

Mayor David D. Ortega State of the City 2023 Remarks

Thank you, Mark. Thank you, Scottsdale Area Chamber of Commerce for hosting today. Thank you, Todd – Honor Health, Is our title sponsor.

Thank you, Lois for your inspiring poem.

Scottsdale is amazing! Scottsdale is synonymous with high expectations. Whether you are here for a day trip, vacation, convention, wellness appointment, or stay for the rest of your life, above all, Scottsdale is the destination we call home.

Where neighbors raise families. Where schools draw friends for life. Where thousands of volunteers greet and bring services citywide. Where careful design planning balances with the desert environment so residents, schools and businesses can grow successfully together.

The city of Scottsdale fulfills high expectations.

I am proud to say that our City Council, Charter Officers and over 2,400 city employees work diligently to fulfill high expectations year-round.

Scottsdale is the destination for primetime events.

Our Western hospitality is world renowned – home to over 100 art galleries, exciting nightlife, live entertainment venues, Arabian farms, and horse culture. Scottsdale Fashion Square is the best regional shopping center, and one-of-a-kind shopping is found only in Old Town.

Early on, Scottsdale was known for healthy fresh air and sunshine. We became a major healthcare destination as Honor Health became the largest employer. The city of Scottsdale and Honor Health work together with Blue Zones to promote wholistic life choices, recreational body conditioning for long life and for a healthier community. Wellness and healthcare truly do gravitate to Scottsdale.

Home-grown traditions like Parada Del Sol keep our Western spirit alive. Over 40,000 enjoyed the Parada last year and we expect more entries and more spectators every year! Western Spirit, Scottsdale's Museum of the West affiliated with the Smithsonian, just received a \$12 million gift to double exhibit space. Scottsdale is truly the "West's Most Western Town," and we have a great museum to prove it.

Scottsdale Arts created Canal Convergence, which draws 300,000 to the canal where water, art and people converge and Scottsdazzle opens the holiday season along the waterfront promenade – Canal Convergence and Scottsdazzle spread cheer in Old Town!

Internationally acclaimed Barrett-Jackson, the world's greatest collector car auction, surpassed \$200 Million in sales last year and Barrett-Jackson will introduce new generations of collectors here in Scottsdale.

Over 50 Scottsdale-based Arabian equestrian farms compete with national and international champions at the Scottsdale Arabian Horse Show at WestWorld. It is the largest Arabian show in the world. 2,400 Arabians vie for over \$4 million in prize money and champion trophies. And WestWorld also hosts the largest Quarter Horse show in the West.

The Phoenix Open, held at TPC Scottsdale, sets golfing attendance records year after year. Scottsdale is expert at managing safety and enhancing fan enjoyment.

Generations young and old flock to Scottsdale Stadium where the Scottsdale Charros host San Francisco Giants Spring Training. The Giants are always among the leaders in Cactus League attendance and spinoff revenue keeps Old Town businesses thriving. And the Charros contribute millions of dollars to local charities.

These annual events propel us this year into the most epic event season in the history of Scottsdale.

The foresight and meticulous planning, which brings Scottsdale to the world stage, brings excellence every day. Excellence made possible by city of Scottsdale employees who listen, plan, leverage resources, inform, protect, and produce results for our residents, businesses, and guests.

Yes, Scottsdale's reputation ranks high among all cities!

Scottsdale maintains a AAA bond rating – highest in Arizona – and for 50 consecutive years, Scottsdale earned the Municipal Financial Excellence Award. Through recessions, disruptions, a pandemic and inflationary period, Scottsdale exceeds financial expectations.

44 city parks, the McDowell Sonoran Preserve, and Indian Bend Wash together offer twice the open space per resident than any other city in Arizona.

Scottsdale's high performance full-service businesses generate over 12 percent of the gross sales tax revenue in Maricopa County.

Scottsdale Police is dually accredited, and Scottsdale Fire is fully equipped, expertly trained, and always vigilant.

There are numerous other accolades, but I have to mention Scottsdale is also the top dog-friendly city in the U.S.A. Yes, a national study recognized Scottsdale for our pet-friendly merchants, pet services, shaded walkways in Old Town, running trails and of course, our off-leash dog parks. Seven out of ten households have a dog companion.

Scottsdale is ready to host ESPN's Super Bowl LVII coverage at the Historic Old Town ESPN Main Street Tailgate. For one week leading up to kick-off, ESPN will broadcast live next to the Rusty Spur showcasing our Western heritage surrounded by one-of-a-kind shops, award-winning restaurants, art galleries, and vibrant night life – all framed by our Arizona sunsets.

Just hours before kick-off, the final round of the Phoenix Open will captivate golf fans. The Greatest Show on Grass brings one million fans to Scottsdale and the week of telecasts draws millions more viewers worldwide.

What's more exciting? A game-winning Super Bowl drive in the last minute? Or stepping into the "Thunder Dome" – the 16th hole and its 20,000 roaring fans needing a birdie with the tournament on the line?

Sure, Scottsdale can handle regional and national world-class events, but really, there is no off season for excellent city services every day in our neighborhoods and business districts.

Scottsdale employees are great people doing great things. We strive to fulfill our mission: Simply Better Service for a World-Class Community.

Let's take a look at our employees on the job.

Link to video:

<https://youtu.be/Kxg8Gz38B6M>

As you see from that video, we may not take ourselves too seriously, but we take our jobs very seriously.

Scottsdale employees deliver the highest possible level of service every day for you. And Scottsdale voters raised expectations even higher by approving bonds for citywide transportation, public safety, recreation, infrastructure, and Civic Center amenities.

The newly renovated Civic Center campus, which unveils in phases this weekend, is the spine of Old Town. From Scottsdale Stadium to joyful kid-friendly play areas outside the Civic Center Library, to the iconic LOVE sculpture at City Hall, new outdoor stages near the Scottsdale Center for Performing Arts walk past the Little Red School Museum along tree-shaded pathways to Main Street in Historic Old Town. You can saunter through Main Street galleries then go north to Fifth Avenue brimming with one-of-a-kind shopping and cool dining along the Canal Promenade to Solstice Park. Walk across the Soleri Bridge and find over 270 stores and venues in Fashion Square.

Truly the renewed Scottsdale Civic Center is the heart of Old Town and lassoes the soul of Scottsdale for days of walkable enjoyment.

The Civic Center campus features over 140 new trees, water conservation turf, desert tolerant xeriscape and plenty of shade for family fun. You can preview the park this weekend during the Arizona Classic Car show, and in April do not miss the Scottsdale Jazz Festival featuring spectacular jazz musicians produced by Doc Jones.

We raise expectations through continuous improvement by investing in our community. Civic Center is one example – here are some others:

The Bell 94 Sports Complex is open for local soccer, rugby teams and ideal for regional and national tournaments. Our portfolio of new parks includes Ashler Hills with pickleball courts, and DC Ranch Park. And a new voter-approved off-leash dog park at Thompson Peak, which will begin construction this year.

Council authorized design and fast track construction of a new police and fire department training facility. And Information Technology is being upgraded citywide. The Real Time Crime Information Center will be able to react within seconds for our safety.

There are many more community projects under construction to report on next year, but private investment is also soaring.

At Scottsdale Airport the new \$11 million runway will serve us for decades. Our airport is the premier aviation touchpoint for corporate and private jet charter travel. More than \$125 million in fixed wing facilities expansions including NetJets, will enhance Scottsdale Airport's position as one of the most desirable general aviation airports in the world.

The greater Scottsdale Airpark area is nearly built out and several obsolete buildings have been removed for significant redevelopment.

However, the sale of state trust land at the 101 – the northern sector of the greater airpark area – offers growth opportunities and is dubbed the corporate corridor. New Silicon Valley-based technology headquarters are coming to Scottsdale and regional commercial projects are proposed to keep our economy strong.

The best way to predict the future is to create a roadmap now.

Scottsdale created a template and predictable future – the General Plan 2035. Our vision statement conveys just about everything you need to know about who we are, what we value, and what we expect for the future.

It reads:

Scottsdale will continue to be an exceptional, inclusive experience – Scottsdale is home to outstanding neighborhood livability.

Scottsdale promotes community innovation and prosperity, and

Scottsdale holds and respects our distinctive character and culture.

Our forward-looking document carries decades of Scottsdale success, adds several new chapters, and consists of 24 elements which strengthen and guide council actions. Subsequent ordinances will align with our guiding principles.

A great community like Scottsdale is a balanced community. In many ways Scottsdale strives for multi-faceted solutions to find the perfect balance with wonderful neighborhoods, beautiful parks, respect for mountain views, clean streets, reliable and responsive city services, which prioritize police and fire public safety.

Council reopened community dialogue and will make modifications to the Old Town Character Area Plan, which was hastily approved in 2018. Our General Plan specifically states: "Scottsdale will respect and be sensitive to our history and legacy found in the heart of Old Town, which defines our sense of place."

Old Town Character and tourism draw visitors worldwide. Old Town should not be cast aside for five, ten or 12 story buildings. Excessive height and density need to be reduced and shaded walkways made mandatory at all developments in Old Town.

In 2015 actions taken by the Arizona Legislature essentially legalized short-term rentals everywhere preempting local zoning oversight. Unregulated short-term properties violate our outstanding neighborhood livability.

Valley cities fought hard to regain some control and last year legislation was passed which allows oversight by cities for STR registration, requires mandatory life-safety measures similar to hotels and gives us enforcement tools. After input from the public and the short-term rental industry our council unanimously passed an ordinance with full authority measures granted under state law.

Scottsdale's short-term rental licensing program is in effect and owners of STR properties must comply with every term and condition and be held accountable.

Proliferation of short-term rentals has pushed fulltime residents out, disrupted neighborhood tranquility and reduced availability of houses. Council will continue to advocate for legislation to limit the number of short-term rentals and restore local city zoning oversight.

Recognizing that a healthy community and competitive economy are directly based on high-quality education, I initiated a joint education committee consisting of city and Scottsdale Unified School District and Scottsdale Community College leadership. We meet quarterly to promote internships, career pathways, apprenticeships and seek partnerships to nurture positive education experiences and create a strong workforce.

Your City Council has allocated \$15 million in the budget toward affordable housing solutions, which has prompted several capable, affordable housing developers to work with Scottsdale toward solutions to this very challenging housing shortage.

Although Scottsdale has a diversified portfolio of water resources, the mega-drought scorching the Colorado Basin states and Mexico is inescapable. Last year in my State of the City address I asked Scottsdale to reduce water use by five

percent. We were first in the Valley to activate our drought management plan and respond when Tier One Shortage was declared by the Bureau of Reclamation.

City operations reduced our water use by eight percent by continuing innovative practices and doing simple things like not planting winter grass. Water users citywide reduced usage also but missed the five percent goal.

This month the state of Arizona entered Tier Two shortage due to the historic decline of Lake Powell and Lake Mead – the sources of Central Arizona Project water. Close to fifty percent of Scottsdale – those residing north of Shea – rely on Central Arizona Project water. Scottsdale Water department has invested in diverse and reliable water portfolios. We have infrastructure technology for reclaimed water treatment and delivery, but I must again ask for five percent savings.

Our actions today put us in a better position, but I will not sugar-coat the crisis. Scottsdale relies on the Colorado River for a large percentage of our drinking water and conditions on the Colorado are not expected to improve any time soon.

We must remain steadfast and take real actions – because more severe shortages are predicted by the Bureau. With careful and thoughtful water management, our current residents, businesses and visitors will have sustainable water for many years to come.

We are committed to conservation and safeguarding the environment. Please learn about our Sustainability Plan to improve the quality of life for all residents and counteract heat island effect. We must preserve the Sonoran Desert now and for future generations.

Our Sustainability Plan, Drought Management Plan and General Plan led to adoption of new building codes to conserve energy, save water, provide for alternative power options, and make it easier to install electric vehicle chargers. After extensive public input, support from architects, engineers, real estate associations, and affinity groups, the Green Building Code was adopted. Scottsdale is the first in Arizona to make the Green Building Code mandatory for new construction. Building code education and adoption will roll out this year and will pay dividends for decades, lower our utility bills and keep us healthy.

Scottsdale remains agile. We do not ignore problems or sidestep challenges. We take them head-on. Here's another example:

The municipal job market has become increasingly competitive. It is increasingly difficult to attract and retain people to serve our community. No profession is more demanding than public safety – especially the police department.

To make sure we remain competitive to attract officers and retain them, the City Council recently approved a seven step pay scale program for sworn police officers. This will ensure that we retain the best of the best – so that Scottsdale remains safe.

That makes me proud, and I hope it makes you proud, too. I am honored to serve with my council colleagues.

Now is a good time to hear from members of the Scottsdale City Council. We asked, “What are you most proud of in Scottsdale?” Here's what they said.

Link to video:

<https://youtu.be/-aiBdcl7xw>

Looking forward in 2023 and beyond, Scottsdale is amazing because we dare to fulfill high expectations every day.

The best way to predict the future is to prepare for the future today.

The men and women of the Scottsdale police department respond with courage and courtesy and dedication — whether answering a call to your neighborhood or by staying vigilant at every local and world-class event in Scottsdale.

We are thankful for the courageous Scottsdale Police Special Assignment Unit, which executed an arrest warrant under fire. Most proud of their unflinching valor and professionalism and we stand side by side with other law enforcement partners.

Scottsdale Fire is fully equipped, professional and keeps us safe by prevention awareness. I should also mention that Council directed that we have our own emergency medical transport, rather than have a third-party transporter.

In Scottsdale should an incident require police, fire, or both, we will from point of crisis provide medical transportation directly to the hospital emergency doors. Scottsdale fulfills higher levels of service for our safety.

This year the proliferation of short-term rentals continues to threaten our neighborhoods. Today, I am asking that our council and city staff initiate text amendments to place short-term rentals as a separate zoning category in our zoning ordinance. We will continue to push for density caps, density restrictions and distancing measures to rein in short-term rentals.

Similar to the short-term rental debacle, which originated at the Arizona Legislature, there are forces at the legislature attempting to preempt our oversight of dense apartments. This a concerted national campaign by multi-housing interests to subvert our zoning rights. Their aim is to overwhelm cities like Scottsdale.

Essentially with the flight of populations from dense urban cities, the multi-housing interests want to cut their losses there and bring massive density here. Their lobbyists and elected sympathizers blame mayors and city councils from Peoria to

Gilbert to Chandler and in-between. They demand that Scottsdale bend to their will and are trying to use the legislature as their tool. Know your mayor and council will not capitulate to their demands. There are over 220,000 unbuilt housing units already entitled in metro Phoenix.

Reckless short-term rentals and unlimited dense apartments are so wrong for Scottsdale.

Looking forward there are elements at the legislature now threatening to take control of our Scottsdale Water facilities.

Scottsdale Water is the most sophisticated integrated water resource and delivery system in all Arizona and some legislators are attempting to hijack our facilities to benefit out-of-jurisdiction wildcat subdivisions. Know this – your mayor and City Council will fight to protect our Scottsdale taxpayer assets. Any attempt to take over our water facilities or water resources will not be tolerated.

Scottsdale is a strong community – and stronger working with other cities to defend against outside special interests, which try to exploit us. Respectfully – Maricopa County Supervisor Galvin, Scottsdale Water cannot be commandeered in favor of unbridled dry-lot growth in outlying county areas outside of Scottsdale.

Scottsdale taxpayers, Scottsdale voters invested in the best water facilities in the country, and we don't take kindly to anyone trying to muscle into our water works. Especially when we abide meticulously to the law triggered by the drought.

As to county areas outside of the Scottsdale city limits – they have water – bulk sales are available in their vicinity.

We earned our reputation as a wonderful place to live – an exciting destination to visit – and a great place to do business. Everything the people of Scottsdale have accomplished is worth protecting and we will stand our ground.

The City Council appointed the Protect and Preserve Task Force – a group of resident volunteers who will play a critical role in our future. The task force will identify and quantify unfunded needs for protecting, preserving, and maintaining all public open spaces – including 44 city parks, the Indian Bend Wash, and certainly, the McDowell Sonoran Preserve.

We must ensure that all community investments are sustainable.

Now I suspect some naysayer will say, “Why is the city asking residents to uproot their grass while providing beautiful lawn seating at the Civic Center campus or at city soccer fields?” or “Why grass at the dog parks?” Yes, the mega-drought demands that we conserve scarce water resources, but we know there are trade-offs.

We cherish outdoor spaces and over the next year the task force will explore and recommend how we can protect and sustain our open space and related public

safety measures, as needed. We encourage you to stay informed and participate in this process. The outcome will be incredibly important as we invest in our future.

This year there are known and unknown challenges. Some are large and some small. Time and time again, Scottsdale has shown that hard work and smart choices shape the city we love.

Today the destination we call home is Scottsdale! When I visualize the future, I think of the future Scottsdale as our Scottsdale destiny. We shape the future now by holding true to our values.

We can agree that we will not compromise our Scottsdale identity. We will not compromise our reputation and the innovative legacy entrusted to us.

We have challenges to face, but we fulfill expectations every day!

Be excited, Scottsdale! Be proud!

This is going to be an incredible year!

Thank you!