

**State of the City**

**VMASC**

**April 24, 2008**

**3 p.m.**

**Modeling Our Future**

Hello, and welcome to the City of Suffolk.

This afternoon, I want to begin by saying what a high honor and privilege it is for me to serve as the Mayor of the City of Suffolk.

The State of the City is one of my favorite events because I get to highlight the unique and endless possibilities of our great city.

This year, I am happy to report that the State of our City is great and our prospects are even brighter.

We chose this site because I attribute much of our success to VMASC – the Virginia Modeling Analysis and Simulation Center.

This building sits in Suffolk, but it is just one part of a 32-acre technology campus called the MAST Center.

A high-tech hub for Modeling Analysis and Simulation Technology, the MAST Center straddles the Suffolk-Portsmouth city line and includes VMASC – the building where we are now – Old Dominion’s Tri-Cities Higher Education Center just to the east of us, and beyond it, an office building called MAST One.

The opening of the Tri-Cities Higher Education Center and the new VMASC headquarters this past November was just the latest expansion of our computer modeling and simulation industry devoted to research and education.

We all talk about Modeling and Simulation, but today you are going to experience it.

It’s here.

It’s real.

And it’s our future.

It all started ten years ago when we entered into an agreement with the U.S. Joint Forces Command, the Commonwealth of Virginia, and Old Dominion University.

By the way, not only is this area home for the U.S. Joint Forces Command, it also includes the Joint War Fighting Center, the Joint Technology Exploration Center, and the Joint Test and Evaluation Center.

These military commands use modeling and simulation to develop, test, and evaluate policies and procedures, refine joint training exercises, and test new equipment.

Our salute that began this program was to let everyone know that we value the large military presence in our city, and we recognize its importance to our economy.

We also salute them for the sacrifices they make both at home and abroad, and I would like to give all the members of our armed forces another round of applause.

Thank you.

The work initiated by the Joint Forces Command has attracted many other companies and businesses, which have set up shop here.

This new technology has applications beyond the military, of course.

We can use it in nearly any other field: transportation, medicine, business and education, just to name a few.

Two weeks ago, VMASC celebrated its 10th Anniversary, and this is an appropriate site to discuss the State of Our City.

In fact, it is a fitting place to discuss the state of the region.

Suffolk is not alone in the challenges it faces, and I believe that computer modeling and simulation holds the key to solving our problems.

There are many smart people in this room.  
We are all bright enough, but are we bold enough?  
If we are bold, we can model our future.

So how can we begin to shape our destiny?

VMASC believes that asking “What if?” is a good place to start.

In our own way, the City of Suffolk is following the VMASC model.

With the help of a 450-thousand-dollar grant from the State of Virginia, Suffolk and Isle of Wight County plan to ask some “what-if” questions of our own.

We will use the money to purchase a computer software package that will help us address our growing bottlenecks and congestion problems.

This sophisticated program will let planners in both localities plug in simulated data such as proposed zoning changes, development projects, and traffic volumes.

We can then develop those “what-if” scenarios and gauge how the changes would affect our infrastructure.

It will help us address the increase in rail and truck traffic generated as the import-and-export business expands at the Port of Virginia.

Because we know that

- A lot of cargo will be coming out of Norfolk and Portsmouth.
- That cargo is going to go by truck and by train.
- It is going to go east to west.
- It is going to be heading for the City of Suffolk and Isle of Wight County.

And that means we are sitting at the crossroads.

By including data on the anticipated volume of rail and highway traffic, along with proposed zoning changes, we can get a better idea of the impact and infrastructure changes.

There is no doubt that the state awarded us this grant in large part because it is a regional, cooperative venture.

Two developers already are optimistic about the positive trends for industrial growth along Route 460 and Route 58, the two primary trucking routes carrying cargo from the port.

They believe so strongly that this wave of commerce coming from the Port of Virginia will provide a big lift for Suffolk's economy that they are investing now in speculative projects.

Regional Property Development Corporation is building Virginia Regional Commerce Park at the intersection of Route 58 and Route 460.

When completed, the four-building complex will offer more than one million square feet of high quality industrial space.

Northwest of downtown Suffolk, near the intersection of Kenyon and Holland roads, the McDonald Development company is building the Virginia Commerce Center.

When it is finished, the development will have three buildings totaling one-point-three million square feet and representing a total capital investment of 60 million dollars.

Tracy White of McDonald Development is with us today. Please stand up and be recognized, Tracy.

Thank you for choosing Suffolk.

Both of the projects I mentioned will provide high quality industrial space that will set new standards of function and design not only for Suffolk but for all of Hampton Roads.

Our proximity to the port and the availability of land makes Suffolk an attractive location for industrial activity.

I would like to say to these developers and other potential investors:

We share your optimism about the continued growth and prosperity of our city.

Regional cooperation is essential if we want to model our future . . . but we must also take steps on the local level to shape our destiny.

I don't have to tell you that these are tough economic times. You in this room not only read about it in the news – you also live it daily.

No matter how you define quality of life, I think most of us will agree that having your financial house in order is the first and most important step.

As Mayor and as a representative of the people, I say that our most basic responsibility is to be accountable to taxpayers about how their dollars are spent.

Our new City Manager – Selena Cuffee-Glenn – recently submitted her proposed budget that included some bold concepts.

In just shy of three months on the job, she has presented us with a budget that will . . .

- Enhance the delivery of services
- Improve the efficiency and effectiveness of operations
- Promote a lean and responsible city government

Her budget will provide a strong foundation that will serve us well in the coming fiscal year and beyond.

Her proposal also reflects the City Council's strategic priorities and adheres to our updated financial policies.

Last year, we amended our financial policies to ensure fiscal responsibility and to safeguard taxpayer money.

In the past 18 months, Suffolk faced some financial challenges, and we took action to correct them.

This past year we initiated several changes in our financial policies and budgetary practices that will help ensure our financial health in the future.

Last year, we created a Budget Office.

This year we hired a new Finance Director.

Our budget process now includes a 5-year-forecast model to enable us to make prudent choices.

And we enhanced the line of communication to Wall Street.

During our trip to New York last October to talk to the bond rating agencies, we received a positive outlook, a sign that we are beginning to restore the agencies' trust in us.

They believe, as I do, that the existing positive trends within the city will continue.

I am extremely proud to stand before you today to tell you that Suffolk is not operating with any deficits to date this year.

This is a result of constant updates and checks and balances to make sure all expenses are on target.

Because of that renewed trust, we were able to sell 24 and a half million dollars in general obligation bonds at excellent interest rates as low as 4 percent.

Here is just a partial list of the projects paid for by those bonds that will help enhance Public Safety and the Educational and Recreational needs in our city.

- Construction of a new Police Administration Building, right across the street from our Municipal Center
- Construction of the Kings Fork Road Fire Station, which includes:
  - A new Emergency Operations Center
  - A back-up 911 Center
- Construction of the new Hill Point Elementary School, scheduled to open this fall
- Renovation of the old East Suffolk High School into the new East Suffolk Recreation Center

As you can see, we have a lot going on.

Not far from VMASC is Suffolk's largest planned development to date, Harbour View Town Center.

It promises be one of the most exciting projects in the entire Hampton Roads region.

Laid out in an urban-style grid pattern, Harbour View will include offices, hotels, condominiums, apartments, numerous restaurants, and retail space.

Harbor View Station East is just down the street from here, and you may have noticed the opening of new retail centers there.

For too many years, our citizens have had to go beyond our borders for retail needs.

This is changing.

When the new Farm Fresh opened on Bridge road, last year, it improved our quality of life.

Farm Fresh offers excellent products and service, and the new store has become a gathering place for locals in northern Suffolk.

Kohl's and Bed, Bath and Beyond are just two of the latest retailers to call Suffolk home.

Coming soon are Office Max, Harris Teeter, Pet Smart, and the Dress Barn.

And right in the heart of our high-tech corridor is a new restaurant – the River Stone Chop House – strategically located and designed to serve this high-tech corridor.

Another exciting happening in the Harbor View area is the expansion of our medical facilities.

Last year, Bon Secours Health Center opened their advanced emergency department, guaranteeing emergency care within 30 minutes.

The Bon Secours Health Center will celebrate its first anniversary in March.

And – no pun intended – Bon Secours is expanding its Surgical Weight Loss Center this year

The Center recently received the number-one ranking in Virginia for the treatment of obesity and related diseases, and it ranks in the top five percent in the nation.

Also in northern Suffolk, Sentara has announced its plans for a 20-acre medical complex they call Sentara BelleHarbour.

The first building – totaling 75 thousand square feet – will open in June.

The merger of Sentara Healthcare and Obici Hospital – creating Sentara-Obici Hospital – raised the level of health care in our community.

We recently celebrated the opening of Obici's new Ambulatory Surgery Center, a freestanding outpatient facility on Godwin Boulevard right next door to Sentara Obici.

This amazing increase in health care facilities alone makes us realize that we have come a long way in just a few short years.

I want to thank Bon Secours and Sentara for bringing their traditions of medical excellence and compassion to our city.

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

Last month, developers officially opened Montgomery Lofts – so named because the 1928 building was once the home of the Montgomery Ward store.

The transformation features 13 loft-style condominiums on the second floor, bringing new residents to Main Street.

The street level will have retail and office space.

Just down the street is the beautifully restored 1920s era marquee in front of the Jones Building, which used to house the Chadwick Theater.

Again, the upper floors have beautiful condominiums and apartments with retail space at street level.

To round out the picture, the Jefferson Lofts recently unveiled its upscale apartments in the restored Jefferson School.

The restoration is a wonderful neighbor for the Suffolk Center for Cultural Arts, which itself is a restoration of the old Suffolk High School.

While we are speaking of the arts, I want to go on record that we are looking to cultivate a partnership between the public and private sectors to support the arts.

Our intent is to promote private investment in the arts because we believe that businesses will see the benefits of investing in the cultural enrichment of our community.

We also believe in making affordable homes a reality.

Building affordable homes can be a slow process, but in Suffolk, we recently took a giant stride forward.

Two weeks ago, the City Council approved some changes in our zoning requirements and our Comprehensive plan that will allow the construction of a new Health and Human Services Building on the Fairgrounds property.

This building will give the boost we need to get the residential piece of the Fairgrounds project off the ground.

The Fairgrounds will offer affordable homes in a new downtown neighborhood with a mix of housing types.

With the Health and Human Services Building as a catalyst, I believe this project will finally move from conception to reality.

I am happy to report that the City Council also voted to allocate 280 thousand dollars to buy some property in the North Suffolk neighborhood of Huntersville.

The South Hampton Roads Habitat for Humanity needed the land for the 2008 Home Builders Blitz.

Knowing that the Blitz would not become a reality until Habitat had land to build on, I simply reminded everyone:

“If we didn’t give the dirt, we wouldn’t get the Blitz.”

The Building Blitz will help us increase the stock of affordable housing quickly, and it will revitalize the Huntersville neighborhood.

Our Blitz – titled “Sweet Sixteen” – is Habitat’s biggest blitz in the nation.

We still need donations and volunteers, and I look forward to seeing all of you the week of June 2.

As you can see, the City Council remains committed to providing affordable housing for our workforce.

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

The new North Suffolk Library 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.

The numbers from this past year show that this was a successful investment for everyone.

Our vibrant villages make Suffolk unique.

We have events like Whaleyville Community Day, the Holland Ruritan Founder's Day, and the Driver Days celebration.

All of these events foster and celebrate civic pride in our community.

In March, we held the first Chili Fest at Bennetts Creek Park.

Sponsored by our SERTOMA clubs and the Department of Parks and Recreation, this national cook-off provided some welcome heat on a blustery spring day.

We look forward to making this a yearly event.

During the week of May 18th through the 24th, we will hold our first Restaurant Week in Suffolk.

We hope you will join us for a premier dining experience at one of the 11 restaurants participating in this event.

In September, we will hold our second Taste of Suffolk festival in downtown, celebrating our 400-year history.

Three weeks ago, our new Farmers' Market opened in the old Epps Building at 162 South Main Street in downtown. It has a new name – the Suffolk City Market and Country Store – and it has new hours. The new Farmers' Market will open at 9 a.m. every day but Sunday.

Neighborhood and village revitalization is still important to us, and we continue to evaluate our plans to produce the best results.

In today's economy, we are focusing on needs.

In addition, we have always valued education and invested in providing a quality education for our children.

For the last several years, we have built almost one school every other year, and we have funded our first Magnet School for technology.

I will have more to say about the Magnet School a bit later.

We have beautiful parks and open spaces and waterways for recreation of all kinds.

We sometimes forget just how large Suffolk is. At 430 square miles, we are the largest city in the Commonwealth.

I see it as one great city, but in many ways, we have maintained the character of smaller towns.

As large as it is, Suffolk is fortunate to have so many residents who are actively engaged in community affairs.

We on the Suffolk City Council have the opportunity to listen to our constituents about a variety of issues.

For example, a topic of discussion for many years has been the direct election of the Mayor.

When I came on Council in 2000, a task force was working through various scenarios of how it could work, but somehow it never came to be.

I am particularly proud that we once again tackled the issue and took it to the General Assembly for the needed Charter change.

A special “thank you” goes to Senator Fred Quayle and Delegate Chris Jones for carrying this special legislation on the city’s behalf.

When voters in Suffolk go to the polls this fall, it will be the first time that they will cast their ballots for their Mayor.

And for my favorite subject – once again, even with the economic downturn – Suffolk saw Economic Development continue on a fast pace in 2007.

We are not only Rockin’ – We are Rollin’!

We saw more than 165 million dollars in proposed capital investment and the creation of almost 12 hundred new jobs.

Best of all, those new jobs and capital investments came from a variety of sources and not just one particular business field.

I have already mentioned some of the developments underway.

Others include the project by Challenger Development. Challenger broke ground for the new Suffolk Commerce Center last December.

This office and warehouse condominium at Suffolk Industrial Park just south of downtown will offer small businesses the opportunity to buy a facility they can own.

Buying light industrial space can reduce costs and increase values for small businesses, a concept that is gaining wider acceptance across our area.

Unilever Lipton and Vitex Packaging are innovators in their fields.

Both companies call Suffolk home, and both recently expanded their operations.

In November of last year, Unilever announced its plans to develop a new tea stick for Lipton.

The company's newest tea product is "Lipton-To-Go-Stix," a zero-calorie, sugar-free iced tea mix in convenient packets.

The development of this product means 3 point 4 million dollars in investment for new equipment and the creation of eight new jobs for Lipton.

Vitex Packaging is adding 10 thousand square feet of production and warehouse space, creating about 15

manufacturing jobs. The company already employs 140 people locally.

DLBA Robotics plans to begin construction later this year on its new office and manufacturing building at Suffolk Industrial Park.

DLBA Robotics uses a system with computer-controlled robots to mill very large patterns and molds. The technology is not new, but it is unique in the machine tooling industry.

The computer modeling and simulation industry continues to grow, and with it, the technology corridor we affectionately call “SIM CITY.”

Nowhere is that more evident than here at VMASC.

As I mentioned earlier, VMASC is part of the MAST Center, a co-operative, regional venture in the true sense of that phrase.

ODU selected this site – which straddles the city line between Suffolk and Portsmouth – because of the cooperation between the two cities.

VMASC is at the heart of this research and education campus, which is a focal point for modeling and simulation

with applications for the military, education, medicine, transportation, business, and more.

Since its beginning 10 years ago, VMASC has grown so that it currently is the home base for more than 100 Masters and Doctoral students.

Already recognized as one of the dominant academic institutions in the modeling and simulation area, ODU now offers a wide variety of graduate and undergraduate programs at its new Tri-Cities Higher Education Center.

All of us had a vision when this started, but none of us envisioned what an economic engine it would become.

A catalyst for job growth, modeling and simulation in Hampton Roads is now a 400-million-dollar industry employing more than 4 thousand people, and Suffolk is at the heart of it.

During that growth, we have become one of the top centers for modeling and simulation in the nation.

Our goal is to be the top center in the nation.

If we are to obtain that goal, it is imperative that funding continue to flow to support the modeling and simulation industry.

In the beginning, I mentioned the U.S. Joint Forces Command, the Joint War Fighting Center, the Joint Technology Exploration Center, and the Joint Test and Evaluation Center.

What I didn't say is that these military centers are known by their acronyms.

For instance, just three weeks ago on April 4, I attended the ribbon cutting for the Joint Forces Intelligence Lab.

The Joint Intelligence Lab (JIL) will focus on improving intelligence capabilities and supporting the integration of intelligence, operations, and plans.

For our sake, I hope the acronyms just keep coming.

These military commands use modeling and simulation to develop, test, and evaluate policies and procedures, refine joint training exercises, and test new equipment.

Each day, they continue to enhance our military capabilities and keep our world more secure.

And these days there is no such thing as conventional warfare.

Other companies and businesses have followed the groundwork laid by the military and set up their own centers for modeling and simulation.

A few of those companies include:

- Lockheed-Martin
- Northrop Grumman
- Raytheon
- General Dynamics
- EchoStorm
- Alion Science and Technology
- MITRE Corporation

Two new firms – Applied Research Associates Inc. (ARA) and Atmospheric and Environmental Research, Inc. (AER) – recently added their names to the list.

That is quite an impressive list, and it is not a complete one. Many other companies are part of the effort as well.

We have certainly come a long way in a short time, and we have reaped the benefits, both directly and indirectly.

You remember that I said that VMASC is part of the complex called the MAST Center.

By the way, that's another acronym I can embrace.

The MAST Center is more than just a collaboration of the two cities and ODU.

This project required the cooperation of many individuals in both the public and private sectors.

I would especially like to thank members of the Suffolk School Board for their vision and contribution.

Remember when I mentioned the Magnet School earlier?

Well, in concert with ODU and Tidewater Community College, the School Board provided the money that helped the new Suffolk Magnet School for Technology get off the ground and become part of this project.

There are too many people to thank everyone today, but I want to send a special thanks to a few of them on the national, state, and local level, including

Congressman Randy Forbes

Governor Tim Kaine  
Former Governor Mark Warner  
State Senators Fred Quayle and Louise Lucas  
State Delegates Lionell Spruill, Johnny Joannou, and  
Chris Jones  
And Dana Dickens of the Hampton Roads Partnership  
Thank you, one and all, for your continued support  
throughout the years.

The MAST Center is a partnership between The Terry Peterson Companies and HL Development.

With us today is John Peterson the third. John, please stand up and take a bow.

These companies worked in collaboration with VMASC, ODU, and the cities of Portsmouth and Suffolk to promote education and the Modeling and Simulation industry.

The Mast Center is a component of a large mixed-use community called Hampton Roads Crossing.

Covering 150 acres, the development will include offices, hotels, a retail center, and 600 new homes.

Built to support the modeling and simulation industry, Hampton Roads Crossing will offer opportunities for people who want to live close to the places they work.

This complex will solidify this region as the nexus for sophisticated computer exercises for both military and commercial applications.

Despite tighter economic times across the nation and around the world, Suffolk will have another successful year in 2008 because we have several projects already in the works.

I am pleased to announce today that Boeing Integrated Defense Systems plans to open a global experimentation center in Suffolk.

The center will facilitate collaboration with its customers by using computer modeling and simulation.

Boeing has leased 7,500 square feet at the Bridgeway Technology Center Three for its multi-million dollar, state-of-the-art experimentation center.

The Center will have the capability to tie in others to its “virtual” world through a network of computers.

This new investment will directly support the three-year Cooperative Research and Development Agreement between Boeing and the U.S. Joint Forces Command.

Boeing’s Center will analyze current, emerging, and future joint warfighting concepts and capabilities in concert with the Joint Innovation and Experimentation Directorate.

In addition, the center will support live, virtual, and constructive experiments to analyze proposed concepts and their capabilities for the U.S. Department of Defense and other government facilities located in the Hampton Roads region.

A unit of the Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions.

With headquarters in St. Louis, Boeing Integrated Defense Systems is a 32-point-1-billion dollar business with 71,000 employees worldwide.

The Center should be up and running in the fall of this year, and the work it does will improve the security of our country.

At this time, I would like to introduce Boeing executives Don Zinn and John Ventimiglia.

Thank you for having the faith and confidence to invest in Suffolk.

I am also very pleased to announce today that ProLogis and Venture Partners have purchased 150 acres at Northgate Commerce Park.

Under their master plan, they will develop seven new multi-tenant industrial buildings totaling over two million square feet.

The first phase will begin this fall with the construction of 640,000 square feet.

This speculative development will offer opportunities for many new companies to locate in our City.

ProLogis is the world's largest owner, manager, and developer of industrial facilities with operations in 118 markets around the globe.

With headquarters in Denver, the company has 36 billion dollars in assets and owns more than 2,700 properties.

We are certainly glad to be joining a portfolio with such a wealth of experience.

Suffolk continues to grow, and we embrace our new life styles and new citizens while honoring the values and traditions of our past.

We continue our restoration of downtown.

To the south and the west, we strive to maintain our rural character and our heritage.

We have northern Suffolk growing as planned with its high-tech corridor.

Earlier I mentioned the state grant that will fund the multi-modal, multi-jurisdictional study by Suffolk and Isle of Wight County. We plan to use a computer program to model transportation and land-use issues.

We can apply the model across the Commonwealth because the state will own the study and the computer program when we finish.

Today, I am calling on our legislative delegation from Hampton Roads to build on this study initiated by Suffolk and Isle of Wight and to come together on the issue of impact fees for transportation.

I have already asked our City Manager to initiate conversations with Chesapeake and our other sister cities on this issue.

It is my hope that we can go to Richmond in a united fashion.

And we can use this valuable tool – this technology available right here – to analyze which road or tunnel or bridge or rail improvement will do the most good as we look to relieve choke points and keep traffic moving.

I am issuing a call to all elected leaders and appointed administrators in every community to join this effort.

The technology is here . . . and using it will help us build the unity we need to solve the region's transportation challenges.

We need the support of those in Richmond – and with that support, this region and our state will attract even more development, and we will continue to grow and to prosper in a strategic way.

So in summary – Suffolk is prepared to meet its challenges and accept its opportunities.

Through prudent planning, fiscal restraint, and a continuation of attracting the best economic development – thereby ensuring our job base – we will not only weather any downturns, but will continue to grow and prosper.

As I so often say: “Suffolk is open for business, both large and small.”

As I travel through this great city, it is evident that we are growing by choice and not by chance, and the quality of our business community is a source of great pride.

At night, I look over and see the bright lights of this beautiful campus – our beacon of the future.

That beacon can help us keep our focus.

It reminds us that we can shape our own destiny . . .

And we will model our future.