

STATE OF THE CITY ADDRESS

MAYOR JON COSTAS
Valparaiso, Indiana
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Chamber Members, Elected Officials, Honored Guests and Proud Citizens of Valparaiso:

It's hard to believe that this is my fourth state of the city address. It seems like yesterday when I first stood before you to express my vision for this great city. Much has changed since then. In fact, change is all around us. Will Rogers once said "Everything is changing. People are taking their comedians seriously and the politicians as a joke."

As mayor, I have the privilege of seeing our community up close and from many angles. It is indeed an extraordinary city filled with remarkable people.

Great communities like Valparaiso don't just happen. They are built by the efforts of many talented, dedicated and visionary citizens, who are willing to plan and sacrifice in order to leave their children a better city than they inherited. Valpo has more than its share of community heroes – leaders who blaze a trail of progress and lift the city to a higher plane.

Recently, we said a final goodbye to two men to whom our residents owe a great deal of gratitude and respect. Both men worked tirelessly, and without fanfare, to improve our city and each left their own unique mark. Fred Kruger, former dean of the Valparaiso University School of Engineering, served on the Valparaiso City Council for six terms. That's 24 years of late night calls about flooded basements and potholes. But Fred didn't just serve, he did so with distinction. He was the voice of common sense and reason on the council and before any major idea was seriously considered, someone would always say "what does Fred think about it?" For many years Fred met every Saturday morning with our legendary past Street Superintendent Don Hovey, to make sure our roadways were clear and the equipment was working well. Even the years Fred did not serve on the city council, he was unofficially the eighth member of the council, and his influence will continue long after his passing.

Those with whom I work closely often hear me preface a need to act by saying "Life is short". Because life *is* short, we should be motivated to live boldly, take risks and fight for the ideals and values that really matter. Soren Kirkegard said "to risk is to lose one's foothold for a while, but to fail to risk is to lose one's life forever." These words remind me of Walt Reiner, retired VU professor and founder of Project Neighbors, Hilltop Community House and Hilltop Health Center. Walt was a maverick who believed that talk was cheap and actions really mattered. He helped provide decent housing for hundreds of Valparaiso residents and his efforts have literally transformed the Hilltop

neighborhood. I remember the first time I got “roped” into one of Walt’s projects. I remember leaving the meeting wondering how in the world I was going to deliver on the commitment of time and resources I just made. But even though I felt my pocket had been picked I knew it was for an important cause. And in time I came to look forward to regular “fleecings” by Walt. We will all certainly miss his audacity and compassion.

Interestingly, Fred and Walt were next door neighbors for many years and both were closely associated with the university. While their styles were markedly different, they were united by their commitment to living well and serving their community. We are honored to have with us today the spouses and lifelong companions of Walt and Fred, Lois Reiner and Esther Kruger. These two lovely, gracious and talented women were full partners in the accomplishments of their husbands. Please join me as we show our appreciation to the Kruger and Reiner families here today.

Perhaps the two most central principles of my administration have been “The Power of a Plan” and “Invest in Infrastructure.” I remember my first boss reminding me over and over to “plan your work and work your plan.” Simple yet profound advice. A strong plan creates a unified vision and common purpose. The city’s strategic plan brought together my administration, the city council and clerk treasurer, our various boards and commissions and our citizens by clearly defining what needed to be done. Thus, our energy was directed not at constantly revisiting what should be accomplished, but rather on *how* to accomplish the plan goals.

Many people like the changes they see and the many improvements we have made over the last three years, but wonder how we are paying for them. They say “Show me the money!” Well the good news is that most of it comes from outside our county. Over the last three years we have fought to bring your tax dollars back home by aggressively seeking federal and state funds to invest in our city.

Another great benefit of having a plan is that it makes it much easier to secure state and federal grants. Governments fund established plans not just good ideas or wishful thinking. Our strategic plan and a desire to seek every available grant that furthers our plan have resulted in my administration receiving an unprecedented amount of state and federal grants to invest in our city. In fact, over the last three years we have been awarded just under \$16 Million in state and federal funds to pay for projects that are currently under construction or planned to begin in the next several years. Now \$16 million may not seem like a lot of money to Bill Gates, but it will make a dramatic difference in our city by funding important projects like our roundabout, downtown streetscape, sewer improvements, traffic signals and pathways. \$16 Million is about \$600 per resident and exceeds our general fund revenues for an entire year. Indeed, the only thing I like better than investing in our city is doing it with money from Washington and Indianapolis.

Three years ago I stood before you and talked about the future - about problems we needed to face and opportunities we should explore. It was a windshield report; it looked

out into the future. Today, however, its time to first glance into the review mirror in order to take stock of what we've accomplished since January, 2004.

One of these rear-view looks is at the road itself: Our Road Recovery Plan reversed years of under funded road repair and is making for smooth driving all over town. Previously, we were spending about 17% of what is necessary to resurface our roads on a 15-year rotation. Therefore we were on a 42- year rotation, and we all know roads do no last 42 years before they need repair. We solved the problem and have paved over 26 miles of roads in the last three years. By the end of 2007, we will have paved about 40 miles – almost one-third of our city roads. The American Association of Civil Engineers estimates that Indiana residents pay an extra \$258 per year in car repairs due to poor road conditions. Not only are our roads more pleasant to drive, but our citizens are saving money with fewer car repairs.

Another mile in our journey has been in Redevelopment. The redevelopment of three key areas of the city has been a major undertaking. We all know its easier to build new than to renovate what has declined through age. However, no matter how much new growth occurs, it is essential to reinvent and improve declining areas in a city. You are only as strong as your weakest link. Three years ago, County Seat Plaza was a blighted strip mall. Today it's being built from the ground up by the Urschel Family into a commercial lifestyle center anchored by a new \$15 Million YMCA. Three years ago our downtown streetscape was looking tired and worn and was a tripping hazard for customers. By the end of this year, the Lincolnway streetscape will be completed bringing a vibrant look to our historic downtown. Three years ago, the Eastgate area was a complex problem without a solution. With planning complete and funding in place, 2007 will bring a new roundabout, utility relocation and a projected \$30 Million in private investment; and 2008 will bring a new streetscape along Lincolnway from the roundabout to Roosevelt.

The government's role in redevelopment is planning and investing in infrastructure. When this is done effectively, the private sector responds by investing in new buildings and businesses. This not only creates more jobs and opportunities, it keeps our property taxes low. Thus, public investment, done well, yields multiples of private funds. Valparaiso is poised to reap the benefits of private investment in the near term.

Another high priority of our strategic plan is directing growth through careful planning. Valparaiso is a desirable community with great schools and a high quality of life. Not surprisingly, we are growing each year at a modest rate. Careful and thoughtful growth is beneficial for the entire city as it creates new housing opportunities and increases our tax base. The key is managing the growth so that it enhances rather than decreases our quality of life. In 2004, we created the city's first annexation plan. Our first priority was to annex undeveloped land along the borders of the city so we could manage the growth well. We worked very hard and through a series of large annexations, we increased the land mass of the city by approximately 25% and brought in a number of new subdivisions that were already receiving city utilities. Now we are in a much better position to manage the future quality of life in our city.

Have you driven the Vale Park extension yet? It's the city's most beautiful road – a two minute vacation. It was designed to minimize environmental impact and to further our pathway program. It's a safe and busy road and the pathway has quickly become a linear park enjoyed by many walkers, runners and bicyclists. It was designed in collaboration with our citizens and this process resulted in a better end product. Three years ago, this important road was just a good idea. Today it is reality.

A safe community is a strong community. In 1879, our current police station was built. In 1980, the city conducted a study which, not surprisingly, determined that the current facility was inadequate to meet our needs. It was time to stop wishing for a new station and to act on it. We considered many alternatives and chose the one that met our needs but kept the costs reasonable. This \$4M project is now underway and is designed to meet our needs well into the future. Many communities our size have spent two and three times that amount on a new police station. Our community will be proud of the Washington Street location and it will help us to keep our neighborhoods and schools safe.

Our third fire station, located on our south west side, is now under construction and will be ready for service later this year. Thanks to the foresight of Chuck Conover, Center Township Trustee, this station is being built and equipped through the use of accumulated reserves and not new tax dollars or debt. We will soon begin providing a higher level of pre hospital advanced life support care to save lives and will continue to improve our training techniques, response times and emergency protocol.

In 2006 we began the long awaited Valparaiso Street project consisting of sewer improvements and a new road and streetscape. In 2007, the second phase will begin and will complete in early 2008. Also, we will continue over the next several years to improve the streetscape along Calumet Avenue north and south of the five points intersection in a manner consistent with the improvements in front of Urschels, CSI and Harris Bank.

In the midst of progress and construction we place a high priority on respecting the environment. We have reduced our combined sewer overflows considerably in the last three years. With the help of grants from Congressman Visclosky's office, we are making progress on an aggressive plan to separate downtown sewers. In late 2006, we become one of a short list of older Indiana cities with combined sewers to receive state approval of a long term overflow plan. Also, in 2005 we built a salt storage facility to stop the salt runoff into the environment and planted just under 1,000 trees in the city over the past three years. Also, in 2006, at the urging of a city resident, Ann Kennis, we created a citizen energy task force. This task force will advise the city in matters regarding energy conservation and best practices.

Our excellent park department has been busy. We are one of a handful of cities that enacted an impact fee on new construction so that the cost of providing new parks in growing areas is not borne by current residents. We created a master plan for our

pathway system and Foundation Meadows Park and, with the help of councilman Joey Larr, Park Board President Christ Emerson, and a host of energetic neighbors, we raised \$100,000 to purchase Jesse-Pifer park. Our Fit City Initiative is motivating and equipping our citizens to live active and healthy lifestyles, and several weeks ago we kicked off a partnership with Pines Village Retirement Communities called “Elderstyle” to expand programs at Banta Center and other locations which provide holistic services to our older citizens.

Our job market and business opportunities continue to expand. In partnership with the Chamber and the VEDC, and under the direction of Charlie McGill, we have built a reputation as a great place to start and grow local businesses. Our first priority is to assist our current companies to expand, as most new jobs will come from existing businesses. The council passed eight deserving tax abatements in 2006 creating over \$28 Million in new private investment into our tax base. We are also focused on creating large “shovel ready” sites for business relocations, and have furthered our business incubation and certified technology park progress. Investment in Valparaiso is all around us and the future looks bright for our citizens and future generations.

Transportation is becoming a bigger priority with each passing day. My administration has worked hard to support the new proposed commuter rail line from Valparaiso to Chicago and completed a transit oriented conceptual plan on the south west side of our downtown area. We have been awarded a number of significant grants to create a limited route bus service in Valparaiso. Under the leadership of Councilman Chuck Williams, we anticipate the system to be up and running by fall. With fuel prices rising and more cars clogging up our roads and highways, we must think collectively and regionally about transportation for the future that is safe, convenient and economically advantageous.

In 2006 we revised and improved the city ethics ordinance and passed a reasonable non-smoking ordinance. We established the city’s first multi-site Historic district and created Project Safeway, a program designed to reduce speeding in residential areas. Since 2005, we have partnered with Porter County PACT whose clients provided over 10,000 hours of community service time to benefit our public works department. This represents a \$50,000 value to our citizens.

Under the watchful and experienced eye of our six term clerk treasurer, our city finances are strong and solid. Compared to many other communities our size we have engaged in a policy of very conservative borrowing and are in a great position to meet future needs. We have turned back to back health insurance deficits into a \$600,000 reserve in 2006 and saved \$100,000 in workers comp insurance this year due to our safety efforts. We have increased employee compensation in our plan to pay at market rates and at the same time limited hiring to help fund those increases. Like many of our business owners here today, we are constantly looking for ways to accomplish more with less. In fact, today the city has fewer full time employees than it did six years ago, despite our growth.

With all the changes, communication with our citizens is more important than ever. You may have noticed that we enhanced our expansive city website. Also, last year we started

a popular quarterly resident newsletter mailed to each home. We also began last year to host regular town hall meetings called City Talk Live to share direction and get input from our residents. I invite you to attend our next City Talk Live next Wednesday, January 17th at Flint Lake School beginning at 6:30 p.m.

There are so many other accomplishments and goals I wish I had time to share with you. But to do so would keep me here until the Cubs win the pennant. We have compiled a list of some of the more notable city accomplishments for you to take home today, but I encourage you to visit our city website for a more comprehensive list.

In 2003, I promised to bring “New Ideas and More Energy” to city government. While that has occurred, there is something even more powerful than energy and that’s synergy. When good people work toward a united goal, anything can be achieved. Our progress is the result of many talented and dedicated city leaders working overtime to get things done. We strive to deliver government at the speed of business.

I feel privileged to work with the people that lead this city. Sharon Swihart has served as your clerk treasurer for 24 years and let me tell you, she runs a tight ship. Your city council team is extraordinary: hardworking, positive and dedicated. Bill Hanna is an effective city administrator and Stu Summers ably leads our redevelopment efforts. Our city Leadership Team is incredibly talented and motivated. In addition, many of our citizens serve faithfully on city boards and commissions. Great people implementing an effective plan always results in progress.

We will continue to plan our work and work our plan and let our actions speak the loudest. Progress through effective planning and investing in our great city will yield a better life for our children and grandchildren. It is our duty and it is our privilege to leave them a city they, too, will be proud to call home.

Exciting days and wonderful opportunities lie ahead for Valparaiso. Let us act boldly and make choices that will stand the test of time and be a gift to the next generation.

Thank you for being here today. God Bless you and this great city.