

**2008 State of the City
Alexandria VA
March 26, 2008 (TC Williams)**

Live - Introduction: Mayor Euille

Greetings to members of the City Council, friends, honored guests, residents, and to those who are watching from home. I want to thank you for joining us and allowing me the great privilege of sharing with you this report on the state of our city. I also want to thank the staff and students of T.C. Williams for hosting the annual State of the City address in this wonderful building. And, I would like to ask our Council Members, my colleagues, to stand and be recognized for all of their outstanding work – Vice Mayor Del Pepper, Councilmembers Tim Lovain, Ludwig Gaines, Rob Krupicka, Paul Smedberg and Justin Wilson. And, our City Manager James K. Hartmann. I cannot think of a better place for us to be today to talk about where we are as a City and review Alexandria's 2007 accomplishments. I am proud to say that I am a graduate of the TC class of 1968. This new high school makes use of

green technology and is a modern, first-rate facility for our students and teachers. This new school truly exemplifies the opportunities we have in Alexandria. And this place represents an opportunity we made into a reality.

(Note: The Mayor will take a moment to recognize the accomplishments of T.C. Williams Basketball Team and ask the ACPS School Board to stand and be recognized)

Nonetheless, we need to advocate for higher standards of achievement at all grade levels and for early childhood education for all children. We need to ensure that all of our students have the skills required to compete in an increasingly diverse and competitive global market and close the divide in achievement that exists along lines of income, race, ethnicity and disability.

Our City also recognizes the importance of arts and recreation in the

improving lives of its residents. Alexandria’s arts community is thriving and vibrant—with activities ranging from live performances, art festivals, and awards to the City’s commitment to acquisition of public art. And the City’s support of its recreation centers, healthy activities, parks, and green spaces has resulted in Alexandria being named one of the “best walking cities in the United States,” and the Best Walking City in Virginia.

Alexandria is a great City, and our quality of life is unmatched. We are very fortunate to be in an historic, diverse City, a caring community that has enormous future potential. This upcoming year we must continue our focus on Alexandria’s youth and seniors.

“Alexandria is a vibrant, diverse, historic and beautiful City with unique neighborhoods and multiple urban villages where we take pride in our great community.”

This leads me to our theme for 2008, “Opportunities and Challenges.”

Each day brings new opportunities and challenges in our great city, and our goal is to make Alexandria an even greater city than it is today. And you know that quality of life is determined to some extent by how well you transform challenges into opportunities.

We are going to try something a little different this year. Many of you know my passion for collaboration. Instead of me just talking to you about our City, we have a video presentation so you can experience the Opportunities and Challenges in Alexandria and hear from the Members of the City Council about their thoughts on our opportunities. Our video will show you what’s happening in our City today, the progress we are making across the City, but most of all I think this film captures what is so special about Alexandria.

So, please sit back and enjoy. And, then we will have an opportunity to have a conversation about the future of our City.

VIDEO BEGINS

(Note: Introduction with Music and Title; Video Features Mayor Euille, Vice Mayor Del Pepper and all Members of the City Council)

On Camera: Mayor: The City of Alexandria, like most cities around the country, is certainly feeling the effects of a slowing economy and facing the challenge of how to balance a slowing economy with the need to provide services, programs, maintenance to our residents and attract visitors. Alexandria recently issued the 2008 real property assessments and announced that the overall value of real property in the City, including both locally assessed real property and state-assessed public service properties, has increased by \$1.37 billion, or 4.02 percent over last year. The total valuation is \$35.55 billion. We are fortunate in Alexandria to have balanced declines in the residential markets with growth in the commercial markets. But, we anticipate a slowing of

commercial growth in the future and are planning for that now. Our City government is in good financial shape.

How will Alexandria face these economic challenges in the immediate future and long-term future, to lessen the burden on our residents to pay for city services. We are fortunate in Alexandria to have new opportunities on the horizon.

On Camera: Justin Wilson: We are fortunate to have a great opportunity to drive high tech development in our City. The US Patent and Trademark Office located in the Carlyle area is a federal office that employs 8,000 people and continues to add new jobs to our City. And, equally important is the fact that the office drives the addition of new firms that contribute to our economy and future growth. The US Patent and Trademark Office is the center of intellectual capital and innovation in the world.

In April, the US PTO will host a trademark expo with world-renowned vendors representing a range of technology sectors. Those industries will visit our City and see first-hand the opportunities here. The City, in partnership with the Alexandria Economic Development Partnership and the Alexandria Chamber of Commerce will host Innovation in Technology Week, April 7 to 12. As part of the celebration, there will be Innovation in Technology Awards to recognize area businesses that showcase advancements in the development and application of technology. The winners of these awards will be businesses that have created an innovative technology or used technology in a creative way. Again, an exceptional opportunity to drive economic development in our City and recognize innovation. A website profiles the celebration. [www dot alextechweek dot com](http://www.alextechweek.com)

In Alexandria, we have more than 400 technology firms and 300 national associations. Our office vacancy rate is near the national average and business travel, tourism and hotel occupancy are up slightly

from last year, including the opening of two new hotels.

We have an exceptional opportunity to market the City to a growing sector of the economy.

Voice only: Mayor: We are fortunate to have many successful current and former business leaders in our city and we recently tapped them for our Economic Sustainability Work Group. That group brought forth, not only opportunities, but the path to achieve those opportunities.

The City Council held a very well attended Town Meeting on the recommendations so residents and business owners could comment on the two-year effort, which began with the City Council's Economic Summit in 2006. The recommendations will provide guidance for future City Council decisions. And, now an implementation group will proceed developing the additional detail needed to implement. The work group emphasized the need for a 50/50 balance of commercial and residential

properties in its tax base to ensure a sustainable budget. Other suggestions include increasing commercial development around Metro stations, an enhanced waterfront, and remaking Landmark Mall into a major economic center.

The recently proposed City Manager's budget provides for funding for City program expansions or additions related to improving the economic sustainability of the City by providing additional resources to better manage development, promote tourism and to increase regional consumer spending in the City. Those few increases in the budget were chosen because of the economic return on that investment for the City in the future.

We will work to attract new businesses to our development areas; provide quality development and needed transportation; preserve our historic character and open space; be sensitive to the environment; and seek community input on new development early and often throughout

the development review.

On camera: Ludwig Gaines: April's opening of National Harbor presents a new and exciting opportunity for our City. In a few short weeks we'll welcome visitors eager to enjoy and explore Alexandria.

From her historic charm, unique shops and businesses, engaging arts and attractions, great restaurants, local and national treasures, Alexandria is a perfect complement to the new National Harbor.

A master planned 300-acre, mixed-use development on the Potomac, National Harbor includes five hotels, and the Gaylord National Resort and Convention Center.

The opportunity to share our historic City, as well as positively impact our bottom-line, is obvious. And we've been hard at work planning and preparing to make the most of this opportunity.

We've monitored developments closely, coordinated efforts between multiple City departments, and solicited important community input. Input that has helped shape policy.

In response to recommendations of the National Harbor Collaborative Work Group, Council approved over 1.3 million dollars in preparatory funding.

Council has: approved expanded visitor marketing; authorized improvements to the City Marina; enhanced lighting, way finding and signage, and pedestrian amenities and security; augmented an array of new heritage services and living history programs; expanded outreach to and support of our local business and retail, and, approved brand new, exciting and free water taxi service connecting National Harbor to Old Town and new, exciting and free King Street trolley service connecting the river to the rails.

Indeed, company is coming and we are excited, and we're saying welcome to our historic jewel on the Potomac.

Voice only: Mayor: Our infrastructure, particularly transportation poses long-term issues with expansion, maintenance, improvement. Our success with transportation will affect our future economic development and sustainability. Our City staff recognizes the fact that maintenance of our transportation is critical and has to be maintained, not only to save money over the long term, but also to ensure the connectivity of residents within the City. And even though **new** transportation, maintenance and expansion of transportation pose financial and planning challenges, we certainly have opportunities.

On Camera: Tim Lovain: As we all know, transportation has a tremendous effect on our quality of life. Our region has one of the worst congestion problems in the nation. All that time sitting in traffic means less productivity at work and less time at home with our families. We are working on several fronts, across many transportation modes, to address our transportation challenges.

Completion of the Wilson Bridge Project and construction of the new I-95/395 HOV/HOT Lane Project will hopefully keep more through traffic on the interstate highways where it belongs rather than on Alexandria streets.

We recently approved an update to Alexandria's Transportation Master Plan that focuses on high-capacity transit as the principal solution to our City's transportation problems. Construction will begin soon on the new Potomac Yard transit way project. We are also committed to reducing traffic in Alexandria through more transit-oriented development around our Metro stations and by making Alexandria friendlier to pedestrians and bicyclists.

We are also working to better maintain and improve our City streets, for example, by repaving King and Washington Streets and reconstructing Edsall Road and Madison and Montgomery Streets. And, a new water taxi will begin operating between National Harbor and Old Town this

April.

Our transportation challenges are daunting, but we are committed to providing transportation solutions to Alexandrians that will increase mobility while protecting our neighborhoods and quality of life.

Voice only: Mayor: Housing, education, public safety certainly pose challenges in communities across the country. In Alexandria we have tremendous opportunity and the capacity for innovation. Our Police Department does an outstanding job. Under the leadership of Police Chief Dave Baker, the Department implemented a new Strategic Response System that quickly identifies and addresses emerging crime issues and trends. Further, the Police Department reports that in 2007 serious crime increased only by 11 offenses over 2006. This less than 1% increase was caused primarily by a rise in thefts from automobiles, which all of us can assist the Police Department in decreasing.

Alexandria is a safe city, and our continued partnership with the Police

Department serves to continue the quality of life for all of our residents.

Our Sheriff Dana Lawhorne works closely with Police Chief Baker to ensure cooperation and collaboration between the Departments.

Fire Chief Adam Thiel does an equally outstanding job in our City.

Public Safety is always among the challenges a community faces but our strength in leadership in these areas provides Alexandria with a strong foundation upon which we have the opportunity to test innovation and ensure continuous improvement.

On camera: Paul Smedberg: We are fortunate to have an opportunity to develop a very unique project in our city. The Station at Potomac Yard is a unique development that has been recognized nationally for its public-private partnership. Together with developers and builders Centex and Pulte, now Potomac Yard Development, our City will have its first new fire station in thirty years. In addition, the City will add 64

units of housing, 20 for workforce housing and 44 for affordable housing above the four-bay station. The Station at Potomac Yard will be the first newly constructed fire station in the United States to combine a fire station, affordable housing and retail in a single mixed-use building.

Potomac Yard also led to improved transportation. The \$45 million Monroe Avenue Bridge is funded entirely by Pulte/Centex. The new bridge and the Potomac Yard development will transform the Jefferson Davis Highway corridor of Alexandria, a former rail yard.

The City received an award from the US Conference of Mayors for the innovative and collaborative public-private partnership and an award from the National Capital Area Chapter of the American Planning Association for the design of The Station at Potomac Yard.

This unique collaboration is slated to open in 2009 and was a complete innovation that allows the developers and the city to use scarce public

land in an efficient and effective way to meet the needs of the community. As communities in our metropolitan region increasingly face the challenge of providing affordable housing, The Station at Potomac Yard, has led the way with a new approach. Public facilities can be a creative solution for addressing the challenge of providing affordable housing.

Voice only: Mayor: We certainly cannot talk about challenges and opportunities and not mention our youth and our Schools. Our youth are the future of this City. Our budget is not only a reflection of the values we have as a community but the value we place in the future for the children in this community. Alexandria was recognized as one of America's 100 Best Communities for Young People in 2007 and 2008 by the national child advocacy group America's Promise Alliance. The award recognized the strong partnerships between the City, the Alexandria City Public Schools and non-profit groups. Of all the awards we receive, this is one that means we are doing what we should be doing

for our youth.

We need to help our youth succeed and give their families the support that they need. We are committed to early childhood education, before and after school and healthy families programs that ensure that our children and their families are safe and healthy. While Alexandria does not have a major gang problem, the City is making an all out effort to ensure that gang prevention and intervention programs are available and that parents are educated about gang activity.

While we are doing many things right for our youth, there is always a challenge and one of the ways we can turn this challenge into an opportunity is through community engagement. I ask you all to consider increasing your participation in volunteer activities. The Alexandria City Public Schools staff and elected leadership are doing an outstanding job. Recently, the Schools hosted a public forum with the City, entitled Community and Schools: Forging New Partnerships to Advance

Education. The community participated and we discussed dropout prevention, academic excellence, youth development and learning development during the first five years in a child's life.

I know I was inspired at the forum and I hope many of you will be.

There are so many areas in which you can contribute your time and expertise to make a difference in a life, and in the life of our community.

Imagine what Alexandria would be like if each of us contributed an hour a week to a program or project in our city. You have that chance during

April's *Spring for Alexandria*, sponsored by the Alexandria Volunteer

Bureau, the Alexandria Community Trust, the City of Alexandria,

Alexandria City Public Schools, and the Alexandria Chamber of

Commerce.

On Camera: Mayor: Certainly our city, region, state, nation and world face tremendous challenges that are without boundaries for a City or

County. Energy consumption, water and air quality, preservation of open space are a few such challenges. Stewardship of our environment is important now and will be critical to the world we leave our children. We are all keenly aware of limited natural resources, the need and desire to conserve precious resources, and the goal to plan and develop in ways that preserve.

On Camera: Rob Krupicka: The City of Alexandria is committed to building an environmentally and socially sustainable city. We are committed to meet or beat the Kyoto Protocol greenhouse gas reduction targets through the use of local land use planning, urban forest restoration, public outreach campaign, emissions inventory, and other greenhouse gas reduction strategies. We are fortunate that we have been engaged since 1998 when City officials and community leaders engaged in a collaborative process to produce Alexandria's first environmental strategic action plan.

And now, *Eco-City Alexandria*, the next phase of our efforts, will address environmental issues that have emerged since 1998. These issues include climate change, rising energy costs, aging stormwater infrastructure, Chesapeake Bay watershed protection, recycling, and green building design.

Recently, our City was recognized in Popular Science's list of green cities. The Sierra Club has recognized the City of Alexandria as a "Cool City." Alexandria is keeping the commitment of environmental sustainability and has implemented many notable programs and plans.

- Cora Kelly Magnet Elementary School Green Roof project
- reduction of energy consumption in City buildings
- the use of hybrids in the City's fleet.
- open space planning
- sustainable transportation options such as bicycle trails and commute trip reduction programs.

-and many, many more programs

What do we plan next? Using our complete documentation of all City environmental policies, plans, and programs, the City plans to develop an environmental charter outlining the City's environmental vision and principles; draft an environmental action plan for the City; and facilitate an Environmental Summit. Our Environmental Summit is scheduled for May 10 and will be a public forum for residents to comment.

Another opportunity our City has made into a reality and continues to build upon for the future.

Voice Only: Mayor: With all of these issues, we cannot lose sight of the fact that we are not only a community, a city, but also part of a region. This country and this region know all too well how important it is to work together and help each other. Certainly we compete for

businesses but when there is a crisis, an emergency, we depend on each other, like neighbors should. Transportation, emergency support, environmentally sound development, health preparedness know no geographical boundaries. We will absolutely face challenges as to how to prepare for an emergency and plan for future growth. We must Be Ready Alexandria for the unexpected. Anyone can go to [www dot makeaplan dot org](http://www.makeaplan.org) so you can develop a plan for yourself and your family.

On Camera: Del Pepper: There are so many opportunities for regional cooperation among jurisdictions in Virginia and with our neighbors in Maryland and Washington, DC. I am proud we are part of the Northern Virginia Transportation Commission, the new Chesapeake Crescent, the Metropolitan Council of Governments, the Northern Virginia Regional Commission, and many other groups where we work together with other local elected officials to address regional concerns.

We all recognize the need for intergovernmental cooperation in our region. We work closely with our community members and other jurisdictions in the region to develop coordinated regional emergency plans so we are prepared for the unexpected. Large-scale health emergencies, natural disasters, transportation planning, regional economic development, preservation of shared natural resources ... these are all issues best addressed by regional cooperation. These issues have no geographic boundaries. I am proud of the leadership Alexandria has shown in the past and now to achieve all of the efficiency, effectiveness and success of being a good neighbor with other jurisdictions in this region.

As the Corporate President of the Metropolitan Washington Council of Governments, I have been able to be part of plans and actions that improve our air quality, advocates for transportation for the region and addresses human service issues. In my new role as COG President, I will be responsible for making sure that COG continues to be run in a sound,

cost-effective fashion and develops a sound work plan. COG, like the other regional groups, encourages local officials to look beyond their jurisdictional boundaries at the bigger, regional picture on these important issues. Many of our challenges in the future will be addressed as a region and as my Council colleagues have discussed today, many of our opportunities will be achieved by working together with others in the region.

On Camera: Mayor: Certainly, our City will face challenges in the days and years ahead but we have opportunities in Alexandria. We are considering our environment, our quality of life, and our relationship with the region as we go forge ahead with new development and new programs. The recognition of these values will lead us to innovation and excellence.

I am proud of our City and the opportunities we have for the future. We are a *vibrant, diverse, historic and beautiful City*. We take pride in our

City, each other and our quality of life. Alexandria is a truly special place to live, work and enjoy life.

Video ends.

LIVE -- Mayor: Closing

As you can see, our City is growing and changing. We have many opportunities now and in the future. We continue to add new and exciting development in our City. We continue to redevelop and improve areas in our City. We have an abundance of new opportunities to attract businesses, new residents, and visitors. While change is in our future, we must also preserve our history, our neighborhoods, families, and quality of life. This will require a balanced approach. And, we will certainly continue to improve our environment with eco-friendly initiatives. On the horizon, we will plan for and improve transportation, expand affordable housing opportunities, and continue our support of the

arts and recreation. And, as always, we will provide services for those in our community that need that extra support.

We have our share of challenges, but we also have tremendous opportunities to build on, develop and achieve.

I am confident that we all endeavor to retain our commitment to making sure that Alexandria is a vibrant, diverse, caring, affordable, and safe community. We live in a very special City, and we will always preserve and protect our historic properties and keep that small-town feeling.

We have an immediate challenge before us.

Last month, our City Manager, Jim Hartmann, proposed a General Fund Operating Budget and we are now meeting and reviewing that budget.

The proposed budget lays out a 3 percent increase over current spending levels and a total General Fund spending increase of about \$15 million.

That brings us to a total budget of \$535 million. The proposed budget

assumed no increase in the existing real property tax rate of 83 cents per \$100 assessed value. The City Manager also proposed an Alternative Budget to better address City needs. To fund that alternative budget would require a two-cent increase to the real estate tax rate. In addition, the Alexandria School Board requested \$1.5 million above the Alternative Budget.

Recent events are certainly challenging the proposed budget we received in February. Since the preparation of the City Manager's budget, our City tax revenues have been slipping. Also, there is a shortfall in the Commonwealth's budget, which will result in less State aid to the City. And, most recently, the negative State Supreme Court decision on Northern Virginia transportation funding has left us with a new \$16 million transportation funding gap. In total, this means we have significant budget issues that will have to be addressed.

To help us address these issues, City Council recently authorized advertisement of the maximum possible real property tax rates that we will consider. By Council action, the base real estate tax rate could be increased by up to three cents, from 83 cents to up to 86 cents. Based on new action by the General Assembly granted last year, the City Council will also consider an add-on real estate tax rate on commercial property of up to two cents. If approved, this add-on tax will be used solely for transportation projects and services. The add-on commercial property tax has been under consideration by City Council since December, when it voted to appoint a committee of residents and business owners to study the issue. This committee delivered its report to City Council this past Tuesday and recommended establishing this new tax. I am not sure if we will adopt this tax, but we will look seriously at it given our substantial transportation funding needs.

The potential change to the real property tax rate would result in the average residential tax bill increasing by up to \$68 or about 2 percent

when compared to 2007 real estate tax rates. This compares to a drop in the average residential tax bill of about 1 percent in 2007. Even if we raise the tax rate, the City's real estate tax rate would be among the lowest, if not the lowest, in Northern Virginia, as our neighboring jurisdictions are looking at tax rate increases of three cents to 26 cents.

All of us have concerns about the direction of the national and regional economy. Housing, utilities, inflation and market conditions are all volatile at this time.

How can we maintain our rate of success and prepare for new opportunities, while maintaining fiscal responsibility and ensuring the needs of our residents are met?

We are certainly incurring a loss of revenue and that manifests itself in Council assessing budget priorities and making some tough decisions, including reductions. And, in order to make those decisions, we need to

hear from you – the residents. I encourage you to attend the public hearings for the budget, which will be held at City Hall on April 14 starting at 4 p.m. The real estate tax public hearing will be held on April 22 at 7 p.m., also in City Council Chambers.

The City's Operating Budget and Capital Improvement Program are scheduled for adoption by Council on Monday, May 5.

The challenges are certainly great, but I believe that whenever we face a challenge, opportunities emerge. And I know that the Council will not face this challenge alone. The dedication and resolve of our residents is one of the City's greatest assets. The Council and I ask for your support, input, and understanding as we make the critical decisions needed to meet our challenges head on. But most importantly, we ask to hear from you about the programs and services that are important and a priority. This is your city and we need to know what you see as critical to our continued success.

I thank you for the opportunity to be here today and look forward to working with all of you. Working together we can increase the quality of life we all enjoy in Alexandria and meet any challenge that comes our way.

This City is my home and I love it. I want to see it prosper so that there will always be a brighter tomorrow for all of our residents. I know that you all share that hope, that dream, that reality for ONE Alexandria.

Thank you for attending this evening to share in our Opportunities and Challenges.

(Note: Pause--)

Now we want to hear from you. We are all committed to a community that is informed and engaged and the most important aspect of our job is to listen to you. I invite the City Council to join me up here to take your

questions and comments. Microphones are in the aisle and we will pass them around, so please don't be shy—come forward and share your thoughts.

Questions and Answers