

## ***The State of Snohomish County***

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Snohomish County Executive**

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Xfinity Arena  
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Thank you for giving me the opportunity to talk with you today.

And thank you to the Economic Alliance of Snohomish County for graciously hosting this annual event. I very much appreciate this chance to gather with you and offer my vision for Snohomish County.

It's an honor to stand before you as the fifth Snohomish County Executive, elected to help lead our county and the region.

As I was driving here this morning, I could not help but reflect on the changes our beautiful county has experienced since I started haunting these parts in the early 1970's.

- Edmonds fishing pier
- Verlot – Highway 9
- Tulalip Tribes had a fishing fleet and little else
- Monroe log scale and gravel pit

More changes are coming

- 200,000 people will be arriving in the next twenty years

- Changes in economy
- Changes in land use
- Changes in education
- Changes in transportation, including Light rail into Lynnwood and on to Everett

We must recognize both the changes that have happened and the changes that will come.

I want to talk with you today about a few of the biggest issues we're facing in Snohomish County.

When I took office I knew we faced challenges:

- The much-delayed courthouse project
- Perennial budget deficits
- Lapsed labor contracts
- A raging heroin epidemic
- Strained relationships

These challenges also represented an opportunity to adjust how the county is run.

I want to tell you what I've learned in these six months as Executive.

Because even though I had been on the county council for a dozen years, my new perch in the Executive's office gives a unique perspective on our county and the region.

So, what have I learned in the first six months on the job and what do I plan to do?

First, I'd like to talk with you about some of our plans for economic development in Snohomish County, including the related issues of trade, transportation, and education.

Second, I'd like to talk with you about Snohomish County's finances, including the courthouse project and my STEP Initiative.

Third, I'd like to talk with you about the heroin epidemic and the related issues of homelessness and mental health care.

Fourth, and finally, I'd like to talk about what we are going to do to protect and sustain the quality of life we enjoy here in the Pacific Northwest.

Of course, not one of these issues can be successfully tackled without the partnerships and collaboration that undergird our region's development. I'm very proud of our partnerships with the Snohomish County Council, Mayors, the private sector, and other leaders across the region. I have no illusions about how hard we will need to work over the next few years to achieve our goals. But I also know that if we work together and keep our common goals foremost, we will deliver for our residents.

We must work and act as a region. We have a wealth of assets all around us, and since there is a vibrant world market, we must work together to bring more jobs, growth, and opportunity to the Pacific Northwest.

Our transportation challenges are regional. Our job challenges are regional. Our housing challenges are regional. And, of course, our public safety challenges are regional.

While regional, we also have many specific niches here in Snohomish County that are all our own. It is our job to highlight those assets and make sure we are working to our strengths.

I was excited earlier this year when Arlington and Darrington were chosen as finalists for the America's Best Communities awards. Both Mayor Tolbert and Mayor Rankin have worked very hard over the last few years to not only recover from the SR530 landslide but to lead their communities toward long-term prosperity and stability. I am proud to partner with them to help the Stilly Valley take the next steps forward.

I am very proud of the partnerships we have built with the City of Everett and Mayor Stephanson. Snohomish County and the City of Everett have many overlapping interests, from transportation to slowing the heroin epidemic to battling homelessness. We will continue to work productively with our friends in Everett.

I'd also like to mention the importance of our partnerships with the Tribes in Snohomish County. Tulalip Tribes, Stillaguamish Tribe of Indians, and Sauk-Suiattle Indian Tribe are very important members of our community, and I will continue to work with them on issues of mutual concern.

Let me also mention that I highly value transparency. Maybe it's my time on the county council, but I strongly believe that to do the people's business we must be open and honest. I kicked off my term by allowing a reporter from the Herald to embed in our office. It was one of the ways that we wanted to send the message that the public has a right to know what we are doing on their behalf.

### **I. Economic Development, Trade, Transportation, and Education**

Snohomish County is the fastest growing county in the State of Washington and one of the fastest growing counties in the United States. I believe we are creating a model for other counties in the US to follow.

We are expected to welcome an additional 200,000 people to the county in the next twenty years. We have to plan for this growth, or it will have a negative impact on our community. We have to plan for more jobs, more housing, and more transportation.

I am a big believer in promoting economic development that protects and enhances our quality of life and promotes diversity.

As of April 2016, Snohomish County had the second lowest unemployment rate in the State of Washington at 4.4%. But this rate does not hit every corner of our county equally. While we have tremendous manufacturing

facilities in the county, we have other areas that are still transitioning from a reliance on timber and fishing.

Snohomish County is moving from a natural resource based economy to one that relies on manufacturing, technology, agriculture, and tourism. We must be prepared to diversify even more and ensure that everyone in the county can take advantage of our strengths.

I believe Snohomish County government has a role to play in partnering with the private sector to create jobs and expand our economy. I am excited to continue working in close collaboration with our friends at the Economic Alliance of Snohomish County to find innovative ways to bring more jobs to the county and expand our economic base.

Obviously, aerospace is the most important industry for us, since we are home to Boeing's largest manufacturing facility in the world.

At this point, let me congratulate Boeing on their 100<sup>th</sup> year anniversary. How about a round of applause?

I know we'll be celebrating next month, but it's never too early to highlight the profound impact Boeing has had on the county and region.

Boeing has provided good and diverse jobs. Boeing employs engineers, machinists and trades people, executives, administrative staff, and many others: they provide the full range of living wage jobs that have made Snohomish County such a great place to live, work, and enjoy free time. Boeing's workforce is second to none in keeping our region's economy growing. Boeing workers are talented and generous, providing contributions not just to Boeing's bottom line but also to organizations and communities across the county.

Our manufacturing base, whether with Boeing or other companies, is incredibly important to our economic well-being. Since the days of the busy

mills along our waterfronts, we have been a hands-on community of builders, makers, and manufacturers. We want to preserve that legacy.

You often hear that we don't build anything in the United States anymore. That is nonsense and wrong-headed, and believing that will cause us to be ill prepared for the future.

Two weeks ago, I announced my Economic Development Initiative which organizes Snohomish County's efforts into nine specific sectors.

These include: 1) Trade and Business Development; 2) Aerospace; 3) Agriculture, Fisheries, and Forest Products; 4) Technology; 5) Military and Defense; 6) Recreation and Tourism; 7) Energy and Sustainability; 8) Arts, Culture, and 9) Film; Education, Life Sciences, and Global Health.

I have appointed one person to be the single point of contact within county government for work in each of these sectors. These individuals will be key to building our partnerships and being liaisons to our existing businesses, those considering locating here, and those who may not have yet heard of us.

Also, we are mirroring efforts done at the state and federal level to make it even easier to bring more businesses and opportunity to our region.

Of course, our efforts to increase manufacturing jobs in the county will cross all of these sectors, since manufacturing represents some of the best opportunities for targeted economic development.

I hope that we can begin to expand opportunity across Snohomish County, particularly to some of those areas that have not seen much, if any, economic growth over the last few years.

Let me also say a few words about trade promotion and our efforts to increase foreign direct investments into Snohomish County.

I was in China in May and saw the incredible opportunity for our businesses. We were able to sign an MOU with the Municipality of Shenzhen—an eleven million person municipality, by the way—that will help us promote our agriculture in China and hopefully bring some foreign direct investment to Snohomish County.

We are a trade dependent county in a trade dependent state, and we must do all we can to remain competitive, not only in aerospace but also in all of our other key economic sectors.

Let me just briefly mention Sound Transit 3 and our vision for building a light rail system.

For anyone who spends any time on I-5 or I-405, it is no surprise that we are in desperate need of a regional mass transit system. And if we think about another 200,000 people driving on our roads in the next twenty years, it should send chills up our spines.

With the population growth of the entire Puget Sound region, we must plan for how all of these people will move between job and population centers.

As a Sound Transit board member, I strongly support the ST3 proposal we passed last week, since it meets our critical goals; it serves our job and population centers, in particular Paine Field and Everett; it is a truly regional system; and it prioritizes Snohomish County and the completion of the spine. We are working hard with other Sound Transit board members to make sure this package passes. There is no Plan “B.” If this plan doesn’t pass, we will be at a major disadvantage when ST2 is completed and everything north of Lynnwood becomes even less accessible because of gridlock.

In the 1970’s, the voters said no to major federal development of rapid transit here in the Puget Sound region. We are still paying the price for that mistake in congestion, lost revenue, increased costs, and lack of transportation choices. Let’s not make that mistake again!

We know very well that these massive public works projects take time to complete, and I wish we could speed up ours even more. We have signed an MOU between Lynnwood, Everett, and Snohomish County to make sure we will prioritize ST3 construction, and I will continue to push for every idea that will shave time off of the projected completion date. Our partnership with Lynnwood and Everett on this has been very encouraging and a model for the region.

Also, these projects are by necessity expensive. But there is an even higher cost to our quality of life and economy if we choose to do nothing or if mass transit just serves Seattle and not the region. I urge everyone here to support the ST3 package, since it will be transformative for Snohomish County and the region.

Let me say a few words about education, since our education system is the fundamental building block for our economy. Without an educated workforce, we will not be able to compete regionally, nationally, or internationally.

We must look at innovate solutions for providing good, solid education at all levels from primary to our higher education system.

I want to use my office to explore ideas that can help us train workers for tomorrow. We have some extraordinary institutions that serve Snohomish County, including: Everett and Edmonds Community Colleges; WSU Puget Sound North; UW Bothell; Central Washington University in Lynnwood; and the University Center of North Puget Sound with partners like Western Washington University. We have higher education institutions to ensure our workforce is trained and adaptable to the jobs we need to create today and in ten years.

Over the next year, I plan to have discussions with our region's leaders to make sure Snohomish County government is doing all it can to build our education and training system here in Snohomish County. Our future depends on it!

## **II. County Finances, Courthouse Project, and STEP Initiative**

I'd like to give you some insight into the county's finances.

The very short version: we are in trouble.

One of the reasons I ran for Executive was because the county was on an unsustainable financial path, and we needed to do something about it.

Our budget office currently predicts that we will have at least a six million dollar deficit in 2017. That's six million dollars we will have to cut, even while we must continue doing what we do now.

The reason for the deficit is that our revenue does not keep up with inflation, while our responsibilities continue to grow. Costs of such things as health care and a maturing county workforce far outpace the 1% property tax revenue increases allowed under state law. In addition, the County has lost significant sales tax revenues due to annexations.

Since 75% of the county's general fund budget is used for law and justice agencies, any large deficit will hit our public safety agencies most heavily. I am working to bring our county's finances back to a more sustainable path.

One of the things I had to do in light of our terrible budget situation was kill the idea of building a brand new courthouse. We simply cannot afford to build an expensive new building. I favor excellent public service and effective operations over a new building. I recommended to the County Council to renovate the current courthouse and make it safer and more accessible. And to do so within our means.

One of my top priorities when coming into office was to work at improving our customer service in the county.

I have launched an initiative that we are calling STEP. That stands for "Service, Technology, and Excellence Program." We are partnering with the

State Auditors Local Government Performance Center to help us improve our processes. There are some areas of county services that have not been reimagined in decades. STEP builds upon process improvement methods used widely by industry, including Toyota, Boeing, and many others.

We will be implementing a continuous improvement model that will reshape how the county does business. Our Planning and Development Services Department is already well on the way to reshaping some of their major lines of work.

I am very optimistic that we will find additional efficiencies in county government, improve customer service, and boost employee morale.

One area I was forced to focus on to improve employee morale was the absence of labor agreements for most of our represented employees. In fact, most employees had been without a contract for a year or two when I took office.

I am very pleased to report that we have already signed a contract with our largest union, AFSCME, and the Clerks Association just recently ratified an agreement. We now have labor agreements in place for more than half of our employees. There are still a couple outstanding, but I expect we will get those done in the next few months. We have to partner with our friends in labor if we expect to improve employee morale and customer service for our residents.

### **III. Heroin Epidemic, Homelessness, Mental Health Care**

One of the greatest challenges we are facing today in our county is the interrelated problems of the heroin epidemic, homelessness, and untreated mental illness.

We have tried for decades to arrest our way out of these three problems. Our jail became the largest mental health and drug addiction warehouse in the county. There is overwhelming research that shows you cannot arrest

away addiction or mental illness. Locking someone up will not magically cure these diseases.

Thus, when we are presented with something such as our heroin epidemic, we know we don't currently have the resources to address it. We recommended going to the voters to fund a program targeting drug abuse and related problems. We know that we must take a holistic approach. If voters approve in August, we will be able to hire more sheriff's deputies and social workers. We'll be able to ramp up our social service treatment and law enforcement efforts in ways that have been proven to work. We know that it is an important priority for the residents of Snohomish County.

We are also on schedule to open the Carnegie Building next summer, providing an important tool to our community in its efforts to address the homelessness challenge. The Carnegie Building will provide us a place for those who need help rather than incarceration in our jail.

Of course, the heroin epidemic and homelessness go hand-in-hand with our inability to treat mental illness. Often, the mentally ill are self-medicating and lose their housing. If you have followed the challenges at our state-run mental-health institutions, you know that the system does not have the capacity for the demands placed on it.

Our homeless and mentally ill are some of the most vulnerable members of our community; we see them on our streets and in the rural areas of our county. They often have nowhere to go for help. All too often the momentary release that heroin provides is their only therapy. We must do more to help them or the problem will only grow.

And it isn't just someone else's problem. It is our problem, and we are obligated to find solutions.

I am honored that the cities and our other regional partners have joined us in creating the Public Safety and Human Services Alliance. This is a regional effort to collaborate on these extremely complicated problems. We have to

start somewhere, and by gathering we can find ways to work as a region on this regional problem.

#### **IV. Sustainability of Pacific Northwest**

We have a unique responsibility to help protect and sustain our way of life in the Pacific Northwest.

What drew me to the University of Washington and the Puget Sound region 25 years ago was, like many people, this extraordinary abundance of natural beauty. But with the threat of global warming and rising seas, our natural resources are under threat.

We are heavily dependent on Puget Sound and our rivers. If they are under stress, our economy and way of life will be under stress.

That's one of the reasons I have proposed a Puget Sound Initiative to focus county efforts on improving the water quality in Puget Sound and the rivers that flow into it.

We are very vulnerable as a county to any changes in Puget Sound. We need to start looking very hard at storm water and what we can do to ensure it is clean when it flows into our rivers.

With the expected boost in our population over the next few decades, we need to be thinking ahead about how to mitigate impacts on our water quality.

We want the next entrepreneur, or Boeing worker, or schoolteacher who moves into Snohomish County to have the same beautiful environment that we have enjoyed for decades.

#### **V. Conclusion**

As we continue to build partnerships and work collaboratively across the county, I hope we can count on your support. We cannot meet our ambitious

goals to build a more prosperous, safer, more livable Snohomish County unless everyone plays their part.

We have a great quality of life in Snohomish County. There is a reason thousands of people move here every year. It is a beautiful place to build a life and raise a family.

I am committed to doing all I can to tackle the serious issues we face, without drama or intrigue. I challenge everyone here this morning to do the same.

We have an obligation not only to plan for the future, but also to provide for it.

I commend to you that the State of Snohomish County is pretty darn good.

It is an exciting time to lead the county, and I look forward to giving you another update next year.

Thank you for giving me the opportunity to talk with you today.

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