
Section Twenty-Four

City of Scottsdale Community Profile

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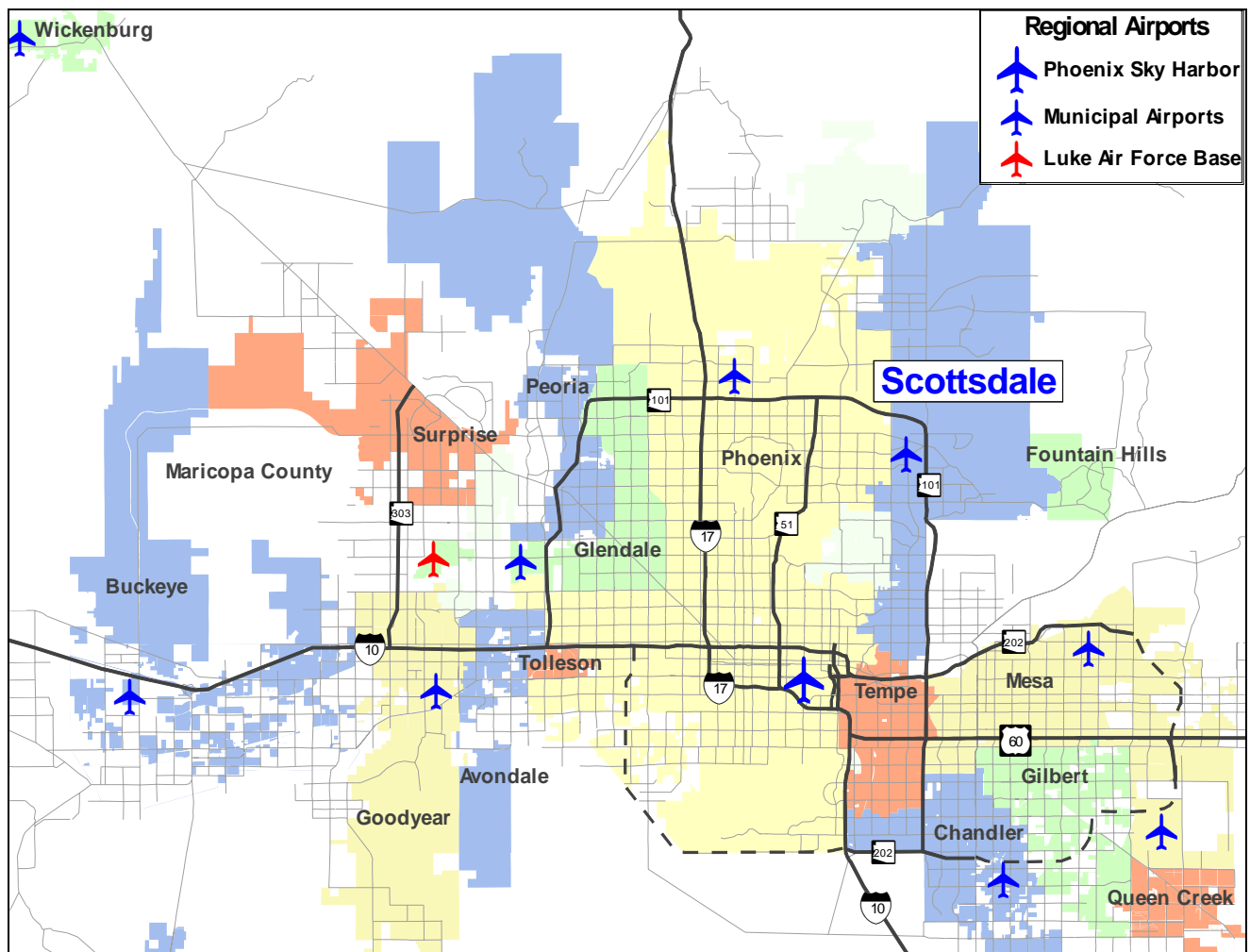
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24.0 City of Scottsdale Community Profile

The City of Scottsdale is home to the third largest employment center in the state. As such, Scottsdale is a net importer of jobs and center for professional and financial services, health care, and electronics manufacturing, and is an integral part of the Greater Phoenix economy. Scottsdale is also known worldwide as a tourism destination with over 70 resorts and hotels in the Scottsdale/Paradise Valley area and more than 7.4 million visitors annually. The City has grown from 168,176 residents in 1995 to 223,835 in 2005, representing a 35 percent increase in ten years, which is a significant increase for a large city, according to the Arizona Department of Economic Security.

Figure 24-1
City of Scottsdale
Location in Greater Phoenix



24.1 Demographic Overview

The City of Scottsdale's population is a mix of young professionals, families and retirees. The median age in Scottsdale is 39.9 years, which is slightly above the regional average. About 59 percent of the population is in the prime work force age range of 18 to 59 years old. The median household income of approximately \$65,361 is among the highest of the major cities in the metro area. The average household contains 2.18 people. Scottsdale residents are also very well educated with about 44 percent having completed a bachelor's or graduate degree, and an additional 33 percent having some college education.

Figure 24-2

Demographic Profile – City of Scottsdale

Total Population*	223,835	100.0%
Race/Ethnicity		
White	186,883	92.2%
Black or African American	2,501	1.2%
American Indian and Alaska Native	1,240	0.6%
Asian	3,964	2.0%
Native Hawaiian and other Pacific Islander	167	0.1%
Other	4,603	2.3%
Two or more races	3,347	1.7%
Hispanic or Latino (of any race)	14,111	7.0%
Age		
Under 18	39,165	19.3%
18 to 24 years	13,421	6.7%
25 to 59 years	105,409	52.0%
60 to 74 years	29,407	14.5%
75 + years	15,303	7.6%
Total Households	90,669	100.0%
Household Income		
Under \$15,000	8,137	9.0%
\$15,000 to \$34,999	17,692	19.5%
\$35,000 to \$49,999	13,076	14.4%
\$50,000 to \$74,999	17,561	19.4%
\$75,000 or more	34,136	37.7%
Median Household Income	\$57,484	
Educational Attainment (25 years and over)		
High school graduate (includes equivalency)	24,731	16.4%
Some college	49,678	32.9%
Bachelor's degree	44,270	29.4%
Graduate or professional degree	22,204	14.7%

Source: U.S. Census Bureau, 2000.

* Source: Arizona Department of Economic Security, 2005

24.2 Economic Base

Scottsdale's economy has grown significantly in the past several decades and has become quite diverse. The economic base is comprised of high tech, R&D/manufacturing, bio-medical, corporate/regional headquarters, regional/district sales offices, and business and professional services. The hospitality industry (defined as SIC codes 70 and 58) accounts for about 11.4 percent of local employment in a variety of tourism-related industry sectors, according to City of Scottsdale. Scottsdale is growing in importance as a health care center and has a number of major health care providers as well as research facilities including Scottsdale Healthcare, Mayo Clinic Scottsdale, Advanced PCS, Medicis, St. Jude Medical Cardiac Rhythm Division (formerly Pacesetter, Inc.) and Isotechnika. Scottsdale has also developed a cluster of high tech manufacturing with a number of new companies joining General Dynamics C4 Systems, which has had operations in the City for many years. In addition, the City has also attracted a number of corporate headquarters including: First National Bank of Arizona, Go Daddy, The Tech Group, JDA Software, Taser International, Pulte Homes, and Discount Tire.

Figure 24-3

Major Private Sector Employers – City of Scottsdale

<i>Company Name</i>	<i>Total</i>	
	<i>Employment</i>	<i>Products</i>
Scottsdale Healthcare Corporation	4,400	Health care services
General Dynamics	4,000	High-tech manufacturer
Mayo Clinic	3,995	Primary Care Facility
Scottsdale Unified School District	3,500	Education
City of Scottsdale	2,191	Government
CareMark (formerly Advance PCS)	1,636	Prescription Benefit Administrator
DMS Direct Marketing	1,500	Marketing Services
Scottsdale Insurance Company	1,300	Property and Casual Insurance
Fairmont Princess Resort	1,200	Resort
The Vanguard Group	1,120	Information Technology

Source: City of Scottsdale, June 2005

24.3 Real Estate Availability

According to Grubb & Ellis, in terms of office development, Scottsdale is divided into three regions: Scottsdale North, Scottsdale South, and Scottsdale Airpark. When combined, these three regions include a substantial office inventory of about 10.8 million square feet (First Quarter 2006). The office vacancy rate for the region averages to 12.1 percent. Gross lease rates for office space are currently running between \$25.29 to \$28.27 per square foot for Class A space, and \$23.11 to \$23.49 per square foot for Class B space. There are 1.5 million square feet planned or under construction in the regions.

In terms of industrial division, Scottsdale falls into NE Phoenix/Scottsdale sub market. This sub market has a large inventory of industrial space that includes about 15.2 million square feet of net rentable area. The overall industrial vacancy rate in the region is about 7.1 percent. Typical asking lease rates in the sub market are \$1.03 per square foot for warehouse/distribution space, \$0.99 for general industrial, \$1.17 for research and development, and \$1.14 for incubator space, according to Grubb & Ellis (First Quarter 2006).

Figure 24-4

Nonresidential Building Permit Activity and Value – City of Scottsdale

	2001	2002	2003	2004	2005	5 Year Total
Scottsdale						
Commercial	1,005	662	927	960	1,225	4,779
Industrial	6	3	4	0	0	13
Total Count	1,011	665	931	960	960	4,527
Total Value (\$000)	\$336,115	\$173,721	\$258,693	\$237,902	\$572,765	1,579,196
Maricopa County						
Commercial	3,793	3,406	3,888	5,458	7,862	24,407
Industrial	143	97	110	171	231	752
Total Count	3,936	3,503	3,998	5,629	8,093	25,159
Total Value (\$000)	\$2,602,436	\$1,706,766	1,629,284	2,196,761	\$3,410,734	11,545,981
Scottsdale Share of County						
Commercial	26.5%	19.4%	23.8%	17.6%	15.6%	19.6%
Industrial	0.0%	3.1%	3.6%	0.0%	0.0%	1.7%
Total Count	25.7%	19.0%	23.3%	17.1%	11.9%	18.0%
Total Value (\$000)	12.9%	10.2%	15.9%	10.8%	16.8%	13.7%

Source: Arizona Real Estate Center, Arizona State University, 2001-2005

24.4 Transportation Network

Scottsdale benefits greatly from the new urban freeway system that is under construction in the region. The Piestewa Freeway (State Highway 51) has been expanded to include a high occupancy vehicle (HOV) lane and allows improved access to North Scottsdale from downtown Phoenix and Interstate 10. The Piestewa Freeway connects the Loop 101, which curves east then south and runs along Scottsdale's eastern border into Tempe and Chandler, and the I-10/202 Freeways.

General aviation services are available at the Scottsdale Municipal Airport, which has a large amount of surrounding Class A office, warehouse, and light industrial space at the Scottsdale Airpark. Scottsdale Airport is a general aviation reliever facility and houses many corporate aircraft. With more than 212,000 flight operations and over 10,000 passengers in 2005, Scottsdale Airport is one of the busiest single runway facilities in the nation. Downtown Scottsdale is also only 10 miles from Phoenix Sky Harbor International Airport, which has connections to every major market in the United States.

24.5 Education

The Scottsdale Unified School District and Paradise Valley Unified District serve most of the City of Scottsdale. These districts strive to develop leadership qualities in all students that will help them as they grow up to be responsible, productive members of society. Achievement test scores averages for the Scottsdale District are the highest in Greater Phoenix.

For higher education, the City is served by Scottsdale Community College, which is part of the Maricopa Community College District. The College offers day and evening classes to over 11,000 students, with 3,000 additional students enrolled in special-interest non-credit courses. Scottsdale Community College offers degree and certificate programs in justice administration, athletics, biology, business, chemistry, computers, film, fine arts, gaming, health sciences, hotel/restaurant management, journalism, math and physics. The College is committed to offering high quality, affordable education. The City of Scottsdale is also within a short distance of Arizona State University's main campus in Tempe.

Private higher educational institutions in Scottsdale include campuses of Ottawa University, University of Phoenix, the Scottsdale Culinary Institute, and the Frank Lloyd Wright School of Architecture.

24.6 Housing Availability and Value

The City of Scottsdale has added a large amount of new housing in the past several years as the City continues to expand northward. About 9,759 new single-family units and 3,411 new multi-family units were added since the 2000 Census. The total housing inventory now includes over to 118,144 units. The majority of the housing stock, about 68 percent, is made up of single-family homes and townhouses. However, Scottsdale also has a large inventory of apartments. A number of these apartments are used on a seasonal basis by winter visitors who spend an average 4 months each year in Greater Phoenix. Overall, seasonal units account for 7.6 percent of all housing in Scottsdale. In 2005, the median housing price for a resale home in Scottsdale was about \$525,000 and the median new home price is about \$716,670.

Figure 24-5

Housing Overview – City of Scottsdale

Total Housing Units-2000	104,974	100.0%
Occupied	90,669	86.4%
Vacant Non-Seasonal	6,367	6.0%
Seasonally Occupied Units	7,938	7.6%
Units by Type		
Single Family/Townhouse	71,276	67.9%
Multi-Family	32,656	31.1%
Mobile Home or Trailer	952	0.9%
Other	65	0.1%
Tenure of Occupied Units		
Owner-Occupied	63,137	69.6%
Renter Occupied	27,532	30.4%

Source: Census 2000.

24.7 Recreation and Culture

Scottsdale’s development as a major tourism destination has brought with it a vast array of cultural and recreational assets. Scottsdale has a number of museums including Frank Lloyd Wright’s Taliesin West, Heard Museum North, Scottsdale Museum of Contemporary Art, Scottsdale Historical Society Museum and the Buffalo Museum of America. There are also over 120 art galleries and studios in Scottsdale featuring the work of nationally and locally known artists. Art lovers from all over the United States, Canada, Europe and Asia come to Scottsdale to admire the collections and purchase artwork.

The Scottsdale Center for the Arts is the City’s largest performance venue with close to 1,000 events annually featuring dance, theater, classical, jazz and World music, art galleries, educational programs and festivals. The Center for the Arts also hosts the Scottsdale Symphony.

Scottsdale also offers world class shopping at Fashion Square Mall, the largest mall in Arizona, along with many other specialty shops located throughout the City. With choices ranging from rare antiques to original, one-of-a-kind crafts and jewelry, unique clothing, unusual gifts and furnishings, Scottsdale is a shopper’s paradise.

There are more than 550 acres of developed park land, 36 acres of lakes, 37 miles of bike paths, 30 miles of equestrian trails, 60 tennis courts, and 40 other recreational facilities in Scottsdale. Golf is also very popular among both residents and tourists with over 125 golf courses in Scottsdale and the surrounding area. The City hosts a number of signature events each year including The FBR Open (formerly the Phoenix Open). The Tennis Channel Men’s Open is played in Scottsdale. The second largest Arabian horse show and several world-class car shows are held in Scottsdale annually. The Scottsdale Stadium hosts Spring Training Baseball as part of the Cactus League and is the winter home of the San Francisco Giants.