

2013 State of the City Address  
Mayor Jon Costas  
January 29, 2013

It is with great pleasure and gratitude that I stand before you today prepared to deliver the State of the City Address for the 10<sup>th</sup> time. Now for the first time I can **say I've officially outlasted Seinfeld, which ran for only nine seasons.** Now those of you who are Seinfeld fans know that according to George Costanza, Seinfeld is a **show about "nothing"**. And there is where the comparison ends. Because the future of Valparaiso is about something. Something big, something important and something that truly matters to all of us.

Looking back ten years, provides us with a hint of what our future could be. A visitor to Valpo in 2003 would see a very different city. A city with more promise than progress. A city yearning for change like a caterpillar in its cocoon. Now a beautiful butterfly has emerged and the question is "How high can it fly?"

Today it is hard to imagine Valpo without a vibrant downtown, the Vale Park Way, a transformed Eastgate area, roundabouts, the Valparaiso Street Project, miles of pathways, a new YMCA, smooth roads, and the V-line and Chicago Dash. Ten years ago Valpo did not have a new police station and a CALEA accredited police force, a third fire station and a stellar ambulance service. A decade ago **we didn't enjoy the new overpass on Rt. 49, a transformed Calumet Avenue,** a bold 10-year storm water program, rental registration and a rainy day fund approaching \$4 Million. Ten years ago a dull parking lot stood where Central Park plaza now shines.

Yes, even our most ardent critics concede that Valparaiso is a city transformed, a city of distinction and a city with a bright future. The answer to the question of "**H ow high can we fly?**" can be found in the talents, character and values of those who stand before me today. As I often said, the strength of Valparaiso is found in its citizens, the role and duty of my city administration is to unleash and augment that creative force.

Before I lay out our major accomplishments of 2012 and our aspirations for 2013 and beyond, allow me to highlight a group of citizens that have played a vital role **in our city's success. A fraternity that brings great innovation and energy to** Valparaiso, and which will propel us successfully into the future. A clan that is well represented here today and of which I have proudly been a member all of my adult life. I am referring to small business owners and their key associates.

Small business employs more than 50 percent of the private workforce and has created 65% of all new jobs in the last 17 years. Small business owners tend to be very involved in civic matters and give, generously, their time, talent and resources back to the community. Taking risks, worrying about making payroll,

trying to keep up with changing markets, fighting competition from large stores, finding great employees, offering quality services or products at a reasonable price while coping with increasing expenses and regulations are just a few of the challenges small business owners face everyday. But they do so cheerfully day after day, year after year, because they relish the freedom and pride that comes with owning a small business.

This room is filled with countless sojourners of small business passion, struggle and success. Our Chamber of Commerce regularly celebrates and honors those stories. Allow me to share with you a compelling story about one of our newest additions to the Valparaiso small business community. Her name is Dina Ranieri and she is the owner of Ivy Boutique, which opened three months ago in our downtown at the corner of Washington and Jefferson. I met Dina last summer when she first shared her dream about a store in downtown Valparaiso. Her biggest frustration was finding a vacant location on Lincolnway (hardly a problem in most other cities). Three months later I saw her again in our chamber offices where she proudly announced her new venture. Here is her story in her own words.

As I've told you before (I tell anyone that will listen) I fell in love with Valpo in **1996, when I was a freshman at VU. I always had a connection with this town, it is the quintessential Midwestern town (as an avid reader of the Nancy Drew Mysteries as a kid, I felt like I had found "River Heights" (Nancy's Midwestern hometown.) I absolutely love the Midwest and the people that live here. They are salt of the earth, trustworthy people.**

Even though I am actually a licensed attorney, owning my own shop was **something I always wanted to do. But I know that the stars have to align when starting a business...it has to be the right idea in the right place, at the right time. And for me, that place could not have been anywhere else but Valpo. There is no town anywhere around Northwest Indiana that has a downtown like Valpo. I wouldn't have attempted this venture anywhere but Valpo. No other town has the events and foot traffic that downtown Valpo has.**

I opened right before Thanksgiving. I didn't set a monetary goal for Ivy because I wasn't sure what to expect. I didn't even know if anyone knew I was there. But, even if I had set a goal, how the store actually performed would have far surpassed it. I was absolutely blown away by the response. Everyone that came in was so enthusiastic and complimentary. I am still overwhelmed with gratitude for everyone's support of my little shop. And again, part of being in the right place is my location on Washington Street. I couldn't have a better landlord than Cole Doolittle. I couldn't have better neighbors than Connie Bowman (Hattie Smith and the Green Goat), Brent Silcott (Silcott's), Paulette Domke (Bangles) and Sarah Geary (Meditrina). They give me sincere, genuine advice when I need it and are always supporting me and sending customers my way. Again, this, I truly feel is something that can only happen in the Midwest. Rene Blosky from Lifestyles has been a true friend and mentor to me. She gives me fantastic

business advice, and is a wonderful customer herself.

Small Business Saturday in November was a HUGE success for me. Because the people in this town, love this town. They want small business to thrive and they put their money where their mouth is.

I feel as if I've won the lottery. Knowing that many of small businesses fail in their first year, to have the response and support I've gotten leaves me speechless with gratitude. The Valpo Chamber is unlike any other. The support and help I've received from Danielle and Sue is astounding. The help I've received from you, Matt and Jon, and Bill Oeding has made all the difference in the world. Even the other business I've hired (Simko Signs, Rusthead Designs) to do work for Ivy have far exceeded my expectations. They'll do whatever they have to get the job done, and they've become sincere friends.

I will always do anything I can to promote Valparaiso. I love Indiana and I love this town. I am so proud to be a part of it. To have my little shop in the town I love is an absolute dream come true. (Since my house hunt is going on 4 years now, I've finally decided I'll have to build. As soon as I can sell my condo in Munster, I will start building in Valpo with the joy of knowing, I am never moving again). Home for me can never be anywhere other than Valpo.

Welcome home Dina. You have discovered the true spirit of Valparaiso, and made that spirit more beautiful and resilient by your presence and investment.

2012 proved to be another game changing year for Valparaiso. A dangerous intersection at Rt. 49 and Vale Park Way was transformed into a beautiful overpass and lighted entranceway to our city. Coupled with the new roundabout at Silhavy Road, traffic is flowing beautifully. The pathway from that roundabout all the way to La Porte Avenue is now complete, so walkers, runners and bikers can exercise safely down that long stretch.

Have you noticed the newly improved storm water basin on Roosevelt Road? That \$500K basin naturalization project was made possible with grants from the EPA, the RDA and Save the Dunes Foundation. It is just one of 14 storm water management projects completed in 2012. In fact the city spent 63% less than budgeted for those projects due to competitive low bids, minimal change orders and additional state and federal grants. Those and other projects yet to be built are part of a 10 year plan we call Thunderstruck with the goal of completely eliminating most major storm water problems throughout the city by 2020. Next year we will begin an expansive project in the northwest side of our city.

All of these improvements to our storm water system have played a major role in an environmental first for our city. For the first time in our history, Valparaiso did not have a combined sewer overflow for an entire year. While we acknowledge that it was a dryer than normal year, this is a watershed event as it represents tremendous progress on a matter that has caused other older cities like us much

grief and expense. Steve Poulos was promoted to head of our Utility Division late last year, succeeding John Hardwick, and has done an outstanding job filling those big shoes.

Water is the essence of life, and ensuring a safe and adequate supply of water is **one of our primary concerns**. Valparaiso's exclusive source of water is ground water, which is hard in mineral content. While deep wells have served us adequately in the past, we have concerns about future reserves. Currently we are at a point where a significant investment in new wells is necessary. Therefore we have commissioned a study to explore obtaining Lake Michigan Water from a wholesale source. Most every other community in northwest Indiana has Lake Michigan water. Over the next several months we will be analyzing those findings, conducting focus groups and determining what is the best long term plan for our utility customers.

When it comes to transportation, you can relax and leave the driving to us. Both the V-Line citywide bus service and the Chicago Dash, our daily express coach service into Chicago, had record ridership again this year. These innovative and financially sustainable transportation systems set us apart from any other community in Northwest Indiana. We make it easier for seniors, students and employees to get around town, which has benefits to the entire community. And the Chicago Dash is bringing back to our city opportunities and wages that can only be found in a large world-class city.

And speaking of world-class, the Valparaiso Park System continues to win honors and exceed expectations. The new pathway along Campbell now extends from Lakewood Park all the way to downtown. One of my favorite stretches is along Ogden Gardens Park, a sea of colorful flowers and foliage in a verdant setting. You will hear more about youth sports in the years ahead as we increase opportunities for healthy sportsmanship and family tourism. In 2012 alone we invested over \$200,000 in our youth sports facilities. Our two golf courses were in excellent shape in 2012 providing over 44,000 rounds of challenging and affordable golf.

In 2012, the Elderstyle collaboration, led by the City and Pines Village with the support of at least a **half dozen other partners**, was recognized as one of three **community initiatives in the State as best practice for "aging in place" communities**. A **"Community for a Lifetime" Planning grant was awarded** and in 2013 we expect to receive word on a significant wellness grant to further establish Valparaiso as a community of choice for older adults and their families.

Regarding another initiative, the Valparaiso Parks Foundation will begin in 2013 a two year planning and fundraising process to re-design and renovate 20 year old Valplayso for a next generation, with an emphasis on special needs residents. **Look for ways to get involved**. In 1994 when Valplayso was built over 2800 kids and adults worked together to make it happen and a similar process will be used for this next generation project.

And when it comes to Parks, what community our size can match Central Park Plaza? It is indeed our community gathering place and the icon of our city. In our first full season at the park we hosted 107 events, including The Summer Rhapsody Concert Series, the Popcorn Festival Main stage, Brewfest, Shakespeare in the Park, Summer Movie Nights, **the National Girls' Softball** Tournament Ceremony, and the VHS Homecoming pep rally, just to name a few. You have probably noticed the new electronic sign at the entrance of the park, which will help us better promote the many wonderful events planned for 2013.

Orville took his rightful place on his park bench throne thanks to generous private donors who contributed all of the funds to immortalize the popcorn king in his hometown. With funding from our Redevelopment Commission, we paved the way for the completion of Central Park by purchasing the half city block across Lafayette Street and razing the empty building. We are finalizing our plans for that expansion. The plans will include a large open-air pavilion for hosting events, a winter skating rink under roof, along with many other amenities designed to enhance our beloved park, which will make it useful year round and in inclement weather. Our goal is to start the construction next year. The excitement continues to mount about this project and we are already seeking input and donors to bring it to reality.

Ten years ago I made a commitment to you to bring new life to a downtown that was on life support. Back then, you had no problem finding a parking space after 5pm because the sidewalks were pretty much rolled up. Now, restaurants, shops **and people are much easier to find in the evenings than parking spaces.** That's the way it should be. I often ask newcomers as well as old-timers what they like best about Valpo. The most common response is - **you guessed it** - our downtown. It speaks of who we are as a city, and reflects our motto: Vibrant, Visionary Valparaiso.

2012 ushered in new restaurants and specialty shops into the downtown as well our own fabulous microbrewery Figure Eight. We are expanding the Porter County museum into our old police station building, along with exploring other art related uses. Our next phase in the remaking of our downtown is to encourage the private construction of dense townhome housing around the downtown. More housing options in our downtown will drive commerce, sustainability and activity. One thing is sure, our commitment to the future of our downtown is unwavering. It is the coolest place in Northwest Indiana and one of the fittest city centers in the Midwest. I pledge to keep it that way.

A safe community is a healthy and prosperous community. We are fortunate to have two of the most able and innovative chiefs in the Midwest protecting the peace and safety of Valparaiso. Fire chief David Nondorf is highly respected for his leadership ability and the men and women that work alongside of him in our Fire Department are second to none. David has led the department to new heights of professionalism and efficiency. This year we look forward to

completing the creation of a fire territory to better guarantee excellence in firefighting and ambulance service in the decades ahead. Due to the hard work and innovative spirit of Chief Michael Brickner and his talented officers, our police force has earned the distinction of being officially accredited by CALEA, one of only 13 departments in the state to achieve that distinction. This rigorous certification ensures we attain the highest standards in training, equipment and facilities to keep our city cutting edge safe.

When I took office in 2004, our roads were in terrible shape, so we created a road recovery plan, which continues today. Well maintained roads are safer, look better and reduce the cost of wear and tear on automobiles. In addition to enhanced road maintenance, we have improved many intersections around town. While funds are always tight, we are on an annual funding schedule that allows us to keep current on road conditions. This year we improved the intersection of Evans and Sturdy as well as a number of intersections on Jefferson Street in the downtown. Also, we made many improvements to Calumet Avenue from Evans to the railroad tracks and completed a wireless computerized traffic signal project along Lincolnway to improve communication and efficiency between downtown signals. We continue our assault on crumbling sidewalks, especially in our older neighborhoods, and added another 152 ADA ramps around town.

Some call them a gift from heaven and a few call them spinning wheels of death. But no matter what you call them, roundabouts are here to stay in Valparaiso. In every application they reduce collisions and injury, they move traffic quicker, they save energy and they look a lot nicer than standard intersections. This year we will build the mother of all roundabouts at the 5 Points intersection. While there has been some angst about this, I want you to know that we have engineered it within an inch of its life and are firmly convinced it will be a safe and effective solution to a problematic intersection. And for those who are too timid to jump in, the city will be providing certified car instructors to take you through for the first time. Construction will begin late this spring on the new 5 points roundabout.

**Rt. 30 along the city's** south side is the only Valpo many people ever experience. A few years back, we began searching for funding for an ambitious plan that would transform that stretch of road so that it better reflects the quality and standards of this community. In January of 2012 I announced that the city had forged a partnership to improve this stretch of Rt. 30 with a \$22M investment from **INDOT. That is the single largest transportation grant in the city's history.** We are very excited about this project. Design work is underway and construction may begin in late 2013.

**Economic Development is a term that's often repeated but difficult to define.** The end goal of economic development though is clear; more quality jobs for our residents. My approach to economic development is two-fold: First, build a community of distinction which attracts a talented workforce, and second, provide the necessary infrastructure, incentives and procedures that make it easy for businesses to expand and relocate to Valparaiso. Though that recipe sounds

simple it is an art more than a science.

**Many factors outside of a city's control can affect economic development such as** the availability of land and natural resources, state and federal regulations and the general state of the economy. While our city has enjoyed an unemployment rate that typically runs a full percentage point lower than the state average, the current overall economy is still struggling to find a sustained recovery. On the home front, 2012 did see a significant improvement in our housing market with housing starts more than doubling over 2011, and sales of existing homes much stronger too.

In 2012 our Economic development efforts resulted in many wins and a few disappointments.

Despite our best efforts, which included an unprecedented incentive package, Urschel Labs made a tough decision to relocate to Coffee Creek. The primary factor was a 163 acre parcel of shovel ready land which met their needs better than any parcel in our city limits. This highlights how important it is for us to provide more shovel ready site options for employers, which is our primary city goal. It also shows that having a regional perspective on economic development is beneficial to all communities. A rising county and regional tide lifts all boats. So on a regional level, **having the Urschel's control and develop** a large portion of Coffee Creek is a good thing for us as well as Chesterton and Portage.

In the Spring of 2012 we lost Bob Thorgren, a long-time Valparaiso businessman **and philanthropist, at the too early age of 59. Thorgren Tool and Die** grew under his leadership to become an international manufacturer of plastic injection **components. Bob** lived his whole life in Valpo and gave back generously to our community. That spirit and the Thorgren business continues to thrive under the leadership of Rob Thorgren, the 3<sup>rd</sup> generation CEO.

The other notable set back in 2012 was the abrupt closure of McDaniels Fire Systems, which had operated in the city for over 70 years, and provided quality jobs for 80 families.

Now onto the good news:

Indiana Beverage, owned by the Leetz family expanded to their new operations center on Rt. 49 across from Pratt Industries. **In March, 2012, a thirty-six acre** corn field was transformed into a 215,000 square foot modern office and warehouse facility which now employs 210 associates.

St. Mary Medical Center (Community Healthcare System) and Memorial Healthcare System built an \$18 Million, 55,000 square foot state of the art **medical clinic. This clinic**, which opens next week, will employ about 100 **employees, some new and some relocated. The City's Redevelopment** Commission approved a \$1 Million package, which includes a \$500,000 loan to

help finance construction of the roads for the development and the extension of utilities.

In September, Paul Wurth, a global engineering firm, opened its North American **Service Center in the former Task Force Tips 50,000 square foot building**. This firm is dedicated to maintenance services, spare parts, repair and reconditioning of iron & coke making equipment. This was great news for Task Force Tips and the City of Valparaiso.

**University Promenade construction began in earnest in 2012 and it's a beautiful brick structure helping to transform East Lincolnway. This is 12,000 square feet of mixed residential/retail space and will help become a new gateway to Valparaiso University.**

Porters Vale and Lauth Properties announced that two new national retailers (**Hobby Lobby and Gordman's Department Store**) were coming to Valparaiso in 2013. This represents 106,000 square feet of new retail for Porter's Vale and about 60 new jobs. **We have some of the strongest retail numbers to boast of not only in the state of Indiana but in the Midwest as well.**

Looking ahead, we will be studying the 49 corridor intensely as this is the future **growth area of the City**. We will partner with land owners and developers to create an array of shovel ready sites to foster investment and new employment opportunities for our citizens.

Last September, Valparaiso University unveiled their new campus master plan: **Bold plans for an amazing university under the leadership of Mark Heckler**. This was great news for our City especially due to the fact that they acquired all of the **land and buildings previously owned by Porter Health Systems**. VU plays an **immeasurable role in who we are as a city**. The university is now putting the finishing touches on their stunning new visitors center on Rt. 30. **It's a first class facility; consistent with every capital project they build.**

While the future looks bright for growing jobs in Valparaiso, we must work harder and smarter than ever to provide the necessary infrastructure and partnerships to incubate growth and investment. Many exciting projects are now in the discussion stage and we anticipate a number of positive announcements in 2013.

**On a final note, I'd like to address city finances and the fiscal challenges we face** locally and as a nation. Like most families, businesses and governments, our city is on a very tight budget. We are operating on less tax revenues than we did six years ago, despite the fact that we serve more citizens and our operating expenses (especially health care) have increased. Like the average American family, **we simply have learned to do more with less**. "Creatively frugal" has served us well as a city value. Little things add up. We saved \$50K converting an old street sweeper into a snow plow. We reengineered the overpass project and saved \$400K, which we allocated to our two schools systems for technology

upgrades. We search for funding opportunities with magnifying glasses and have earned over \$85M in state and federal grants in the last 8 years.

The reduction in revenue for local governments is caused **by three major factors...** new tax caps, property tax appeals and a lackluster economy. Being on a diet is not just for reality shows, it's good for governments too. Despite all this, we are on very sound financial footing, with minimal borrowing and an ample rainy day fund. That is also true for our state. I wish it was true for our Federal Government. A \$17T deficit growing unchecked is a heavy weight on this nation. Both political parties are to blame.

What many politicians seem to miss is that most of the cost of government and its programs is borne by the average family, not the wealthy or large corporations. Whether it be an entitlement program, a new defense initiative or an additional regulation, most of the cost eventually trickles down to average people who have no choice but to live on a budget. In the last election, both parties pledged to help the middle class, the average family. Perhaps the size and excessive spending of the Federal Government is the very obstacle to that goal. In any event, we are at a critical juncture and it is incumbent upon all citizens to be engaged and to demand fiscal accountability and non-partisan reform from their federal government.

And now, as I step off my soapbox, I remain, deeply grateful for the opportunity to lead this city over the last decade and for another season. Today, we are poised for success like never before. We have momentum, we have an ocean of talent and spirit, and we will find the resources needed for every task. So, again I pose **the question to each one of us: How high can we fly? To that I answer, "Let's find out!"**