

City of Scottsdale
2002 State of the City Address
January 10, 2002
Mayor Mary Manross

Good evening.

One of the joys of being the Mayor is the opportunity to meet so many of our citizens. Earlier this year I had the pleasure of meeting a young Scottsdale resident, 16 years of age, who has overcome a physical challenge to become an accomplished pianist. Tonight we were treated to the music of Scott MacIntyre in our foyer. What an outstanding young man and a tremendous musician. Let's thank Scott with a warm round of applause.

Scott is a terrific example of the spirit of Scottsdale. He is an inspiration to all who know him. That same positive spirit is common throughout this community. Scottsdale residents have a long history of volunteerism, of meeting challenges head-on, of focusing on the positive and investing in their city.

When one is elected to public office, he or she has a special opportunity and an obligation to make contributions that will truly benefit the community. As your Mayor I have pledged to preserve and enhance those things that make Scottsdale unique, and to marshal all of our resources to resolve those challenges we face.

During this past year, we have had a great deal of debate. We have not always agreed, nor should we. However, we have triumphed over several major problems of the past and set in motion many new initiatives. Tonight, I will share these with you. Yes, we have some challenges. But let's get real; every city will always have challenges! In our case we have aggressively tackled them one by one and will continue to do so.

We are committed to supporting our status as a cultural and tourist mecca while maintaining our Southwestern heritage. We are strongly committed to business throughout the community and have created a new Economic Vitality Department to holistically address the community's long-term economic sustainability through coordination of tourism, new development, small businesses and revitalization. Our expanded McDowell Preserve will forever, provide a peaceful refuge and a place of beauty to wonder at nature and renew our spirit. All of these initiatives support a strong economy and protect the city's quality of life.

All great cities go through a time of transition and change. Our great city is experiencing change right now. The renaissance of great cities does not happen overnight. It takes time and dedication. And I am committed to leading us to our next era of greatness. I will devote the time to do it right.

I have a clear vision of the future of Scottsdale. Picture this:

- A revitalized McDowell Road corridor.
- A Smitty's site highlighted by a community theater, a senior center, private offices, housing, restaurants and neighborhood shops.

- A vibrant mixed-use development at the Los Arcos intersection.
- A landscaped canal bank in downtown that is not only a physical asset, but an economic asset which serves as a gathering place for visitors and residents alike.
- A bustling downtown that has a strong business core, and is a cultural and entertainment centerpiece for the entire Valley. It is a destination for international, national and local visitors and has a unique mix of districts.
- And, 36,000 acres of open space for preservation and recreation.

As your Mayor, I believe that reasoned thought, intellectual honesty and a real commitment to the community should always drive our actions and decisions, not politics!

We need a partnership of government, business and citizens. Property and business owners large and small, community leaders, residents, and my fellow elected officials must work cooperatively to make this happen.

It is easy to criticize. It's more difficult to be part of the solution. What is needed is business leadership that works with the city. What is needed is City Council members who work together as a team on critical issues.

This is where I stand!

This is how I chose to lead as your Mayor

Tonight let us dedicate ourselves to renewing the "spirit of community".

I've seen that spirit, and have felt it all across our city. People of all walks of life love our community and are proud to live here. The level of volunteerism in Scottsdale is unparalleled anywhere. The everyday actions of countless citizens help to make this a wonderful community. It our responsibility as elected officials to provide leadership in nurturing that positive spirit of community and commitment.

Tonight I will recognize some individuals who have demonstrated that spirit and their strong belief in our future.

In this year's State of the City Address, I will talk about the real, tangible initiatives we are taking and the actions we must take to maintain our quality of life and to further strengthen our local economy.

QUALITY OF LIFE

My City Council colleagues and I defined a Mission and Goals Statement this past fall that articulates our direction for city government. We agreed quality of life for residents and visitors shall be the "paramount consideration" in all that we do.

In the wake of September 11, quality of life, above all else, means safety.

Let me assure you, in these days of heightened concerns about security, we are committed to ensuring the safety of our residents and visitors. In the days following the tragedies in New York and Washington, our police officers and firefighters were deployed to secure our schools, water supply, our airport and other critical public and private facilities. They remained on heightened alert in the subsequent days, in cooperation with state and federal agencies.

The city has also reformulated its emergency planning as a result of the lessons learned over the past four months. Our emphasis is on preparing not only our city employees, but also providing our residents the information they will need to deal with an emergency. Nothing is more important!

September 11 reinforced the value of all types of public service. We take pride in the dedication of all Scottsdale employees.

There are hundreds of ways your city is working to ensure your quality of life – far too many to mention here. Tonight I will highlight several initiatives because of their importance and scope:

The first is our bond program.

A little over a year ago, our citizens showed their strong confidence in our community by approving a \$358 million bond program. Thank you! Thanks to the passage of the bonds, today our city is moving forward on projects to ease traffic congestion, restore parks in our more mature areas, and build new libraries, parks and a Senior Center. The bonds will also provide flood control, assist in neighborhood improvements and, most importantly, improvements to public safety.

The second quality of life initiative is our continuing effort to improve Scottsdale's transportation system.

Traffic is always a challenge. Scottsdale, with its narrow east-west borders and long north-south boundaries has a unique geography. This year the 101 freeway extended northward to Princess Drive and has provided some much needed relief. The city has also worked with ADOT to expedite the opening of the remaining section of the 101 freeway in June of this year. It can't come soon enough! We are also moving ahead with plans to extend Hayden Road and improve Scottsdale Road in conjunction with this project. We must also aggressively pursue Pima Road improvements north of the freeway.

Many new traffic improvements are being designed and implemented thanks to our successful passage of the bonds. Some of these include street widening, additional turn bays, and the expansion of our high-tech, intelligent transportation system to optimize traffic flow.

The third way we are improving quality of life is through our Open Space and Preservation programs.

Today, we still hear some people expressing concerns about growth. That's very understandable. But let's put it in perspective. I can remember well my early days on the City Council. The drumbeat of development was getting louder and louder and there were fears that the desert and

mountains would be paved over. The great migration to Arizona had accelerated and Scottsdale was a prime destination. Many of you here tonight or watching on television may have arrived in our great city during the 90's. In fact, most of us who live here came from somewhere else. So, in a sense, **we all** created that challenge of managing growth in harmony with our desert.

My goal from the very beginning has been to preserve our beautiful and unparalleled natural environment through managed growth and open space preservation. Those of us who felt strongly about this issue formed task forces, created a commission, and ultimately put the preservation measure on the ballot. We are now creating one of the finest, most distinctive nature preserves in the world. Over one third of our city will remain in beautiful, natural, open space for both present and future generations.

Just yesterday, Scottsdale received national recognition and was honored by Christine Todd Whitman, who heads the Environmental Protection Agency. She named Scottsdale as a charter member of the National Environmental Performance Track program. Scottsdale is the only municipality in the country to receive this distinction, which was based on our efforts to preserve natural open space and our efforts to improve air quality with our natural gas fleet.

One year ago during my State of the City Address, I issued a "call to action" to our citizens. I called for support of our application to add over 16,000 thousand acres of State Trust Lands to our preserve in Scottsdale. Thanks to the coordinated efforts of many individuals, a record number of citizens came out to support us at a State Lands public hearing. Thousands more flooded the Governor's and State Land Commissioner's offices with letters of support.

The result was a huge victory many thought unreachable only a few short years ago! The State Land Commissioner reclassified more than 13,000 acres as suitable for conservation. The ruling allows us to expand our Preserve, and begin to acquire this sensitive and beautiful desert at conservation prices. We are still committed to finding ways to preserve the additional acres not yet reclassified.

From the beginning of this dream, we have been driven by a spirit illustrated in words often quoted by the late Robert F. Kennedy:

"Some men see things as they are and say, why?
I dream of things that never were and say, why not?"

The success of this effort is monumental. Thousands of our citizens, with the support of local and state leaders, are responsible for this success. Tonight I would like to specifically recognize the members of the McDowell Sonoran Land Trust. The trust has played a key role from the very beginning of our preservation efforts. Its members, past and present, have demonstrated an unwavering belief in Scottsdale. Can I ask trust members to please stand up so we can express our gratitude for your service?

The fourth major issue affecting quality of life is closely related to preservation -- the update of the General Plan.

State law requires that communities in Arizona update their General Plan and put it on the ballot for voter approval. We have completed that task. Over a two-year period, with extensive public

input, citizen review and Planning Commission support, the General Plan revision was passed unanimously by the City Council in October.

The General Plan is the community's expression of our collective vision for the future of Scottsdale. We are required to use the General Plan as a guide for evaluating policy and making decisions. It is comprehensive and contains policies on a wide variety of issues, including neighborhoods, character and design, land use, preservation, the natural environment, transportation, business, economics and growth.

Tonight, I strongly urge the residents of Scottsdale to vote in favor of the General Plan revision, which has widespread community support and more effectively reflects our vision. The measure is on the March 2002 ballot, and your affirmation of this revision will allow us to successfully manage growth and maintain our quality of life.

The fifth way we are addressing quality of life is our new focus on neighborhoods:

When the City Council met last fall to set goals for the coming year, we affirmed again that safe and well-maintained neighborhoods should be our Number One focus. That's why the city established a new Citizen and Neighborhood Resources Department this past year. The department consolidates many of the functions important to the health of neighborhoods.

Our neighborhood efforts are spread across the entire organization. Let me highlight a few examples of the work we are doing:

As part of a program to beautify and enhance Scottsdale's older neighborhoods, we initiated a unique program called Enhanced Alley Maintenance. This program got underway last year and is nearing completion. All 92 miles of city alleys will be cleared, graded and treated for weed growth. Our crews are finishing a mile of alley each day, and this program will be complete this spring. It has been met with rave reviews by neighbors.

We are also addressing the need for more parks, playing fields, community centers and the need to renovate our older parks and pools such as Eldorado and Chaparral. Many new ball fields will be coming on line. In addition, the long awaited opening of the Pinnacle Peak Trailhead will take place this year. And this month, we are celebrating the major expansion of the Via Linda Senior Center.

The sixth area related to quality of life is our concern for families.

Scottsdale's focus on the family received national recognition this year. The Kid Friendly Cities Report Card ranked Scottsdale #4 in the nation with a grade of A+. What a statement about the quality of life in our city! This study examined 74 cities using 16 different quality of life indicators including; parks, libraries, children's programs, population, health, and education. Scottsdale was the only city in the state to receive a grade of A or higher.

To further assist families in our city, we recently approved a Family Advocacy Center to aid domestic violence victims.

The goal is to assist victims by streamlining the process of reporting and taking action on these tragic incidents. Our police department believes the consolidated services at the center will also increase the number of convictions. The approval of this center is a strong statement about our concern for our residents in need.

THE ECONOMY

All of the quality of life efforts and projects I have just outlined are possible because Scottsdale has the community spirit and the financial strength to make them happen. To maintain our quality of life, we must have a strong economy.

I recognize that the state of the nation's and the city's economy is a concern for everyone, particularly since the events of September 11. We face new challenges no one could have anticipated before this event.

It is clear to me that we must act on three fronts to ensure the continued health of the Scottsdale economy.

- First, we must continue to manage your tax dollars well, using a fiscally conservative approach to the city budget.
- Second, we must continue to support the tourism industry, which plays such an important role in defining the character of our community.
- Third, as we approach build-out in Scottsdale, we must look inward, not outward. Both our city government and our private sector must reinvest in our mature commercial and residential areas.

Regarding my first point, we have continued with our policy of fiscal conservatism. Thanks to innovation and cost saving moves, our total budget appropriation this year increased by only 1 percent. Since September 11 we have trimmed department budgets and have delayed new hirings without affecting public safety or other services. These prompt budget cuts demonstrate why the financial community rates Scottsdale so economically sound. This past year, we received a "AAA" bond rating from all three major rating agencies, which makes us the only city in Arizona, and one of only nine cities in America, to be so recognized.

Our second point of action for economic health is continued support for our tourism industry.

We are moving ahead on several fronts to make sure Scottsdale maintains and continues to improve its status as a world-renowned visitor destination.

The City of Scottsdale and the Arizona Aerospace Foundation have teamed up to make a very strategic investment in our community, which will help sustain our tourism industry. Scottsdale is working to become the home of the International Fighter Pilots Museum. Our airport has a long and important history that dates back to training pilots for World War II combat missions at the Thunderbird facility. This past year, the city concluded years of effort to secure the land at

the corner of Scottsdale and Thunderbird roads for this project. The foundation is raising the funds to build this one-of-a-kind museum that will celebrate not only the aircraft, but also the individuals who flew the missions. What a great experience it will be for young and old alike. The museum anticipates drawing as many as 200,000 visitors each year and hopes to open in 2004.

We also will continue investment in WestWorld, our city's premier equestrian and special events venue. Our public investment will lead to additional private investment in Scottsdale's tourism industry. As you know, WestWorld is the location of a number of the city's signature events, including the Scottsdale Arabian Horse Show, the Sun Country Circuit Quarter Horse Show, the Parada del Sol Rodeo and the Barrett-Jackson Classic Auto Auction, which is being held next week! Across the street at the TPC, Scottsdale is hosting the Phoenix Open later this month.

A final example of a public-private effort to sustain our tourism industry is the Scottsdale Convention and Visitors Bureau. The tourism industry in Scottsdale has long deserved an organization that is **solely** dedicated to its success. As Mayor, I am very excited about the new energy and creativity the Convention and Visitor's Bureau brings to Scottsdale. About \$4 million in city bed taxes will support the bureau's tourism marketing program this year.

The third area of action for economic health is revitalization and investment.

For 2002, we recognize that our city is in the midst of a transition. We are approaching build-out and there is less land to develop. As a result, we must operate differently than we did in previous decades. We cannot rely on growth alone to assure that our economy continues to prosper. We must focus our attention on the mature parts of our community, build on our strengths and join the private sector in reinvesting. We have, indeed, begun that process in our downtown.

Downtown Redevelopment

The actions the Council has taken this past year will breathe new life into downtown. The actions that take place this coming year will accelerate revitalization.

One striking downtown success story this past year resolved two problems that have existed for a decade.

Upon taking office, I met with Mr. Morris Bailey from JEMB Realty Corporation. He told me they had strong interest in purchasing the long vacant Galleria, which had plagued the downtown since 1991. He indicated they planned an extensive redesign and refurbishment of the structure inside and out. They believed in Scottsdale as a place to do business and wanted my support as they moved through the process. I assured them that the Galleria was one of my top priorities and that we would find a way to "get it done".

One of our first acts as a new Council was to straighten Scottsdale Road and add new landscaping at its the intersection with Drinkwater Boulevard, next to the Galleria. The work was completed this fall, and has already improved traffic and given new vibrancy to the area.

Today when you drive down Scottsdale Road you see the transformation. The Galleria has been modified to make it less imposing, and the new Southwestern color scheme and landscaping have truly enhanced our downtown. Today it has been converted into a Class A office building with 600,000 square feet of leaseable space and is already the home to the Scottsdale Culinary School, and New York Life, with more tenants on the way. When fully occupied it will bring at least 1,000 new employees to our downtown.

The city lived up to its commitment to make an investment and straighten the road. JEMB lived up to its commitments to invest in the Galleria and get the job done.

Because of investments by both the public and private sectors, other businesses are now reinvesting in the same area. It took vision, talent, and a belief in the future of Scottsdale. It took confidence that the city would work with JEMB to overcome some very challenging hurdles. Tonight I would like to recognize JEMB Realty Corporation and their president, Morris Bailey, for their investment and belief in the city of Scottsdale. Joe Collura, the local representative for JEMB, is with us tonight. Joe, would you please stand?

Loloma

Another great example where a public-private partnership is about to yield dividends for Scottsdale is the Loloma area. In the past, this section of downtown has been given little attention. This Mayor is committed to new investment in this area. A 7 ½ acre, \$50 million, retail-cultural-residential project is scheduled for final approval by the Council next month. Private investment in Loloma will bring upscale living, working art studios, and restaurants to the downtown.

In order to get it done, the city is building much-needed public parking, and preparing to make a \$3 million investment from bed tax funds for a new public art museum. This new destination museum is expected to attract up to 100,000 tourists a year. It will feature both new Western art to be collected by the Scottsdale Western Art Association and the renowned Fleischer Museum collection of Russian Realism and American Impressionism.

What a wonderful amenity for Scottsdale, a downtown museum that combines our roots in the “Old West” with our equally strong tradition of fine art. The key to this new Scottsdale museum is the collection from the Fleischer Museum. Mort and Donna Fleischer have generously agreed to donate a portion of their renowned art collection to the city. What greater statement could be made about one’s commitment to our community’s future? Join me in applauding the Fleischers. They truly represent the positive spirit of Scottsdale.

Arizona Canal, Downtown Parking

There are other places in our downtown where both public and private investment will also be needed. Last summer, we appropriated \$11.5 million for improvements along the Arizona Canal banks, and the design of this project is now underway.

We have included money in our budget for new parking and have completed the first-ever, comprehensive market analysis to assist us in planning for revitalization of the area. The report, which was received last month, indicated that our downtown had very favorable ratings from

residents and tourists alike. They see our downtown as distinctive, unique, and filled with history. The report supported revitalization, but cautioned against a single, massive redevelopment project, which could diminish the character and history of the area. This approach is sound and we are ready to move forward.

Sensible, strategic public-sector investment in the downtown will spur private-sector investment and keep our downtown strong. We took another step last year, when we removed, at the request of specific businesses within the downtown redevelopment area, the potential for condemnation of those businesses.

Smitty's

Moving along to the McDowell Road corridor, the former Smitty's site at McDowell and Granite Reef roads is an example of the need for strong government investment to make sure our older neighborhoods remain vital. The store was closed and there was no plan for quality redevelopment that would strengthen adjacent businesses and the neighborhood. So, this Council took unanimous action to purchase the site. Public investment was the correct approach in this case and development will soon begin.

Input from a series of public workshops helped to give us feedback on preferred uses for the site. First and foremost is a new Senior Center, which will be funded by our successful bond program. Other uses likely will include a community theater, offices, restaurants and housing. We have begun to design the site plan for the property. Through our public investment, we will return this site as a vibrant gathering place for the community.

Los Arcos

Just west of Smitty's on McDowell Road lies the Los Arcos Mall site. I am happy to report that the revitalization on this important property has been set in motion. Be assured that my commitment to reinvest in this area is steadfast. Los Arcos deserves the best!

Here is what we have done so far:

- The cleanup of the site has been completed.
- We are taking a business-like approach to make certain that we develop a high quality and achievable plan to revitalize the area.
- We hired some of this country's top financial and land-use experts last year for a thorough analysis of the best and most sensible ways to redevelop the site.
- We also went back to the surrounding businesses and neighbors for input on the most workable options.
- The City Council voted unanimously for a plan to move forward with a combination event center and town center.

On February 5, the City Council will refine the details of a development plan, for not only the Los Arcos Mall site, but also for the broader area. Our emphasis must be on strengthening the economic base of the entire Scottsdale Road-McDowell Road corridor. The most practical approach may indeed be phased investment. Our citizens have told us, loud and clear, that we should take the time necessary to deliver a project that will be a true asset to the city and the neighborhood. We are moving forward with determination, because this area deserves the best!

Frank Lloyd Wright Landmark

And speaking of the best, Scottsdale also has the honor of counting architect Frank Lloyd Wright as a resident. Considered by many to be the 20th century's most renowned architect, it was Scottsdale that he chose as the home of his school of architecture, Taliesen West.

We also have a boulevard named after him. Today we have moved forward with a bold and visionary statement, acknowledging again, Scottsdale's unique relationship. A Frank Lloyd Wright designed spire, originally planned for the Arizona State Capitol, will be built as a timeless Scottsdale landmark at the corner of Scottsdale Road and Frank Lloyd Wright Boulevard. The spire and courtyard, along with a visitors center, will incorporate his legendary organic architectural principles.

This project further represents the spirit of Scottsdale and will draw both residents and tourists.

Please join me in congratulating architects John Rattenbury and Arnold Roy of Taliesen West and developers, Jim and Gary Pederson, of the Pederson Group.

CALL TO ACTION

Throughout my State of the City speech tonight I highlighted many of the actions we are taking to improve our quality of life. I have also outlined steps we must take in three areas to strengthen our economy. We must continue to have a fiscally sound budget, support tourism and reinvest in our community.

Again this year I am issuing a "call to action" to the residents of Scottsdale. Tonight I will make several important proposals to further strengthen our quality of life, and our economy. I call on you to embrace that "the spirit of community" and support us in these important goals.

1. I will establish a Mayor's Business Roundtable and will invite several Scottsdale business leaders to meet regularly with me to provide valuable input. I believe this will strengthen the relationship and sense of partnership between the public and private sectors to ensure a more positive and diversified business environment for Scottsdale.
2. The Planning Department should expedite and implement a streamlined plan review and permit process, while maintaining the high development standards for which Scottsdale is known. Whether you are building a home, undertaking a major development project, or adding a room, the city's process should be more efficient, streamlined, user friendly, and manageable.

3. Our new Economic Vitality Department should balance the needs of the entire business community. We should continue to attract new businesses, while also focusing on the health of existing and small businesses in the more established areas like the downtown and those in newer areas, such as the Scottsdale Airpark.
4. I call on the City of Phoenix to work closely with Scottsdale to plan the area along Scottsdale Road north of Frank Lloyd Wright. Lands on both sides of our city boundaries are developing or poised to develop. I believe that joint planning and revenue sharing is the best way to protect neighborhoods and prevent further congestion. Should joint efforts fail, however, Scottsdale needs to be prepared to move ahead aggressively and set the tone for development in this area. We have already adopted a mixed-use plan that would be compatible with surrounding development and guarantee long-term economic benefits. Scottsdale has demonstrated time and again that we can be competitive and demand quality.
5. We must tailor the role of government to best meet the revitalization and reinvestment needs of each individual area of our community. Government sometimes may act as a stimulus for private investment. If it means adjusting or removing redevelopment boundaries for one area, so be it. If it means capitalizing on the opportunities a redevelopment district brings for another area, so be it. The role government plays will differ, depending on the challenges an area faces. One size does not fit all. Our formula for success in each area will be different.

I also call upon leaders of business and other municipal governments to partner with us to strengthen Arizona's redevelopment laws to provide more viable tools for revitalizing maturing business districts, commercial areas and neighborhoods to reduce the reliance on the use of eminent domain. State laws should support new financing options for revitalization, such as the use of tax-increment financing and increased flexibility to use enhanced services districts in business areas. Our statutes should allow more ways for the public and private sectors to jointly reinvest in the community without raising taxes for local residents.

6. As Mayor, I pledge to continue working to assure the economic health of Scottsdale and the entire region. The issues we face clearly call for regional cooperation. I pledge to continue our support for the Greater Phoenix Economic Council. I will continue cooperating with the leaders of our neighboring jurisdictions on transportation, FAA issues, preservation and economic issues. I support our East Valley neighbors in their efforts to site the new stadium in one of their communities to bolster tourism and retain the 31-year tradition of the Fiesta Bowl.
7. I call upon all of you to work with us to change the State Constitution and Federal Enabling Act to ensure meaningful conservation statewide, while respecting and protecting the education interests, which are one of the beneficiaries of the sale or lease of State Lands.

In summary, what's important to the citizens of Scottsdale is their quality of life, which is exemplified in a strong economy, safe and well-maintained neighborhoods, open space, unparalleled parks, a vibrant downtown, and a world-class preserve.

We cannot take these things for granted, nor can we ignore the resources which are needed to sustain them. The action items I have outlined tonight will create a stronger, more diversified and stable economy.

Throughout the years, we have been successful in dealing with many complex challenges. We are blessed with citizens who believe in their community, who meet challenges head-on, volunteer their time and invest their own resources. We will continue to be successful because our community spirit is, and will, remain strong!

I believe that our destiny as a city is not a matter of chance, but a matter of choice! As your Mayor, I will strive to ensure that the things we do today and tomorrow are consistent with our history, our vision, our values, and our character.

Frank Lloyd Wright said, "...if you wisely invest in beauty, it will remain with you all the days of your life."

We have a beautiful city. Let us treasure it. Let us make wise investments in it that will last for our lifetimes, and for the lifetimes of our children.

Thank you for coming tonight, and thank you for believing in Scottsdale.