

From the Mayor



Mayor Kerry J. Donley

Welcome to the City's 1998 Annual Report. Prepared by the City Manager and her staff and mailed to every home in the City, the report serves to keep our citizens informed on the activities of City government and on the key issues facing our City. I encourage you to take a few minutes to read through the report.

There is much good news to report and much of it relates to the City's healthy economy. Population growth, a surge in new commercial and housing construction, and job growth characterized Alexandria during the past year, with our population growing to 119,500 and over 890 housing units built in FY 1998.

New commercial construction added over \$206 million to the City's tax base and residential construction added another \$92 million in value. Without the value added by new development, the City's tax base would have grown by just 1% this year, requiring cuts in services and deferral of important capital projects.

Since becoming Mayor in February 1996, the Council and I have worked hard to ensure Alexandria's continued economic health. Despite a stagnant real estate tax base, our economy remains strong. Jobs have risen from 83,200 to 85,700 at the end of 1997 and our jobless rate has fallen sharply to 2.5% in June 1998.

While the health of the City's economy has improved significantly, the City's fiscal outlook remains guarded. While economic growth will provide the City with new revenues, projected expenditures for capital projects, programs and services will outpace projected revenues next year and the year after. Without sustained economic growth, the Council will face very difficult decisions regarding revenue options and maintaining current services.

These issues will likely be discussed at City Council's 1998 Annual Retreat on October 10.



Kerry J. Donley

Mayor Kerry J. Donley and City Manager Vola Lawson review construction plans at the Duke Street site of the new central library with former Mayor Charles E. Beatley, Jr., for whom the library is named. The library will open in late 1999.