

Remarks of Mayor Alan P. Krasnoff - As Prepared for Delivery
2009 Chesapeake State of the City Address to the Hampton Roads

Wednesday, March 4, 2009

I want to thank the chamber for this venue to talk about the state of our city, introduce Phyllis - the love of my life and the only other person who knows my password - and express my appreciation to those here for their interest and support of Chesapeake.

I also want to recognize and thank Chesapeake's constitutional officers and the members of City Council for their service. And I welcome Mayor Paul Fraim from Norfolk and Mayor James Holley from Portsmouth. If you want an unbiased analysis of what service means - and how interesting it can get - just ask them.

From one perspective, I could run through a PowerPoint presentation with endless sets of numbers demonstrating that all's well in Chesapeake - and I just love PowerPoint. I could talk briefly about the accomplishments of our city's departments, make certain my remarks were nuanced, and call it a day. But that would hardly be accurate, and I do not want to mince words.

As everyone in this room knows, these are tough economic times, and while economists may differ about when it started, last spring I could feel a sense of unease. . . of uncertainty.

By July, that sense of uncertainty had turned to foreboding. By September - as the first of many financial powerhouses began to falter and fail - foreboding had become fear.

Now we are dealing with an economic crisis that tests our confidence, one that's already left a cascade of effects in its wake and been felt by virtually every one of our nation's states, cities and counties.

To give you a sense of the magnitude of the situation, Fairfax County doesn't expect to see a turnaround until 2012, while Prince William County is predicting service cuts until 2014.

Fortunately for Chesapeake and Hampton Roads, a robust and expanding military presence at installations like the Naval Support Facility Northwest Annex, and a vibrant maritime economy have helped minimize the effects of this recession on our region, but we have not been immune, and I'm not about to sugarcoat the numbers.

Last year, 1,354 residential and commercial construction permits were issued - which isn't that much of a drop from 2007 - but they were only valued at just over 180 million dollars.

In 2007, 3,344 residential housing units were sold while in 2008, only 2,379 housing units changed hands, which marks a 29 percent drop in sales.

There's also been a three-fold increase in foreclosures, from 169 in 2007 to 559 in 2008.

At the same time, taxpayers are outraged - and I do mean outraged - that while the values of their homes have gone down, their tax bills have not.

In the past, folks have grumbled but paid the bill, but those days are over.

We do not know what it will include - and we can and we will debate its merits - but Chesapeake's next budget is not one that should reflect the wishes of those who built it, but the realities of those expected to foot the bill.

And as if that weren't enough, then there's SPSA, an organization that's gone from merely troubled to mismanaged to an unmitigated financial disaster. . . threatens to blow a very large hole in more than one local budget. . . and has the potential to put the concept of regionalism to the test.

Back in Chesapeake - where our experience isn't much different from what's happening elsewhere - the stress of our predicament has revealed itself in ways not often seen or discussed.

Requests for social services - covering everything from general relief to child and adult protective services - have risen dramatically, and strains our ability to deliver important help to those in obvious need.

As people tighten their belts, library use has historically risen, and Chesapeake is no exception.

To give you an idea of how that translates, 793 new library cards were issued in December, 2007. In December, 2008, the number jumped to 2,500, and today there are almost 154,000 registered cardholders.

And what about use? Well, almost 118,000 people visited our libraries in December, 2008 alone for everything from research to borrowing books to using computers to apply for jobs.

At the health department, they see an increased demand in programs and requests for treatment at all levels.

As for the city's revenue picture, we've seen an \$18 million drop in what we had expected to meet your needs for services during the current budget year.

Fortunately for Chesapeake - and in large part because of budget discipline – severe limitations haven't been imposed on our ability to provide quality services, and that's a good thing.

In large measure, that's because Chesapeake's employees - whether they work for the city itself or are employed by the school system - are acutely aware that these are troubling times for everyone.

They know that the hard days aren't over by a stretch, and I have little doubt that

we will soon be calling on each of them - from the highest paid to those who work in entry-level positions - to do more as we work to rebuild our city's economic vitality.

What I also know is that they are up to the task.

We live in a city with a well-educated population which - in turn - means more opportunities for everyone.

Those opportunities flow from knowledge - just knowing - and our school system deserves an extraordinary amount of praise for helping our children graduate from a school in Chesapeake empowered to do more with the skills and talents they have developed and refined.

On that score, I can tell you from firsthand experience that being a teacher is no piece of cake. It's hard work, and thanks isn't often what they get.

But our teachers and those who support them - from our bus drivers to cafeteria workers to administrators to those who keep our schools open and clean – have mine.

As a result of their hard work, each and every school in Chesapeake is fully accredited, our on-time graduation rate of 89 percent is the highest in the region, and our dropout rate is a low 2.27 percent.

Four of our schools - Camelot Elementary, Hickory Elementary, Norfolk Highlands Primary and Sparrow Road Intermediate - have earned this year's Governor's Award for Educational Excellence.

To qualify, schools must meet all state and federal achievement benchmarks for two consecutive years and achieve the governor's goals in specific academic areas.

With us today is Dr. Stephanie Johnson, our principal of Camelot Elementary, along with Lori Kolbicka, a fourth grade teacher, and Monet Hinton, a student at Camelot who is here with her parents, Mr. and Mrs. Latef Gibson.

Their school has gone from one of the lowest-scoring in the city to one of the highest. It has taken hard work on the part of educational professionals, but that accomplishment isn't theirs alone.

While we look to our administrators and teachers for direction and inspiration, it also takes students willing to learn and parents ready to encourage and support their children as they begin to blossom and grow.

I'd ask them to stand and accept our encouragement and thanks, because they deserve it.

I also want Dr. Deborah DiCroce, president of the Tidewater Community College, to stand.

Enrollment at TCC's Chesapeake campus has more than doubled in the past decade.

Last year, more than 12,000 students took advantage of an opportunity to do more with what they have learned in many of our public schools. Tidewater Community

College - and the academic and technical programs they offer in Chesapeake - is a much-needed and much-valued pathway to a brighter future.

Under Dr. DiCroce's leadership, our campus on Cedar Road is creating more opportunities to grow and learn at just the right time, and we thank you for your commitment to higher education and to Chesapeake.

Last year, Wendy Giles, a firefighter-paramedic who - coincidentally, received her paramedic certification from TCC - was assigned as a standby medic for the Dismal Swamp Stomp half marathon, and was waiting for stragglers to cross the finish line of that 13.1 mile race.

One couldn't, and collapsed just before the finish line.

Together with Dr. David Langille, firefighter Giles ran toward the woman, where she physically picked up the runner and - with the help of a bystander - carried her back to a hospital tent.

There, firefighter Giles determined that the young woman had tachycardia, or a very rapid heart rate. Within seconds, though, the runner became breathless, had no pulse, and faced a medical crisis.

In the midst of a hectic and chaotic scene with several hundred people still in the area, firefighter Giles took control. Although an emergency physician, Dr. Langille has said he was the assistant as Firefighter Giles calmed spectators and initiated the medical protocols that would save this young runner's life.

In short - and because firefighter Giles did her job and did it perfectly - a young marathoner will have her chance to run again in this year's Dismal Swamp Stomp race.

Wendy Giles is but one of the 1,390 people working in Chesapeake to keep us safe.

They are our police officers and sheriffs deputies, and those who support them. They are our firefighters and emergency services personnel, and those who support them.

They are the ones who respond to our calls for help in a time of a crisis and are willing to put themselves in the way of danger, who are there to tend our injuries, and offer kind words when we need them most.

They may say it's routine, but it's not.

Their collective sense of obligation goes to the very core of what makes every city special, which is people caring about one another at a time when many might shy from that responsibility.

So Wendy, stand up so we can say thanks to you and those you represent.

Also with us are Jesse Conner, Ed Radcliff and Chuck Doty.

These men represent the many employees of Oceaneering International who – after working a long day - rushed to help neighbors in South Hill when two million gallons of fertilizer - two million gallons - spewed out of a nearly four-story tank that collapsed.

They may shrug off their heroic efforts as something that happened on the job, but they weren't. As bad as this disaster was, it could have been much, much worse had it not been for their swift actions.

Please stand and accept our gratitude and thanks for your bravery and selfless acts.

I might add that I could use the same words I've already spoken to describe countless organizations and volunteers who step up to meet the needs of the less fortunate.

Many of Chesapeake's faith-based institutions - our places of worship – provide everything from meals to sanctuaries from violence of all sorts. Often without prompting, they take up the slack. . . offer hope. . . and fill gaps in our city's safety net.

The unbelievable list of community organizations who have also joined in to help is so long that I'm not going to single anyone out.

These community groups continue to provide financial support and volunteers for

programs that include everything from food banks to Chesapeake's free care clinic. . . who make it possible for those in dire straits to receive the help they need.

And then there are the revenue-generators. . . our Department of Economic Development.

These are the folks who sell a great product called Chesapeake to the world and because of them, 27 new businesses now list our city on their stationery.

We've seen growth in the areas of medicine, freight transportation and defense technology, and among projects that include the retail sector.

Among the new companies are Becker-Solutions in the Riverwalk Commerce Center, Cryomax USA in Cavalier Park, FedEx Ground Package Systems in South Norfolk, Hampton Roads Security in the Greenbriar area and Luck Stone in South Norfolk. . . and we welcome them all. Together, these companies have created 309 jobs and invested over \$72 million in our city.

At the same time, 35 businesses who already have a home in Chesapeake - companies like the Children's Hospital of the King's Daughters, Electric Motor and Contracting, Elizabeth River Terminals, UrsaNav Solutions and Usui - added 299 employees and invested an additional \$43 million in our city in 2008.

But as important as it may be to attract new businesses and encourage others to expand, it's equally important to make sure we keep what we have.

On that front, Canon Information Technology Services - a company employing over 500 people who handle three million calls annually - has renewed its lease through 2017. Call, and they'll answer the phone by saying Canon ITS in Chesapeake, VA. . . and we couldn't ask for a better ad than that.

In terms of tourism, perhaps the greatest gauge of our success is that five new hotels have been added to our roster of great places to stay.

We are also creating more venues for those interested in our city and its rich history. One is the Battlefield Park and Visitors Center.

Working with the Army Corps of Engineers and the Great Bridge Battlefield and Waterways History Foundation, on May 29 we break ground on what will soon be a distinctive place for families to gather, for children and adults to learn, and a perfect place to stop as boaters transit Chesapeake on the Intracoastal Waterway.

And though occupancy rates were understandably down, these kinds of additions to what Chesapeake has to offer will go far toward ensuring that conventions and tourism remain strong and important components of Chesapeake's overall revenue picture.

In 2009, groups as varied as the Colonial Athletic Association and the Virginia Conference of the United Methodist Church will visit our city, and we hope everyone will have a pleasant stay in Chesapeake.

We appreciate these kinds of visits, the investments companies have made, and the employment opportunities they've created. . . and we are grateful for the faith you have demonstrated in Chesapeake as a great destination and a place where we can all grow and prosper.

And then there are those who often go unmentioned in speeches like these, but whose praises deserve to be sung.

They're called entrepreneurs.

These are folks who often begin with little more than an idea. These are folks who are willing to sacrifice much - if not all - to turn a dream into a successful business reality.

These are folks who believe in themselves and I believe in them. . . and the 572 small businesses - each and every one - that decided to take a chance last year and open for business in Chesapeake deserve our support.

Candidly, some will succeed and some will not. But none should be criticized or condemned for trying, because believing and trying are at the heart of America's spirit.

On that score - and though the scope and the numbers are a bit larger - I want to single out another group of entrepreneurs - Figg Bridge Developers and Britton Hill Partners.

At a time when transportation budgets are suffering brutal cuts in funding – just when we thought the Jordan Bridge would be torn down and South Norfolk thought we would give up and walk away - this group saw an opportunity and seized it.

In slightly more than five weeks - from December 23 when the proposal was officially made to January 27 when City Council unanimously accepted it – we moved at warp speed to turn an offer into a done deal, and at no expense to the people of Chesapeake.

As you might expect with a \$100 million project involving a wide range of agencies, we've needed help dealing with one or two obstacles, and I'm personally grateful to our General Assembly delegation for their insight and support.

From both sides of the aisle and in both houses, our legislative leaders have stepped up to help smooth the way. With us today is Delegate John Cosgrove and I have absolutely no doubt that if we need more assistance in the future, we will have it.

Well.

If these stories don't demonstrate clearly that Chesapeake is open for business, I can't imagine what will.

As for next year, Chesapeake's story is yet to be written, but I'm reminded of a statement attributed to a British leader in 1927: "We are running out of money," he said, "so we must begin to think."

And think we have done, not only about how we can reduce expenses, but also about how we can make it easier to do business in Chesapeake.

Last year, Chesapeake began a development review process to improve our responsiveness. The deal here wasn't to reduce oversight. Instead, this was about eliminating over-regulation.

Because we were able to attract volunteers from the private sector, many of whom are here today, and because we insisted that this not become a finger-pointing session that focused on little more than who did what wrong, we're beginning to see positive results.

Time-consuming processes that were frustrating and frankly unproductive for those standing on either side of a counter have been streamlined or eliminated altogether.

Here's one small example.

It used to be that if Chesapeake lost plans you had submitted for review, you would have to replace them at your expense.

Yep. Unbelievably, the city insisted that you pay for its mistake. And until you supplied a replacement set of plans, everything would come to a halt. And in a world where time is money, that could add up to the loss of a little... but a lot of the other.

Not any more. If the city loses your plans today, we replace them at our cost.

There have been other changes.

Once it could take four weeks to go through the plan review process for a simple build-out. Now it's down to one to five days.

For more complex plans, the time it might take to work through the process has been reduced from up to two months to just two to four weeks.

In our treasurer's office, they've created a program called e-check, an online service by which taxpayers can pay a bill directly from a checking account and have future payments made automatically. It's user-friendly, and it's free.

The Commissioner of Revenue has successfully implemented a DMV Select

program to provide certain services at our City Hall location. Through the first four months, that office has helped about 3,600 people with various transactions including motor vehicle registrations and titles. They provide a convenient alternative to the full-service DMV Center on Greenbrier Parkway and save those who come to City Hall a \$5 service fee if they went elsewhere.

As for me - and no, I am not a programmer and haven't got the slightest idea how to do it, and what is Vista? - I will continue to push toward a day when most transactions we have with Chesapeake can take place by filling in a few blanks online and clicking a few buttons to send a form or pay a fee. We need to take advantage of technology and get ahead of that curve as fast as we can, and we will.

There will, of course, always be cynics who will call these kinds of improvements window dressing. They are not.

This unsolicited message was forwarded to me last month, and came from someone who lives in a neighboring city and routinely does business there.

It says, "The only interface I have with Chesapeake is working on building projects with the Neighborhood Services Department. I say that because you need to know that you have some truly outstanding employees working for Chesapeake. I don't pay you my taxes, but the quality of response, simple manners, and willingness to help is so much greater when I talk to Chesapeake that I'm amazed."

The email ends with this: "I'm not sure who's in charge in the department but please, let them know on my behalf what a great job they're doing." Today I do so publicly, because our employees' efforts demonstrate precisely what I talked about last spring.

With just a little support and encouragement, we can always turn stumbling blocks into stepping stones and obstacles into opportunities.

So what theme should chart our city's course as we enter a new era?

Confronted by a time when we know state funding will be reduced, when we know support for schools and transportation and vast array of equally pressing needs will be limited, what should we do? I think it's simple.

If ever there was a time when we must believe in ourselves, it is now.

If ever there was a time when we should be guided by what has been described as deliberate and responsible opportunism, it is now.

If ever there was a time when we should look anew at the old ways of doing business, if ever there was a time when we should craft creative and different answers if we want to move our community ahead, it is now.

More importantly, we must also recognize that these are shared responsibilities - that we can't step back simply because - before - it was someone else's job - because we are all in this together.

I have said elsewhere that Chesapeake is a city in a hurry, and we are. We are in a hurry to set the table and create opportunities, and while we cannot force others to dine with us, we can certainly make it so appealing that few would say no.

At the same time, we are also a city methodically about the business of righting wrongs. Some will be easy and some will not be so easy, and it will take time-which is usually the least abundant commodity. But if we are guided by basic principles - principles like equity and fairness - we will get the job done.

Finally - and this won't be any different from what Mayor Fraim said last month or Mayor Holley may say next month - I believe in our city and our ability to weather this storm.

As a region and as individual cities, we have already been through much together. But as much as experience may guide us, none of us has a crystal ball, and there is no way to predict what tomorrow may bring.

Will we falter? Of course. And will there be times when we make mistakes? Yes. But I hope they will always be of the head. . . and never of the heart.

What I also believe - what I also know - is that Chesapeake has an abundance of resources, the greatest of which is the spirit of the people who work and live here. And that my job, my most pressing responsibility, is to harness that spirit and energy to move our city forward.

For us, that is our blessing, but also our challenge.

But because I am confident we will take advantage of one to overcome the other, I can tell you that the state of this city - the state of our Chesapeake - is sound.

And with your help and God's grace, so it will remain.

Thank you.