

Thank you very much, and welcome to another amazing day in Scottsdale. As I like to say, I have the greatest job in the world – your mayor, mayor of the best city in America.

I am honored to serve as your mayor and appreciate your affirmation of my service with your resounding vote for my reelection this past November. My Council colleagues and I are committed to an open, honest and deliberative process in our representation of all Scottsdale Citizens.

And I must say that I appreciate the commitment and caliber of all my Council colleagues.

Today is one of my favorite days of the year.

The occasion of our annual State of the City address provides an opportunity to celebrate, evaluate and embrace Scottsdale.

This is a wonderful community of people who work hard, reach for excellence and have achieved incredible things.

Beyond the beautiful desert, among the bustle of downtown, in neighborhoods both modern and historic, this community is shaped by its people.

Scottsdale is us.

In the coming year and beyond, I hope each of us will spend less time thinking about "me" and more time thinking about "we."

This is not my Scottsdale or your Scottsdale, it is our Scottsdale.

Scottsdale started as a small community and has grown much larger over time. In each era of our history, important decisions have been weighed and made. We are fortunate because largely, those have been good decisions.

The people responsible did not act as individuals, but as members of a community, working to create a place that is known around the world.

Say "Scottsdale" and that means something – something good.

We have past generations to thank for that. We inherit their good work, and now we work to make it better.

With that foundation, it is now my pleasure to talk about some of the great things that we accomplished and enjoyed in Scottsdale over the past year.

Imagine a place of particular beauty, a community in some of the most beautiful desert in the world. Home to a downtown where western charm walks arm-in-arm with polished sophistication among galleries and gastro-pubs. Where innovative people fuel a vibrant economy that helps create an unparalleled quality of life.

A place people want to come – whether it's for a few days at world-caliber events, or to live, work and thrive all year-round. In beautiful and distinct neighborhoods connected by paths and trails, dotted with parks, art and gathering places.

We know that place – Scottsdale.

We don't have to imagine it – we live it. Many of us helped build it. This is our home – and we are rightfully proud of it.

Each passing year gives us more reason to be proud. To list them all would take too long, so let me talk about just a few.

We live in an age of lists, and Scottsdale seems to pop up on a lot of them.

Last year, we were the only Arizona city included on Money Magazine's 50 best places to live. We earned that spot thanks to many of the things I've already mentioned.

According to Forbes, the Scottsdale-Phoenix-Mesa region is one of the top three in the nation "winning" in the critical "information economy."

The economy throughout Scottsdale is strong – one of the strongest in the Valley.

Job growth in Scottsdale since 2012 is up 13.6 percent, head and shoulders above regional and national benchmarks in just about every sector, especially in key areas like information technology, financial services, health care and biosciences.

Many of you in the room are responsible for these strong numbers and national recognition. And you should be proud of the role you play.

But what we achieve when fewer eyes are upon us is equally impressive, and just as important.

Scottsdale's McDowell Sonoran Preserve is rightfully at the top of our list of reasons to be proud. We made it better in 2016.

In September, we acquired 415 acres of land for the preserve, including the western edge of the Rawhide Wash and the site for a planned major trailhead near the intersection of Pima and Dynamite.

With these additional acquisitions, the Preserve encompasses more than 30,500 contiguous acres – more than 47 square miles. The preserve is larger than the city of San Francisco.

Be proud of that.

We should take a moment here to recognize Carolyn Allen, who passed away last summer. Carolyn was a longtime Scottsdale resident who served on the city's Planning Commission in addition to serving 16 years in the Arizona legislature.

Her efforts made it possible for us to purchase more than 15,000 acres of state trust lands. The preserve is part of her legacy, as is the Honorable Carolyn Allen Amphitheater, which we dedicated in her memory at Brown's Ranch Trailhead in January.

We are proud of you Carolyn, thank you for everything you did for our community.

At the opposite end of Scottsdale, noteworthy things are happening as well.

The McDowell Corridor has been the focus of much of our attention over the past several years, with planning studies and council priorities – but thankfully, we're not the only ones focusing on that area.

Major expansions are underway at SkySong, the ASU Scottsdale Innovation Center, which is anchoring a continual hum of activity. SkySong is now home to 48 companies that employ an estimated 1,500 people – people who are adding life to this bustling area.

Perhaps nowhere in Scottsdale was hit harder by the Great Recession.

But the vacant storefronts and empty auto dealerships are giving way to new life.

Home values, commercial rental rates and building permit activity are all on the rise. Private investment in 2016 totals more than \$130 million, with some big projects still on the horizon.

Reinvestment and revitalization in neighborhoods around McDowell are making 85257 one of the hottest zip codes in town.

McDowell is rebounding in a big way, and we can look forward to more great things to come.

2016 was certainly a year of re-imagination in Scottsdale. Two of our cornerstone organizations recast their image last year as part of their own revitalization efforts.

What was the Scottsdale Cultural Council is now simply Scottsdale Arts – a clean and simple title for a beautifully diverse organization responsible for our world-renowned public art program, the Scottsdale Center for the Performing Arts and the Scottsdale Museum of Contemporary Art.

Scottsdale is a city of the arts – we should be very proud of that well-earned reputation. It's good for our economy, and it's good for our soul.

As Scottsdale Arts adjusts their image, they continue to build the annual Canal Convergence into an international destination. More than 56,000 people converged last year for four days of inspiring and interactive art in, along and above the Arizona Canal in Downtown Scottsdale. That was a record that will likely be topped this year.

Have I whet your appetite? Good. Because Canal Convergence 2017 begins tomorrow – so don't miss it.

With this moment of focus on one of our signature events, and with most of our other major events for 2017 wrapped up, we should not forget how important all of these events are to Scottsdale.

We are largely an events-based destination and events are the number 2 reason people come to Scottsdale, so we need to support and manage them carefully.

A special note here to the city's Tourism and Events department. They have been working very hard in this area, including a full re-write of our events ordinance and process.

They are also bringing new life to our events calendar, with creations like the holiday season's Scottsdazzle – I'm told I need to make the jazz hands whenever I say Scottsdazzle.

And Western Week – no jazz hands required for that one.

These are fun new ways to enjoy our community – special compliments to everyone across the city who works very hard to help these events happen and be successful. We are proud of the work that you do.

Of course the other organization to reimagine themselves in 2016 was formerly known as the Scottsdale Convention and Visitors Bureau.

Our vaunted CVB earned a sterling reputation among their peers and members, and helped Scottsdale earn our reputation as a world-class city.

They invite and encourage millions upon millions of people to "experience Scottsdale" – so it only made sense to call themselves by that same name.

Experience Scottsdale didn't just rename themselves, they developed a completely new creative brand to introduce our community to the world.

It was long, arduous work, but the results are wonderful, so I want to say congratulations to Rachel Sacco and her entire team.

We should also be proud of Scottsdale city government. As residents, as business owners and operators, and as visitors, we get an incredibly high level of service from our local government.

Part of the reason is that your local government is always trying to improve. We always want to make it better.

Of course every organization is only as good as its people. We have some really good people and we added another just a couple of months ago – Scottsdale's new city manager, Jim Thompson.

Welcome, Jim – it's good to have you here.

City of Scottsdale employees like Jim are very good at what they do, and take a great deal of pride in providing "Simply Better Service for a World-Class Community."

Take a look at what your city does in a typical 24-hour period.

Before I leave the topic of people working for the city, I want to thank Scottsdale's volunteers. In 2016, nearly 7,000 volunteers contributed 188,000 hours of service to the city – valued at more than \$4.2 million. It's not all about the money but our citizen's hearts and souls in service to their fellow citizens.

Another special group of volunteers deserves specific mention: the McDowell Sonoran Conservancy which celebrated its 25th anniversary in 2016.

The Conservancy is the nonprofit organization that helps maintain trails and provides public outreach and education in the preserve on behalf of the city.

Their board, their staff, and hundreds upon hundreds of volunteer stewards have had such a tremendous positive impact on the preserve, and on Scottsdale.

In 2016, more than 600 volunteer stewards donated nearly 59,000 hours of their time – a value of \$1.3 million. AGAIN, not about the money. It's about citizens showing and sharing their city's great asset.....the Preserve.

They have earned our everlasting gratitude – thank you.

Today I want to talk about one particular volunteer who deserves special thanks.

Bill Schrader has served our community in a number of different ways. He served on the Scottsdale City Council from 1958 to 1962. He was mayor of Scottsdale from 1962 to 1964.

And then, on January 31, 1967, he was appointed an inaugural member and president of the city's Municipal Property Corporation, where he still serves today.

If you're bad at math, that's 50 years – 50 years of volunteer service to the city of Scottsdale.

It's impossible to put a dollar value on his contribution.

The MPC assists with city financing of projects like fire stations, parks, libraries, airport facilities and the TPC Scottsdale, and Bill Schrader has been there since Day One.

He embodies the concept of community service. It was with great pleasure that just a few weeks ago, we honored Bill with a special award.

We also informed him that going forward, the city's annual volunteer of the year award will be named the "Bill Schrader Volunteer Impact Award."

Thank you, Bill, for your tireless dedication to our community.

With so much to be proud of, we are also rightfully hopeful for the future.

Scottsdale is a vibrant, active place. We are changing, evolving, and growing – these are positive things.

Growth can be a scary word – a dirty word to some ... but look at what growth has done for us – what it really looks like. In Scottsdale, we really do grow smarter.

I have already talked about the incredible revitalization and recovery in the McDowell Corridor, and Downtown Scottsdale has a similar story.

Who would have imagined that vacant retail centers at Los Arcos and the Scottsdale Galleria would become two of the most popular and sought-after destinations for business in all of the Valley?

Those businesses are repurposing and revitalizing many vacant properties and storefronts with creativity and imagination – it's really wonderful to see.

That's the kind of growth that happens here. Our community attracts some of the best and brightest business minds in the nation, to bring their companies and invest their dollars.

The city is doing things to make those decisions even easier, and to make those investments even smarter. We can point to many successes, like Mercedes-Benz of Scottsdale, which relocated from downtown Phoenix in 2013 and was just awarded "Best of the Best" for its outstanding performance.

I'd like to thank owner Chuck Thiessen and his wife Anita for their investment in Scottsdale.

When confronted with challenges, like parking Downtown, we act. We quickly developed and deployed a new Morning Express Trolley that takes hundreds of workers from parking lots on the outskirts of Downtown to the Galleria and other business hubs.

This frees up parking spaces for the smaller businesses who thrive on drop-in customers and short visits.

We recognize that traffic and parking Downtown will continue to be a challenge, but I am very confident that we are up to the task.

We have improved bus service around Downtown and we are watching with keen interest as new transportation technologies emerge.

The majority of the Scottsdale City Council voted to remove references to light rail from our newly adopted Transportation Master Plan. The decision wasn't made lightly, but I think it was the right one.

Although many agree that light rail would be too costly and too disruptive for Scottsdale, we cannot forget that we will need to make decisions in the future to deal with growing traffic and congestion, particularly in the southern part of the city which is enjoying an otherwise fruitful Renaissance.

The so-called "last mile" linking major transit corridors to areas like Downtown Scottsdale and the Scottsdale Airpark, is a piece of the puzzle.

Our growing, evolving community demands better transit and last mile options. And I am hopeful we will get them. We are exploring new technologies that could help solve future problems much more efficiently and effectively.

Many of us see now with regularity the autonomous vehicles that Cruise Automation – recently purchased by General Motors – is testing in Scottsdale. That company established a substantial presence here – could technology like theirs be part of the future solution?

We will see, and perhaps sooner rather than later.

Shifting gears, pardon the pun, let's touch briefly on the Scottsdale Cure Corridor, which at one time was largely confined to Shea Boulevard and parts of the Scottsdale Airpark.

Now the Cure Corridor comprises just about all of Scottsdale.

This collection of health care researchers, hospitals, and bio-science companies are giving hope to the world, improving the length and quality of lives for people with cancer and other diseases.

Scottsdale on the whole is a very healthy community. So much so that I was invited to the U.S.-China Sister Cities Conference in Nanchang, to speak about building healthy cities.

Of course Scottsdale has a lot to offer on that subject, with the preserve, hundreds of miles of paths and trails and an incredible system of parks and recreational amenities.

Specifically in the health care sector, companies in the Scottsdale Cure Corridor are researching and innovating in a number of areas, and their growth, activity and accomplishments have truly been tremendous.

Think about a very small company like NeoLight, which was founded at SkySong and has gone on to earn seed money and win innovation competitions. In October they earned a \$100,000 investment from AOL co-founder Steve Case by winning the "Rise of the Rest" startup competition for Arizona.

Their SkyLife product is progressive in design, yet simple and noble in purpose – it aims to significantly improve the survival rates of newborns, particularly those with jaundice.

This common affliction has potentially serious complications, particularly for babies born in places without advanced healthcare systems like those in the United States.

As NeoLight says, they design healthcare solutions for people, not hospitals. And they are doing it right here in Scottsdale.

At the other end of the spectrum is Mayo Clinic, which is established as one of the most revered health care providers in the United States.

Several years ago we heard the exciting news that Mayo was partnering with Arizona State University to expand the Mayo Clinic School of Medicine to Arizona.

This innovative new program at Mayo's Scottsdale campus will offer students the option of earning a master's degree in health care delivery from ASU while they are earning their medical degree.

The result will be a new breed of physician leaders who put patients first while solving problems inside health care systems that can actually stand in the way of top medical care.

Classes begin this summer.

Neolight and Mayo are just two examples from among the dozens of health care companies in Scottsdale who are doing great things.

Whenever I spend time on this topic, I become more hopeful for our future.

Talking about the Mayo medical school also offers me a nice transition into the larger topic of education.

Great education is vital to our families, to our neighborhoods, to our quality of life and to our economy.

In Scottsdale, we have great education, we have great schools. The Scottsdale Unified School District is responsible for most of the public schools in Scottsdale, and we're fortunate because they do a great job.

Congratulations to Dr. Denise Birdwell, who was named superintendent at SUSD this past year. She has not wasted any time pursuing new ideas to help an already excellent school district achieve greater success.

One such initiative is just getting underway at Coronado High School, which in recent years has not been performing up to par.

The school will be redesigned in partnership with the ASU Mary Lou Fulton Teachers College and with support from the Scottsdale Charros.

I was honored to be among about 150 people invited to a community conversation to begin mapping out "The Coronado Success Initiative."

The goal is to develop new models for teaching, learning and supporting our young people so they will be best prepared for success after high school.

It is a bold and visionary undertaking, and also a sign of how Scottsdale Unified School District will reassert itself as the premier public school district in Arizona under Dr. Birdwell's leadership.

Our entire community will benefit.

Thank you again, Dr. Birdwell, and welcome to Scottsdale.

We are also fortunate that some of the best charter and private schools in the nation are in Scottsdale.

BASIS schools were once again atop lists of the best in the nation, and we're also pleased that BASIS has its headquarters in Scottsdale.

The caliber of local education options is a major attraction in Scottsdale, for families and for businesses who want to be in a place where employees and their families can thrive.

I hope that the things we have discussed so far fill you with pride in what we have accomplished and with hope for the future.

But what if things were not so great? Many Scottsdale residents struggle day-to-day.

Despite our robust economy and excellent health care options, living with hope is not something all of our residents can easily do.

For some of them, however, there is hope – and it comes from "Operation Fix It."

Fate and circumstance have put some of our neighbors in tough spots – unable to care for their properties due to health issues, financial issues, or most commonly, a combination of both.

"Operation Fix It" combines the power of volunteers with resources donated by the community to step in and help.

For the past four years I have used this annual luncheon to raise money for "Operation Fix It," which survives entirely on donations. Many of you have been to each of those, and together we have raised nearly \$100,000 for this wonderful and important program.

Today we will add to that amount, and be able to help even more people.

The money and materials are vitally important, but they wouldn't be much good without volunteers, and "Operation Fix It" enjoys the support of hundreds and hundreds of people who just want to help. Neighbors helping neighbors.

People who spend less time thinking about themselves, and more time thinking about our community.

A group from Scottsdale Leadership Class 31 fits that description. They have made "Operation Fix It" their focus, and I would venture to guess that they are getting as much out of the program as they are putting in.

Thank you very much to everyone from Scottsdale Leadership Class 31 who is contributing your passion to the community through "Operation Fix It."

The rest of you can help.

Since none of you look dressed for yardwork, I'll offer other suggestions – donate some money, donate some materials, donate some time.

See any member of my staff or visit the city's website to learn how.

I hope that Frances' story has everyone in a good mood. At the risk of blunting that a bit, I want to talk about some of the challenges that lie ahead.

Our community must approach the future thoughtfully. More than 65 years ago, Scottsdale evolved from an unincorporated section of the county into an official "town."

Scottsdale has continued evolving, little by little, ever since.

Doing that well requires a thoughtful approach, as will tackling some of the tough issues ahead like Sober Living homes, short-term rentals, downtown parking and transit solutions.

We have some real challenges ahead with regards to state land. With the economy gaining steam, some of the state's most valuable parcels will fetch a premium price – and many of those are in Scottsdale.

For those of you who don't know, the money from state land sales goes to help fund the Arizona school system.

Selling the last remaining parcels of state land in Scottsdale must be planned for maximum benefit to our community. We have the added challenge that some of this land provides parking for our major events.

As it eventually finds new owners and new uses, we will need to be thoughtful about how we continue serving our signature events.

That's a big part of why we need a WestWorld master plan so that we can manage that major facility to best serve its existing partners – like Barrett-Jackson and the Arabian Horse Show – and attract new events so that we can realize a greater return on that big investment of our tourism dollars.

And on the topic of investments – we simply haven't been able to make enough of them lately in our infrastructure.

I mentioned that we just celebrated 65 years as an incorporated city. That's a nice milestone but we have some key infrastructure that, while not quite that old, is getting close.

It's easy to lose track of our infrastructure – much of it is out of sight, out of mind. We as individuals may only use a few roads, or this neighborhood park, but as a community of 240,000 people and millions of visitors, our infrastructure gets used by lots and lots of people all the time.

We have failed the past few times when asking for broad community support on a bond financing program for these important projects.

I feel that bonds are the most democratic and fairest way to fund infrastructure. Selling General Obligation project bonds takes a public vote, the bond debt and the associated debt service costs sunsets when the projects are done.

So one of our big remaining challenges is working on building that community trust and support so that we can once again have a well-funded capital program that addresses our most important needs.

Another consistent challenge is making sure that our water resources are well cared for, and secure for the future.

We had a fairly wet winter here in the Valley, so it's easy to forget that we are still in the grips of a drought.

We're not losing sight of that fact, and continue to work with our regional partners to protect our watersheds and water resources, and encourage the community to conserve wherever possible.

I am pleased to lend my support to the "Protect Lake Mead" campaign. During these drought years, Lake Mead drops 12 feet per year because current water use exceeds the current level of replenishment.

This deficit must be addressed to protect the reliability of the Colorado River system, the source of much of Scottsdale's water.

Thoughtful and substantial work remains to address this challenge.

Earlier I mentioned the latest acquisition of land for Scottsdale's McDowell Sonoran Preserve. The money to acquire preserve land is running low, and the remaining parcels we'd like to have are much more expensive.

There are important strategic decisions ahead to ensure the protection and sustainability of our lands for conservation.

And then of course, there's the Desert Discovery Center – the DDC.

Three letters have not packed so much volatility since the invention of TNT.

But I am here to tell everyone, it will be OK. We are still in the middle of a methodical process that is providing ample time for consideration and recalibration. Many of you have already made up your mind.

Many have not – so be thoughtful as the idea evolves.

At some point the City Council will be presented with a concept, a plan, and a price tag. Then we – the community – can really decide what we want to do.

If it is to move any further from that point, I believe a public vote is the appropriate path.

The DDC is the perfect subject to remind all of us that very few decisions or ideas are universally loved.

We will never agree on everything. We shouldn't expect that, we shouldn't even want that.

The McDowell Mountains are not beautiful because they are smooth and without imperfections. They catch our eye and take our breath away because they are jagged and steep.

Rough in places, yet we walk among the saguaros and cholla thanks to trails made smooth by millions and millions of footsteps.

Our Scottsdale should be a place where we can recognize the legitimacy, the value and the honesty of different viewpoints expressed in our community.

There was a day when many people were opposed to the Indian Bend Wash Greenbelt and to the Loop 101 Freeway. Today those are cornerstones of our community, central to our position in the Valley's culture and economy.

When Scottsdale's McDowell Sonoran Preserve was established via a public sales tax vote in 1995, nearly 13,000 people voted in approval – but more than 7,000 people voted against it.

What's important is not who is right, or wrong, or who is on the "winning side," but that our community should continue – together – regardless of any particular outcome.

That is my hope for the future of Scottsdale.

Did you know that in 2003, Arizona declared itself a "Golden Rule State?" The act encouraged people to treat each other the way they would like to be treated, to help those in need, and to embrace the rich culture of all the people of Arizona and the southwest.

I'm proud to announce that Scottsdale will focus time and energy on being a model Golden Rule City.

My office, the city's Human Relations Commission, and the Arizona Interfaith Movement are working in partnership to highlight this effort and its positive message through a number of events in the coming months.

Mark your calendars for April 28 for Scottsdale's Golden Rule City Breakfast, and stay tuned for more.

As a consequence of the tragic events of Ferguson, Baltimore and other cities across our country, I got together with organizations and individuals of the African-American community to consider actions available to help heal.

We recently hosted the Bridge Forum in Scottsdale. This unique gathering of law enforcement and community leaders from across the Valley spent time exploring how to strengthen the relationships between police and the communities they serve.

This was a very substantial event, that included Governor Ducey, the Attorney General, the County Attorney, several Valley mayors – including me – along with other elected officials, chiefs of police and civic organizations.

The group discussed how law enforcement models community values, what the community expects and deserves, and what police need from the community to be more effective and accountable in their jobs.

We are very fortunate to have a first-rate police department serving Scottsdale – and it was encouraging to see that, along with their counterparts across the Valley, they are always looking for ways to improve.

A special nod here to Scottsdale Police Chief Alan Rodbell, who was recently named Arizona's Police Chief of the Year by his colleagues from around the state.

Efforts like the Bridge Forum are important to creating a united Scottsdale, where people feel as though they are part of the community, and that their voice matters. But we can do more.

In the coming year I will be asking the council to consider an important reform to the city charter that I believe will improve the effectiveness of citizen representation in our local government – the election of at least some of the City Council members by geographic districts.

I hope that we can agree to have the public vote on such a charter amendment.

A district system, like you will find in most cities our size, or a hybrid system with the mayor and some City Council members elected at large, and others elected by district, would serve modern Scottsdale well.

As I began today's remarks, I mentioned a couple of top lists that included Scottsdale.

We were also ranked second on a list of the best cities in America for people with disabilities.

It is particularly important to appear on lists like that, because it reminds us all that Scottsdale is a great community for everyone.

In a time of great political rancor, when the nation seems more divided each passing day, it is critically important that each and every person in Scottsdale feel welcome to visit here, live here, work here, and enjoy all that this city offers.

No matter your physical abilities, sexual orientation, religious affiliation, racial or cultural ethnicity – if you are here to be part of our community and to help make Scottsdale even better, then Scottsdale welcomes you.

Look at what we have accomplished together. And yet, I know we are capable of so much more.

Thank you for being here today – thank you for everything you do to make Scottsdale great.

Have a great day and God Bless Scottsdale.