven and Councilman Dennis Robbins, held a meeting at Sky Song for an update on the progress of McDowell Road.

A standing room only crowd heard multiple presenters talk about why they are choosing McDowell Road to make their investments.

Paul's Ace Hardware is one of those. A Scottsdale business for three generations, Paul's invested \$3.5 million to expand their south Scottsdale location in the McDowell corridor.

Julie Buckowski is president of Paul's Ace Hardware, and she is with us here tonight. Thank you for being here, Julie, and for your family's continued commitment to Scottsdale.

**((( SPOTLIGHT – JULIE BUCKOWSKI )))**

Elsewhere along McDowell, a new high-end apartment complex off 68<sup>th</sup> Street will be proposed soon. The project would remove a vacant car dealership with a proposed investment of \$25 million.

We heard from the Chapman Autoplex on their million dollar reinvestment and their continued commitment to stay on McDowell Road.

We also heard from Mark Taylor properties and from Sky Song.

We even heard from the folks advocating for the New York style Highline Trail – an elevated linear park along McDowell Road that would connect the Indian Bend Wash to Papago Park. It's a bold idea, with potential to spark even more economic investment in the area.

I think we can all agree that this creative proposal deserves a spirited public debate. I look forward to seeing where this goes.

The city wears many hats. On McDowell, we are a landowner who has the added obligation of not just developing, but doing so in a way that contributes to the long-term health and quality of life in Scottsdale.

The agreement and land sales that have taken place near SkySong – specifically with Mark Taylor properties – is an important step forward for this area.

Mark Taylor will invest around \$70 million dollars. Their development will remove a problem property and replace it with vibrant, resort-style apartments that will put a fresh new face on McDowell Road. We will see an influx of people and activity that in turn will add vitality to the area.

The estimated annual income of these new residents is \$45 million dollars. Businesses nearby, like Fry's groceries and Chase Bank, are already planning expansions to support the new residents.

Comerica Bank recently opened a brand new branch on the corner of McDowell and Scottsdale Roads, and I thank Craig Doyle from Comerica for joining us tonight.

That is the economic impact of a project like the Mark Taylor development.

SkySong itself is growing stronger. The city, through its agreement and relationship with the ASU Foundation, is doing its part to be a positive partner for

growth in this area. Occupancy at SkySong is at ninety-five percent, and pre-leasing has begun at the third building on the SkySong campus, which is expected to begin construction this year.

SkySong Three, and an additional 325-unit apartment complex planned for the site, represent a potential investment of more than \$70 million dollars in this area.

More people are working at SkySong, more people will be living around SkySong, and that's good news for the economic health of Scottsdale and especially McDowell Road.

We remain committed to revitalizing the McDowell Road corridor, to following through on the work of the task force that was completed in 2010. We are not just committed to the business component of this area, but to the neighborhoods as well.

A vibrant business sector will strengthen and energize the neighborhoods around it.

The developments at SkySong are an important catalyst. We must continue to build relationships, explore ideas and do the work necessary to re-grow this important part of our city.

Scottsdale Road Streetscape improvements are a seemingly minor yet important part of this commitment.

Now I know that many of you believe that the biggest improvement we can make to Scottsdale Road is to stop improving it.

However, enhancing the look, feel and utility of Scottsdale Road in the southern part of the city marks this area as “Scottsdale” – and thus sets expectations a little higher, right where we want them to be.

And we’re done with Scottsdale Road. In southern Scottsdale, at least.

<Downtown is seeing investment and buzz>

Our Downtown Entertainment District finds itself struggling with success. It is the kind of challenge that hundreds of other cities around the nation wish they had.

But it is our challenge, and I feel good about the way we have faced it.

Great communities work together to achieve solutions.

We are working with the neighborhoods to address parking concerns. I am happy to report that there is now permit-only parking established in the affected neighborhoods. We have also restricted pedi-cab access to these neighborhoods.



Downtown bar and restaurant owners are now picking up trash in the downtown and into the surrounding neighborhoods three days a week. On top of that, at my urging, the city has stiffened its littering ordinance by increasing fines and designating our downtown as a “Litter Free Enforcement Zone,” where fines are doubled.

We have also started to crack down on specific types of littering found throughout the downtown in hopes of attacking this problem head-on. I am told that we now have the strictest rules for littering of any Valley city.

In the short time that this new ordinance has been in effect, Scottsdale Police have issued more than twenty citations for littering within the downtown enforcement zone.

With a total fine of more than \$320 I think it is only a matter of time until patrons of our downtown realize there is a zero tolerance for littering in downtown Scottsdale.

That’s a good thing.

To build on this, we will also work toward stiffer penalties for other illegal activities as we pursue the proper balance between business success and neighborhood quality of life.

The city also continues to monitor for noise violations and has even issued multiple “Disturbing the Peace” citations to the few establishments that have failed to keep their music and base at a reasonable level.

We have come a long way, but there is still more work to be done on issues like parking and lighting. However, I am confident we will resolve these issues and I applaud everyone who continues to sit at the table to keep this a vibrant part of the community.

It is certainly an active part of the community. There are more than two-thousand eight-hundred businesses of all kinds in Downtown Scottsdale. Those businesses employ more than thirty thousand people.

As you would probably guess, thousands of these jobs are in the hospitality and retail sectors, but many are “next generation” jobs with companies like Yelp.

Yelp specifically moved to Downtown Scottsdale, and is expanding in Downtown Scottsdale, because of the lifestyle available there. Once their current expansion is complete, Yelp’s Scottsdale office will be the company’s largest, with more than 500 employees.

This kind of investment activity tells me that our collaboration and commitment to this area is providing the right kind of foundation for future growth.

The Blue Sky multi-use development northeast of Scottsdale and Camelback roads will begin construction in 2012, as will the second phase of the Safari Drive condominium development nearby.

Just down the road, Optima Sonoran Village is underway as well. These developments will bring thousands of new residents – and new life – to Downtown Scottsdale.

Combined, they represent an investment of hundreds of millions of dollars.

While these projects are still in the early stages, a very visual example of activity in Downtown Scottsdale is the new Saguaro Hotel, just across Drinkwater from City Hall.

Brilliant colors and two new restaurants are the outward evidence of more than \$10 million dollars of renovation and renewal – a serious commitment that would not have been made without a great deal of confidence in our great city.

While investments of that amount are impressive, it's easy to forget that smaller investments – indeed smaller businesses – are equally as important to the economic health and vitality of the community.

Downtown Scottsdale is experiencing a resurgence that is very encouraging. We have seen millions of dollars invested in renovations, expansions and improvements by businesses like the Breakfast Club, the Casablanca Lounge, the Herb Box, Citizen Public House, Silvana Bistro, and Old Town Candy & Toys.

Some of you know that I have been a small business owner most of my life, and that many of the other Council members are business owners as well. And those who founded Scottsdale and laid the foundation of this great city also were entrepreneurs and small business owners.

So it was completely appropriate that Scottsdale hosted Arizona's Small Business Saturday celebration on Thanksgiving weekend.

That was one day to recognize the power and importance of small businesses in our community. Small businesses innovate, and small businesses create.

They are among the most important engines that drive our economy.

<Investment in tourism>

Another of those engines is tourism. Before I talk about investments in our tourism infrastructure, I want to recognize our partners at the Scottsdale Convention and Visitors Bureau.

The CVB attracts the world's attention and brings people to Scottsdale, and they do a marvelous job. So thank you to Rachel Sacco, her board members and the entire team at the CVB, for helping the rest of the world see just how great Scottsdale is.

And it's going to get even better. Investment in the expansion and enclosure of the Tony Nelssen Equestrian Center at WestWorld will make that facility a more attractive venue.

We are currently discussing how additional participation in this facility by our best corporate event partners could further expand its value as a year-round venue for events of all kinds.

This investment of bed tax dollars should bring a comparable amount of revenue back in additional events and additional visitors during what is often a slow time of year.

Private development is following suit.

In September, the Fairmont Scottsdale Princess Resort broke ground on a \$20 million dollar expansion that will add more than 50,000 square feet of indoor meeting space.

Anchored by the new 23,000-square-foot Palomino Ballroom, the new conference center will give the resort a total of 150,000 square feet of event space, making it one of the largest meeting and conference facilities in the region.

Jack Miller, General Manager of the Princess, is in the audience tonight. Congratulations, Jack, we look forward to opening that new facility later this year.

The Ice Den, named one of the nation's top 10 rinks, added a third sheet of ice – making it the only triple-ice facility in the state. The 30,000 square foot addition makes the Ice Den better equipped than ever to handle the growing demand for sports and activities all year round.

With assistance from the city, the old Sanctuary golf course rode into the sunset, and rose anew as the McDowell Mountain Golf Club – a modern, family-friendly course worthy of the majestic mountains that rise above it.

Having someone like major champion Phil Mickelson as part of the new ownership group has been a big plus. Thanks to him and O B Golf Management, Scottsdale has yet another must-play golf destination.

Of course we can't mention golf without talking about the TPC Scottsdale.

In the year ahead we look forward to working with the TPC to begin the first major course renovation in 25 years. This crucial investment to one of our signature venues will ensure that Scottsdale retains a PGA tournament for the next 25 years, and that we will remain home to the greatest show on grass.

Farther south, we are evaluating ideas for developing a western art and history museum in Downtown Scottsdale. That project has great potential to enhance our identity as the perfect blend of old west, and new west.

This activity shows how Scottsdale – even in tough times – attracts investment, ideas and energy. We must continue to do our part to contribute and collaborate where appropriate to help ensure Scottsdale remains great for future generations.

<Business & Regulations>

As Scottsdale continues its comeback, we must continue to increase revenue at current or reduced tax rates. To do that we need to enhance the operating environment for existing businesses while attracting new investment in our city.

Government should always have an open dialogue with the private sector. We must never be in competition, but rather partners in creating active and productive economic environments. We can accomplish more for the betterment of Scottsdale if we work together.

With that being said, I think this is an appropriate time to recognize the efforts of the economic development organizations that are working to make Scottsdale—and indeed the rest of Arizona—more attractive to businesses and investors.

Over the last year, I have worked closely with the Greater Phoenix Economic Council, the Scottsdale Area and north Scottsdale Chambers of Commerce, the Scottsdale Business Development Forum, the Maricopa County Economic Development Committee as well as the State Commerce Authority, and, of course, our own Economic Development Department.

While I appreciate the hard work and efforts of all, I would like to specifically recognize:

- Barry Broome, CEO of the Greater Phoenix Economic Council
- Rick Kidder, CEO of the Scottsdale Area Chamber of Commerce



and

- Mark Dewane, President of the Scottsdale Business Development Forum.

I would like to express my appreciation to the Scottsdale Business Development Forum, which is an economic development group that I helped found over a year ago. While I have no official role in the organization, the Scottsdale Business Development Forum has helped coordinate with other economic development groups, and the Forum's members serve as advisors to me on business development issues. The Forum helped sponsor my recent trip to China and also sponsored tonight's reception.

There is no "one-size fits all" approach to facilitate faster economic growth. A two-step process of identifying Scottsdale's unique abilities to compete, and the changes needed in the local business environment, will pinpoint the public and private strategies that together will increase the growth pace of Scottsdale's economy.

We here at the city have been working hard to maximize our economic outlook by attracting new business investment.

To move us toward that goal I have called for a comprehensive study of Scottsdale's permit and regulatory process in hopes that we can streamline it, eliminate draconian regulations and reduce or eliminate fees.

As a businessman myself, I know too well that overburdening red-tape is a red light to business. With this in mind, I am proud to announce that I will be forming a task force in the next few days to review our processes and fees.

Their mission will be simple – to make recommendations on how Scottsdale can become a national model for the responsible use of permits and their associated fees. In Scottsdale, we should be a leader in fostering a fair and balanced economic platform for positive job growth.

Whether it's the successful self-certification program that Phoenix City Councilman Sal DiCiccio has been advocating in his city, or simple sunset requirements for every new regulation, I want Scottsdale to evaluate every idea out there and rise as a model for municipalities across this country.

We must never lose sight of one very important and fundamental principle: that the best way to grow business is for the government to get out of the way of honest and productive entrepreneurs. I am confident we can do better.

No longer should the heavy hand of government be held over the heads of job creators. We must move forward as partners, not enemies. That is what I believe this process will deliver.

## <Public Art & Cultural>

Scottsdale is a great city, and also a beautiful one. In 2011, we continued our collective efforts to expand and enhance that beauty. Great cities don't merely imagine how things could be, they do the work to create great things.

Public art – indeed all of Scottsdale's cultural amenities – will continue to define us as a great city. The arts are absolutely essential to our economy.

Many people – businesses, tourists, residents – choose Scottsdale because of our arts and cultural amenities. Scottsdale would not be the great city that it is if this community had not embraced and supported art in all of its forms. And that will not change.

## <Scottsdale Quarter/Airpark Area>

Art is an important part of the Scottsdale Experience, and so is shopping.

Scottsdale Quarter grew stronger this past year, welcoming new stores including Pottery Barn, Eddie V's Fine Seafood, Dominick's Steakhouse, the Gap, Drybar Salon, and Coal Burger.

Your city government worked hard this past year recognizing that Scottsdale Quarter and Kierland Commons, just across Scottsdale Road in Phoenix, are together a regional lifestyle destination that benefits both cities.

To that end, Scottsdale and Phoenix worked with Glimcher Realty Trust, developers of Scottsdale Quarter and Macerich, developers of Kierland Commons, to plan and build a signalized pedestrian crossing between the two shopping centers to help people move safely across Scottsdale road.

The success of Scottsdale Quarter shows us how the area around the airport is evolving.

The City Council was presented with several multiuse development proposals in 2011, and we were faced with the difficult task of balancing the ideas for future prosperity with the need to preserve the Scottsdale Airport as the area's primary economic anchor.

While some ideas will move forward and others will not, we will remain focused on the longer economic health of Scottsdale, which in turn benefits everyone's quality of life.

<"Care/Cure Corridor">

We also had occasion in 2011 to recognize the incredible advances being made right here in Scottsdale by some of the world's leading scientists and doctors.

Health and wellness are an integral part of our community identity. Scottsdale's quality of life is known around the world – and the accomplishments happening right here have the potential to improve and extend quality of life for millions of people stricken with cancer.

The collaborative partnerships at work are inspiring – and the city of Scottsdale is doing its part by assisting organizations like Scottsdale Healthcare, Mayo Clinic and TGen as well as other businesses that support those world class healthcare providers and researchers.

Though many people don't realize it, this "Care Corridor" is already a premier cancer research and treatment center. And we are building on that foundation.

Tom Sadvary, President of Scottsdale Healthcare, has given me the honor of announcing that The Virginia G. Piper Cancer Center at Scottsdale Healthcare is adding a bone marrow transplant program through its new Cancer Transplant Institute.

Bone marrow transplants are primarily used to treat patients with aggressive cancers including leukemias and lymphomas.

The Cancer Transplant Institute at the Virginia G. Piper Cancer Center will include outpatient and inpatient treatment, and expects to attract bone marrow transplant patients from across the southwest.

That is a very exciting announcement, and I thank Tom and everyone at Scottsdale Healthcare for allowing us to share that news tonight.

Another recent announcement that has generated its fair share of excitement is the fact that Arizona State University and the Mayo Clinic will join forces to create a medical school on the Mayo campus in Scottsdale.

This \$266 million dollar Mayo Medical School Arizona Campus will offer something unique, as students will receive not only medical education, but also an advanced degree in the science of healthcare delivery and management.

Dr. Wyatt Decker, Vice President and CEO of Mayo Clinic Arizona is with us here tonight with his wife Georgie.

**((( SPOTLIGHT – DR. WYATT DECKER & WIFE GEORGIE )))**

Dr. Decker tells me that fund raising for the new medical school is underway, and the first class could begin as early as 2014. Thank you for joining us.

There are other companies along the Shea Corridor and in the Scottsdale Airpark that are contributing to Scottsdale's growing reputation as a center for healthcare and bioscience innovation.

- GlobalMed is a designer and manufacturer of telemedicine solutions that recently opened a high-tech training center at its Scottsdale headquarters under the guidance of founder and managing director Joel Barthelemy.
- Global Dental Science is creating an old product – dentures – in an entirely new way, and improving people's quality of life in the process.
- CVS Caremark has more than 5,000 employees in Arizona, many of those at their regional offices in Scottsdale.
- Along with these, an array of smaller companies is contributing to the growing synergy in Scottsdale's emerging bioscience cluster.

The emergence and accomplishments of our biomedical industry is impressive, and the future holds immeasurable promise.

It is yet another great reason that people will know Scottsdale.

<Scottsdale Schools>

Of course any scientific journey begins with high quality education – like the kind our children enjoy right here in Scottsdale.

In a recent visit to Scottsdale Unified School District’s Chaparral High School, I toured the classrooms with Superintendent Dr. David Peterson.

Dr. Peterson is with us here tonight – thank you for joining us. And thank you also to the other members of the SUSD Board who are with us this evening.

**((( SPOTLIGHT – DR. DAVID PETERSON )))**

As I observed students engaged in math and Mandarin lessons, I felt a real sense of pride in our city’s public schools and the educational experience Scottsdale Unified School District provides to our community’s future workforce and leaders.

Scottsdale Unified students become National Merit scholars, Presidential scholars and Flinn Foundation scholars, thanks to certified and dedicated teachers, award-winning fine arts and other specialized programs, and access to state-of-the-art technology.



People in Scottsdale enjoy many education choices beyond traditional public schools. Multiple private and charter schools provide high quality options.

Schools like BASIS Scottsdale and Notre Dame Prep represent high quality alternatives to traditional public schools, and are well known for academic excellence and scholastic achievement.

John Hillis from BASIS Scottsdale is with us tonight – thank you for coming, John.

**((( SPOTLIGHT – JOHN HILLIS )))**

And finally, I would like to mention Gateway Academy, which is the only not-for-profit private school in Arizona specializing in a pure population of students with Asperger's syndrome and High Functioning Autism.

Few things are more important than the education of our youth. In Scottsdale, thanks to the great work of outstanding school districts and leading edge private and charter schools, our children have a greater potential for long-term success than any other Valley city.

To support our city's future, we must continue to support Scottsdale schools.

<Economic realities & financial actions>

Throughout all of the achievements of the past year, we continue to tackle a very challenging set of economic circumstances. But we have responded as great cities do – quickly, appropriately, with minimal impact on our citizens and without losing touch with the things that make our community special.

Your city government is smaller – by more than four-hundred employees and \$45 million general fund dollars than it was just a few years ago.

But to the credit of the excellent people who work for you at the City of Scottsdale, you probably haven't noticed many changes. We have become leaner, without denigrating services.

Believe me, behind the walls of City Hall, employees really are doing more with fewer resources. They are working hard – and their commitment to keeping Scottsdale great hasn't wavered.

Our recent citizen survey put Scottsdale at the top of our peer group in many service satisfaction categories.

The awards and accolades earned by our community in the last year are very impressive. We should not consider ourselves a great city based only on our own opinions – but we must also listen to what others think about us.

- Sunset magazine declared Scottsdale the best place to raise kids
- Travel and Leisure magazine called Scottsdale one of the best warm weather family destinations
- Our Appaloosa Library was named one of 10 Landmark Libraries in the United States
- Our Granite Reef Senior Center earned the Pinnacle Award as the nation's most outstanding senior center
- Scottsdale was named a Gold Bicycle Friendly Community – one of only a handful of cities across the nation to reach that status
- For the fifth consecutive year, America's Promise Alliance named Scottsdale one of the nation's 100 Best Communities for Young People
- Twenty Four Seven Wall Street dot com ranked Scottsdale as the eighth best run city in America

- Business Week ranked Scottsdale the fourth best city in the U.S., partly due to our high quality parks and our overall quality of life

and

- Research conducted in 2011 ranked Scottsdale among the 15 smartest cities in the U.S. – and I’m sure we can all agree with that

City employees played a big role in many of those accolades, and I’d like to give them a round of applause.

That recognition does not go unnoticed by those outside of Scottsdale, including the bond rating agencies who continue to rate the city’s credit at the highest level.

With everything we have done, and everything we have endured, we remain in strong financial shape.

<Celebrating our legacy>

2011 allowed us to celebrate our legacy even as we create it.

Did you know that the olive trees right outside this facility on Second Street were planted as part of Winfield Scott's farm in 1896?

When those trees were first planted more than 100 years ago, they provided protection and shade for Winfield Scott's farm. Now, they shade visitors to Scottsdale from around the world.

I don't think Winfield Scott would have imagined that his legacy – and his trees – would have reached such great heights or endured with such grace.

In 2011, Scottsdale reflected on that history with sixty days of celebration to honor sixty years of incorporation, and began celebrating Arizona's 100<sup>th</sup> anniversary.

<Scottsdale McDowell Sonoran Preserve>

A part of our legacy that will last the next hundred years and beyond is the Scottsdale McDowell Sonoran Preserve – and 2011 was a banner year for the preserve.

In two separate auctions, we combined our citizen-approved dedicated sales tax dollars with more than \$36 million dollars in state grant money to add nearly seven square miles to the preserve.

By leveraging state grant funds over the last three years we have been able to save the city more than \$62 million dollars while extending the purchasing power of local sales taxes dedicated to expanding the preserve.

So today Scottsdale's mountain preserve encompass approximately 21,400 contiguous acres – more than 33 square miles. That is roughly 63 percent of the long-range goal to preserve about 34,000 acres, nearly a third of the city's land area.

Scottsdale's McDowell Sonoran Preserve is among the largest anywhere in the country, and it is only going to get better.

Before the weather gets too hot, construction of the Tom's Thumb trailhead will be complete.

This additional parking and access point will continue our efforts to make the preserve a place to be experienced and shared – not just beauty to be viewed from afar.

In that vein, construction of the Brown's Ranch Trailhead will begin in 2012. This project will provide parking and support amenities for public access to the extensive network of trails in the northern region of the preserve.

The preserve is a wonderful public space thanks to great people. A handful of city staff, hundreds of volunteer stewards and everyone at the McDowell Sonoran Conservancy – and of course the taxpayers – all deserve a round of applause for their part in creating something that will set Scottsdale apart forever.

<Planning & Environment>

Great cities share a vision. And great cities do what it takes to get there.

In 2011 we finished work on an extensive public process to update the city's General Plan. That item will go before the city's voters next month. I believe it represents a good balance that will position Scottsdale well for future prosperity.

The City Council reviewed the draft plan and made several modifications based upon additional feedback from the community.

In addition to that important ballot item, seven charter amendments will give Scottsdale voters the opportunity to continue reforming local government to improve transparency and accountability.

I encourage everyone to review these ballot items and make an informed decision at the polls.

That General Plan update contains a new “Energy” element required by the state. This element is part of the Environmental Resources chapter.

This chapter recognizes Scottsdale as a community that embraces conservation and preservation of the environment – important because this action contributes so much to our quality of life and the community’s economic vitality.

Great cities lead by example, and Scottsdale is a municipal leader in environmental sustainability.

The McDowell Sonoran Preserve is the largest example, but even in developed areas city ordinances have preserved our desert character in a way that few other communities enjoy.

We took another important step last year in preserving our most important resource – our water. An agreement is being developed with Motorola to treat contaminated groundwater at a privately funded facility operated by the city.

This plan, which is subject to final approval by the City Council and the U.S. Environmental Protection Agency, will give the city greater control over the solution to this longstanding problem. And we will do it at no cost to the customer.



< Energizing new events help celebrate our community >

Have I used the word “great” enough yet to get my point across?

No?

Well, 2011 was a great year for events in Scottsdale, as we further solidified our standing as Arizona’s home for fun things to see and do.

We marked the return of the Scottsdale Air Fair, which graced our skies and our airport again after being on hiatus for a decade.

The event opened our community airport to the public, so they could get to know and enjoy this important community asset. It was great to have the Air Fair back, and we look forward to this year’s event in the fall.

We also enjoyed the first annual Horses and Horsepower polo match and car show at WestWorld. This event was tailor made for Scottsdale, and will become yet another must-attend activity in the years to come.

As we have come to expect, the Waste Management Phoenix Open at TPC Scottsdale lived up to the hype, as did the Barrett-Jackson Collector Car auction.

More than 500,000 people attended the Open, and Barrett-Jackson had a record setting year, selling more than \$92 million dollars worth of automobiles, welcoming more than 270,000 visitors, and raising nearly \$6 million dollars for local and national charities.

Scottsdale's reputation for hosting great parties was a critical piece of the successful bid to land the 2015 Super Bowl for the Valley.

In the more immediate future – this coming weekend as a matter of fact – Scottsdale will host the first ever Spring Training Baseball Festival right here on the Scottsdale Civic Center Mall.

I believe that this festival will become another Scottsdale signature event. In one spot, fans young and old will have the opportunity to see baseball history and memorabilia never before displayed.

You can experience the mad science of baseball, experience the history of baseball, meet the people of baseball, and enjoy the food, drink and atmosphere of baseball – all right here. It's the perfect way to start the Cactus League season, and Scottsdale is the perfect place to host the event.

It is happening thanks, once again, to the power of collaboration. The Scottsdale Charros and Scottsdale Convention and Visitors Bureau have taken an exciting idea first conceptualized by city staff and made it a reality.

Thanks in large part to our Tourism Development Commission, this is another creative investment of bed tax dollars that will invigorate the downtown. I hope to see you there.

I also want to recognize and thank the San Francisco Giants for continuing to be a positive partner for Scottsdale.

Spring Training 2012 marks thirty years of the Giants in Scottsdale – and that deserves a round of applause.

<The world beyond our borders>

As great as Scottsdale is – we can always learn from others.

That spirit of openness stokes our continued quest to build relationships beyond our borders.

In 2011, it was my honor to lead a delegation to China to help open Scottsdale to this amazing part of the world. Hainan, home island to our sister city of Haikou, is surprisingly similar to Scottsdale.

Hainan is a destination for tourists seeking activity and beauty – home to beaches, bicycling trails and a natural rainforest that has been specifically preserved to protect it from development.

It is also host to a growing number of golf courses, some of which – believe it or not – were designed by a Scottsdale company – Schmidt-Curley Design – which has an office in Haikou.

I mention golf specifically because we believe that our mutual love of this sport is an opportunity for future exchanges, and perhaps even future international tournaments.

Our visit to Hainan spurred some very exciting discussions. In 2011 we also reaffirmed our ties with Interlaken, Switzerland, and Alamos, Mexico – two of Scottsdale's other sister cities.

And soon we will welcome Marrakesh, Morocco as our newest trans-Atlantic sister community.

None of this would be possible without the wonderful work of Scottsdale Sister Cities Association, and their President Max Rumbaugh who is with us tonight. Stand up and take a bow, Max.

**((( SPOTLIGHT –MAX RUMBAUGH )))**

I believe that positive relationships with people all over the world will be very beneficial for the future of Scottsdale.

We are unmistakably an international city – known the world over. More and more companies from around the globe have an interest here, and some are even moving here.

Air Sprint Aviation is the premier provider of fractional aircraft ownership throughout Canada.

Air Sprint founder and CEO Judson Macor is with us tonight, and I want to publicly thank him for choosing Scottsdale as Air Sprint’s U.S. operations. We hope that more companies from north of the border follow suit.

Improved U.S. Customs service at Scottsdale Airport should help. The new service makes Scottsdale an international point of entry that allows visitors from all over the world to fly directly in and out of Scottsdale.

<Conclusion>

As I enter the final year of my first term, I hope that my fellow citizens recognize that I continue to stand for a government that is rigorously frugal and simple.

We tackled the recession head-on by cutting waste, identifying substantial administrative savings and balancing our budget without raising taxes and without denigrating services.

While other cities have raised taxes, water rates and used fee-based funds and other gimmicks to keep government expenditures high, we reduced government by making tough decisions.

In Scottsdale, I hope we have begun an era where every single taxpayer dollar is viewed with a reverence and appreciation for what it truly is; their money, not the government's.

We are mindful of the immense amount of trust our residents have placed in our hands; it is a trust that I will never break.

To make government simpler, we passed financial transparency and accountability reforms. Now Scottsdale is in the unique position to control its financial information and better manage its budgets.

I am confident that these reforms will have a lasting impact on this city long after we are gone.

Scottsdale, unlike many of our neighbors, has begun to foster organic, private-sector, economic growth which has resulted in hundreds of millions of dollars in private investment in our city.

This organic growth will be instrumental in securing the future viability and sustainability of Scottsdale's economy. Let us never forget that the private sector's success, in turn, is our success.

George Washington must have been thinking of Scottsdale when he said, "A people... who are possessed of the spirit of commerce, who see and who will pursue their advantages may achieve almost anything."

I believe that one sentence encompasses exactly what it means to live and work in the "West's Most Western Town."

Scottsdale is a city bursting with opportunities, reaching for its future with confidence, sustained by faith, and a conviction that honest and courageous people will flourish when they are free to do so.

This is the Scottsdale I will continue to fight for. A strong and prosperous Scottsdale, ready to take its place among the great cities of our time.

May God bless you and continue to bless Scottsdale.

Thank you, and goodnight.