

February 20, 2007

Citizens of Snohomish County
Chairman Gossett
Members of the Snohomish County Council
County Wide Elected Officials
Snohomish County Employees



**STATE OF THE COUNTY ADDRESS
FEBRUARY 20, 2007**

I am pleased to be here today before the Everett Chamber of Commerce to deliver my fourth State of the County Address.

It is a pleasure to be among so many business, community and elected leaders with whom we have forged a partnership to achieve our mission of building a brighter future for Snohomish County.

Today, the State of our County is strong. The vision laid out three years ago has taken shape and we are ushering in a new generation of prosperity in Snohomish County.

Today's Snohomish County is one based on the principles of opportunity, community and responsibility.

Four years ago I spoke at a rally for Boeing Machinists outside of the Everett Boeing plant. The Boeing Company had recently moved its corporate headquarters to Chicago and the events of 9/11 had a chilling effect on our economy. Unemployment soared to over 7.8 percent and there was little optimism for a quick economic recovery. The theme of that rally was "We Can Do It." I

was State Senator at the time, and those who gathered were hopeful that the legislation we had passed in Olympia to encourage Boeing to build the then 7e7 locally would bear fruit.

The chants of “We Can Do It” that day were more than a slogan. Those words represented a yearning for opportunity. They were an expression of our resolve as a community to overcome any obstacle, remove any barrier and meet any challenge. They were a call to all businesses from Boeing to biotechnology, from healthcare to education, that Snohomish County is the place to invest and succeed.

Later this summer, just four years after the passage of this legislation, the Boeing 787 Dreamliner will roll off the assembly line and take flight. This enormous success is a symbol of the spirit of our County and our achievements in all sectors of our economy. It is a direct result of our aggressive effort to pursue change – and never let pessimism and low expectations hold us back.

In the past twelve months, more than 12,000 jobs were created in Snohomish County. This represents a rate of growth better than double the state average and five times the national average. In the final month of 2006, Snohomish County was home to 25% of the jobs created in the entire state of Washington and County retail sales and consumer confidence continued to rise.

Our mission in Snohomish County government is to perform as a partner to remove regulatory barriers and expand opportunity for job growth. Today, the 787 Dreamliner has proven Boeing as the international leader of the aerospace industry. Boeing estimates the commercial airliner market will top \$2.6 trillion over the next 20 years and that they could capture as much as 60% of that market. If we approach the global market competitively, we will have the opportunity to capture the benefits of these investments locally through family-wage jobs, multi-

million dollar investments in our communities and added revenue to pay for local services without raising taxes.

We are working closely with our local business leaders to remain the epicenter for commercial aviation. More than a year ago, I convened a meeting of representatives of the aerospace industry and the EDC to identify key opportunities to partner to improve our competitiveness. Today, we are aggressively moving forward with our partners to improve our local tax structure, market the unique skills of our workers and workforce training available in our region, increase the availability of skilled labor and build a four year polytechnic college in Snohomish County.

Improving our local tax structure allows us to recruit, retain and diversify our aerospace businesses. Just this month I joined with leaders from our business community to testify in Olympia on behalf of providing the aerospace tax incentives package to every business engaged in aerospace product development. Four years ago as a Senator, I helped lead the effort to reform our states tax system to land Boeing's 787. Today as your County Executive, I am encouraging my former colleagues to extend our commitment across the board to all aerospace suppliers.

To attract new businesses to our County we must market the unique skills of our local aerospace workers and our commitment to workforce training. In partnership with the EDC we are recruiting companies to Snohomish County. By partnering in their growth and tailoring workforce training programs specific to their needs we will continue to see new jobs created.

Already these efforts are helping to attract new businesses and expand existing businesses in our region. Boeing and others are investing millions in our area

thanks to the Dreamliner. Goodrich Aerostructures Integration Services Inc. just opened a \$20 million facility that will employ more than 80 employees by 2008. Messier Doughty, Draeger Aerospace and Rolls Royce are all in the process of building new facilities in Snohomish County. And, The Future of Flight Aviation Center and Boeing Tour give us an additional presence in this global economy.

New jobs mean we must expand our effort to produce an even stronger and more skilled workforce ready to compete.

While our transformation of Snohomish County has created new opportunities for most, there are many of our residents who are feeling left behind. Even as our economy, job and wage base grow at record levels – too many of our residents are working harder than ever just to keep their heads above water.

To make certain everyone has the opportunity to compete and succeed in today's job market, we must ensure that everyone has access to the most complete and up to date skills training. The businesses of today and tomorrow require a trained and highly skilled workforce. Where problems were once brought to the boardroom, today's employers demand skilled and flexible workers who can identify and solve problems from the shop floor.

That is why we have invested in working with the Snohomish County Workforce Development Council to redirect this organization and make changes that will allow workers the opportunity to update their skills and knowledge with the latest training desired by today's businesses.

Thank you to Deborah Knudsen, President of the Snohomish County EDC for the fantastic job she did as interim President of the WDC during a very important transition. Your commitment is emblematic of the tremendous support of our

business community in our shared vision of making opportunity for all a reality in Snohomish County.

I want to also recognize and thank Dale Peinecke, President and CEO of Giddens Aerospace. Dale graciously accepted my appointment to the Board of Directors of the WDC and is now the Chairman of that board. Dale's ability to create effective partnerships, coupled with the energetic, determined and devoted Board of the WDC is leading workforce training in Snohomish County into a new era

Through the Workforce Development Council, Career and Technical Education programs and other services we are all working together to help our workers and businesses meet the challenges of the global economy.

But we must go further. We must, as Theodore Roosevelt said, "Take that long look ahead." A four-year polytechnic university is a bold objective – and it is the right one. Washington is in the top ten when it comes to jobs in engineering, computer science, physical and life sciences. However, we rank 38th in the country in graduating students with the skills they need to fill these jobs. Each year, just 160 students graduate from the University of Washington with a degree in computer science or computer engineering as more than half of the applicants are turned away.

Of the 33,000 Microsoft employees working in our state, at least 1/3 of them were born outside the United States. And locally, Microsoft is continuing to hire about 4,000 new employees per year. According to Boeing figures, 43,000 aerospace employees will retire in the next 10 years. We have a clear choice before us: educate our children to fill the jobs of tomorrow or resign ourselves to importing the skilled labor we need from other parts of the country and world. A 4-year Polytechnic University is goal that will require the shared focus of all our efforts,

and one whose rewards will benefit our County for generations. I want to thank the many community leaders in this room today who have joined with us and given their support to this effort, and ask that you continue to push our representatives in Olympia to resist the temptation to settle for less.

While we pursue the industries of the future, let us commit to preserving our economic heritage and enduring values. Food security, bio-fuels and a growing demand for locally grown products are just a few of the important reasons we must expand our local farm businesses. Three years ago, when we approached local farmers to help us draft our Agriculture Action Plan, County staff were greeted with skepticism and distrust borne from years of regulatory frustration. Last November, over 350 local farmers navigated ice covered roads to the Lynnwood Convention Center for the third annual Focus on Farming Conference. We are working together with our local farmers to expand markets and visibility for local products, identify and preserve prime farmlands and reduce development pressure through purchase and transfer of development rights.

Through all of these efforts, and our commitment to being a partner in local economic development, opportunity is expanding for the residents of Snohomish County to reach for and achieve their goals.

We must ensure that the opportunities created are available to all. That is why we are pursuing the appointment of a County Inclusion Manager. The Inclusion Manager will work with local community leaders and County staff to promote greater access to County hiring practices and eliminate barriers to County services. The County Council will consider this proposal once again this week, and I ask that they join in our pursuit to overcome prejudice and foster a more inclusive County government.

As we strive to build a County of opportunity, we must not lose focus of a broader goal: we are building more than a County – we are building a community.

I grew up in Snohomish County. Now, my wife Kate and I are raising our children here. Safe, thriving neighborhoods, quality parks and open spaces are what make our County the best place to live, work and raise a family.

The goal of building a community permeates all that we do as a County.

We are pursuing new ideas to solve longtime challenges. Last year we initiated an innovative bonding proposal to begin tackling our County's infrastructure deficit. The Community Infrastructure Development Initiative, or CIDI, is already at work delivering 46 critical park, sidewalk, storm water and road projects as much as ten years ahead of schedule and saving our taxpayers millions of dollars – without raising taxes.

Our first priority in CIDI was to accelerate the delivery of much needed transportation improvements. There are no quick fixes to the transportation needs of our growing County. But we cannot shy away from the challenge. CIDI provides \$26 million to fund 20 neighborhood transportation projects including intersection and surface street improvements, pedestrian walkways and sidewalks. Through our regional partnerships we have secured funding for improvements to our freeways, we are working to bring \$2.3 billion in roads projects to the County as a part of the Regional Transportation Improvement District and we are leveraging local money to give residents alternative transportation choices through increased transit, rail, bicycle and pedestrian improvements.

Infrastructure projects are more than bricks and mortar. They are a part of a community's foundation and a source of its pride.

This was evident at the opening of Willis Tucker Park in 2006 when a young father approached me and expressed his gratitude for the new addition to his neighborhood. He explained what it meant to him to have that new swing set in place while his six year old daughter is still young enough to ask him for his help. To him, that County park represents an opportunity to build lifelong memories with his little girl.

That father's thoughts are emblematic of what it means to serve the public and what we can accomplish together.

Next week, I will announce the details of CIDI II: our Community Enhancement Initiative that will take County government to doorsteps and community centers to improve our neighborhoods. We will partner with the PUD and local schools to provide lighting on arterial streets and near schools to improve safety. We will partner with farmers to expand an innovative flood fencing program invented by County employees in the Surface Water Management department to protect farms from flood damage while establishing quality salmon habitat. We will partner with community groups to spiff up our neighborhoods by providing grants to beautify ten local detention pond eyesores with native plants and landscaping. We will update County pedestrian facilities and intersections by installing curb ramps at 20 high-priority locations to make them ADA compliant, install countdown displays and ADA compliant punch button systems at 62 locations. We will partner with local youth sports organizations and schools to provide grants to renovate sports facilities at schools and County parks. We will partner with the Sultan Fire District and the Puget Sound Clean Air Agency to provide rural areas of the County with a cost effective and environmentally friendly alternative for disposing green waste that would otherwise be burned. Our Community Enhancement Initiative will establish a connection between the County and its

residents by giving residents the opportunity to become directly involved in building neighborhood projects and setting priorities.

By coming together to solve problems and taking ownership of our neighborhoods we raise our quality of life and improve safety.

From sidewalks and streetlights to giving law enforcement officers and prosecutors the tools they need to fight street level crime and ensure swift and certain punishment, the number one priority of this administration is keeping our neighborhoods safe. Law and justice represents 71% of our County general fund budget. In the last three years we have added 30 new deputies, 12 new deputy prosecutors and we are capitalizing on local, state and federal partnerships to meet our law enforcement needs. We have increased traffic safety near our schools and support for children victimized by physical and emotional abuse. We have led the fight to eradicate methamphetamine, we have expanded services to protect victims of domestic violence and we have supported a new effort to target identity theft.

While all of these law enforcement tools are essential, our efforts as a County to provide a safe and secure community go even further.

Blight, graffiti and illegal junkyards create breeding grounds for criminal activity. They lower property values, erode our sense of community and make us all feel less safe.

Last summer, for the first time in County history, we forced the removal of dangerous, unsightly and illegal trash heaps through our new junkyard abatement program. In the past two years, our Environmental Clean-up Teams have cleaned-up more than 1,100 illegal dump sites removing over 1,600 tons of garbage and

recyclables. We are combating these challenges head-on – eliminating behavior that breeds crime.

To continue in our fight we will nearly double the number of code enforcement officers charged with targeting neighborhood and environmental decay. And next month I will formally announce legislation to give code enforcement and law enforcement officers the tools they need to combat graffiti in Snohomish County.

As business and community leaders joined here today, let us work together to eradicate graffiti and show would-be criminals that Snohomish County does not tolerate the degradation of our neighborhoods.

When it comes to community safety, Mother Nature certainly reminded us this winter that she too can pose a formidable threat. To better protect our community in times of natural and manmade disasters, Snohomish County took over leadership of the Snohomish County Department of Emergency Management just over one year ago. We have improved capabilities for communication, search and rescue, emergency preparation and response. The new department responded admirably to this year's wind, snow and record flooding. Through our coordination in response to the Election Day floods we pre-positioned 100,000 sand bags, assisted in coordination of more than 200 rescues and are working in our communities today assisting with long-term recovery needs. Today, we are positioning DEM to be the regional emergency response agency and preparing to build a new Emergency Operations Center to continue to expand and improve our ability to respond to any emergency.

Clean, safe neighborhoods surrounded by the natural beauty of our region make all of us proud to make our home in Snohomish County. From outdoor recreation

like hunting, hiking and fishing to clean water and scenic vistas, our sense of community and quality of life are inexorably tied to our natural environment.

In the past three years we have restored critical salmon habitat along our County's streams, rivers and tidelands. In a single project in Granite Falls we will partner with property owners to restore nearly five miles of shorelines and plant more than 16,000 trees and shrubs. Our Solid Waste department is a recognized as a national leader in promoting environmental health through recycling of hazardous materials and product stewardship. This year we will update County protections for our critical areas and shorelines. As we set out to craft policies to enhance our environment, we are working with stakeholders to take a balanced approach recognizing that sustainability requires partnership.

Unique parks and open spaces, safe neighborhoods, quality roadways and sidewalks and a clean environment; a thriving economy, a government partnering with business to create jobs and the education to meet the demands of the next generation; these are the characteristics of a Snohomish County focused on a new era of community and opportunity. But these ideals can only become reality when we seek to meet them responsibly.

Each year, my administration has worked to bring accountability to Snohomish County government. When I took the oath of office as County Executive, I made fiscal solvency my number one objective. The County faced increased costs from an expanded County jail, declining revenues and a stagnant local and national economy. The County had already begun to dip into its savings by committing to an annual budget with expenditures in excess of revenues. And, in October of 2003, just prior to my election as the third Snohomish County Executive, Standard & Poor's downgraded the County's bond rating to "negative watch."

Without raising taxes we have instituted priority-based budgeting, closed a \$13.4 million budget deficit and focused County services around the needs of our residents. Just last June, Standard & Poor's upgraded the County's bond rating to "stable," and we are investing in a responsible, prosperous future.

Snohomish County Government has transitioned from a post WWII industrial model of big government to one that utilizes networks and the effective use of information technologies. Our government is more responsible and responsive to the society we serve. And, we continue to strive to be a catalyst for on-going progress and change.

We reward the innovation of our employees and encourage creativity in problem solving. In short, we have moved from thinking and acting like a slow bureaucracy to an entrepreneurial and dynamic publicly owned corporation. Today, more of Snohomish County is working, prospering and realizing the American dream of homeownership than ever before. Our future in this new era is bright because it is a future of our choosing. Through partnerships with our cities and leaders in the private sector we have grown a more diverse and inclusive economy than many ever imagined.

This didn't happen by accident. Our leadership throughout the region is strong. We are demonstrating how government can work well, create innovative partnerships and meet the expectations of our community.

Our decisions and actions in this new era are guided by a sense of purpose. Government cannot solve all the problems that exist – but it should seek to equip our citizens with the tools they need to solve their own problems.

We will continue to build on our community partnerships and advance the entrepreneurial spirit that has yielded so much success to date as we go forward in this new era to open more doors for those who have yet to benefit.

Thank you for your partnership and for the opportunity to speak with you all this morning.