



2022 ORO VALLEY STATE OF THE TOWN ADDRESS

Mayor Joseph C. Winfield

Good afternoon and welcome to the Town of Oro Valley's 21st annual State of the Town Address. This event—which is hosted by the Oro Valley Chamber of Commerce—is a tremendous undertaking, so it is with great appreciation that I thank the Chamber staff and board of directors for their incredible effort. Please join me in a round of applause for our colleagues at the Chamber.

Last year we celebrated the 20th anniversary of this event and recognized the Chamber's founding members. And this year, we mark another milestone, albeit a bittersweet one.

Our friend, Dave Perry, who has served as the Chamber's president and CEO for more than 11 years will be retiring after today's event.

It's truly the end of an era in which Dave helped shape Oro Valley's business community into the thriving network it is today. Most importantly, he's helped build a relationship between the Chamber and the Town that will stand as his legacy.

Dave, we are grateful for your service and dedication to the greater Oro Valley community. Thank you. Let's give him a big hand for 11 years of dedicated service.

As you now know, Kristen Sharp will take the reins as the Chamber's president and CEO. She has been serving as the Chamber's events director since June 2019 and is excited about stepping into this new role! Congratulations, Kristen—we look forward to this next chapter in our business community's success story.

I would also like to thank the El Conquistador Tucson, a Hilton Resort, and new General Manager Shelby Francom for their ongoing hospitality and excellent service. The Hilton also has an important milestone coming up: they will celebrate their 40th anniversary in December!

Lastly, I'd like to recognize my fellow councilmembers: Vice Mayor Melanie Barrett and Councilmembers Tim Bohlen, Dr. Harry "Mo" Greene, Joyce Jones-Ivey, Josh Nicolson and Steve Solomon. Thank you for your service and dedication.

Four of us, myself included, just completed another campaign season and have the honor of serving this community for another four years. Thank you for that opportunity. Even though the election was decided back in the August primary, we will be officially sworn in after the General Election. That will take place on November 16, at the Regular Council Meeting.

I truly enjoyed the many in-person conversations I had with residents on the campaign trail. It was a liberating and exhilarating experience for me. I met hundreds of people who shared their thoughts on

the community we all love. The comment I heard most often was the desire for responsible growth and preserving what makes Oro Valley special, such as desert and mountain views, open space, quality of the built environment, feeling safe and other notable attributes.

For example, folks who moved here from other places appreciate Oro Valley's character, and they hope we don't change the essence of who we are. They understand that growth and change are inevitable; however, the ways in which we grow and change matter.

As your mayor, my philosophy of leadership is based on what I've identified as the four pillars of local government: Economic Vitality & Fiscal Responsibility; The Public Safety Ecosystem; Public Works; and Parks and Recreation.

If you're thinking this sounds straightforward, you're right. Good leadership shouldn't be complicated. Governance shouldn't be convoluted.

These pillars are foundational to my decisions and the values that help me stay focused on what truly matters. I'd like to share those pillars with you today and use them as a framework for looking back on an extraordinary year.

Let's begin with **Economic Vitality and Fiscal Responsibility**, because financial health is critical to a community's success and ability to provide the services residents need.

When looking back at our financial performance for fiscal year 21/22, the Town exceeded expectations. In fact, General Fund revenues came in 18 percent over budget, while Town expenditures ended five percent under budget, despite ongoing challenges with inflation. We ended the fiscal year with \$26 million in General Fund reserves, which is double the amount required.

The Town is financially stronger than ever.

Part of the reason is due to our decision to strategically deal with the Public Safety Pension Plan unfunded liability. We took a creative, balanced approach in utilizing our better-than-expected financial position by directing \$10 million in reserves toward the liability. This ensured the Town did not over-borrow when it issued \$17.6 million in bonds at an extremely low 2.39 percent. Today, the same bond interest rate would be closer to 4 percent. According to the Town's financial advisor, that strategic decision is projected to result in a 17-million-dollar savings.

Our Town is not overleveraged. We pay 20 percent less principal and interest on our debt today than we did in 2018.

Speaking of debt, the Town also issued \$25 million in Parks and Recreation bonds last year to transform Naranja Park into a regional destination park for the community.

As has been the case for many years, the Town of Oro Valley's annual budget is structurally balanced. Our financial position is exceptionally strong, and the Town does not deficit spend.

Through it all, Oro Valley has maintained its AA+ bond rating from Standard and Poor's—the highest rating of all the communities in Southern Arizona. The staff and council can be very proud of that.

We know there is a distinct possibility—some would say probability—that there is a recession around the corner. The Town is prepared to address any slowdown in revenue collections head-on to ensure the future financial well-being of the Town, should it be necessary.

Here in Oro Valley, Economic Vitality has seen a renewed focus, with the implementation of a new Community and Economic Development Strategy that is yielding impressive results.

The big headline this past year was that the Town has been in negotiations with Leonardo Electronics, a global company headquartered in Rome, Italy. Staff is finalizing the details of an Incentive Agreement with Leonardo to build a new state-of-the-art semiconductor laser manufacturing facility on a 12-acre site in Oro Valley's Innovation Park.

This effort would bring new jobs to Oro Valley and lead to millions of dollars in capital investment and economic impact.

Leonardo's decision to choose Oro Valley wasn't just based on incentives; it was also based on things like proximity to other high-tech companies here in town and the quality of life Oro Valley can offer its workforce.

To better showcase the many reasons why businesses should choose Oro Valley, the Town launched a new economic development website, ChooseOroValley.com, to serve as a one-stop resource for site selectors and current and future Oro Valley businesses. It offers a comprehensive list of available sites, industry specific data, and a snapshot of life in Oro Valley.

Oro Valley continues to be a desirable place to live and set up a business, and business is thriving.

In fact, since my last State of the Town Address one year ago, the Town has issued more than 2,500 permits, which represents more than \$117 million in new construction.

Businesses continue to choose Oro Valley. This past year, we welcomed 16 new businesses, with another seven either under construction or in the permitting process. They include everything from finance to yoga, and even your next favorite restaurant.

We also welcomed Ironwood Estates, a new neighborhood development by Pulte, which opens soon for single family residential sales.

All of this exciting activity kept our Inspections and Compliance staff busy. This past year, they performed more than 31 thousand inspections at more than 11 thousand locations.

And it's not just about attracting new businesses, but also about retaining and fostering the businesses that already call Oro Valley home.

This year, we partnered with the Oro Valley Chamber of Commerce to host the first ever Annual Business Summit at the Westward Look, with more than 90 participants.

Staff also worked to transition OVSafeSteps—the pandemic business support program—into OVNextSteps, which includes enhanced business retention and expansion efforts, and additional support programs for small businesses.

On the topic of OVSafeSteps, this successful program, which was implemented in partnership with the Oro Valley Chamber and Gordley Group, was just named winner of a national award in marketing from the City-County Communications & Marketing Association.

With the worst of the pandemic behind us, the connections made, and relationships built during OV SafeSteps serve as a foundation for our business support efforts moving forward.

My fellow councilmembers and I continue to partner with the Chamber and staff to go out into the community and meet with our businesses in person, listening to their concerns and finding ways to support them. Business support will continue to be a priority for this Council.

One of the many reasons Oro Valley continues to provide such exceptional quality of life is our level of public safety, and that brings us to the second pillar of local government: **The Public Safety Ecosystem.**

I refer to it as an ecosystem because public safety goes beyond just having an outstanding police department—which we do, by the way! Public safety includes the Town court, the Legal Department, the prosecutor, emergency preparedness staff, our EMTs and first responders, and the fire districts that serve our community: Golder Ranch and Northwest Fire. It is this nimble and responsive ecosystem—all of these moving parts, functioning together—that result in a community where residents feel safe, and justice is served.

According to an FBI statistics and crime scores ranking by Elite Personal Finance, it is also a community that was named the number one Safest Place in Arizona for 2022.

If you are part of this ecosystem, I offer my sincerest thanks for your service to Oro Valley.

At the core of it all are the men and women who comprise the Oro Valley Police Department, and it's my honor to announce that the department has earned accreditation by the Arizona Association of Chiefs of Police Law Enforcement.

Professional accreditation leads to greater accountability, reduced exposure and more confidence in OVPD's ability to operate efficiently and respond to community needs.

In recent years, public safety agencies across the country have learned the impact that this profession can have on mental health and well-being. As a result, Chief Riley has instituted the Blue Key Project—a cost-free and confidential mental health support program BY first responders, FOR first responders.

I am also proud to say that OVPD officers are now the best paid municipal police department in Southern Arizona. That fact is a result of Council's approval to implement wage adjustments for all Town staff. That decision was part of a third-party classification and compensation study to review employee job functions and salaries, to ensure that Oro Valley remains competitive and is able to retain and recruit top talent.

And before I move on from OVPD, I'd like to recognize Deputy Chief Jason Larter who will be retiring in January after an incredible 35 years of service to the Town of Oro Valley.

As mentioned earlier, our public safety ecosystem extends beyond the police department to include Town Court and Legal Services.

In the current fiscal year budget, Council approved additional personnel investments in these two departments to help ensure the Town follows up with the prosecution of crimes that the Pima County Attorney opts not to accept, further contributing to the overall safety of the community.

The budget also includes \$200 thousand to design building improvements at the Town Court to improve operational efficiencies and address space constraints that make it difficult for prosecutors and defense attorneys to have confidential conversations.

The third pillar of local government is **Public Works**.

Our Public Works Department has been very busy this past year, providing oversight, project management and administration for more than 80 projects and more than 12 thousand service tasks and plans, including management of the Steam Pump Ranch historic renovation construction, and the \$25 million parks bond projects, which I'll talk about more in just a moment.

Our Street Crew has completed numerous sidewalk and pavement repairs, and more than 18 miles of crack sealing surface treatments.

Our Transit Division is expecting a ridership of more than 60,000 by year's end, which is a full return to pre-COVID service levels.

The Oro Valley Water Utility has delivered a combined total of 3.13 billion gallons of water to customers; however, more importantly, nearly half of the total water deliveries were supplies other than groundwater. That means Oro Valley is maximizing its use of reclaimed water and CAP water to ensure a balanced water portfolio. The Water Utility also purchased and stored 860 million gallons of CAP water in nearby underground storage facilities to be used in the future if there are ever times of shortage.

Oro Valley is well positioned to face the years ahead, but there's always room for improvement, and we will continually strive to do all we can to be good stewards of this valuable resource.

The fourth and final pillar of local government is **Parks and Recreation**.

You may have heard that earlier this year, Council approved the issuance of \$25 million in parks and recreation bonds to fund amenities that were identified as priorities in the Parks and Recreation Master Plan. The bulk of those amenities will be part of the Naranja Park Expansion Project. In May, we broke ground on that project, and over the next couple years, this community will see additional lighted multi-sport fields, a new splash pad, skate park, pickleball courts and more.

The bond is also funding additional multi-use paths and a couple projects that just wrapped up yesterday with a ribbon cutting ceremony! It was exciting to see the golfing, tennis and pickleball communities gather together at the Oro Valley Community and Recreation Center to celebrate the completion of golf course irrigation replacement on the Conquistador Course, and the reconstruction of

the tennis and pickleball courts. In case you hadn't heard, this community is very serious about pickleball!

Next year, as we're continuing our work at Naranja Park, we'll also be expanding the Community Center parking lot and replacing irrigation on the Cañada Golf Course.

Earlier in my message, I stated that the Town doesn't "deficit spend." I'd also like to clear up another misconception about Council's decision to utilize bond financing for our Parks and Recreation projects.

To ensure that both current and future Oro Valley residents can enjoy our park improvements, we approved the issuance of bond financing at a very low interest rate of 2.31 percent. This strategy allows us to build the amenities now so that residents can enjoy them long before they would have been constructed without bonding.

Additionally, those bonds will be funded from the existing half-cent sales tax that the Town already collects. That means there are no new taxes required for the Parks and Recreation Bond projects.

Some of you may recall that the existing half-cent sales tax had previously been designated solely for the Community Center and golf operations; however, Council decided to broaden the use of those funds for all Parks and Recreation programs.

I'm extremely proud to announce that golf operations in Fiscal Year 21/22 were in the black for the first time! The successful management of our contract with Indigo Sports has resulted in year-over-year improved financials for golf, food and beverage.

With the success of golf and the expanded use of the half-cent sales tax, Oro Valley is now in a position to put those funds toward amenities that will serve an even broader segment of our community.

But wait—there's more!

The Arizona Parks and Recreation Association recently honored OV Parks and Recreation with the "Adaptive Program of the Year" award for the "I Can Too!" program, an inclusive program for young people with disabilities. Through the use of activity modification and greater staff-to-youth ratios, participants have the opportunity to play alongside their non-disabled peers.

Over at CDO Riverfront Park, we installed new pedestrian lighting around the walking path and partnered with SAACA for another beautiful mural.

At James D. Kriegh Park, we installed new playground structures and play surfaces on the ADA accessible playground.

At historic Steam Pump Ranch, construction is underway to restore the garage building which will house the Recreation and Culture Division, providing staff presence on-site six days a week. It will also be used for community programming and educational opportunities.

And if all that weren't impressive enough, I have saved the best for last: the two-year effort to successfully preserve 202 acres of the former Vistoso Golf Course as open space for passive recreation in perpetuity.

The Vistoso Golf Course story isn't just a story about preserving open space for all to enjoy. It's a story about a community coming together to advocate for what they value most. It's a story about generosity and the willingness to invest in ourselves and in our future.

I have a video to share with you today. It captures the spirit of this land and what it means to our community.

- **VIDEO LINK:** <https://www.youtube.com/watch?v=DZ2PRBYoGNM>

In case you can't tell, I'm very grateful and humbled by what the Town of Oro Valley, and our partners, have accomplished, and I'd like to take a moment to acknowledge those who led the charge in making this dream a reality:

The Conservation Fund, led by Mike Ford, for their advocacy, purchase and donation of the property

Former Town Manager Mary Jacobs and Town Attorney Jonathan Rothschild who led the negotiation process—a process that The Conservation Fund said was the most complex they'd ever encountered

Preserve Vistoso, a grass roots support and advocacy group led by Oro Valley residents

The more than 600 citizens who donated \$1.8 million to help purchase the property

Local developer Ross Rulney, who purchased the 6.3-acre clubhouse parcel, which was a critical component of the transaction

And all the members of the public who participated in the naming contest

This effort is a model for public/private partnerships that result in a better quality of life for the community at large.

The ribbon cutting for Vistoso Trails Nature Preserve was held July 15. Safety repairs and improvements are already underway, and the Town has just selected the firm Sites Southwest to lead us through the master planning process for this property.

Growth is inevitable; but responsible growth is a strategy based on community values. It is a strategy based on our core functions—the four pillars of local government.

As your mayor, it is my commitment to lead according to that philosophy.

But as we know, leadership from mayor and council is at the policy level. We rely on the support of staff to implement those policies at the operational level, bringing our vision to fruition.

We are fortunate that the Town of Oro Valley is served by a talented and dedicated staff of individuals who have stayed the course through some very challenging times.

If you're a Town of Oro Valley employee, please stand so we can recognize each of you.

And at the helm of our day-to-day operations is Acting Town Manager Chris Cornelison.
Please stand Chris.

I'm also pleased to announce that Chris was recently named one of the "40 Under 40" award recipients for 2022, which recognizes young professionals for their leadership and community involvement.

To Chris, and to all our Town staff, thank you for dedicating your time and talent to this community.

In closing, I wish to express my appreciation to each of you here today who gives so abundantly of your time, talent, and treasure to make Oro Valley, our region, and state the best place to live, work, and play. Let each of us strive to work together with mutual respect, civility and grace.

This past May, all seven of our children returned to Oro Valley to help install campaign signs. Their love and support, as well as my wife Mariann's, has made all the difference in my public service. Mariann and our oldest son Lee are here this afternoon, and I express my gratitude and love for them. Earlier this month, Mariann and I celebrated our 43rd anniversary.

I will do my best to serve all of Oro Valley in the years ahead.

Thank you! Let's get to work!

###