

Supplemental Data and Statistics

Date settled	1752
Date of charter adopted	March 1, 1858
Form of government	Council - Manager
Number of employees	2,012
Population	99,349
Population by race/ethnicity:	
White	45.5%
Black	51.0%
Other	3.5%
Median Age	34.8
Labor:	
Civilian labor force	47,618
Number of employed workers	44,840
Number of unemployed workers	2,778
Unemployment rate	5.8%
Elections:	
Number of registered voters	57,305
Number of votes cast in:	
Last general election (11/4/03)	12,337
Last municipal election (5/4/04)	12,472
Area in square miles	29.9
Facilities and services:	
Miles of streets	403
Number of street lights	11,634
Number of motor carriers	135
Number of common carrier terminals	50
Public recreation facilities:	
Number of community centers	7
Number of museums	5
Number of entertainment venues	2
Number of shopping districts	4
Parks	4
Park acreage	203
Number of golf courses	2
Number of swimming pools	1 (outdoors)
Number of tennis courts	24
Fire protection:	
Number of stations	8
Number of firefighters	242
Number of paramedics	19
Number of calls answered	16,051

Supplemental Data and Statistics

Police protection:	
Number of stations	1
Number of employees	353
Vehicular patrol units	234
Number of criminal arrests	15,333
Number of traffic summons	13,603
Number of parking violations	8,124
Sewage system:	
Miles of sanitary sewers	437
Miles of storm sewers	107
Number of service connections	31,165
Water system:	
Miles of water mains	625
Number of service connections	31,600
Number of fire hydrants	2,523
Number of treatment plants	1
Daily average consumption in gallons	17.85MGD
Maximum daily capacity of plant in gallons	32.0 MGD
Maximum safe yield of the supply	25.8 MGD
Total reservoir capacity	5.15 Billion Gallons
Facilities and services not included in the reporting entity:	
Education:	
Number of pre-k centers	2
Number of elementary schools	14
Number of elementary school instructors	578
Number of middle schools	4
Number of middle school instructors	249
Number of high schools	3
Number of high school instructors	272
Number of special centers	6
Number of special center instructors	24
Average daily school membership	15,642
Hospitals:	
Number of hospitals	2
Number of patient beds	706

Housing

Lenders Clamp Down on Inflated Appraisals¹

“...lenders are increasingly worried about inflated appraisal values...”

“Some lenders are getting pickier about the appraisers they do business with...”

“Some lenders also are turning to computerized models in an effort to weed out inflated valuations...”

“In some cases, lenders are requiring a second opinion. Tom Freeze, an appraiser in Newport News, said lenders have begun asking for two appraisals on properties valued at more than \$1 million and on purchases by buyers with less-than-stellar credit scores.”

“There are fears overly generous appraisals will add fuel to a speculative housing market by feeding expectations that prices will continue to rise rapidly...”

“...appraisers say they are sometimes pressured to increase valuations, directly or indirectly, by mortgage brokers, loan officers and real estate agents, who all are eager to make sure a deal is completed...”

A Warning on Easy Credit²

“...easier credit standards and greater use of interest-only loans are fueling home price speculation, increasing risks to the U.S. banking system as interest rates rise...”

Too Much of a Good Thing³

“Just from 2002 to 2004, the nation’s median price of a single-family, metropolitan home rose to \$184,100 from \$158,100 according to the National Association of Realtors. That’s a 16.4 percent increase...”

Studies: Housing Taking More of Incomes⁴

“Housing prices are outstripping wage increases in many areas, meaning more people are either spending above their means or living in dilapidated conditions...”

“In 2003, 4.2 million working families spent more than half their income on housing, up from 2.4 million in 1997.”

“More families are competing for a limited supply of affordable housing...”

“One out of every eight families in the United States – or 14 million – had critical housing needs in 2003, defined as either spending more than half of income on housing or living in run-down quarters...”

“...the median-priced home in 2003 was \$176,000, up more than 11 percent from 2001...”

¹ Simon, Ruth, *Lenders Clamp Down on Inflated Appraisals*, The Virginian-Pilot, 5/31/05, pp. D1-D2

² *A Warning on Easy Credit*, Virginian-Pilot, 6/9/05, p. D1

³ Fiske, Warren, *Too Much of a Good Thing*, Virginian-Pilot, 5/24/05, pp. A1,A10

⁴ McDonough, Siobhan, *Studies: Housing Taking More of Incomes*, Virginian-Pilot, 4/29/05, pp. D1 and D2

“For renters, the center found that a worker needed to earn \$15.21 an hour in 2003 to have a two-bedroom apartment that did not consume more than 30 percent of income...”

Regional Median Home Price Increases					
Rank	Metropolitan Area	1st Qtr. 2004	1st Qtr. 2005	Increase	
1	Bradenton, Fl.	\$ 188.9	\$ 275.1	45.6%	
2	Sarasota, Fl.	239.9	326.3	36.0%	
3	W. Palm Beach/Boca Raton, Fl.	267.0	362.8	35.9%	
4	Riverside/ San Bernadino, Ca.	258.9	343.3	32.6%	
5	Ft. Lauderdale/Hollywood, Fl.	243.4	320.7	31.8%	
6	Las Vegas, Nv.	224.9	291	29.4%	
7	Melbourne/Titusville, Fl.	142.3	184	29.3%	
8	Orlando, Fl.	151.1	194.4	28.7%	
9	Miami, Fl.	245.9	315.7	28.4%	
10	Ocala, Fl.	96.2	122.2	27.0%	
11	Sacramento, Ca.	278.1	352.9	26.9%	
12	Honolulu, Hi	420.0	529.1	26.0%	
13	Ft. Myers/Cape Coral, Fl.	171.8	215.7	25.6%	
14	Phoenix, Ar.	155.8	193.8	24.4%	
15	Atlantic City, NJ	176.4	217.4	23.2%	
16	Washington, DC	300.7	369	22.7%	
17	Hampton Roads	142.4	174	22.2%	
18	Los Angeles, Ca.	392.0	474.7	21.1%	
19	San Diego, Ca.	483.0	584.1	20.9%	
20	Monmouth, NJ	298.0	385.5	29.4%	

Source: National Association of Realtors

***Real Estate Report Suggests Another Good Year Ahead*⁵**

“Residential growth is tilting toward condos and townhouses and away from single-family detached homes...Altogether, 70 percent of the new construction residential market in 2004 was detached, single-family housing, down from 81 percent the year earlier.”

“Office occupancy rates remain among the highest in the Southeast.”

“New construction was steady in 2004...the local new construction housing market was 2.8 percent ahead of 2003.”

“Housing permits reached...an increase of 9.8 percent...The largest growth in permits were in the townhome sector, which rose 161 percent. Condominium permits also soared by 48.9 percent. The single-family detached home sector declined by 4.1 percent.”

“...The area’s overall average price for a new house is now \$292,080 up 20.8 percent from 2003. New single-family detached homes average \$311,295, an increase of 22.5 percent;

⁵ Batts, Battinto, *Real Estate Report Suggests Another Good Year Ahead*, Virginian-Pilot, 2/11/05, D1 and D2

the average price of a new townhome is now \$262,198, up 38.7 percent; and condominiums average \$238,040, an increase of 14.6 percent.”

“The resale market was also strong. Total existing home closings...reached...a 9.9 percent increase over the same time last year, according to the Real Estate Information Network.”

“The dollar volume of...home sales...was...up 33.8 percent.”

“The residential market is expected to cool slightly in 2005...Average price increases are expected to be around 10 percent.”

“Though slightly lower than in 2003, the area’s (multi-family rental) occupancy rate still leads the Southeast at 95.9 percent...The area had record development with 2,178 units under construction and an additional 1,256 units proposed.”

“The average quoted rental rate is \$745 per month, with one-bedroom apartments averaging \$659 per month, two-bedroom rates at \$752 and three-bedroom rentals at \$886 per month.”

“The improvement of the area’s office market continued last year, with vacancy rates dropping to 10.1 percent, a decline of 2.9 percent.”

“...little growth is anticipated in the near term for the area’s office market because of the soaring prices for steel and concrete...The high costs have offset the benefits of the favorable interest rates...”

“For the first time since 1999, the retail vacancy rate dipped into the single digits, to 9.41 percent.”

No. Locally, Experts Say Hampton Roads’ “Grossly Undersupplied” Market has Little to Fear⁶

“The local real estate market appears to be insulated from a potential downturn in the market...”

“Heavy demand, defense spending and a healthy retirement community have worked in concert to make Hampton Roads bubble free – or at least that is the expectation.”

“When you have a market area of 600,000 households and you are only delivering 28,000 houses a year, we are hugely undersupplied.”

“The demand is so heavy that builders are having trouble finding suitable land on which to construct houses...”

“We are unable to get buildable lots fast enough to meet the demand.”

⁶ Batts, Battinto, *No. Locally, Experts Say Hampton Roads’ “Grossly Undersupplied” Market has Little to Fear*, *Virginian-Pilot*, 3/30/05, pp. D1 and D2

Yes. Nationally, Economists Worry Today's Housing Boom Mirrors the 90's Technology Bubble⁷

"...In Miami, Ron Shuffield, president of Esslinger-Wooten-Maxwell Realtors, predicted that a limited supply of land coupled with demand from baby boomers and foreigners would prolong the boom indefinitely."

"There are certainly serious reasons to think that house prices will not suffer the fate of technology stocks. Not only are houses more tangible, but people do not sell their homes as quickly as stocks, making a panic much less likely. And because of tax advantages, few owners are likely to sell and rent something else simply because local house prices start to decline."

Housing "Bubble"⁸

"The housing market contains 'a lot of local bubbles' with 'unsustainable' price gains, but significant price declines are unlikely, Fed Chairman Alan Greenspan told the New York Economic Club...A drop wouldn't hit most homeowners hard because of the huge amount of equity already in their homes, he said."

Condo Craze⁹

"Dozens of condominium developments of various sizes are either under construction, in the planning stages or being talked about throughout Hampton Roads."

"For the last year, the number of building permits issued for condominium developments was up by 22.6 percent over 2003, according to a report by the Old Dominion University Center for Real Estate and Economic Development. That 2004 number is 63.3 percent higher than 2002..."

"The pace has continued this year, local real estate experts say, with more than 400 permits issued in Hampton Roads through the end of April..."

"According to a report last year by the Multi House Council, the costs of sprawl have caused community leaders to embrace the benefits of higher-density, mixed use developments. These developments reduce the need for communities to extend infrastructure, such as water, sewage and public safety, farther out, which can be costly."

"...the demand for high density housing will continue to grow over the next decade...Among the factors cited are the changing housing needs of baby boomers, an influx of immigrants and a demand for affordable housing."

"The majority of the people who are buying these condos are moving from other areas in Hampton Roads...some are coming from out of state."

"Many of the prospective buyers are empty nesters with large disposable incomes who don't want to care for a yard."

"There is another segment of the market that wants maintenance-free living...These are young couples and people with children. They want to go to ball games..."

There is also a market for single women who want condos..."

⁷ Rich, Motoko and Leonhardt, David, *Yes. Nationally, Economists Worry Today's Housing Boom Mirrors the 90's Technology Bubble*, *Virginian-Pilot*, 3/30/05, pp. D1 and D2

⁸ *Housing "Bubble," Virginian-Pilot*, 5/21/05, p. D3

⁹ Batts, Battinto, *Condo Craze*, *Virginian-Pilot*, 6/12/05, D1 and D6

Economic Development

Looking for a Market to Expand Into? ¹⁰

"Hampton Roads is still one of the country's hottest markets for companies looking to expand or relocate..."

"At least that's what Expansion Management magazine says."

"...the region was ranked 20th..."

"Business climate, work-force quality, operating costs, incentive programs and the ease of working with local political and economic development officials were factors."

Did You Read This?¹¹

"Inc. magazine thinks highly of the area...It ranked Hampton Roads as the 13th best place in the nation for job growth in its May issue."

"The folks at Forbes and Inc. were impressed by the quality of the region's labor force, the impact of the defense spending on the economy, the low cost of doing business and the pace of income growth."

Bush Seeking to Strip HUD of Several Community Efforts ¹²

"The White House will seek to drastically shrink the Department of Housing and Urban Development's \$8 billion community branch, purging dozens of economic development projects, scrapping a rural housing program and folding high-profile anti-poverty efforts into the Labor and Commerce departments..."

"The proposal in the upcoming 2006 budget would make good on President Bush's vow to eliminate or consolidate what he sees as duplicative or ineffective programs. Officials said...that economic development programs are scattered too widely in the government and have proved particularly ineffectual at HUD."

"...HUD programs would have to compete for resources in Commerce and Labor budgets that are not likely to expand to accommodate the shuffle."

"Congressional housing aides say the \$4.7 billion Community Development Block Grant (CDBG) program – the majority of the community planning budget – could be cut as much as 50 percent..."

¹⁰ Batts, Battinto, *Looking for a Market to Expand Into? You're Here*, Virginian-Pilot, 1/5/05, p. D1

¹¹ Batts, Battinto, *Did You Read This?* Virginian-Pilot, 5/12/05, p. D1

¹² Weisman, Jonathan, *Bush Seeking to Strip HUD of Several Community Efforts*, Virginian-Pilot, 1/14/05, p. B4

Employment

*The Defense Effect*¹³

“You’re seeing Hampton Roads go through the same metamorphosis that the military is going through,” said economist Gilbert Yochum of Old Dominion University.”

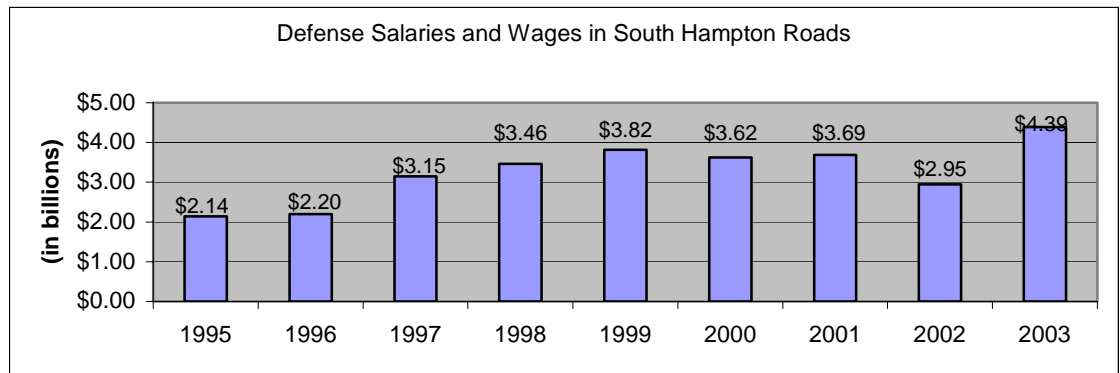
“When did it start? Yochum points to 2000, when there was a shift in government contracting toward outsourcing.”

“In 2000, Congress passed significant wage increases for military personnel after a sustained period of little wage growth. The government has to pay at least half a percent more than the local going civilian rate through 2006. At the same time, Congress boosted tax-free housing allowances and established bonuses to increase retention – money that goes back into the community.”

Portsmouth Defense Contractors

- Accurate Marine Environmental
- Associated Naval Architects
- Collins Machine Works
- Colanna's Shipyard, Inc.
- Earl Industries, LLC
- Epsilon Systems Solutions, Inc.
- Herc Products, Inc.
- KRT, LLC
- Marine Environmental Services, Inc.
- M&S Marine and Industrial Services
- Sales Systems Ltd.
- Scientific Technical, Inc.
- Tidewater Naval Architects, Inc.
- United Coatings Corp.
- Western Branch Diesel

Source: DOD contracts and trade associations



¹³ Connolly, Allison, *The Defense Effect*, Virginian –Pilot, 3/6/05, pp. D1 and D2.

Navy and Air Force Would Gain Employees, but Army may Take a Hit¹⁴

“Besides the major cuts on the Peninsula, the Pentagon recommended moving a training center for enlisted Navy personnel from the Naval Regional Medical Center in Portsmouth to a new facility that will train members of all the service branches in San Antonio. The shift will decrease the workforce at the Portsmouth hospital by 461.”

Navy and Marine Personnel in Hampton Roads (FY 2002)		1998	1999	2000	2001	2002	2003
Norfolk	Military	54,817	53,955	54,827	56,837	59,649	60,416
	Civilian	11,467	10,852	10,410	10,251	10,493	9,886
Virginia Beach	Military	10,458	11,562	12,315	12,844	12,129	11,730
	Civilian	3,326	3,347	3,679	3,882	3,663	3,754
Portsmouth	Military	3,213	3,175	3,039	3,125	3,372	3,709
	Civilian	10,298	9,699	9,662	9,431	10,192	10,407
Peninsula	Military	4,100	3,843	4,053	2,197	1,929	1,148
	Civilian	1,462	1,482	1,443	1,437	1,359	1,321
Chesapeake	Military	949	888	816	470	399	465
	Civilian	733	644	605	568	276	253
Little Creek	Military	7,885	7,597	7,349	7,392	7,513	7,495
	Civilian	1,768	2,257	2,198	1,841	1,840	1,649
Suffolk	Military	25	31	33	31	39	39
	Civilian	83	91	128	140	139	261
Total	Military	81,447	81,051	82,432	82,896	85,030	85,002
	Civilian	29,137	28,372	28,125	27,550	27,962	27,531

Source: U.S. Navy

Reports: New Craney Island Terminal Benefit to State, Nation¹⁵

“The Virginia Port Authority’s proposed marine cargo terminal at Craney Island would generate more than 50,000 new jobs in Virginia...”

“The Port Authority has proposed a 600-acre eastward expansion of Craney Island to be built in several phases...”

“Without the Craney Island terminal, this port will not have sufficient capacity to handle projected growth by the year 2017... This will result in some cargo being diverted to other ports and higher transportation costs because goods will have to travel farther.”

“The terminal would be built over 20 years at a projected cost of \$1.3 billion... The construction would sustain 1,176 jobs, generating wages of \$734 million and state and local tax revenue of \$47.6 million...”

¹⁴ Eisman, Dale, *Navy and Air Force Would Gain Employees, but Army may Take a Hit*, *Virginian-Pilot*, 5/14/05, pp. A1 and A14

¹⁵ Dinsmore, Christopher, *Reports: New Craney Island Terminal Benefit to State, Nation*, *Virginian-Pilot*, 12/15/04, pp. D1 and D2

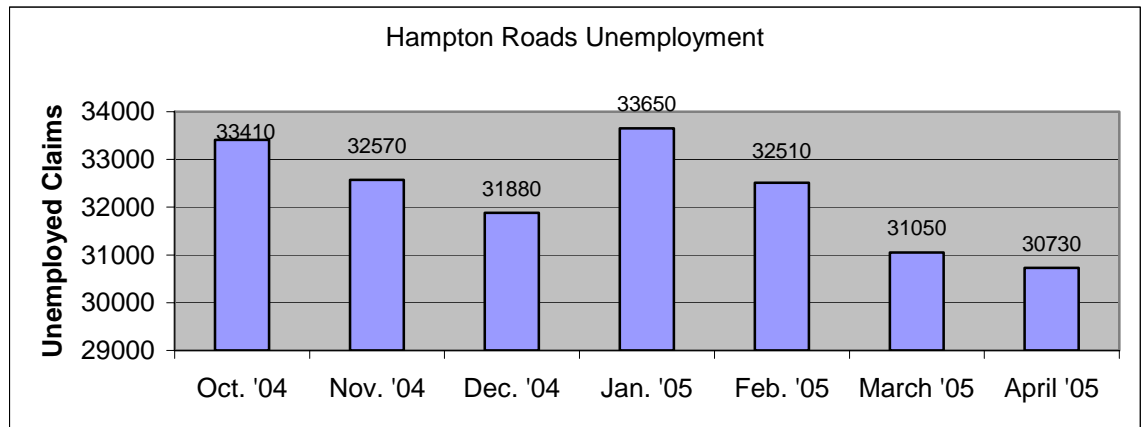
Supplemental Data and Statistics

“Over 50 years, operation of the terminal would sustain an average of 28,265 jobs with annual wages of about \$870 million a year and annual taxes of \$84 million...Port-related businesses, such as distribution centers and manufacturer, would add an additional 25,990 jobs with \$788 million of payroll and \$403 million in state and local taxes per year.”

“The combined impact would have an annual payroll of \$1.66 billion and annual taxes of \$487 million...”

Hampton Roads Unemployment								
	Sept. '04	Oct. '04	Nov. '04	Dec. '04	Jan. '05	Feb. '05	March '05	April '05
Chesapeake	3.7%	3.5%	3.3%	3.4%	3.6%	3.4%	3.2%	3.3%
Hampton	5.0%	4.7%	4.8%	4.9%	4.9%	4.8%	4.6%	4.5%
Newport News	5.0%	4.8%	5.1%	5.1%	5.2%	5.0%	4.7%	4.4%
Norfolk	6.7%	6.6%	6.0%	5.1%	5.3%	5.1%	5.1%	5.0%
Portsmouth	6.7%	6.3%	6.0%	5.5%	5.5%	5.2%	5.2%	5.4%
Suffolk	4.5%	4.0%	3.9%	3.6%	3.6%	3.6%	3.4%	3.4%
Virginia Beach	3.6%	3.4%	3.3%	3.3%	3.4%	3.4%	3.2%	3.3%
Hampton Roads	4.3%	4.1%	4.0%	4.0%	4.2%	4.1%	3.9%	3.8%
Virginia	3.4%	3.2%	3.1%	3.4%	3.7%	3.6%	3.4%	3.4%
U.S.A.	5.1%	5.1%	5.2%	5.1%	5.7%	5.8%	5.4%	4.9%

Source: Virginia Employment Commission



Economic Outlook

Signs Point to Expansion in South Hampton Roads ¹⁶

“...home building is slowing, but retail sales, tourism, and port cargo traffic continue to fuel a robust expansion in Hampton Roads, economists at Old Dominion University said...”

¹⁶ Shean, Tom, *Signs Point to Expansion in South Hampton Roads*, *Virginian-Pilot*, 5/27/05, pp. D1 and D2

Supplemental Data and Statistics

“The region’s retail sales, helped by increases in military pay, re-enlistment bonuses and greater tourist spending, will surpass \$4.7 billion this quarter, a 5.6 percent increase from last year’s April-through-June period...”

“...soaring home prices in Hampton Roads won’t be sustained...”

“In January, ODU’s forecasting team predicted that the value of building permits for single family homes in Hampton Roads would decline 2.2 percent this year...”

“Through April, the number of building permits taken out in Hampton Roads in 2005 tumbled 11 percent from the comparable period last year, while the value of permits fell 4 percent...”

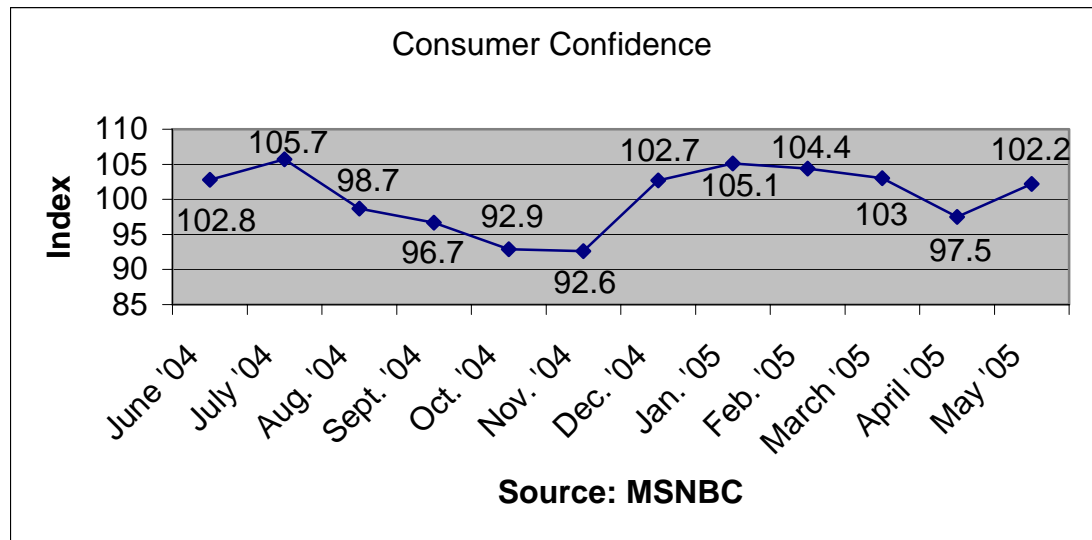
“...civilian employment in the region will climb 1.3 percent from last year’s second quarter...The region’s unemployment rate for the current quarter... will dip to 4.1 percent from 4.3 percent in the year earlier period.”

“...maritime sector, cargo tonnage continues to benefit...For the April-through-June period, tonnage will climb 3.5 percent...”

“...the volume of general cargo moving through Hampton roads ports rose a hefty 5.5 percent partly because of continued growth in imports from China...”

“...The rising volume of imports arriving in Hampton Roads already has spurred real estate developers to begin adding warehouse space in the region.”

“...the region’s hotel-room revenues for the current quarter will climb to ...an increase of 4.5 percent from the year-earlier period...”



Economic Growth, Jobless Rates Expected to Decrease This Year¹⁷

“...the National Association for Business Economics predicts the economy – as measured by gross domestic product – will expand by 3.6 percent this year and next.”

“...that would mark slowing from the 4.4 percent growth clocked in 2004...”

¹⁷ Aversa, Jeannine, *Economic Growth, Jobless Rates Expected to Decrease This Year*, Virginian-Pilot, 2/22/05, p. D2

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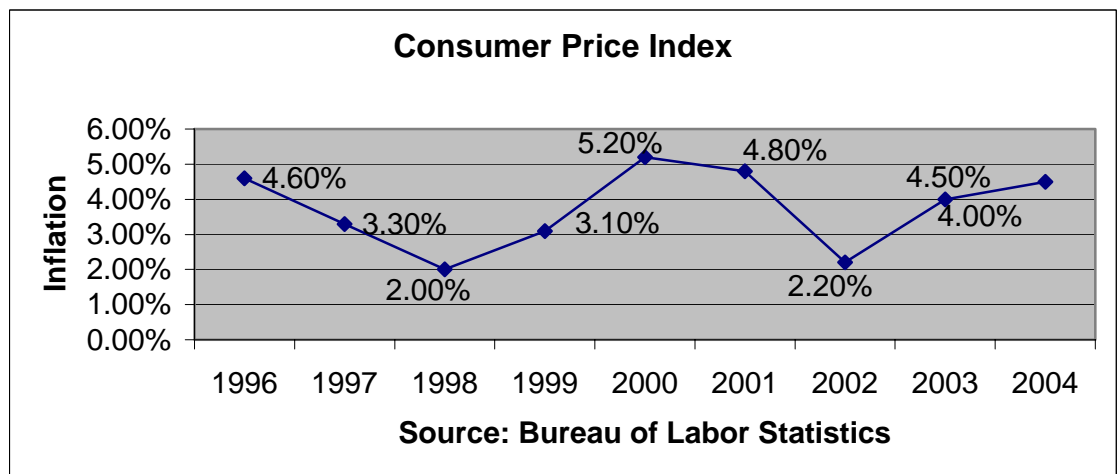
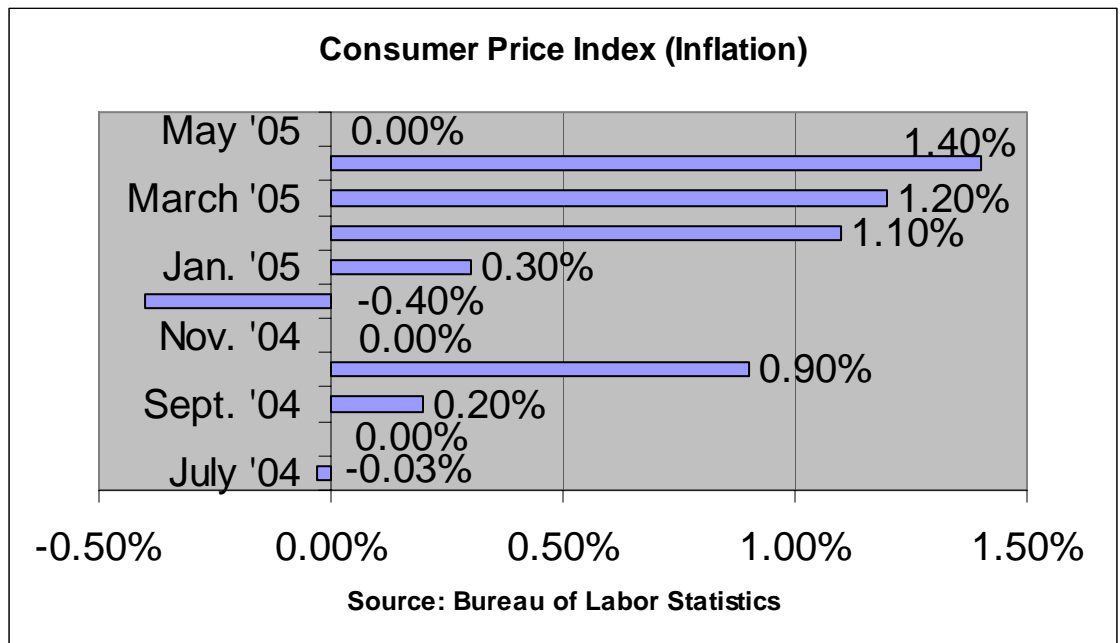
“...a red-hot housing market will cool and mortgage rates will rise. Consumer spending and business investment this year are expected to be solid and to help support economic growth...”

“Forecasters anticipate that the unemployment rate, which averaged 5.5 percent last year, will dip to 5.2 percent this year and then to 5.1 percent next year.”

“On the inflation front, consumer prices are expected to rise 2.2 percent this year and 2.3 percent next year. Consumer prices for all of 2004 increased 3.3 percent...”

“...energy prices, which surged last year, will calm down...”

“That (short-term) key (lending rate) is expected to rise to 3.5 percent...If that were to happen, the prime lending rate...would rise to 6.50 percent by year’s end...”



1 in 5 Consumers cut spending as Interest Rates Rise, Survey Says¹⁸

“Twenty-one percent of consumers said they’ve had to reduce their spending because of rising interest rates...”

“Despite concern about higher rates, consumers are optimistic about their future financial health...”

“When asked about the past six months, 33 percent of consumers said they had reduced their debt level, while 28 percent said their debt increased.”

“...52 percent said they would reduce their debt during the next six months; 15 percent said they expected to incur higher bills.”

“Of those who use credit cards, 69 percent said their card charged a fixed interest rate, while 17 percent said the rate was variable.”

“...20 percent (of adjustable rate mortgagees) said their rate is now higher than it was six months ago, 59 percent said the rate is about the same and 17 percent said their interest rate has gone down in that time.”

Federal Reserve Chief Cites Risks in Rising Cost of Housing, Labor¹⁹

“...some newer, riskier types of mortgages gaining popularity, such as interest only loans, ‘are developments of particular concern,’ and appear to be driving some of the home price increases, (Alan) Greenspan said.”

“...he does not see a national housing ‘bubble,’ but he does see ‘signs of froth in some local markets where home prices seem to have risen to unsustainable levels.’”

“‘We certainly cannot rule out home price declines, especially in some local markets,’ he added.”

“...‘underlying inflation remains contained,’ he said...”

ODU Study Finds Defense Spending Accounted for 36% of Region’s Economic Output in 2004²⁰

“The region’s output of goods and services are likely to grow by almost 4 percent, compared with a 3.1 percent increase in the nation’s gross domestic product, Gilbert R. Yochum, head of Old Dominion’s Economic Forecasting Project, said...”

“The increase in Hampton Roads’ output of goods and services last year was an especially robust 5.6 percent due to defense spending.”

This year, defense contracts with businesses in the region will total \$4.3 billion, and compensation for military personnel, including their base pay, bonuses and allowances, will grow more than 7 percent...”

“This spending accounts for 36 percent of the region’s output, compared with slightly more than 29 percent five years ago...”

¹⁸ Coombes, Andrea, *1 in 5 Consumers cut spending as Interest Rates Rise, Survey Says*, *Virginian-Pilot*, 3/3/05, p. D2

¹⁹ Henderson, Nell, *Federal Reserve Chief Cites Risks in Rising Cost of Housing, Labor*, *Virginian-Pilot*, 6/10/05, p D1

²⁰ Shean, Tom, *ODU Study Finds Defense Spending Accounted for 36% of Region’s Economic Output in 2004*, *Virginian-Pilot*, 1/20/05, pp. D1 and D2

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“...this surge of defense dollars makes the Hampton Roads economy increasingly vulnerable to decisions made elsewhere...”

“What gives me pause is what’s facing us in the next three or four years, ‘ including the possibility that a Norfolk-based aircraft carrier will be transferred to Florida and that Navy personnel levels may be cut...Another unknown...is what decisions the Defense Base Closure and Realignment commission may make while examining the need for specific military bases later this year...”

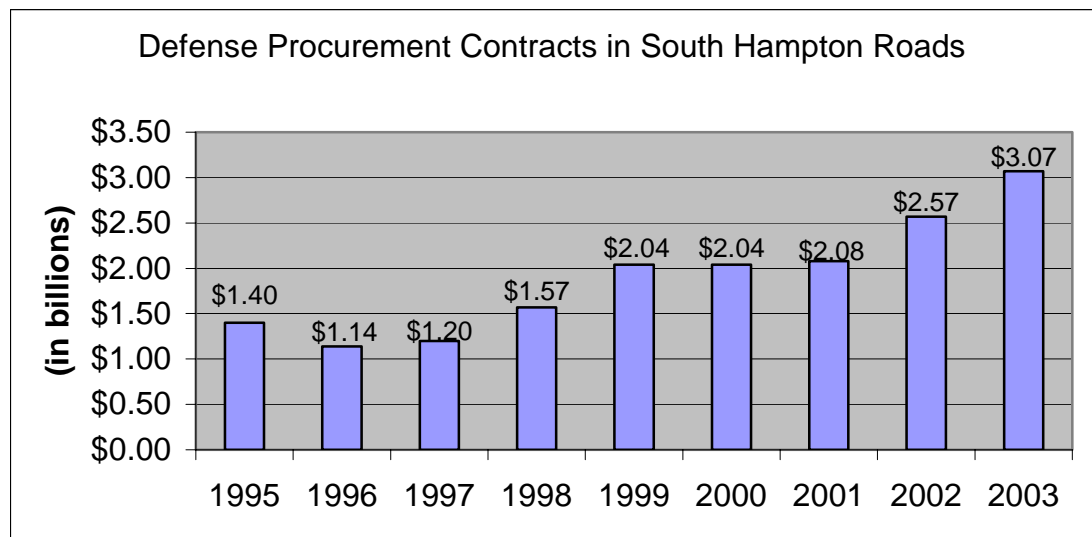
“...the region stands to gain handsomely this year from the additional defense spending...That spending...will help to generate a 5.2 percent increase in retail sales in Hampton Roads during 2005 to \$18.7 billion.”

“In the tourism sector, hotel room revenues in Hampton Roads will grow more than 4 percent, partly because of higher personal income among tourists who tend to visit Hampton Roads and greater spending power of Canadians...”

“Because of growth in world trade, the tonnage of cargo moving through Hampton Roads ports will climb 3.8 percent in 2005 to more than 15 million tons...rising incomes in the United States will foster greater need for the retail distribution centers in Hampton Roads served by the ports marine terminals.”

“The pace of home building, however, will slow this year as interest rates climb...In Hampton Roads, the combined value of building permits for single-family homes will drop 2.2 percent from the 2004 level to a still-healthy \$1.1 billion total this year...”

“...for the U.S. economy...’We should experience steady growth in ’05 and ’06.”



Briefs, Ports, Port Growth ²¹

“The Port of Virginia handled 1.8 million TEUs last year, 9.9 percent more than 2003, according to the Virginia Port Authority. TEUs are a universal measure for containers, which come in 20-, 40-, and 53 - foot lengths.”

²¹ *Briefs, Ports, Port Growth, Virginian-Pilot, 3/18/05, p. D3*

Local Ports Working to Keep up with Asian Cargo²²

“...the Hampton Roads port and others on the East Coast will struggle to handle exploding growth in Asian cargo...”

“...Craney Island in Portsmouth...”

“The port has about a dozen of the most-advanced cranes in operation and, by this summer, will have a 50-foot inbound channel – the deepest on the East Coast.”

“Port officials predict shipping volume this year to top 2 million TEUs, or 20-foot equivalent units, the standard measure for shipping containers ranging from 20 to 53 feet long. Annual cargo growth, which reached 14 percent in the past year, is projected at 9 percent for the next five years.”

“Northeast Asia, primarily China, accounts for 30 percent of local container traffic and increased its shipments through the port by 33 percent last year...”

“...Maersk’s parent company announced plans this week to purchase rival shipping giant Royal P&O Nedlloyd.”

“P&O Nedlloyd brings about 90,000 containers a year through the state’s marine terminals, amounting to about \$15 million in revenue for Virginia International Terminals Inc...”

Tax Burden in Virginia Rises, but State Falls in Ranking²³

“The average tax burden for each of Virginia’s nearly 7.5 million residents increased last year by \$147, but the state fell two spots in the Census Bureau’s annual ranking of the highest state taxes per capita.”

“Tax increases of about \$1.4 billion the 2004 General Assembly...boosted the total tax load to \$1,907.92 for the year...”

“Even though it reflects an 8 percent increase over the 2003 average of \$1,760.92 per person, Virginia dropped from the 29th highest tax load per person to 31st.”

“...The highest burden per person last year was in Hawaii, where the average for every man, woman and child was \$3,048.”

“Wyoming was No. 2 last year at \$2,968, followed by Connecticut at \$2,937, Minnesota at \$2,888, and Delaware at \$2,862. Texas had the lowest average tax burden, at \$1,367.”

²² Shapiro, Carolyn, *Local Ports Working to Keep up with Asian Cargo*, *Virginian-Pilot*, 5/13/05, pp. D1 and

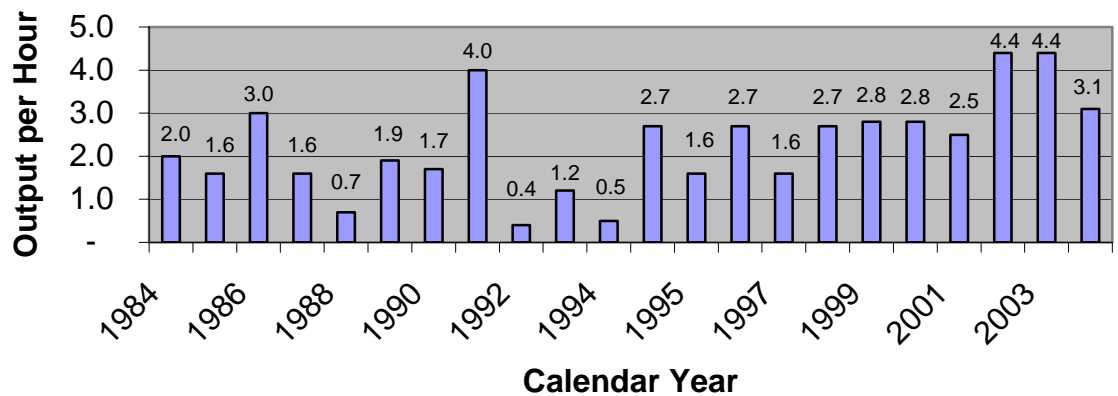
²³ Lewis, Bob, *Tax Burden in Virginia Rises, but State Falls in Ranking*, *Virginian-Pilot*, 4/29/05, p. B2

Population Estimates

City	Calendar Year 2000	Calendar Year 2003	Calendar Year 2004	2003-2004 Change
Chesapeake	199,184	209,945	214,725	2.3%
Norfolk	234,403	237,547	237,835	0.1%
Portsmouth	100,565	99,112	99,291	0.2%
Suffolk	63,677	73,423	76,586	4.3%
Virginia Beach	425,257	436,029	440,098	0.9%

Source: U.S. Census Bureau

National Productivity



Food Stamp Enrollment

	2001	2004	% Change
Chesapeake	8,860	12,101	37%
Norfolk	25,981	32,132	24%
Portsmouth	10,276	14,007	36%
Suffolk	5,371	7,696	43%
Virginia Beach	11,574	16,781	45%
South Hampton Roads	62,062	82,717	33%
Virginia Beach	345,127	485,987	41%
U.S.A.	17,316,000	23,854,000	38%

Sources: Va. Dept. of Social Services; USDA Food & Nutrition Service

Tourism

Summer Will Sizzle²⁴

“...the average person spends \$1,300 to \$1,400 to come here during the summer, said (Vinod B.) Agarwal (an Old Dominion economist).”

“Agarwal forecasts a strong year for local hotels, with revenues expected to grow by 4 percent to \$707 million...”

Portsmouth Sports a New Showcase²⁵

“...the (Virginia Sports Hall of Fame) museum...based its finances on projections of attracting 70,000 people in its first full year of operation – and as many as 110,000 after five years...”

“The city and museum have partnered to run a ‘Springtime in Portsmouth’ advertising campaign...”

“The sports museum also will be doing promotions with the Norfolk Tides this summer...”

“...museum officials hope to host everything from sports-themed movie nights in the new 125-seat theater to tailgating cooking classes on the museum’s back patio...”

“Supplementing the regular museum visitors will be conventioners, students, birthday party-goers and corporate board members...”

Group Raises \$116,000 for Decorations²⁶

“Children’s Museum attendance went up 22 percent in 2004 and, thanks in part to Winter Wonderland, attendance to all city museums rose 33 percent.”

²⁴ Batts, Battinto, *Summer Will Sizzle*, *Virginian-Pilot*, 5/27/05, pp. D1 and D2

²⁵ Hoyer, Meghan, *Portsmouth Sports a New Showcase*, *Virginian-Pilot*, 4/22/05, pp. S1 and S3.

²⁶ Bryant, Janie, *Group Raises \$116,000 for Decorations*, *Virginian-Pilot*, 3/8/05, p. B2