



2018 ORO VALLEY STATE OF THE TOWN ADDRESS

Mayor Satish I. Hiremath, DDS

Ladies and gentlemen, on behalf of my colleagues and the staff of the Town of Oro Valley, welcome to the 17th annual State of the Town Address!

Before we get going, I would like to once again recognize Raytheon President Dr. Taylor Lawrence for being our special guest today.

And I would like to offer my sincere thanks to 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. While I may be up here delivering the speech, it is our friends at the Chamber who make this event happen, and we are deeply grateful for their ongoing partnership.

And as always, a big thank you to the El Conquistador, a Hilton Resort. We have a new general manager since our event last year, so if you haven't met him yet, a big welcome to General Manager Michael Platt. He and his team have once again outdone themselves when it comes to hospitality and service.

Some of you may know that we start working on this speech several weeks in advance, and I'll be honest, it's no easy task putting together a State of the Town Address right before an election. But I realized that the message I wanted to share with you today was both relevant and important, regardless of the outcome at the polls. I want to talk to you about the legacy of leadership we have developed here in Oro Valley, and how citizens should expect that type of leadership from all elected officials—regardless of who holds that office.

This kind of leadership is only achieved when elected officials understand that they can never look at things through a single lens. It is understandable that residents or a group of citizens with particular interests may have a single approach to issues, but elected officials must look at issues from all angles.

I've stated previously that leadership is not about being popular. It is not about being courageous. Leadership is about making logical decisions—which may be unpopular due to emotion—and then being able to withstand the criticism until such time success is achieved.

As I stand before you today, I am reflecting back on eight and a half years as your Mayor, and the strategic decisions we as Council made along the way, which have resulted in our success today. Together, we have put the Town in a position that looks beyond this moment into the future, so that we continue moving toward that goal of a successful, complete community.

How does Oro Valley ensure that continuity of excellence? By continuing our legacy of leadership.

What is a legacy?

A legacy is something that you create and then pass on to those who come after. This inherited “gift” isn’t a mandate; rather, it’s a guidebook. It’s a set of values. It’s a list of best practices. It’s years of interacting with the community and learning what’s important to them, and then making decisions that will benefit the majority of the population.

It’s the way we make decisions. Our thought process. Our lists of criteria. Our relationships and our successes, which have taught us so much. It’s understanding who we are now, and being open to what we need to be become. All of this—and more—culminates in a legacy of leadership. It culminates in becoming a community by design.

Design doesn’t happen by accident. And success doesn’t happen by dumb luck. These things happen when we establish a vision and take deliberate actions—together as a community—to achieve that vision.

Back in 2010, in my very first State of the Town Address, I made some bold observations. I said:

We have been too casual in what we do, without deliberate action working towards an end goal. We need to change our mindset so that everything we do has a purpose to it... Every movement, every action, every thought.

Only then, after we have rebuilt our systems and approach our roles with deliberate purpose will we be able to achieve success consistently.

I’m talking about systems that apply to our ability to attract and retain quality employment; systems that allow our residents to participate in their local government; systems for communication; systems for growth and development; and systems that allow for change in a changing environment.

That was in 2010. Since then, every decision has been deliberate and focused on a shared mindset that we must be a complete community that meets the needs of all residents, from beginning of life to final days.

My father taught me that there are only four steps to success: Have a goal; execute that goal; be determined; and persevere.

It’s important to note that the reason most people don’t achieve success is not because they didn’t have a goal or didn’t execute that goal. The reason most people fail is because they were not determined or they did not persevere.

What is the difference between determination and perseverance? Determination is overcoming internal obstacles. Fear is often the biggest culprit in this category. Perseverance is related to external obstacles. It is staying the course.

As an elected official, those obstacles can be political pressure. They can be financial. They can be public opinion. They can be resource shortages. Time constraints. The list is endless. This is the category that

most people fail because it's too easy to face an obstacle and give up. In the political world, perseverance is often the difference between merely holding a job title and being a true leader.

Most of us understand that there will always be obstacles, and we make up excuses and reasons why we can't do something. All excuses are legitimate. You only need one. But successful leaders find a way around the obstacles. They understand the excuse or the reason as to why something can't get done, but they never allow themselves to use it. They keep moving forward.

In many cases, long-term commitment and perseverance to that style of leadership is just now beginning to bear fruit. Sometimes you have to persevere and play the long game, knowing that your efforts today may not pay off for years. Let me give you a great example.

Seven years ago, in my 2011 State of the Town Address, I said the following words:

Long-term sustainability will depend on our ability to develop a broader constituency for the Town. Annexation will provide numerous benefits to commercial and residential property owners... and it ensures that locally-generated tax revenue benefits area residents, and allows the Town to plan for the efficient provision of services to the community.

That was seven years ago. Since then, we have been thoughtfully expanding our planning boundaries and identifying future annexation opportunities that would be within our community's best interest.

In 2013, we successfully annexed the northwest corner of Ina and Oracle, to include the Red Lion Inn, and Tohono Chul Park, one of the top 10 botanical gardens in the world, and we have begun the process of potentially annexing 885 acres of state land near Tangerine Road, between Thornydale and Shannon. Ultimately, that decision will be up to the new mayor and council, but it's worth noting that the Town of Oro Valley has been in discussions with the State Land Department for about nine years regarding the Tangerine parcels.

Annexation is a critical strategy for the long-term sustainability of the Town. We are currently at about 85% buildout, so expanding our boundaries will allow us to continue healthy growth without reaching buildout. Annexation also ensures that whatever development eventually takes place on this land must be in conformance with OUR codes and OUR values.

One of those values is open space, and since 2011, Oro Valley's Environmentally Sensitive Lands Ordinance resulted in 432 acres of permanently conserved open space as part of its development process. This is 56 percent of the total acres for 12 new residential subdivisions—areas that were previously zoned for development.

Another great example of the type of long-range leadership we have in Oro Valley is the Town's management of its own Water Utility. Even though our population has grown substantially over the past 20 years, would you believe last year the Water Utility's annual groundwater production was 400 million gallons less than the amount of groundwater produced 20 years ago?

This is due to the delivery of a portion of the Town's Central Arizona Project water resources, utilization of reclaimed effluent for irrigation purposes, and consumer conservation. And it doesn't stop there.

Beginning later this year, the Water Utility will commission its fourth CAP wheeling station near Oracle and Hardy roads. This infrastructure will serve the Oracle Road commercial corridor, further reducing the Town's reliance on groundwater by 150 million gallons of water per year.

Growth may be inevitable, but smart growth—and managing our resources accordingly—only happens when leaders have a shared vision, are deliberate in their actions, are determined, and they persevere.

I talked quite a bit about growth in my 2013 State of the Town Address, and back then, I said:

With or without our intervention, communities will grow. But HOW a community grows is dependent upon how we tend to its needs. There's no single "right way." There is so much beyond our control, so it's imperative that we identify the things we CAN control and invest our time and resources in those areas to ensure the community has the best chance not only for healthy growth, but also for survival.

Fast-forward to 2018. It may seem that Oro Valley is experiencing an explosion of growth right now, but if you look at our historical trends, that's not actually the case. Our growth spurt was pre-recession, and since then, we've been steadily recovering, but our overall rate of activity is on the lower end. In fact, 40 percent fewer homes are now being built, when compared to pre-recession numbers. So why does it seem like there's so much development going on?

That's because we are now seeing infill construction taking place along highly visible locations, such as the intersection of North First Avenue and East Tangerine Road. These infill areas had been passed over previously because they presented some challenges, whether it was difficult terrain, drainage issues or even opposition by neighbors; however, land is becoming scarce in Oro Valley, so those parcels are back on the table for discussion, and the Town has been working diligently with developers and neighbors to find workable solutions.

The Town's efforts to engage residents and discuss development review proposals are reflected by the 33 neighborhood meetings that took place just last year. All adjacent property owners for each proposal were invited to Town-facilitated meetings. This level of community involvement resulted in specific changes to each development application.

While the Town's ordinances and planning efforts provide a framework for making tough decisions about where and what type of growth should and should not occur, public participation is absolutely critical to our continued success; however, growth should not be stopped because of a few residents who are looking through a single lens.

A key component to smart growth is proactively addressing infrastructure needs. And coming in October, we'll be breaking ground on the new La Cholla project with our partners at the Regional Transportation Authority and Pima County. This road improvement project, which is part of the 2006 voter-approved Regional Transportation Plan, includes North La Cholla Boulevard, from West Lambert Lane to West Tangerine Road. The road will be realigned and improved to a four-lane parkway style similar to La Cañada Drive, improving safety, drainage and access for motorists, cyclists and pedestrians.

As part of this change, there are residential developments planned along this corridor that will result in approximately 1,000 new homes over the next several years, including middle- to small-sized commercial centers to serve those residents and motorists.

Yes, sometimes our values conflict. In fact, in the voter-ratified 2016 General Plan, residents told us they place high value on environmental conservation and scenic views as well as more shopping, dining and employment opportunities. When there is high regard for both the natural environment AND the desire to be a complete community, the challenge is balancing priorities for the overall benefit of the Town.

As leaders, finding that balance is no easy feat! But it all goes back to that legacy of leadership—of approaching our challenges with a unified vision for the Town.

That legacy of leadership also means we are committed to honoring our core values, such as quality roadways, arts and culture, parks and recreation and public safety. Your Town Council has continued to invest in the things you value most. Just in the past year alone, our organization has completed an incredible list of accomplishments. Here are a few highlights.

Our recreation facilities saw continued investment, as two more multisport fields were installed at Naranja Park, in addition to a new multi-use path into the park and dedicated turn lanes to improve traffic and pedestrian safety. And this year, we'll be working to expand the very-popular dog park.

At James D. Kriegh Park, we just kicked off a major improvement project, including new irrigation, new grass, laser-leveled fields, new fencing and dugouts, and upgraded restrooms.

Over at the Oro Valley Community Center, we implemented an energy efficiency project including new HVAC, lighting, a golf course pump station and a pedestrian traffic signal.

In the area of public safety, our Oro Valley Police Department continues its own legacy of excellence, helping to lead the charge both regionally and across the state to make distracted driving illegal. We've also begun work on a new police substation and evidence facility.

Our public roadways and infrastructure, which continue to be the best in the region, also saw some significant upgrades this year.

Projects of note include Lambert Lane Phase 2, which was completed on time and under budget. This project was funded by the Pima Association of Governments and performed by Granite Construction. It improved safety and visibility along Lambert Lane, by lowering and widening the roadway to four lanes with raised medians, turn lanes and multi-modal enhancements.

Several drainage projects were completed throughout Town, including the Shadow Mountain Estates new drainage conveyance improvements on Overlook Drive.

And next Friday, along with the Town of Marana and the RTA, we'll cut the ribbon on the recently completed Phases 1 and 2 of the Tangerine Road Corridor Project, which improves safety, access and circulation along this critical, 10-mile stretch of road that connects us to I-10.

Some of you may recall that last year's State of the Town Address had a heavy emphasis on arts and culture in Oro Valley, and I'm proud to report that we continue to foster and grow our arts scene. Last month, we cut the ribbon on a beautiful new art installation designed and built by students in front of the Oro Valley Community Center. The Summer Youth Art project is led by the Southern Arizona Arts & Cultural Alliance, in partnership with the Town of Oro Valley and Pima Association of Governments, and

we are very proud of this new addition to our public art collection. And next month, as part of National Arts & Humanities Month, Oro Valley will be hosting its second annual Celebration of the Arts, a month-long celebration, including free admission days at Tohono Chul Park and the Children’s Museum Oro Valley, and discounts with some of our arts and culture partners, including Western National Parks, Gaslight Music Hall and many more. This really is a community-wide celebration, so be sure to visit our website for details.

Also in last year’s State of the Town, I talked about the ways Oro Valley has expanded its offerings and hiring practices to better support our veterans. I am happy to tell you that our efforts have continued this year, as we had the honor of hosting the Wall that Heals, a replica of the Vietnam Memorial Wall. The event attracted more than 14,000 people, and helped springboard Oro Valley to its official designation as a Purple Heart Town.

All of these successes are the outcomes of carefully balanced values, vision and decisions. That balance is achieved when your elected officials understand who we are now, and remain open to who we need to become. This balance results in a complete community.

Being complete—or self-sustaining—is only possible when you’ve got a healthy business community. Oro Valley has worked diligently to ensure our economic health, with a growing list of restaurants and retail. Just this year, 33 new businesses opened their doors in Oro Valley, and another 55 home-based businesses applied for a business license.

New restaurants include Filiberto’s Mexican Food, China Valley Chinese and the new Starbucks drive-thru location.

And then there is Which Wich Superior Sandwiches, which—no pun intended—is a very cool story! The owners—Andy and Katie Kosecki—are very familiar faces. Katie is the young woman who sang our National Anthem today, and Andy was an Oro Valley Parks and Recreation employee before he and his wife decided to get into the restaurant business. We’re so glad they chose to stay right here, in Oro Valley!

New large business openings include Tucson Orthopaedic Institute, Tucson Cactus & Koi, Simpleview and OneAZ Credit Union, which is coming soon. Let me take a moment to talk about Simpleview.

In May of this year, Simpleview moved its headquarters to Oro Valley. Simpleview specializes in content management systems, web design and digital marketing initiatives for destination marketing organizations like Visit Tucson, and others across the globe. Their decision to expand in Oro Valley was based on a few factors. First of all, CEO Ryan George and several members of their senior management team either live in Oro Valley or grew up attending Oro Valley schools, so this is “home” to them. Ryan shared with me that over the past eight years, Oro Valley has done an excellent job building the kind of community where people want to live, work and visit. But even more important was the fact that when Simpleview was ready to move their headquarters, Oro Valley had the building and space they needed.

And that is an important point as we look to attract even more tech employers—making sure we are providing the space they need and the quality of life that will ensure they can draw top talent.

Oro Valley is taking unprecedented steps to reach out to key stakeholders throughout the state and nation in order to grow the number and type of community employers. Our success is dependent upon

strong partnerships with agencies and organizations that also support business attraction and expansion. Just in the past two months, our Economic Development team has met with several dozen business and industry CEOs and representatives of key economic development allies, including the Arizona Commerce Authority, the Arizona Technology Council, the BIOSA Innovation Board, the Greater Oro Valley Chamber of Commerce, Pima and Pinal counties, Sun Corridor and the University of Arizona.

These efforts are already bearing fruit, by way of generating an unprecedented number of potential employment leads.

Supporting our economic development efforts is our partner of more than ten years—Visit Tucson. And this year, they have produced a fantastic video to help us continue to attract and recruit a talented workforce. Our friends over at Roche Tissue Diagnostics were kind enough to let us behind the curtain to feature a day in the life of their Oro Valley employees. You'll even get a peek inside the new Simpleview location. Let's take a look.

*****VIDEO*****

Thank you to Visit Tucson. They always do incredible work for the region.

This video will be launched across multiple web and social media platforms, and made available to our corporate businesses and regional partners to help attract new talent to Oro Valley.

We really are in this together. Whether public, private or non-profit, our commitment is to help support and retain existing businesses and diversify and expand the local tax base. We are taking on the challenges and acting to fulfill promises made in the *Your Voice, Our Future* General Plan. This includes supporting core industries that affect technology, healthcare, bioscience, business services, clean manufacturing and tourism.

Sports tourism in particular continues to be a major focus for Oro Valley. As I mentioned last year, sports tourism is a 9 BILLION dollar industry nationwide. These events bring thousands of athletes and guests into our hotels, restaurants and shops, where their sales tax and bed tax dollars are invested right back into the Town of Oro Valley.

Two major Oro Valley sports events held in July represented a combined estimated regional economic impact of more than \$379,000, and a total of 723 room nights. Those events included the Arizona Swimming Long Course Age Group State Championships, which were held at the Oro Valley Aquatic Center, attracting 585 athletes plus their friends and families; and the US Tennis Association Zone Team Championships held at our tennis court facilities, attracting 144 players, including Lindsay Davenport, a former No. 1 World Tennis Player.

Our continued investment in sports tourism translates into financial resources to fund Town services and amenities, which leads me to our overall financial position.

The Town of Oro Valley's financial health continues to be strong, as we expect to close out the 2017-18 fiscal year with an estimated \$2.6 million surplus from fiscally responsible spending and strong sales tax collections. These surplus funds will be deposited into the Town's capital fund savings account for future planned projects.

Keep in mind, Oro Valley only has four primary revenue sources in the absence of a property tax, and they are: sales tax, utility tax, bed tax and construction sales tax. Everything we have done over the past eight and a half years has been designed to enhance one of these four areas of revenue.

We retain a very healthy 28.5 percent general fund reserve balance, a fund that has consistently been maintained at or above the Town Council policy of 25 percent minimum.

As in previous years, we will finance some of the upcoming planned improvements through a tax exempt municipal bond, which lets us capitalize on current—rather than projected rising—construction costs. This approach also ensures financial participation by future residents—not just current residents—as debt service payments will be made from sales taxes, impact and utility fees.

Additionally, with our excellent AA- bond rating, we're expecting very low bond interest rates. And I never get tired of saying this: We have ended every fiscal year "in the black" for the past seven years, with revenues exceeding expenses. On top of that, the Town of Oro Valley has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial report for the twenty-fourth year in a row.

All of this—from roadways, to parks to public safety to delivery of water to your tap—is made possible by the men and women who serve this community each and every day. Council is responsible for setting policy and providing direction, but it is your Town staff who actually make it happen. Successful leadership is only possible when you recruit and retain the best and brightest. And that's exactly what we've done in Oro Valley.

While Council takes all the credit for your hard work, rest assured that your service is always noticed and always appreciated, especially by this Council. On behalf of a grateful and proud Mayor, thank you.

If you are a Town of Oro Valley employee, please stand and be recognized. Thank you for your service.

Our talented staff is led by an impressive Town Manager who has been with us for just one year, and already in that time, she has made a tremendous impact on our organization and community, boldly leading us in a positive direction. We are so fortunate to have her at the helm. I am confident that she will continue to provide strong, consistent and forward-focused leadership as we enter a new season of change in Oro Valley.

Mary Jacobs, would you please stand.

Mary's latest efforts include the launch of a new internal process improvement initiative to help staff identify inefficiencies, avoid duplication, save time and improve performance. The end goal is simple: to ensure we are providing the best possible service to our residents.

Under Mary's direction is the Town's Executive Leadership Team. I have personally watched this group grow into the esteemed and highly respected leaders they are today. I am immensely proud to have served alongside you. Together, we have built a house with a very strong foundation—a house that will stand the test of time and the inevitable change in leadership, because you are that house. Collectively, you are stronger than any one individual. So as you move forward into this season of change, keep your house strong by surrounding yourself with talented staff and continue to lead in excellence.

If you are a member of the Executive Leadership Team, please stand. Thank you.

As you know, this is my ninth and final time delivering the State of the Town Address as your Mayor, and I want to let you know that it has been an honor for me every single year. As I wrap things up, I want to take a moment to thank some people who have made my time as Mayor very special.

First and foremost, I would like to thank my family.

My mom and dad are usually here, but my mom took a pretty bad fall recently and had to have surgery, so they weren't able to travel. It's tough not having them here this time. They are the ones who instilled in me at a very young age that it is my obligation to make my surroundings better than when I arrived. And that's exactly what I've been doing. Mom and dad, thank you for giving me the drive to make a difference. I love you very, very much.

To Stacy, Mason, Mahra, Macallan and my mother-in-law, Kathy: Thank you for allowing me the privilege to serve this community. You have endured levels of criticism that no family of an elected official should have to endure, and you did it with grace and elegance. For that, I cannot thank you enough. You have all stood by me because you knew that I have always been passionate about serving this community, whether it was through Hiremath Family Dentistry, the Southern Arizona Arts and Cultural Alliance, or as Mayor. None of those things could have been achieved without the love and support that you have shown me, even though it sometimes came at your personal sacrifice. I am blessed that I get to come home to you each and every day.

Next, I would like to recognize my esteemed fellow regional elected officials, with whom I have had the privilege of working over the past eight and a half years.

They are: Mayor Ed Honea, Chairman Edward Manuel, Mayor Tom Murphy, Mayor Jonathan Rothschild, Mayor Bob Teso, Supervisor Ramon Valadez and Vice Chair Peter YUCAPECIO.

I respect each and every one of you for working together to make our region stronger. I know firsthand that each one of you sacrificed something in order to help Oro Valley become the success it is today. Collectively, I have never witnessed elected officials of other regions coming together to help each other so selflessly the way we have. I am proud to be associated with each one of you. Thank you for allowing me to work alongside you for the betterment of Pima County and Southern Arizona. But more importantly, thank you for your friendship.

At this time I would like to ask my fellow councilmembers to join me on stage. Unfortunately Councilmember Mary Snider couldn't be here today, but she has been an integral part of this team.

It is no secret that Oro Valley has been on a meteoric rise for the past eight and a half years. This is because of the unified vision that we all share. Having a unified vision doesn't mean that we all agree on everything, but it does mean that our foundation for making decisions is based on the same philosophy.

I'll explain it this way. You're all familiar with the analogy of the glass being half full or half empty, right? But have you really given thought to how our perceptions of the glass often determine our disposition and approach to problems?

People who see the glass as half empty often approach issues from a platform of pessimism. When you begin with a pessimistic mindset, you are almost guaranteed to be plagued by fear, paralysis and a reluctance to think outside the box. On the other hand, those who see the glass as half full begin from a platform of optimism and appreciation, because they are grateful there is water in the glass. An optimistic mindset expands our vision and lets us see new possibilities and solutions to problems. That doesn't mean we haven't considered the concerns and challenges in front of us. What it does mean is optimistic people are not paralyzed by fear.

The individuals you see on this stage have chosen to approach their service to this community from that mindset, which has enabled them to take Oro Valley to new heights. I feel confident in saying that Oro Valley has never in its history had such a unified council that has selflessly served its residents. While most elected officials run on single-issue items, these individuals ran with the simple goal of making life better for our residents.

This is reflected in our great roads, public safety, parks and recreation and having surplus budgets every year, all while ensuring there is something for everyone in our community. This is why we continue to receive accolades such as "Safest City in Arizona," "Best Place in Arizona to Raise Kids," and "Arizona's Best Small City."

Because of the legacy of leadership from Lou Waters, Joe Hornat, Rhonda Pina, Bill Rodman, Mary Snider and Steve Solomon, I am here to tell you that the State of the Town of Oro Valley has never been stronger.

To my fellow colleagues, and to each of you here today, it has been the honor of my life serving as your Mayor. Thank you.