

2007 State of the County Address



**Joseph P. McNamara, Chairman
Roanoke County Board of Supervisors
Tuesday, November 27, 2007
Holiday Inn Tanglewood**

“Making Things Happen in 2007”

INTRODUCTION

Thank you for taking the time to be here this morning. When I delivered the State of the County address four years ago, the underlying theme was “Sowing the Seeds of Regionalism.” I talked about our success in reaching out to our neighbors, officials, and staff in other localities. I talked about the involvement of the area’s many colleges and universities and the invaluable leadership provided by the valley’s business community.

I am happy to report that the seeds of cooperation we planted with the creation of the Western Virginia Water Authority continue to bear fruit. Roanoke County has just finalized an agreement with Franklin County and the Water Authority to expand a water line into Franklin County. This begins a partnership that could eventually see membership in the Authority grow beyond the Roanoke Valley.

We are moving ahead on a number of other regional initiatives. Construction of the \$120 million dollar Regional Jail is currently underway, representing a

partnership of Roanoke County, Franklin County, Montgomery County, and the City of Salem.

Overall, we are widening our notion of ‘the region’ beyond the confines of our valley, partnering with surrounding counties on important projects and changing the way we think about the future of this entire part of the state.

And even as we do this, we continue to maintain significant coordination, support, and cooperative programs between the valley’s Parks & Recreation, Libraries, and Public Safety departments.

While this list of ongoing regional efforts is impressive, it represents only a portion of the activity during what has been a very busy, productive, and successful year in Roanoke County. We entered the year knowing that we wanted to move forward on a variety of initiatives that would maintain our record of success in economic development, meet our growing infrastructure and capital needs head on, and advance the quality of life available to our citizens.

I am pleased to share with you today a number of these accomplishments, and I am delighted to be joined by Ms. Marion Roark, Chairman of the Roanoke County School Board, who will update us on the accomplishments of the county school system.

ECONOMIC DEVELOPMENT

Our successes in economic development are paramount to our health as a community. Over the past 15 years, the United States, the Commonwealth, and southwestern Virginia have lost countless manufacturing jobs to Mexico, Southeast Asia, and Eastern Europe. We have had to rethink our economic development approach to target high tech manufacturing and knowledge-based companies where we have scale and the ability to compete. I am pleased to

share with you that Roanoke County is continuing to break records. In Fiscal Year 2007, Roanoke County recorded \$53 million in new commercial and industrial investment and another \$84 million in residential investment. That's a combined \$137 million in new commercial, industrial and residential investment. Those are truly impressive numbers. And I haven't even touched on the number of new jobs we've recorded. In Roanoke County, yes Roanoke County, the total number of net new jobs for Fiscal Year 2007 topped nearly 2000. In terms of job creation, percentage wise, Roanoke County is actually outpacing the state three to one.

To give but a few examples: This year, Tecton Products, the world's largest manufacturer of thin wall complex shape pultrusions, moved into a new 73,000 square foot facility in our Center for Research and Technology. Tecton's Roanoke County location will employ approximately 150 individuals. This is the company's first east coast manufacturing facility and will provide distribution to the east coast and beyond. Tecton is currently collaborating on research and development projects with Virginia Tech which will position the company to be an industry leader for years to come.

But Tecton isn't the only success story: Mennel Milling, VA Air Distributors and Packaging Corporation of America have all recently located to Roanoke County and are making significant new investments in manufacturing and distribution facilities here. Existing companies, such as New Millennium Steel, Plastics One, Sunapsys, and BSC Ventures have announced significant expansion of their Roanoke County presence. All of these firms represent the 'new economy', driven by technology and committed to the efficient delivery of goods and services.

While recruiting and retaining technology-driven manufacturing is a top priority, the County is also working to expand available commercial sites and attract high-end retail development. Gander Mountain, a leading specialty retailer that serves

the needs of the outdoor lifestyle enthusiast, has begun development for a 58,000 square foot facility which will be joined by a 19,000 square foot Camping World store and high-end “R-V” Sales Center. These businesses will anchor a destination retail center and will help to promote outdoor tourism and recreation in the valley.

Adding to this, Kroger is constructing a \$22 million mixed use retail development that will also provide commercial sites for future retail growth in the Route 460 East corridor. These announcements underscore the retail health of Roanoke County, which has seen nearly double digit growth in local sales tax revenues in recent years.

SIGNIFICANT COUNTY PROJECTS

As we continue to expand our economic base this year, we have also taken care to meet growing capital needs and build our infrastructure for the future. We remain mindful of our responsibilities to ensure public safety and to promote the quality of life desired by our citizens and required by our most competitive economic development prospects. This year, we have moved forward on a number of important capital projects:

North County Fire Station

Calls for rescue and fire service in Roanoke County increase yearly. Our station in Hollins is the biggest and busiest of Roanoke’s twelve Fire and Rescue stations. In this situation, though, ‘bigger’ is not ‘better’. In 2006, more than 900 calls for assistance in the North County area had to be answered by other stations, resulting in a rippling effect on service throughout the county and slower response times. Building a new station in North County will allow us to respond quicker to emergencies, better serving the citizens who are most in need of

immediate assistance. The North County station is scheduled to open in Spring 2009.

South County Library

The educational attainments of our citizens, the quality of our public school system, and our commitment to life-long learning have each been key factors in our economic development successes. Our library system has been an equal partner in that success. Currently, Roanoke County's 419 Library is one of the busiest libraries west of Richmond. Built in 1972, and with limited opportunities for on-site expansion, we have embarked on the development of a new 21st Century library to meet the needs of our community. This facility will include an auditorium for community based programming, a large computer lab, meeting rooms, and expanded sections for fiction, non-fiction, audio-visual materials, and reference. We will master-plan the development site to include walking trails and educational opportunities in the surrounding wetlands.

Multi-Generational Recreation Center

Continuing the county's commitment to quality of life -- in early 2010, Roanoke County will open the doors to its first Multi-Generational Recreation Center.

While I did not support funding for this project, I have every confidence that it will be developed and operated in a manner in which all Roanoke Valley residents will be proud. I am also happy to report that we have been approached by a steady stream of economic development prospects who want to explore possible locations in this new corporate park. Now I could share with you all that the 90,000 square foot facility will have to offer, but I thought you might take away more if we took a couple of minutes to show you.

Video

On each of your tables you'll find a brochure with additional information about the Multi-Gen Center, as well as the North County Fire Station, and South County Library. We've also provided two other brochures – one on the County's new Fleet Maintenance Facility and the other detailing the County's work with the Western Virginia Water Authority and Franklin County to extend public water along Route 220. On the front of the brochures are the words, "Inspiring Possibilities". To me, that is an accurate description of what you can expect in Roanoke County.

ECONOMIC VITALITY AND FINANCIAL RESPONSIBILITY

After listening to all that is occurring in Roanoke County you may wonder how we are going to pay for these significant projects. The Commonwealth has declared a \$641 Million shortfall in the current budget due to over projection of revenue growth. After increases of 14.8% in FY2005, revenue growth in Virginia slowed to 8.4% in FY2006 followed by 4.4% in FY 2007. While Roanoke County's economic conditions are generally reflective of state trends, the up and down swings in economic activity and revenues are not as pronounced. This is partly due to our valley's diverse business mix, but primarily it is due to structural differences between state and local taxes.

While state revenues are primarily income based, local revenues are primarily based on property values. Real Estate taxes, the primary component of property revenues, have seen steady growth between existing and new construction of about 7%. Since our Sales to Assessment ratio has remained in the mid-80th percentile, it is reasonable to conclude that we will experience steady, although unremarkable, growth over the next few years.

Unlike the state, Roanoke County has been very conservative in calculating Revenue projections. While the Commonwealth is experiencing a 1.2% revenue shortfall (less than the 25 year average shortfall of 1.4%), the County reported a 3.5% surplus of revenues over projection. While higher than average, this yearly surplus allows the County to partake in some very prudent practices.

First, we have policies in place to increase our General Fund Unappropriated Balance (our bank account) by a half of a percent each year to reach a target rate of 11% of total revenue. This multi-year objective, begun in FY 2004, is on task for realization in FY 2009. Remaining revenue surpluses are earmarked to Capital Projects exceeding \$500,000.

Our schools have similar programs in place.

We also have developed a joint county/school capital funding program. From an initial contribution of \$2.0 Million annually, both the School Board and the Board of Supervisors have agreed to an annual contribution increase of \$300,000 each. We are now four years into this agreement and are jointly contributing \$4.2 Million to this program. If we stay disciplined and committed to this program, over time we will be paying cash for school and county capital projects.

Clearly, the utilization of sound financial principals of governance, including funding adequate reserve accounts and establishing meaningful capital accounts, is critical to sound government. I believe we satisfy this principal in Roanoke County. Sound financial principles may not make for exciting commentary, but they make possible all of the projects we have discussed here today.

Now, it is with great pleasure that I introduce Ms. Marion Roark. Ms. Roark is no stranger to many of you in this room. She has nearly 40 years of service to the

Roanoke County School System and has served on several committees including those associated with Construction, Special Education, Budget, Vocational and Gifted Education. Ms. Roark has also served on several advisory committees including the State of Virginia Advisory Committee for the Education of the Gifted. She and her husband are the proud parents of a son and daughter. Ms. Roark....

CONCLUSION

The information we just shared with you is but a small part of what Roanoke County has accomplished over the past year. It has been accomplished through the hard work of our dedicated employees, our loyal citizens, and our committed businesses. I want to thank all of you.

I would also like to thank one of the biggest supporters of Roanoke County schools for her tireless efforts over the past four decades -- Ms. Marion Roark, thank you for your service.

I would like to thank my fellow Supervisor Mike Wray for his dedication and work with the Board of Supervisors. If history is any indication, I know he'll remain an active part of the community. Along with his service on the Board, Mike has continued to work with the Clearbrook Civic League, Juvenile Diabetes Research Foundation, and with the YMCA. Thank you, Mike, for your years of dedication.

I would also like to take a moment to welcome David Wymer and Fuzzy Minnix to the School Board.

And I'd like to offer a special welcome to Charlotte Moore who will be joining us on the Board of Supervisors in January.

I look forward to working with each of you.

To paraphrase Governor Kaine when he was welcoming the newly elected to local offices during the Virginia Association of Counties Meeting, "DO YOU KNOW WHAT YOU ARE GETTING INTO?".

Lastly, I would like to recognize my wife, Cheryl, father and mother-in-law, Bob and Carol Edwards, and our daughter, Colleen. Thank you for your support.

Before concluding, I would like to leave you with a quote from President Harry Truman:

"Men make history and not the other way around. In periods where there is no leadership, society stands still. Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better."

It has been both a privilege and an honor to represent the citizens of Roanoke County and the Board of Supervisors as Chairman this past year. But the real satisfaction for serving will come as we collectively have an impact in orchestrating the future of southwest Virginia. Let us take inspiration from the words of Harry Truman – and Lead.

END