

Residents of Snohomish County
Council Chairman Dave Gossett
Members of the Snohomish County Council
Countywide Elected Officials
Snohomish County Employees



State Of The County Address
Feb. 4, 2010

Since first being elected to the House of Representatives in 1998, I have strived to create a strong and effective partnership aimed at growing our local economy. Early in my career, I would host weekly legislative conference calls while in Olympia. Each Tuesday morning at 7 a.m., Republicans and Democrats, Senators and members of the House of Representatives would gather in my office to discuss the legislative events and action items that affected Snohomish County. This practice carried on throughout my time in the House and in the Senate.

Since being elected and re-elected County Executive, we have carried forward this open dialogue regarding the issues of the day and our shared goals of economic opportunity and community prosperity. Our conversations have run the gamut. Our first conversation in March 2004 focused on streamlining the county to improve efficiency while heading off a projected shortfall of more than \$13 million. From there we discussed performance measures we've since implemented in Executive managed departments. We identified the action items brought forward through my Citizens' Cabinet on Economic Development, co-chaired by Connie Niva and Mike Martino of Sonus Pharmaceuticals. We spent time covering regulatory reform and even introduced our vision to refocus efforts on Snohomish County

agriculture and to create one of the nation's only localized farm to fuel tank Bio-Fuels projects.

After last year, I thought we had seen it all. We had a new president in the White House working to implement an historic Wall Street bailout bill. Congress and the president were nearing the conclusion of writing the American Recovery and Reinvestment Act. Optimism and opportunity was the mood – against the backdrop of the second greatest economic slowdown in our nation's history. Here in Snohomish County, we were preparing to compete for funding made available through the ARRA so that we could infuse our local economy and get money moving again. We were also urging Olympia to pay close attention to the possibilities that The Boeing Company would need to establish a second line of the 787 before the end of the year, and how the state needed to take this issue seriously by dusting off the competitiveness playbook used to successfully land the first 787 line in 2003.

Today, we gather once again before a backdrop of continued worldwide economic uncertainty that has manifested itself in every corner of Main Street. But unlike last year, the mounting financial pressures on our citizens and businesses have culminated in the highest unemployment rates in almost 30 years. Despite the best intentions of the administration and the majority in Congress, federal stimulus funds have been slow to find their way into the marketplace, thus liquidity and access to credit are still limited. Many of those who lost their jobs at the outset of the recession have been unable to find employment, and in fact, it has taken an act of Congress to extend unemployment insurance benefits. We in Washington have not been hit as hard as other Western states when it comes to home foreclosures, but that is no consolation to the many families in this community who have seen

the American dream of homeownership turn into their worst financial nightmare. And, while national and even local economists predict the end of the recession is near, our neighbors continue to face the looming specter of job loss, home foreclosure and extended unemployment. Our people are hurting, and it is our responsibility to do all that is in our power to put Snohomish County on the path to recovery, to pull through this recession, lessen its impacts and create a new trail of opportunity.

Although the federal government is key to our sustained recovery, we cannot wait for D.C.'s solutions to trickle our way before we act. The path to recovery begins with us and the recognition that we have a problem: Washington is a very high cost state and is not competitive. Washington State must change its mindset and make a conscious decision to aggressively compete and grow our economy or risk more job losses.

The loss of the second line of the Boeing 787 is a clear example of this shortcoming. While state leaders crowed about Washington's business ranking in Forbes, the potential for more than 7,000 family wage jobs flew south. More importantly, what was once considered our bread and butter will now be placed out for bid from this period forward. No amount of rationalizing the relocation of the second line of the 787 will ever excuse the lack of action from which it resulted. We can accept this new competitive reality or we can arrogantly rest on our laurels and watch more jobs relocate.

It is time to end the blame game. Washington State has a rich history of innovation and partnerships between labor and business. Moreover, our independent, Northwestern identity has always allowed for balance in our politics.

Traditionally, our goals have been rooted in our enduring values of hard work, community and opportunity. Today, our state's political environment looks more like the Potomac than the Puget Sound. While Olympia argues, families that each side purports to represent are suffering. The finger pointing is counterproductive and does nothing to further our objective to grow our economy.

The same is true here in Snohomish County. During the past month and a half, the volume and political drama has reached an all time high. And, in light of this, I have no choice but to take a minute to address the current political environment in Snohomish County.

For any form of representative government to succeed, there must be a thorough dialogue and a clear statement of differences when they exist. In Snohomish County government, the Executive and Council should engage in a robust debate on important issues facing the community. At every turn, the effort should be made to find common ground. However, sometimes that just isn't possible. When both branches are unable to reach a compromise and they care deeply about the issue or the outcome, then they have the responsibility to make their positions known and resolve their differences according to the law. The Freeholders knew this would be the case when they moved from a commissioner form of government to an executive-council form of government. Therefore, they gave the Council the right to affirm legislation by a majority vote and the Executive the right to return legislation to the Council through the power of veto.

Over the past six years, hundreds of ordinances have been passed by the Council and signed by me. Of the hundreds of ordinances passed by the Council, our differences have rarely resulted in my use of the veto power.

I have been judicious in using the power to veto, and I want to give you a sample of those issues that have raised to this level of difference between the County Council and I:

1. In 2004, I vetoed the Council's attempt to remove cities from our local Growth Management planning process. This veto was sustained.
2. In 2005, I vetoed the Council's actions to increase elected officials' salaries by 14 percent. This veto was sustained despite two separate attempts to override.
3. In 2005, I vetoed an ordinance to allow for mid-year fund transfers without Executive involvement. This veto was sustained after the Prosecuting Attorney's office raised questions of legality.
4. In 2008, I vetoed the Council's actions to increase their staff by more than 23 percent as revenues fell by more than 9 percent and the county had to dip into reserves in the middle of the year. This action was overridden.
5. In 2008, I vetoed the Council's actions to increase property taxes by more than \$160 million to pay for a new government building despite being in the middle of our nation's worst recession since WWII. This veto was sustained.
6. In 2009, I vetoed the Council's actions to eliminate land-use management tools from the growth management process. This veto was overridden.

Again, despite the hundreds of ordinances passed by the County Council and signed by me, these are examples of the few that I felt warranted a veto. I would submit that a majority of citizens in this room and across this county would have taken the same action if they were in my seat.

Our citizens should be proud of the strong will present in their elected leaders. But there is a fine line between strong will and stubbornness. And, there is a bright line between judiciously exercising the authority of each branch to ensure transparency and accountability and abusing one's power to punish or influence the actions of another.

Each of us has the right to disagree with the position of the other on any given issue. We have the responsibility to inform the other party as to where these differences exist and why. I would also submit that we have an obligation to engage in robust debates where we feel it is necessary as we are all duly elected to represent the best interests of our citizens. However, what is of concern is that the recent tone emitting from Snohomish county government is anything other than substantive. It is personal, it is destructive and it is void of any real issue. Now, I accept and take responsibility for my actions and my share of the friction between the legislative and executive branches of government. And, I am willing to bend over backwards to improve communication and the relationship between the two branches. But communication and relationship building is a two-way street – and it happens between individuals, not on the pages of the local newspaper.

If I am to be able to assist any elected official with any aspect of county government business then I have to be made aware of the concerns that exist. Recently, one county official took his concerns with our information systems department to the media without ever contacting my office or the department itself. In fact, records show that when the director went to meet the official at his office at the agreed upon time, he was stood-up. The director waited patiently in an empty office for 30 minutes. This happened not once, but twice. Political differences between elected officials is one thing; but elected officials reaching down and

accusing professional employees of malfeasance without any evidence, any record or any supporting data is something altogether different. And, the ripple effect on all of our employees is devastating. Snohomish County employees are public servants – they are not indentured servants. This type of behavior is unacceptable. And, it cannot be tolerated.

I was elected to serve public office, and I know I have to anticipate cheap shots and political innuendo. But how do you think the professional employees in our departments feel when politicians fabricate stories to tear them down in hopes of a political score? The county's department directors are professionals in their field. They are not party hacks or campaign contributors. They are business professionals with years of experience in their fields. From facilities management to information technologies, from human services to human resources, from public works to finance, these women and men have years of experience and training. They are certified public accountants, engineers, asset managers, professional counselors and technology experts. They are nominated by me but they are interviewed and confirmed by the Council. They oversee hundreds of employees and manage millions of dollars.

Too much is at stake for the petty bickering and politics of personal destruction to continue. It is past time to move forward. Now, we will not always agree on the desired outcomes and we may not even agree on the process. But let us commit ourselves to staying focused on the ideas and the policies our citizens expect us to debate – not the personalities of one another. I am committed to moving forward and I am resolved to put past differences to rest and agree to start anew. I genuinely extend my hand and ask for equal effort towards rebuilding a partnership rooted in honesty and mutual respect.

As I said earlier, our citizens are hurting. The numbers we see monthly that comprise the county's balance sheet tell a story. When motor -vehicle excise taxes drop, that means people don't even have enough money to register their cars. When we see sales taxes drop during November and December, that means people don't have enough money to spend on Christmas gifts for their children or spouses. When we see property taxes decline, that means people are losing their homes and they have decided to save as much money as possible before they are forced out. These are our neighbors, friends, family and former employees that we are talking about. The stories of those suffering from the effects of the recession are everywhere, and they are heartbreaking. Just a couple days ago, I was stopped in the men's clothing department at the Everett Mall Macy's by a woman who has helped me pick out my ties and shirts for quite some time. Her husband has been without work for more than a year, and the stressful toll this is taking on her marriage, on every element of her life, was etched on her face as she told me her story.

When we work together toward a shared vision, we can prove to Olympia that we in Snohomish County are serious about finishing what we started, and creating lasting opportunities for our hard-working people.

In 2003, when we competed for what was then called the "7e7," we embraced the mantra of "not losing Boeing on our watch." We assessed our strengths and weaknesses, we identified the pros and cons of doing business in Washington, and we eliminated barriers and increased opportunities for competition. A Democratic governor worked hand in glove with the Democrats and Republicans in the legislature to make Washington the winner in a national competition. This victory

was the result of partnership taking precedence over partisanship, including a unified Boeing Company and IAM. Between 2004 and 2008, we created nearly 23,000 new aerospace jobs throughout the state of Washington. And, we in Snohomish County led the state in overall rate of job creation during this period.

Unfortunately, the changes and pledges made in 2003 to make Washington competitive enough to land the initial 787 were not continued. And, Olympia is once again wrangling with the issues of competitiveness and how the state will move forward.

Unfortunately, for our sake and the sake of workers and business owners, Olympia is locked in a hyper-partisan political culture keeping lawmakers gripped in a state of paralysis, denial and blame.

Here at home, we know the rules of the game. We are engaged in a national and in many ways a global competition to attract capital investments and jobs. The cost of doing business, and how Snohomish County compares to other counties in the region, matters. Just as how Washington compares with other states matters. There are those who believe we are special and that we don't have to compete for jobs. They claim that to focus on competitiveness is nothing more than a race to the bottom. Homegrown employers such as Amazon, Dendron and Microsoft are headquartered here, yet each has made decisions to locate facilities and jobs elsewhere after considering Washington's cost of doing business. Combine that with the number of jobs our state has lost in recent years and the relocation of OUR Boeing 787, and it's obvious that Washington is already a participant in that race. Olympia just doesn't know it yet.

As I have said many times before, our goal is not to be the lowest cost state in the country. However, we must make certain Washington is not the most expensive. We can't afford to be the outlier that is disqualified from consideration because policymakers just don't get it. Policymakers must remember that our focus on creating a competitive state is not for the sole purpose of helping business, but for the purpose of creating good jobs for our citizens and tax revenues to support our government services. This is the approach that helped Snohomish County land Korry Electronics and Scherring AG and helped convince ATS and Comcast to expand their operations. When applied locally, we have proven that we can create jobs and get our people working again.

Play as a team and play to win.

Just as we need to have a winning game plan, we need to play as a team to win. While Washington State lacks a unified commitment to competitiveness and economic development, Snohomish County can help shine the light on the pathway forward. Right now, as lawmakers are in session they are stuck debating how to cut smaller pieces of a shrinking pie.

Neither side is talking about the need for economic development and job creation as the means of increasing the size of the pie. The number one priority in Olympia must be getting this economy back on track. Creating new jobs and growing the economy is the most effective means to increasing tax revenues and decreasing the demand for government services. We must remind lawmakers that our citizens would much rather have a paycheck than an unemployment check or government voucher. Yes, we need to fund the vital services our citizens need to get by and stay afloat during these tough times. But the focus needs to move beyond just doing emergency triage and instead putting this state and county on the path to

recovery. The loss of the second Boeing 787 line is a symptom of the greater problem. It is the proverbial “canary in the coal mine.” Washington has fallen off the map when it comes to economic development. Olympia cannot remain paralyzed by the enormity of the challenges we face. Changes must be made to compete for and win new jobs. Snohomish County cannot wait for Olympia or the other Washington to “get it.”

We must act quickly and decisively on key fronts. To seize every opportunity to help our citizens, grow our economy and create jobs.

Hope is not a method. Yet during times like this, hope may be all some folks have. There are dedicated public servants at every level and in every area focused on helping those in need. The problem is, folks in need today were the people we relied on to volunteer or make donations in years past. They don’t know where to go or how to access government services. In many cases they don’t even know what government services exist. To help those in need, my administration has brought together the United Way of Snohomish County, the Workforce Development Council of Snohomish County and human needs agencies from the State of Washington to host a three day human needs resource fair at multiple locations throughout the county. We’re calling it “Helping Hands for Hard Times,” and it is aimed at helping families and individuals impacted by the current economic crisis. There is no admission fee and all services are offered to participants free of charge. Starting next week, more than 25 nonprofit and government agencies will be available to provide employment, housing, financial and healthcare assistance.

Although, Washington failed to take the competition for the second line of the 787 seriously and although or congressional delegation is leading the charge to make certain that the Boeing Co. has a fair shot at the tanker contract, I still believe that our aerospace manufacturing base is worth fighting for. And the way we keep it is to make sure that we are in the game when it comes to existing line expansions or next-generation development. We must continue to press Olympia to make the necessary changes to compete, but we must also continue to lead and perform when they won't. This summer, after important legislation aimed at creating an aerospace training center failed to make it out of the Senate, my administration brought together the interested parties to make it happen. Together, with the Aerospace Futures Alliance; Edmonds, Everett and Spokane community colleges; the Workforce Development Council; the Boeing Company and the IAM, we created the state's first ever Aerospace Training Center. This year we will open these centers here at Paine Field and in Spokane at the Spokane Airport. We didn't let pessimism or low expectations hold us back. Already, these facilities have received state and federal validation and funding. This facility will help train the next generation of workers, which will keep Snohomish County and Washington State ahead of our competition.

In the short term, to create jobs we have to be organized, focused and innovative. To that end, I am pleased to share with you a new initiative we will pursue in Snohomish County.

As you may know, Snohomish County has worked aggressively to ensure that we are receiving our fair share of federal funding through ARRA and creating local public and private sector jobs. Since March, we have carried out an aggressive and coordinated effort to acquire ARRA economic stimulus grants for a variety of

projects and services. Already we have garnered nearly \$40 million in grant awards that are putting people to work on transportation improvements, energy efficiency projects and promoting public safety.

Just yesterday, I announced that through an initiative we call ReCAP (Snohomish County Economic Recovery Capital Improvements Initiative), we are positioned to take advantage of a new category of federally subsidized municipal bonds to promote public and private economic development.

Through ReCAP, I have submitted a proposal to the County Council to finance \$13.2 million in Snohomish County infrastructure and job creation projects. These projects will provide much needed traffic congestion relief, pedestrian safety near schools, improved emergency response and significant investment in the Evergreen State Fairgrounds in Monroe.

In addition, this proposal calls for capitalizing on \$19.8 million available to finance *private* investment in capital projects that will create *private sector* jobs in Snohomish County. This \$19.8 million of tax-exempt financing will allow private businesses to finance capital expenditures at rates that range from 65-80 percent of conventional taxable bank interest rates. The debt service for these projects will be funded solely by private investors and does not require a pledge of public funds for security.

Under ReCAP, private proposals will be reviewed by an advisory committee made up of representatives from the business community who will select investments that promote job growth and economic expansion in key sectors of our local economy: aerospace, advanced manufacturing, renewable energy, agribusiness and

biotechnology. Let us work together to make ReCAP a success for the businesses and families in our community.

Let the front pages of our papers tell the story of our efforts to help those suffering because of the recession by creating jobs and putting people back to work. And let them inform our readers as to the workforce training programs in aerospace, construction, building trades and green technology that we are partnering to create. Let the pages help our citizens find access to the valuable services they need. Let the papers inform our readers of the work we are doing to blaze the trail of opportunity and economic recovery. I know the old saying that politics is show business for ugly people. But do we really need to be the actors in a bad soap opera played out daily in the local paper? I think not. I know our citizens expect more and we want more than that.

Our success towards helping those in need is inextricably tied to our ability to work together for the common good. We are all in this together.