



State of the Town Address 2015
ORO VALLEY: A COMMUNITY BY DESIGN
Dr. Satish I. Hiremath, mayor

Good afternoon everyone. On behalf of my colleagues and the staff of the Town of Oro Valley, welcome to the 14th annual State of the Town Address.

Let me begin by recognizing my fellow Councilmembers who are with us today:

Vice Mayor Lou Waters
Councilmember Bill Garner
Councilmember Joe Hornat
Councilmember Mary Snider
Councilmember Mike Zinkin

Councilmember Brendan Burns could not be with us today.

I would also like to thank the Greater Oro Valley Chamber of Commerce board of directors, President and CEO Dave Perry, and each of the sponsors who made today's event possible. The Chamber raises the bar every year by organizing a spectacular event.

And a big thank you to the Hilton El Conquistador Golf and Tennis Resort, especially General Manager Ghee Alexander and his team who, in my opinion, provide a level of service that is unmatched in the hospitality industry.

Ladies and gentlemen, it is my honor to deliver to you, my sixth State of the Town Address as your Mayor.

First, I would like to thank President Crow for his remarks, and more importantly, for his partnership.

We are so excited that ASU will be part of the Oro Valley Accelerator right here in Innovation Park. Since US News and World Report named ASU the Most Innovative University in the nation, it is only fitting that they expand their innovative endeavors here.

The Accelerator will be a space where ASU student and faculty scientists can collaborate with other scientists on new ideas that will hopefully spawn new business. It will enhance the region's biotech industry and create additional primary jobs.

Innovation Park was developed with this very goal in mind. Deliberate decisions were made to ensure we would have the infrastructure and momentum for a collaborative community of innovators.

These things don't happen by accident—they are by design, and you'll be hearing more on that theme today. But first, let me first provide some background.

For the past five years, each State of the Town Address had a very specific theme that we needed to focus on.

In 2010, we focused internally on the town.

In 2011, the focus was on development.

2012 was about relationships and partnerships.

2013 was a report card of where we stood as a community.

And just last year, in 2014, we focused on getting residents to re-engage with Town Hall.

This year, my focus is on Oro Valley: a community by design.

A community by design is a community that doesn't happen by accident, nor does it happen by dumb luck. We don't stumble into success. And we don't have to cross our fingers and hope for opportunities. It happens because we establish a vision and we take deliberate actions to achieve that vision.

Being a community by design seems simple enough, but achieving it isn't as easy as it sounds.

There were two obstacles we had to overcome.

The first obstacle was that in 1974, the town was founded on a concept of no property tax.

In my first election, it came across loud and clear that the residents did not want a property tax and that is why we made the decision to forge strong relationships with businesses and development. More recently, in the 2014 elections, we heard that same message again just as loud and clear.

The question for the town then became: How do we continue our success and quality of life while honoring the residents' wishes of no property tax?

We had to think outside the box. We had to get creative.

While most cities and towns across our nation became paralyzed by the recession and waited for opportunity to knock on their doors, we didn't. We spent the last five years building and positioning ourselves for success.

Municipalities understand that there is a closed cycle between rooftops and retail.

What I mean is that rooftops—or housing—will wait until retail comes in. Conversely, retail wants to wait until more rooftops come in. It's a very complicated case of chicken or the egg.

Something needed to be done to get things moving.

Since capital was and is very hard to come by in this recessionary time, we engaged the development community, and with their help, we started stimulating development. Residents were very apprehensive because they didn't want their beautiful views destroyed, so in 2010, the town passed the Environmentally Sensitive Land Ordinance or the ESLO.

In simple terms, the ESLO means that developers must typically set aside a minimum of 22 acres and a maximum of 66 acres or more on a 100-acre parcel for open space. ESL more than doubled the amount of open space previously required.

In exchange for this open space, developers are allowed to cluster the allowed number of homes in one area, freeing up the rest as undisturbed desert.

This trade-off ensures the town meets residents' expectations to conserve more open space and allows land owners to develop the number of homes anticipated in the town's General Plan.

Once the rooftops came in, retail started to follow.

Over the past five years, we have seen retailers come into our town such as:

- Summit Hut
- Goodyear
- Alfonso Gourmet Olive Oils & Balsamics
- Great American Playhouse
- Tuesday Morning

Additionally, we've seen existing retailers such as Fry's Food & Drug and Walmart Neighborhood Market make significant investments in their stores.

Along with the retailers, we have seen an increase in dining opportunities for our residents, including:

- La Hacienda
- El Molinito
- Z-Pizza
- Panera
- Breadsmith
- Dickey's BBQ
- The Keg
- Chuy's Mesquite Broiler
- Kneader's Bakery and Café
- And soon to come...Chipotle!

In order to support our businesses and help them be successful, our next step was to create a shop local campaign called Shop OV.

Sales tax comprises approximately 50% of our general fund, so when our businesses succeed, we succeed. By launching Shop OV, we were able to retain more sales taxes, which helps provide public safety, preserves our roads and allows us to have more parks and recreation amenities and programs.

We've also invested in regional and national marketing efforts to promote our community and its amenities and businesses. An example of that is the BizTucson Special Report you have on your tables today. When non-residents and guests shop in our stores, eat in our restaurants and stay in our hotels, they are contributing to the sales tax, which reduces the financial burden on our residents.

Another way we've thought outside the box and have been able to draw thousands of guests to our town is through sports tourism. Just last month, a swim competition at our Aquatic Center brought more than 500 athletes and their families to Oro Valley! And these kinds of events happen throughout the year, bolstering our economy and contributing to sales tax revenue.

We've also invested in the development of Naranja Park, annexed Tohono Chul Park, partnered with the Children's Museum Tucson to bring its first satellite location here to Oro Valley, and we've continued to partner with the Southern Arizona Arts and Cultural Alliance to broaden our offerings of quality arts and cultural opportunities.

These are all amenities that both serve our residents and bring guests to our community.

And it doesn't end there. Our boldest move yet was acquiring the El Conquistador Country Club this year and converting it into the Oro Valley Community & Recreation Center.

This acquisition includes more than 300 acres of land, a 50,000 square foot building, 31 lighted tennis courts, two pools, a restaurant, a cafe, a fitness center and yes, 45 holes of golf.

The Town of Oro Valley purchased all of this for one million dollars, interest free, over a three-year period. This purchase, according to some, is perhaps one of the four greatest, game-changing milestones in our town's history.

The first milestone was the incorporation of our town in 1974.

The second was purchasing our own water company.

The third was purchasing the land for Naranja Park.

And the fourth milestone was the purchase of more than 300 acres of land in the heart of our town—land which is now under our control—and this purchase includes the Oro Valley Community & Recreation Center.

Since 1995, our residents have expressed a desire for a community center. To show you how great that desire was and still is, our new Community & Recreation Center exceeded membership sales projections for the entire year within the first six weeks of operation.

Additionally, this new facility allowed us to host summer camps and programs for kids that included expanded sporting opportunities as well as the ability to move inside when temperatures soared. Parents no longer had to drive their kids outside of Oro Valley for summer camps. As a result, we had a record-breaking 1,500 children participate in summer programs this year. There was even a waiting list.

With the addition of first-class golf and tennis amenities, we can now expand our youth and amateur sporting events to attract even more athletes from around the country.

Our Troon-managed golf courses are scheduled to host the Arizona Junior Interscholastic Golf Association Tournament, and our award-winning tennis facilities already host numerous United States Tennis Association tournaments as part of a well-established tennis program.

These types of sports tourism events have a tremendous impact on economic development through bed tax and sales tax. This reduces the tax burden on our residents.

While we're on the subject of bold moves and out-of-the-box ideas, I'm excited to announce that Oro Valley is turning the game of golf on its head by re-vamping the under-utilized, nine-hole Pusch Ridge Golf Course into the Pusch X9, a facility with a wider array of activities that will appeal to a broader demographic. Golf play will be expanded to include foot golf, bull's-eye golf, large cups and smash golf. And yes, you can still play a regular game of golf out there. The social offerings will be expanded to include evening activities such as glow ball tournaments, private groups and business outings.

No-one else in the region is doing what we're doing with the game of golf. And it's a safe bet that this innovative new approach will attract people who have never set foot on a golf course before.

How does the Pusch X9 concept fit into our overall vision? In addition to creating a unique recreational opportunity for Oro Valley's broad demographic, Push X9 will help turn Oro Valley into an end destination. Visitors and guests will find a new reason to visit our town, and patronize our businesses and dine in our restaurants.

The bottom line is that we are a community by design.

Everything since 2010 has been done with intention. As I stated earlier, we don't rely on accident or dumb luck. We have been building and advancing this community through focused leadership and conviction. Our investment in arts and culture was intentional. Our strategic annexations were intentional. Our investment in luxury apartments was intentional. And the purchase of the El Conquistador Country Club was intentional.

This leads me to the second obstacle that we faced—and continues to be a challenge for us—in order to be a community by design.

Sometimes it is difficult for people to see the end game—to grasp a vision. And when that happens, it can be a struggle to understand strategic decisions. I will emphasize again that since 2010, every decision that this Council has made has been with intention and design. Regardless of how you feel about individual projects such as the apartments along Oracle Road, it should be the big picture—the end goal—which unites us and moves us forward and makes us stronger.

Today, I am proud to give you an example of a vision coming to fruition.

A couple years ago, I had a conversation with University of Arizona President Ann Weaver-Hart about a potential joint venture between the town and the University. In that very frank discussion, President Hart told me that in order to be a good fit, Oro Valley had some work to do, such as creating more housing opportunities, more arts and culture and more retail, while maintaining our reputation for incredible public safety, roadway infrastructure and quality education. Ironically, this was the same conversation I'd previously had with the CEOs of our bioscience and pharmaceutical companies.

We were a community with great promise, but we didn't yet have the amenities and elements that potential employees and students were looking for.

The conversation cut both ways, however, and President Hart acknowledged that the University had some internal issues to address such as deciding what direction they wanted to go.

They say timing is everything.

Today, because of our intentionality and hard work, here is what the University of Arizona sees when they look at Oro Valley:

- They see that we are prepared for high-tech industry through the creation of Innovation Park, Foothills Business Park and the Miller Ranch property.
- That we have attracted and retained world-class companies like Ventana Roche, Sanofi, Securaplane and LCMS Laboratories.
- That we have prepared for a dynamic, changing demographic by investing in arts and culture, parks and recreation and other family-friendly amenities.
- And we understand that today's young professionals aren't always willing to buy a home right away. Many of them want to "test drive" a community or a career before planting roots, and because of that we now have a variety of housing options to accommodate this talented workforce, namely... apartments.

You may have already heard it in the news, but it's my pleasure to tell you in person that because we are a community by design, Oro Valley has positioned itself and was selected as the location for the University of Arizona's new Doctor of Veterinary Medicine Degree program.

The new University of Arizona Oro Valley campus will bring hundreds of doctoral students and their families, as well as university faculty and staff, to our community, enriching our diversity, adding to the talented workforce, and bolstering our momentum as a desirable community in which to live, work, play and now, learn.

Not only that, but this program is part of the University of Arizona's brilliant One Health initiative, which I have stated is as revolutionary as the inception of the Centers for Disease Control. The leading edge of science and biology will develop and expand, right here, in Oro Valley.

Who would have EVER thought that one day, both the University of Arizona and Arizona State University would have a strong presence in our community?!

Even national corporations like Clear Channel Communications saw Oro Valley as a great place to host an I Heart Radio music festival. We've got a diverse demographic and great amenities. So they partnered with the Golf Club at Vistoso to host the first-ever Oro Valley Music Festival, with about 6,000 people in attendance.

And because of the way we've positioned ourselves, opportunities will continue to knock on our door.

Even with all this good news, we still struggle nationally, statewide and yes, even locally, because some believe that their individual rights supersede the rights of the greater good. Great communities don't develop because 41,000 people act as individuals. Great communities are created when 41,000 individuals act as one and move toward a shared vision.

As I see it, the trouble is that our platform for discussion is no longer based on what we have in common. It is based on differences.

There was a time when we could agree on 8 out of 10 things, and we would use that commonality to find solutions for the last two items where we differed.

Today, we may agree on 9 out of 10 things, but the platform for discussion has become the ONE thing that we differ on. So from that point on, the discussion takes on a whole different tone, and it becomes difficult to find solutions.

It is the platform on which we begin a discussion that dictates whether or not solutions will be found.

As I stated earlier, we all need to come together and work towards a common goal of community success. Our residents expect their locally-elected officials to govern and make decisions that position us to be ready for opportunities like ASU and the U of A, the Children's Museum and the Community Center.

One of the many ways in which we've continued to successfully govern and make sound decisions is by keeping our financial house in order.

The Town of Oro Valley has ended Fiscal Year 2014/15 in a strong financial position while continuing to make valuable investments in our community.

In our main operating fund, we ended the fiscal year at 30% of our expenditures, which is well above town's minimum policy of 25%.

And year after year, we continue to receive awards for outstanding financial reporting from the Government Finance Officers Association.

Why is fiscal responsibility more important now than ever? We are still clawing our way out of a recession.

Don't believe me? Millions of people are still underemployed or worse yet, unemployed. People are still losing their 401ks. Families are still losing their homes or finding themselves upside down on their home values. And just recently, on August 24th, we watched our stock market drop 1,000 points in under five minutes. While the drop was quickly remedied, it is still confirmation of the sobering reality that we are not yet in the clear.

Staying the course and maintaining our quality of life in Oro Valley doesn't just stop at sound fiscal management. It takes talented, well-trained and dedicated staff who show up every day to serve the residents of this community. The men and women who have dedicated themselves to public service take

great pride in the work they do. I and my fellow Councilmembers are so very grateful for their service. They are the reason Oro Valley is a community of excellence.

Can I please have all town employees stand and be recognized.

I'm happy to announce once again that this Council has approved annual merit increases as a way to show our appreciation for the work that you do. You are truly valued.

And this extraordinary group of employees is guided by a town manager who has incredible leadership qualities. He has a vision combined with boldness and courage that you rarely see in any one individual. He has helped transform Oro Valley from a predominantly retirement community into a vibrant community for all ages, and he has earned the respect of this Council and of the staff he oversees.

Mr. Greg Caton, would you please stand.

Since 2010, we've worked very hard to advance this community's potential as a self-sustaining, globally-recognized, overwhelmingly beautiful place to live, work and play. Much of that has occurred as a result of the strong partnerships and relationship-building by Council, along with the support from the very businesses, organizations and individuals in this room.

Thank you for the role YOU have played in our success.

Speaking of thank you's, I'd like to thank my family for the support they have shown me through some very challenging times. I couldn't do this without all of you.

As I close, I would like to leave you with this thought.

Oro Valley itself is currently facing a very challenging time. Since 2010, the town you see today has been intentionally crafted toward a common vision. That vision included having the best public safety, the best roads in the region, the best parks and recreation, the best employment opportunities, the best arts and culture, the best place to raise kids, the best education, the best place for seniors. You get the idea.

In short, the vision was to create an incredible town where one could live, work, play and now, learn in a beautiful setting. It would be a town that would offer something for everyone, whether you were one or 100.

Make no mistake. These are still very serious times, and serious times require serious people who are willing to come together for the betterment of your quality of life. It has been said that disagreement on Council is good. I don't accept that. Discussion is good, but constant disagreement is not. It is not consensus. It is not compromise. It is not cooperation.

Can you imagine always disagreeing with your family members about everything, and never agreeing on anything? How uncomfortable and joyless would that be? How healthy would your relationships be? How could those conditions possibly result in success for your family?

While there may be disagreement in discussion, the discussion and cooperation is what moves us toward the common vision, and ultimately—a decision. Once a decision has been made, your entire Council should be pulling in the same direction.

Governing is not easy. The expectation of your elected officials should always be to create a comprehensive community, not just looking at things through a single-focus lens. While it is understandable that residents might take a single-lens approach, your Council should not.

The comprehensive vision created for this town is developed and ratified by you—our voters. Every 10 years, according to state statute, members of our community work with staff to develop that vision. We're currently in the process of drafting our next General Plan, the *Your Voice, Our Future* project. And THOUSANDS of you have shared your thoughts on what this community should look like now and 10 years from now.

Contrary to what some individuals are saying, this town's vision is not determined unilaterally by a few councilmembers. It is determined and ratified by you. Council merely sets policy to move the town toward that vision, and staff handles the day-to-day operations and carries out those policies and tasks.

So please, look around at Oro Valley. Consider our successes and opportunities. And then ask yourself if you want your community to continue moving forward on its current path, or if you want to change course.

Every time you vote, you are telling us what you want. Next month, you'll be voting for a mayor and three councilmembers. Next year, you'll be voting on a general plan. There is no right or wrong answer. What matters is that each of you takes the time to understand your choices and then thoughtfully casts a vote.

When you do that, you provide us ALL with clarity on what the majority of you wants for this town.

As I stated before, our destiny is ours to control—the residents of Oro Valley. No one else has that power.

So I challenge you to wield that power by voting and by staying engaged with Town Hall.

Make Oro Valley the community that YOU want it to be... by design.

It has been my honor and privilege to serve as your Mayor for the past five years.

Thank you.

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