



Presented by Mayor Sharon Wolcott on February 23, 2016

Good morning. As always it's a thrill to see such a wonderful response to this annual event, as I share with you the great story of Surprise and explore our exciting future.

First, I'd like to begin by thanking the Surprise Regional Chamber of Commerce for hosting the 2016 State of Surprise. You are wonderful partners and you're doing great things to unite our business community.

Thank you Sun Health for sponsoring today's breakfast and for all you contribute to Surprise, including the multi-million dollar investment you're making in our community, just outside these doors.

I'd also like to introduce my fellow colleagues on the City Council. Please join me in recognizing Vice Mayor Jim Biundo... Councilmember Roland Winters... Councilmember John Williams... Councilmember Rachel Villanueva... Councilmember Skip Hall... and Councilmember Todd Tande.

I'm also honored to have several leaders from our neighboring communities here today.... Please welcome, Peoria Mayor Cathy Carlat.... Youngtown Mayor Mike LeVault... and Buckeye Mayor Jackie Meck. Thank you for being here.

From my very first day in office, I posed the question- *Who do we want to be as a city when we grow up?* And right away we went to work to answer that question.

Over the years, we've rolled up our sleeves to plot a course that would create the right vision for Surprise, to set the foundation for sustainable success.

Today, I am pleased to report that our compass is on target; the state of our city is very promising and ***It's Our Time*** to put these plans into action!

Already those plans are leading to successful results!

Just a few days ago, the Council voted to begin working with our partners at Surprise Center Development to finalize an agreement --- an agreement that sets into motion the path for developing our downtown city center.

Just one year ago I stood before you and announced that IRIS USA was moving their Western U-S headquarters and advanced manufacturing facility to Surprise. This spring they open for business!

And this company is wasting no time in becoming a true community and regional partner! Recently, I was pleased to appoint IRIS USA President Chet Keizer to join me on the Greater Phoenix Economic Council Board of Directors. I look forward to working with him side-by-side; as Chet brings a wealth of knowledge to grow our global presence at GPEC.

We're also adding hundreds of new local jobs in the fields of medicine thanks to the recent opening of Cobalt Rehabilitation Hospital. This facility is dedicated to helping treat patients with brain injuries... a first for the West Valley!

Mainstreet, a \$20 million hotel-like medical recovery facility, will open this year... bringing head-of-household jobs and the very best in patient care to our city.

Those are just some of the most recent examples of success!

When we hosted our state legislators at a recent breakfast, we provided them with a five-year business recap of how a strong Surprise equals a strong Arizona... The numbers are amazing.

Since 2011, the City of Surprise has contributed nearly \$50 million in sales and use taxes to the state's economy. In all, we've added more than 300 new businesses and more than 1,000 jobs!

We grew 350-thousand square feet of new retail space; one million square feet of new industrial and 180-thousand square feet of medical/office space. And just over the past year, we issued more than one million square feet of commercial building permits!

I begin this morning focused on Economic Development, because everything we do here relies on a sustainable economy. The future looks bright for a city like Surprise. In fact, according to Forbes- the Phoenix Metro Area cracked the Top 10 list of best places for job growth over the next three years and this city is ready... ***It's Our Time.***

At the direction of City Council, our Economic Development Department created a Strategic Plan to create a sustainable, world-class community with global connectivity. We aim to facilitate improved quality of life and advanced level of services for the community through the promotion of entrepreneurship, employment and enhanced opportunities for investors and residents.

Do not under estimate our will.

We are looking for partnerships that allow us to assist growing companies with expansion into the US market and to better serve our local employers in Surprise.

We are working to advance a diverse, high-tech employment base, focused on the key industries of: energy... medical and bio-medical... aerospace and defense... education- including a residential university and STEM-based capabilities... and other emerging technologies.

Yes, we continue to explore ways to attract family-oriented entertainment and retail, while at the same time we travel to investment-rich Canada to market our Foreign Trade Zone and shovel-ready amenities to global firms. While it takes three-to-five years to build these relationships, our strategy with Canada is yielding a wealth of connections- and even better – RESULTS!

Canadians love the allure of the West and where better to fall in love than in a new frontier called Surprise!

Arizona's economic ties to Canada are substantial. According to the Arizona Commerce Authority, approximately one in every 20 jobs in this state depends on trade and investment with Canada.

Citing statistics from the Canada Arizona Business Council and the Maricopa Association of Governments, the Phoenix Business Journal reports that 94% of foreign-owned homes in Arizona are owned by Canadians. There are more than 16,000 workers in Maricopa County employed by Canadian businesses. Surprise must continue to pursue this very lucrative market.

Last year, I said that we have world-class aspirations- that Surprise wants to be a global community. With investments from Japan and Spain at our Skyway Business Park, located within a designated Foreign Trade Zone- we already are!

Over the past year, we have forged relationships with more than 100 businesses and investors from many countries, including Canada, Mexico, Singapore, the Netherlands, Brazil and China. Some have even popped into town to “kick the tires” and get to know the community better.

And this spring members from our economic development team will travel to Germany to attend *Hannover Messe*, the world's largest trade show for industrial goods and technology. That puts us in front of 5.5 million business contacts from 70 countries!

Because Surprise is focused on growing an innovative business base, we will also visit Eindhoven, Holland; the world's most inventive city. According to the Organization for Economic Co-Operation and Development, Eindhoven produced nearly 23 patents for every 10,000 residents, whereas, the second-ranked San Diego produces under nine patents for every 10,000 residents. How exciting to think that one day Surprise could be the birthplace of the next Google, Tesla, or Apple.

Our global strategy has us working hard to secure additional Foreign Direct Investment in Surprise. F-D-I creates direct, stable and long-lasting links between economies, spurs development and encourages the transfer of ideas and technology between countries.

There are 320 million people living in the United States, while the World population stands at 7.3 billion. If we don't think and act globally, we are missing out on 95% of the world market; and

this 95% represents 80% of the World's purchasing power. Today, FDI represents \$240 billion of annual investment in the U.S.

FDI accounts for about 83,000 jobs in Arizona... By contrast, FDI accounts for about 476,000 jobs in Texas. Clearly, we have some catching up to do.

Another benefit of exporting jobs into our community is that these foreign-owned companies tend to pay higher salaries and purchase supplies and services from other local companies. More local, high-paying jobs and funding into our city translates to a more vibrant Surprise economy.

Through a new partnership with the Thunderbird School of Global Management, the city is refining a global business strategy to ensure we market Surprise in new, more diverse ways to businesses and investors throughout the world.

Of course, one of the best ways to attract these companies is by letting them know the caliber of our workforce. This past year we began partnering with the communities and organizations that make up WESTMARC and our regional partner MAG to develop a workforce tool, called the West Valley PRO. This new tool will better connect new major employers with the talent here at home. And the talent is here in the West Valley. Don't you agree?

Their research to date shows a major discrepancy when it comes to where the engineering, business management and other high skill jobs are located, versus where these employees actually live. While those quality jobs are mostly in the East Valley, many of the positions are filled by West Valley residents.

We must continue to build infrastructure in the West Valley to attract these employers here, where the talented workforce already lives. I'm sure an engineer that lives in Surprise would love to give up the commute all the way into Chandler for work.

While we are targeting more large employers, our support of small business remains equally important. We have not forgotten that these mom-and-pop shops are the back-bone of our economy.

That's why we spent a half-a-million dollars last year to renovate the AZ TechCelerator. Our former city hall has been transformed into a thriving business incubator.

A recent graduate, MD24 Housecall, grew from three employees to 150 and moved into large office space in the city and another tenant, Athena Wireless, was acquired by Google earlier this year, making Surprise the ONLY city in Arizona to have a Google presence.

The AZ TechCelerator also launched two new business-friendly programs. The Beehive Coworking Space provides shared facilities and support for work-at-home professionals who may not fit the usual TechCelerator innovation start-up profile. And the Global Concierge Service is dedicated to the success of international companies looking to expand into the US market.

Julie Neal, who manages the AZ TechCelerator has done an amazing job growing this facility from its focus on local entrepreneurs to an international melting pot- and potential home to new Surprise employees.

As you can see, our Economic Development team is doing an outstanding job to attract new employers. And our peers in the industry are taking notice.... The Arizona Association for Economic Development named our very own Mike Hoover the state's Economic Developer of the Year! And his colleague, Jeanine Jerkovic, is next in line to serve as the Chair of GPEC's Economic Development Director Team. This gives Surprise a seat at the table where discussions are made surrounding strategic economic development at a regional level.

Jeanine, Julie and Mike, where are you? Please join me in congratulating them and take a look at our team- These are the faces of long-term success in Surprise.

Among the leading indicators of a successful economy is a good transportation system and we are making progress on this front.

For more than a decade, we've been waiting, but finally the much anticipated Bell-Grand Interchange Project kicks off in earnest this spring! By taking Bell Road over the railroad tracks and Grand Avenue we are improving safety and easing traffic congestion.

This \$42 million infrastructure improvement, which was fully funded in 2004 through Prop 400, is a critical piece in the development of our future downtown at City Center. Let's face it- Bell-Grand is in fact the front door to our downtown.

The bottom line is that businesses chase new infrastructure, from new roads and bridges, to water, education and housing. Investing in these types of projects is a major economic development tool.

I ask that you keep that in mind during the construction period. The short-term inconvenience will require patience and remembering that at the end of the day, it's the price we must pay for progress moving forward.

Today, City Center is home to the civic center campus, Arts HQ and nearby recreation amenities and with the bulk of improvements at our busiest intersection to be complete by the end of this year, I'm confident we will be welcoming new business neighbors soon.

This is a very important commercial corridor for our city and during construction we have a plan in place to assist nearby businesses. Our City Manager created a task force made up of senior staff members throughout the organization who will be exploring new and creative ways to support these businesses and encourage your continued patronage.

For some time now city staff and ADOT have been meeting with the businesses in the area and this extensive door-to-door reach-out will continue throughout the construction. We want businesses to share any concerns so that we may address them as quickly as possible.

And we will be creative in the use of signage to promote these great places and access points will be maintained.

Let's all do OUR part as consumers to support these businesses and keep valuable sales tax dollars right here in Surprise.

Bell-Grand isn't the only east-west travel improvement the region is investing in. By June, work on the Loop 303-Grand Avenue overpass will be complete. ADOT has done an outstanding job on this project.

And Surprise is widening key sections of Greenway and Cactus roads. You are tired of these half-built streets and so are we!

The city also remains committed to the revitalization of the Grand Avenue Corridor. MAG's Compass Study looks to address the bottleneck and congestion points. When the study began, there were more than 400 access points along Grand from Phoenix to Surprise. I know because I counted them myself! The study recommends reducing that number by half to keep traffic moving more freely.

Looking more long-term, the study also supports commuter rail along the corridor. But, because you can't run before you walk, the first step to getting commuter rail is to implement a Bus Rapid Transit line, or B-R-T.

BRT funding for this corridor was included in Prop 400 funding, but was removed from the plan in 2009. The "New West Valley" must work together to get that funding back to make BRT a reality on Grand, the Loop 303 and I-10, fully connecting the West Valley.

Of course making this a reality requires collaboration. I'm happy to say we have very strong relationships with many of our partners. The very fact that Mayors Meck, LeVault, and Carlat have joined us this morning demonstrates the solidarity among us- a united front that we must continue to build upon. I'm very pleased they are with us today. Thank you.

To ensure the Compass Study does not get placed on a shelf to collect dust, ongoing meetings with our Planning Partners will be instituted so that leaders from cities all along Grand Avenue continue to track progress, identify funding sources and refining ways to make Grand Avenue truly grand.

Valley Metro is working on the Grand Avenue High Capacity Transit Study, which supports the Compass Study in evaluating the need to dedicate transit lanes on Grand exclusively for BRT use.

We must closely examine land-use policies all along Grand to make it a successful corridor, for people, for public transit, and for business.

Part of our strategy in Surprise was to bring density uses like education and training facilities to Grand to make it more people-friendly and regionally connected.

West-MEC has committed to building their flagship skills center in Surprise on Grand, near Dysart, that will someday train 900 students, including veterans. These students will most certainly benefit from high-capacity transit options.

Through these studies we want to make sure that the West Valley gets its fair share of public transit support. The Grand Avenue Corridor screams for bus rapid transit; which can serve as a launching pad for future commuter rail. Let's work together to make it happen.

Another critical component to growing a self-sufficient economy is Education.

Employers want to locate where the schools are graduating smart and skilled workers. The research coming out of the MAG/WESTMARC partnership is providing incredible data on ASU graduates, both recent and historical, giving us a profile of how Surprise and West Valley communities have a rich talent pool across a myriad of professional disciplines.

Thanks to the voter-approved override, Dysart Unified School District will hire hundreds more teachers and fund all-day Kindergarten to help provide an educational jump-start for our future leaders! Joining us today are Dysart's School Board President Bonnie Schroader, fellow board members Traci Sawyer-Sinkbeil, Jennifer Tanner and the state's Superintendent of the Year Dr. Gail Pletnick. Congratulations to all of you.

Our latest education partnership with Gateway Community College has resulted in the construction of a training facility at our SPA 1 Water Treatment Plant. It will allow students interested in water and wastewater careers to obtain an education while training alongside our professionals in the field.

These are good-paying jobs and help provide the next generation of employees in a field losing many to retirement.

Again West-MEC will also begin construction this year on their Surprise campus along Grand Avenue. This new campus will offer a variety of programs including cyber-security and coding courses.

Supporting Career Technical Education, including training in the culinary arts, nursing services, bioscience and public safety fields, is so very important to our entire state. That's why when a reporter recently asked me what I would like to see from our state legislators this year I asked that they identify solutions to permanently fund Joint Technical Education Districts, or J-TEDs. J-TEDs are a critical piece in attracting business locates and in many cases can make-or-break a deal to attract a business that is relying on that workforce training availability, particularly with foreign companies.

I must also congratulate the students that serve on the Surprise Youth Council. Since I introduced them at this event a year ago, they have been hard at work creating a first-ever Youth Master Plan for Surprise. They are also preparing the rollout of a campaign encouraging their peers to engage with one another and not isolate themselves. It is a profound message and I'm so very proud of them. Please stand and be recognized.

I've shared with you some of the amazing things about Surprise and our residents concur with the direction of our city! In the recently completed National Citizens Survey, our city's report card, nearly 90% of residents recommend Surprise as a great place to live.... They

appreciate living in a clean city and they tell us they feel safe here and they should! Our public safety officials are doing an amazing job on that front!

The Surprise Fire-Medical Department is now providing ambulance service that is helping to enhance EMS services and reduce the time it takes to get people to the hospital. This was a priority of mine and I am pleased to report that it is a success. In only the first two months of operation, we made 336 transports.

This department also received the American Heart Association's "Mission: Lifeline EMS Silver Award" for successful treatment of patients who experience severe heart attacks.

This past summer, I had the honor of attending a change-of-command ceremony at the Surprise Police Department. After a 40-year career in law enforcement Mike Frazier moved into a new role as one of our Assistant City Managers and it was so special to watch Terry Young's wife pin on his new Police Chief badge. Congratulations Chief Young... and Mike, we are so very fortunate to have your considerable skills and witty sense of humor in the City Manager's Office!

The men and women of the Surprise Police Department are positively engaged with the community now more than ever. Popping up in local shopping centers and neighborhood block parties to meet people and spread the word about crime prevention.

And congratulations to our volunteer Police Citizen Patrol team! They won the "2015 International Association of Chiefs of Police Award: for Outstanding Achievement in Law Enforcement Volunteer Programs." Outstanding!

I offer my sincere gratitude to the men and women that respond to emergencies on a daily basis, often missing holidays and special moments with their families, in order to serve and protect residents and visitors.

I want to take a moment to thank our police personnel for their superb investigative work, their professionalism and their compassion in response to the recent tragedy that rocked our community.

Thank you for keeping us safe. I can't thank you enough.

As evident by our public safety personnel, Surprise is a community that cares for the young and the young-at-heart.... That's why last year we created the Human Service & Community Vitality Department. In support of the vision of "One Surprise," this department's goal is to strengthen partnerships with various community; government and non-profit agencies to better serve our residents.

A strong community is one in which we come to the assistance of those in need. And through a partnership with Maricopa County, this city department was able to open the Surprise Community Action Program, or CAP office. This office allows qualified individuals to apply for emergency assistance to cover rent payments or utility bills.

An unexpected crisis should not force a person from having to choose between buying needed medicine or covering that month's rent. Just a little help can go a long way. By addressing short-term issues, we are eliminating long-term problems.

Helping people get through a temporary setback, means they can stay in their home and remain self-sufficient. As the classic Beatles' song goes, "I get by with a little help from my friends," and I am humbled to live in a city that feels the same way.

Surprise is also giving back to those that gave so much to us-- our veterans. Twelve percent of our residents are veterans and they need to know that we are here for them!

The city created an employment preference program for veterans looking to join the Surprise police and fire-medical teams. We've also honored these brave men and women during our first Veterans Day Parade last November. Wasn't that a great day!?

And I am proud to serve with Senator John McCain and Representative Trent Franks, business and community leaders, and fellow West Valley mayors on the Veteran Success Project Advisory Committee. This new veteran's initiative, which the Maricopa Community College District kicked off in December, promises to help re-integrate veterans back into the community upon the completion of their active duty.

One of the project's first ventures is the establishment of a new West Valley Veterans Center.

The center will serve as a regional hub and provide various resources under "one roof" to help transition them back to civilian life. Services will include education, employment, health, wellness and housing.

In Surprise, we want to provide the best quality of life possible to all of our residents.... And we are succeeding!

Last year, we were named a National Finalist by MetLife Foundation and Generations United for their "America's Best Intergenerational Communities Award." Surprise was recognized as solidifying relationships between the generations.

From our youth council learning the game of pickleball from our senior citizens; to teens volunteering to teach new technologies to the more "seasoned" residents, we are one amazing inter-generational community!

One of the best things about living in Surprise is that we all work together to shape this city. I will continue to place a heavy emphasis on building and nurturing "One Surprise."

Thanks in large part to resident and business feedback, we made important changes to the city's General Plan. This was a year-long project. Our residents said they wanted a united city, so we repurposed the Village Plan and created a Character Area plan that is more flexible and responsive to future businesses, and will create a more unified and connected Surprise.

More than 3,000 of you shared your retail must-wants on our retail survey and I promise we are working hard on getting your most-wanted brand here- Costco!

I offer a huge thanks to those of you that received and participated in the National Citizens Survey last fall....

Sharing your thoughts with us takes time and I appreciate you giving back to your community.

Your feedback and engagement is critical to the process of growing and maintaining this city.

I and your Council hear you.... While you tell us we are a clean and safe place to live, we have work to do on the public transportation and education fronts.

Residents tell us they want more transportation services, but public transportation is a heavy lift. It takes years of planning before projects come to fruition and it also requires ongoing and dedicated funding sources to launch and operate long-term.

Yes, it's true we are witnessing many successes, but I caution that while Surprise is 56 years young as a community, the city is at the point in which much of our infrastructure is aging and in need of maintenance and repair, and in some cases even replacement.

Just last year we began a fast-track schedule for renovating our 13-year old Surprise Stadium. Through the clubhouse renovations we were able to renew our contract with the Rangers and Royals through January 2030!

In 2003, we committed to fund a Spring Training facility. And now we are the "Campus of Champions!" Oh, and be sure and mark March 5th on your calendars as we celebrate the Royals' World Series win at our ballpark! Kansas City Mayor Sly James will be here! Let's show him how very proud we are of this team's success!

The month of March is second only to December in terms of sales tax collections for our city. Retail sales in March represent a quarter-of-a-million dollar increase over the other months, except holiday shopping time.

I can tell you that without Surprise Stadium, we would not have the retail sales and hotel bed taxes coming in each winter like we do now. We invested in ourselves and it paying off!

Moving forward, continued investments in water infrastructure, streets and public safety are critical to our growing city.

Citing the National Citizen Survey results, 94% of residents agreed that investing in water resources is a priority for the city over the next three years. Completing our half-built streets; protecting the White Tanks; building more parks; and creating an internal circulator transportation system, also ranked high on your list.

While we celebrated the Surprise Farms and Veramonte Park improvements last year, we are still well behind the curve on park-space-per-resident.

All of these things are what world-class cities need in order to preserve quality of life and to attract new businesses and jobs.

We have the plans in place to make these things happen; however, we must explore new and alternative revenue sources to fund the projects that our residents have told us are their hometown priorities.

Sales and property taxes aren't enough, as these revenues are being used to keep up with current program and service demands in this growing community.

We must work with residents and businesses to identify new funding sources that will attract more economic development projects and not only maintain, but enhance our quality of life.

Yes, we've had some success.... We've planned... Now it's our time to step up. We know who we want to be. Let's invest in ourselves and commit to getting there.

As I close out my first term as Mayor of the 10th largest city in Arizona, I am so proud of the work my Council colleagues and I-- and the entire City of Surprise team—have accomplished.

We have stabilized the city's finances, strengthened our budget reserves, regained the confidence of our residents and have made great strides in enhancing Surprise's presence regionally and nationally--- even internationally!

Although we are just getting started in reaching our economic development aspirations, the number of new business locates, as well as our job growth has been remarkable over the past four-and-a-half years.

Previous to that, it seemed as though we made a big economic development announcement once a year at this event. Now, significant commercial development projects are being announced quarterly... even on a monthly basis. So stay tuned- Surprise is open for business!

Overall, I am thrilled with what we have been able to achieve and encouraged by the tremendous opportunities that are in front of us.

We are tee'd up and ready to go! Surprise is well-positioned for even greater things over the next five years and primed to claim a full decade of progress.

I ask our residents, businesses and other community stakeholders for their continued involvement and support as we continue to move our city forward.

IT'S OUR TIME!

Thank you and God bless.