

Suffolk State of the City 2007
Mayor's Speech
April 12, 2007

Mayor Linda Johnson:

Captain John Smith is a tough act to follow! In fact, let's give the Captain – and all of our historic players – a big round of applause for a job well done.

Let me extend a warm welcome to all of you to Suffolk's 2007 State of the City presentation.

This is a significant year, not only for Suffolk, but for all of us in the Hampton Roads region.

As we celebrate the 400th Anniversary of our nation's founding, we share a grand heritage and a common goal to

work together for the economic well-being of every citizen of southeastern Virginia.

Today, in our annual State of the City presentation, we will report to you on where we've been, where we are today and where we are heading.

SUFFOLK CENTER FOR CULTURAL ARTS

We are assembled in a building that is unlike any other.

You are sitting in what once was the auditorium of the former Suffolk High School. Now resurrected as the Suffolk Center for Cultural Arts, it is a cultural icon that will influence generations to come.

LIVE YOUR DREAM

This desire to live your dream is the driving force behind every worthwhile accomplishment in life.

The roots of today's Suffolk started with the settlements of our native peoples, the Nansemond Indians. Their rich heritage in this area continues to thrive today as they pass on their dream to today's generations. I hope you take time to see their beautiful historic display on the ground floor.

We just witnessed a series of historic vignettes hosted by Captain John Smith. He and the first colonists had a dream that Virginia would be a blessing and benefit to the world. Their dreams are still coming true today.

So, what happened on these shores 400 years ago, right up until the present day was the result of someone with a desire to live a dream and the persistence to bring it to life.

That's what living in Suffolk is all about.

For me personally, I'm living my dream – having grown up in Bennett's Creek, married a native of Chuckatuck, living with my family in an area not far from my childhood home, and working with individuals and families across our entire City and region, my life could not be any more complete.

While I always knew that I had a desire to serve my community, becoming Suffolk's first female Mayor was beyond my wildest dreams! It is an honor I take very seriously.

While as the first female Mayor, I might be considered a trailblazer, I am humbled by the individuals who came before me and it is my hope that Suffolk will become an example of the success that can be achieved by drawing its leadership from all aspects of our community. Our diversity is one of our most unique attributes and I long for the day that it is no longer unique or a matter of a “first” to have leadership from any race, gender, religion or ethnic group.

Before I go any further, I would like to publicly acknowledge two individuals who have each served the City of Suffolk for over twenty-five year each.

When I was first elected to City Council, Vice Mayor Curtis Milteer taught me some of the things that are simply universal in local government. He's rational, direct, a wealth of history and information, a dedicated Suffolkian, and an authentic public servant. My dad would say, "He's always reasonable and he's always fair." So...Vice Mayor, Curtis Milteer, will you please stand up and receive the recognition that you have earned for your commitment to the entire community.

The other gentleman I want to recognize is our new City Manager, Jim Vacalis. He has all the history of the city in his heart and soul.

Now let's take a look at a snapshot of where we are today, and how we're working to move Suffolk toward fulfilling our dreams.

Recently, an independent financial report that City Council commissioned points out that we have some challenges ahead of us. Most likely, all cities face similar challenges at some point in their life.

We don't consider this financial snapshot to be a negative. It's simply a picture that shows us where we are and what we need to do to move ahead.

My number one goal – my dream as Mayor – is to achieve a Triple “A” bond rating for the City of Suffolk. I know that is a goal that will require responsible fiscal

management, strategic planning and innovative ideas because only 23 cities in the United States now have Triple “A” status but as two of those 23 cities with Triple “A” bond rating are in Virginia, so I know that we can get there.

We have already put some processes in place to help us move toward that dream. We created a Finance Committee, the City Manager hired a Budget Officer, selected new independent financial advisors and auditing firm, changed the methodology, timing, and mentality of the budget process. Just this week, the first piece of our plan came to fruition – the selling of approximately \$88 million in General Obligation bonds at an interest rate of 4.389 percent. We were thrilled to find our bond issuance was oversubscribed and premiums were paid. This new money can be used to fund our new capital improvement,

restructuring financing of the hotel project and repaying the \$19 million in bond anticipation notes.

Now what does all of that mean to us – over \$2.3 million over the next 29 years to the tax payers like you and I over the life of the bonds and it freed up \$2.2 million to return to our General Fund from the Hotel Reserve Fund. Since July the City has achieved nearly \$6 million in strategic refinancing of various outstanding debts. All of these things are the result of City Council's and City Administration's commitment to fiscal responsibility and our accountability to each of you.

A GROWING CITY

I have one statistic that speaks volumes for Suffolk's

future: According to recent projections for Hampton Roads, Suffolk is expected to go through a higher growth rate in the next 20 years than we have experienced in the previous 20 years. During that time:

- Our population is projected to increase by 96.4 percent
- New jobs are projected to increase by 105.9 percent.

Those figures tell us that we have plenty of work to do. And I'm pleased to report that the City of Suffolk is up to the task.

With new job growth predicted to more than double in 20 years, we need make sure that our workforce is ready so that everybody will have the opportunity to live his or her

dream, no matter what it is.

We want economic development that is diverse enough so all Suffolkians can not only find employment but establish fulfilling careers that only provide them with financial security but offer them a sense of accomplishment.

WORKFORCE DEVELOPMENT

A major part of Governor Kaine's plans for the whole state is Workforce Development. On a visit last summer, the Governor's staff gave us high marks for our new Workforce Development Center because it is accessible to those in need of its services - It's receiving over 300 client visits per month.

Businesses and job seekers alike are using this resource every day, and training is already under way for such diverse jobs as restaurant personnel for our increasing number of eateries, equipment operators, and distribution center employees.

I am pleased to announce that I have accepted an appointment to the Governor's Workforce Council, which recommends improvements to various workforce development centers around the state.

ECONOMIC DEVELOPMENT

This City Council is committed to welcome new and maintaining existing businesses in our community. Suffolk is open for businesses both large and small – from the

Fortune 500 to the independent small business owner with a great idea and dream. Under leadership of the new Industrial Development Authority Chair Tim Copeland, the Authority joins us on focusing on employment opportunities and capital investments. Toward that end, the City has pooled its funds from various projects to fund much needed improvement along Nansemond Parkway so as to complete Northgate Industrial Park.

As of yesterday, we learned a firm based from the West Coast will bring a \$30 million project from Northgate Industrial Park. While I cannot specifically identify the company, I did say \$30 million investment in the City of Suffolk. We also have committed to the extension of Benton Road so as to increase the business opportunities in the southern part of the City which will ultimately improve

the quality of life in that corridor.

During the year 2006, Suffolk gained 961 new jobs and over \$95 million in announced capital investment from major new and expanding businesses.

Twelve companies announced major expansions, and 21 new businesses made Suffolk their home. This is a diverse mix of companies ranging from major defense contractors and manufacturers to banks, restaurants, and fitness centers. All play an important role in providing new opportunities for our citizens.

We congratulate and welcome all of you!

MAST CENTER

The computer modeling and simulation industry continues to grow, and with it, our Technology Corridor we affectionately call “SIM CITY.” This is taking on regional proportions with the decision by Old Dominion University to bring their research and development lab – VMASC – to a new 32-acre campus in northern Suffolk.

The MAST CENTER, as it’s called, will be the new focal point for Modeling, Analysis and Simulation Technology with applications for education, medicine, the military, and business.

This new technology campus straddles the border between Suffolk and Portsmouth at the intersection of Western

Freeway and College Drive -- making it a truly cooperative venture. If we stay on schedule, we should see the opening of the MAST CENTER in the fall of this year.

The official name is the MAST CENTER at Hampton Roads Crossing because it is an integral part of the 150-acre mixed-use development planned for that site, which will also include 600 residential units and a retail center.

Not long ago, the MITRE Corporation expanded its Suffolk office from 6,000 square feet to 16,000 square feet in the Bridgeway Technology Center I office building. MITRE works across all aspects of the United States Joint Forces Command, and its new facility will support its virtual outreach program, host an industry and government interchange, and provide a first-class environment for its

employees. Last November, MITRE celebrated 25 years of working with the Hampton Roads Military Community at their newly expanded office in Suffolk.

Raytheon Company became part of “SIM City” when it opened its new high-technology facility that provides computer modeling, simulation and imaging services for the United States and the North Atlantic Treaty Organization (NATO) military services. Raytheon’s facility is located in the Bridgeway Tech Center I office building in Bridgeway Commerce Park.

EchoStorm Inc. added to that critical mass last fall when it announced that the company planned to expand its Suffolk operations to the recently constructed Bridgeway Technology Center III.

That project brings new capital investment of over \$4 million to Suffolk and creates 100 highly skilled engineering jobs. EchoStorm's decision to expand operations in Suffolk is a true testament of how our City and region are becoming a national hub for high-tech, defense-related businesses. Beyond its success with the Department of Defense, EchoStorm has found applications for its solutions across a range of commercial industries, including entertainment, health care, and education.

And Unilever, the maker of Lipton Tea, decided that Suffolk was the winning location to produce a new product that is literally changing the shape of tea. A new pyramid-shaped tea bag allows the long leaf-tea more room to infuse optimal aroma, color and taste. Lipton is launching this line

with six new great tasting flavors in a mesh pyramid bag. Plans call for Lipton to invest \$7 million in new machinery and facility upgrades. The company will also hire 12 new employees.

While we're on the subject of tea, among our newest additions are two wonderful new restaurants. (All those new members of our workforce need a place to eat, right?)

There is the Vintage Tavern at Governor's Pointe in northern Suffolk. It's warm and relaxed, with a world-class menu that received rave reviews in *VIRGINIA Magazine*.

And there is Primo 116, serving authentic northern Italian cuisine right in the heart of Downtown Suffolk.

Just south of Downtown, in Suffolk Industrial Park, FLEXA Furniture has moved into its new U.S. Headquarters and manufacturing facility. FLEXA is based in Denmark and has been in Suffolk for five years. They make practical and innovative modular children's bedroom sets, using the unique concept of modifying the same basic piece of furniture to fit a child's changing needs as they grow.

While many companies are outsourcing jobs offshore, FLEXA started a new trend -- "insourcing." They saw a big economic advantage right here in Suffolk because of our proximity to the port and our growing pool of skilled workers. I expect more companies will soon follow FLEXA's lead.

AFFORDABLE HOUSING

For many of us, living our dream means owning a home. I am happy to report that in Suffolk we are helping that dream become a reality.

We are leading by example with a project we call the Fairgrounds, a new downtown neighborhood with a mix of housing types and price ranges.

This mixed-income development of 150 homes between East Washington Street and the Planters Peanut Warehouse has a gateway that we have named George Washington Carver Circle.

By design, 51 percent of the homes in the Fairgrounds will fall in the category of “Affordable Housing.” That means the homes will be built and priced with low- and moderate-income workers in mind.

We have recently picked our development team for the Fairgrounds, and my hope is that we will soon have them mobilized to begin work.

We have also adopted our Affordable Housing Initiative and hope to fund in the amount of \$200,000 for this fiscal year. This seed money will be used to acquire tax delinquent properties through the Suffolk Redevelopment and Housing Authority, who will in turn sell those parcels to builders for infill development.

On another front, the Mayor's Task Force on Workforce Housing has continued its mission of insuring that quality housing is available to everyone. My thanks to Council Member Bennett for serving as this body's chair. The task force has suggested a slight change in our zoning laws to provide development incentives in our older neighborhoods that would include affordable housing.

We are currently working to secure a location for next year's South Hampton Roads Habitat for Humanity Builders Blitz. This is an exciting partnership opportunity and I know that with so many members of our community present today, we can count on each of you contributing your time, talent and resources to this worthwhile project. Once the location has been determined, we will see all with your hammer and nails in 2008!

NEW LIBRARY IN NORTHERN SUFFOLK

Among our goals is to bring more services to the people and to make it more convenient to receive city services.

The grand opening of the North Suffolk Library on March 7 not only provides a much needed state of the art library, but also includes satellite offices for the City Treasurer and Commissioner of the Revenue.

I can't say enough about our new library. Now, at last, we have this wonderful resource with so many great features for both adults and children – including a beautiful outdoor reading area and free wireless Internet access. Located just off Shoulders Hill next to Creekside Elementary School, this library is in a high growth area and will serve many

citizens.

NEW MEDICAL FACILITIES

On March 1, Bon Secours Health Center opened their advanced emergency department in Northern Suffolk. They guarantee that a health care professional will see patients within 30 minutes, which for anyone who has had to visit an emergency health care facility knows is revolutionary innovation. This new department will make a wonderful addition to their state of art facility dedicated to outpatient surgery, medical imaging, diagnostic and pre-operative testing. The City of Suffolk is truly blessed to have such a quality member of the health care community in our locality.

Also in Northern Suffolk, Sentara announced their plans for a 20-acre medical complex they will call Sentara BelleHarbour. And we are proud that Sentara Healthcare and Obici Hospital have come together to continue their traditions of medical excellence and compassion.

HARBOUR VIEW TOWN CENTER

As much as we wanted to surprise you today with the announcement of Suffolk's largest development to date, news this exciting was too great to keep to ourselves. At almost two million square feet of mixed-use development – Harbour View Town Center – will undoubtedly be one of the most exciting projects in the entire Hampton Roads region.

While the proposal has yet to receive its final approval, it promises to be one of the most beautiful and most pedestrian friendly of any of the new town centers in the region. As it appears on the drawing board, our Town Center will have about 40 buildings laid out in an urban-style grid pattern including:

- 1,200 condos and apartments
- 750 hotel rooms
- 500,000 square feet of office space
- 150,000 square feet of medical space
- and 600,000 square feet of retail space

The area will also include numerous restaurants and other amenities that so many of our residents have been seeking. Citizens and visitors alike will have numerous choices where they want to live, work, dine, shop and spend their

free time all within one area.

Harbour View has already revolutionized northern Suffolk.

The new town center will be the icing on the cake.

Development activity is expected to continue through 2013.

OBICI PLACE ANNOUNCEMENT

We weren't able to keep Harbor View Town Center a surprise, but we still have one piece of news to wow with you with today.

I am pleased to announce today that American Screen Works, Incorporated has signed a lease to be the anchor tenant of Obici Place.

They plan to build a 13-screen, 42,000-square-foot, first-run movie theater, which will be known as Screenworks.

But this isn't your ordinary theater.

This \$10 million-dollar theater complex will include an outdoor amphitheater component known as ... "The AMP."

The AMP will have walls, but will be open to the sky.

This open-air outdoor theater will feature movie premiers and will showcase televised sporting events and other special screenings.

Now all of us will have a new and exciting reason to love going to the movies. When the complex opens in the fourth quarter of 2008, it will feature stadium seating and state-of-

the-art digital technology.

In addition, side tables will be spaced throughout the theaters where movie-going patrons can enjoy a broad selection of food including specialty foccacia pizzas, sandwiches, salads, and more – all produced on site in a full-service kitchen.

As I mentioned, American Screen Works is the anchor tenant of Obici Place, a \$50 -million-dollar mixed-use project on the former site of the Obici Hospital.

Robinson Development Group is developing the site, which will include over 125,000 square feet of retail and office space – including the theater – and 250 residential units in a mix of apartments and condominiums.

As you can see, great things continue to happen in Suffolk – the vibrancy and quality of life here keeps growing and diversifying.

This new mixed-use development is exactly the type of environment that we want to offer our residents and visitors.

DOWNTOWN REVITALIZATION

One of the most dramatic transformations has been in downtown Suffolk.

Just a few weeks ago, right here in this building, Marcus and Paige Pollard had the premiere unveiling of

Montgomery Lofts, bringing new residents to our Main Street, which has seen so much growth and positive change in recent years.

Also on Main Street, you can see the beautifully restored 1920s era marquee in front of the Jones Building, which used to house the Chadwick Theater.

The marquee permanently displays “1Foot 2Foot,” a unique full-service spa and medical facility for the care and comfort of your feet. The upper floors have beautiful condos and apartments.

My point is that the City is striking a good balance – by serving the needs of Northern Suffolk while bringing new life and new people to downtown Suffolk. Property values

are rising, and I believe that property owners would agree that this is a good sign.

The Clay Street Corridor is the latest downtown neighborhood that's making the news, thanks to folks who want to live their dream of having a charming restored home in a thriving community.

Clay Street is attracting people who are saying, "This would be a nice place to live. I'd like to invest in this area and make it my home."

SUFFOLK'S LAKES AND RIVERS

I'm not the only one who says the biggest plus about Suffolk is its proximity to sparkling lakes and rivers. We

have beautiful waterways for recreation of all kinds.

That beautiful water is what attracted my mother to Suffolk when I was a child.

She wanted to live on a broad expanse of water, which is exactly what she found on the Nansemond River in our city.

Our public boat ramp at Bennett's Creek makes the water accessible to everyone. Currently we continue our search for additional access for citizens and visitors alike.

EDUCATION

We have always valued education and invested in providing a quality education for our children. We have built almost one school a year for the past 4-5 years.

And now our first Magnet School for technology is planned for the MAST Center at Hampton Roads Crossing. This is a significant achievement.

Here is a recent snapshot of Suffolk Public Schools:

- Our student population has grown nearly 17 percent between 2000 and 2005.
- Over the past 10 years, we have invested over than \$152 million in educating our children.

- We have 13 elementary, 4 middle schools and 3 high schools.

- Our student/teacher ratio is 25 to one.

OUR VILLAGES

Our beautiful villages of Chuckatuck, Eclipse, Whaleyville, Driver and Holland are near and dear to our hearts and so vital to life in Suffolk. They each have their own story to tell.

Right now, we're looking at what we are doing with our villages and asking if our plans are producing the best results.

We're listening to everyone. We are learning that some

residents are satisfied with the conditions in their community while others would like the City's assistance while maintaining their sense of own sense of charm that makes their village unique. We are listening, and we have the best interests of the villages at heart.

MAYOR'S DREAM.

In summary, I have big dreams for the City of Suffolk, and I believe that many of you who live and work here share those dreams. Together, we can make them a reality:

First, as I said earlier, my dream – my goal -- is to see Suffolk achieve a Triple-A Bond Rating. This is not an impossible dream. With good fiscal planning, responsible spending and hard work, we can get there together.

My second dream for Suffolk is that each one of us will realize and appreciate the fact that we are one great city. I like to describe it as a tapestry. A beautiful tapestry with all the colors and textures woven together. But we have to accept it as one, whole piece of cloth.

Finally, my third dream is to focus on a project and complete it. We don't want ten projects out there floating in the wind. Projects on paper don't improve people's lives.

We want to say:

- Here's the idea.
- Here's the budget.
- Here's the date we complete it.

Like most of you, I am an "A-B-C person." Get me to "C"

and I'm happy.

In real estate, there's an end to the contract. There's closure. Just tell me when. Give me a time. I want the period at the end of the sentence.

That's the direction we are taking on our capital projects. For example, the East Suffolk High School on 6th Street off East Washington has been discussed for 20 years.

No more. We want it done.

We have the financing in place, and we are moving ahead to renovate the former East Suffolk High School and to turn it into a recreation center under our Parks and Recreation Department.

We have set a priority to finish the project and to complete the recreation center along with a gym.

WRAP-UP

Let me sum all of this up with a few observations:

Suffolk is one city covering over 430 square miles, and so just its sheer size is a challenge.

We have northern Suffolk growing as planned with its high-tech corridor and soon-to-be Town Center.

We have the downtown heart of Suffolk being restored, revitalized, and repopulated.

To the south and the west, we are maintaining our rural character while acknowledging the needs for improved services.

We have bold new ideas, and we have the respected traditions. We offer rural living and agriculture for those who love the wide-open spaces, suburbs for the suburbanites and city living for the urbanites.

My job -- and the job of your city government -- is to bring us all together so that we can each have the freedom to live his or her dream, whatever it may be.

As the lyrics of a song say, “different strokes for different folks.” One size doesn’t fit all. Yet every dream is precious because it belongs to someone.

So, I submit to you the current state of our city. We have challenges, but I know we also have the creativity and the strength to meet our challenges. Geographically, we have it all, and our potential is endless.

Thank you all so much for joining us today. As you enjoy the rest of the afternoon, I invite you to reflect on what we saw reenacted on this stage. The City of Suffolk was built upon the dreams and visions of many people. And today it continues ... because Suffolk is still a place where you can live your dream.

Thank you, and may God bless you.

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