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STATE OF THE CITY ADDRESS delivered by
Mayor Charles Royer June 6, 1983

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Honorable President:

Your

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would respectfully report that we have considered the same and

Filed June 6, 1983 Tim Hill, City Comptroller

By Theresa Dunbar Deputy

ACTION OF THE COUNCIL

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MAYOR CHARLES ROYER
STATE OF THE CITY ADDRESS
JUNE 6, 1983

As President of the National League of Cities, I've had a particularly close view of the struggles of America's cities through these very hard times. I have seen the frustration of fellow mayors who had to lay off a quarter of their police force, and the weariness of colleagues struggling with hopeless deficits.

Now, there is some sense of relief--not good weather, but a break in the storm. For many cities it will be a time to assess the damage and struggle to heal wounds and divisions. But in Seattle, it is a time to build for the future, because we have worked together and weathered the storm well.

Economic Condition

In the midst of the worst regional economic recession in 50 years, Seattle has maintained both its financial integrity and the quality of its public services.

Our finances are in good order. We have held our high bond rating in spite of the severe problems facing WPPSS and the state.

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Our entire City government is lean. In two of the last three years, we were forced to cut again in the summer the budgets we had cut in the fall. We have 600 fewer positions than three years ago. In some areas we are too lean.

But unlike many cities, Seattle has not suffered lasting damage. We have not had massive layoffs of police and firefighters, or closures of parks or public hospitals. In spite of budget reductions, we kept our libraries, parks and recreation centers open. Our Police and Fire Departments, while lean on personnel, kept working to improve response times and prevent the loss of life. Their excellent performance in the Nesika Hotel fire is only the most recent example of the quality of their effort.

We held the line to protect that quality and paid the price. We were forced to increase local taxes to overcome the effects of the recession. But hard work by my Cabinet and the Council kept the increases as small as possible. We are one of a very few Washington cities that did not have to use the full half-cent of local sales tax authority to balance the 1983 budget.

In short, the basic machinery of City government kept running through the recession, fueled by an extra effort by City employees, and by an extra measure of concern by the community. Never have so many people volunteered to serve our city. Sixty-seven groups adopted parks. A citizen fund drive saved the horse patrol. The Safeco Corporation donated funds for the new snow leopard exhibit at the Zoo, and after some prodding from Jeanette Williams, the business community came forward to save free bus service downtown. That kind of extra effort made the difference between simply holding our own and moving forward.

Today, I want to review that progress and the agenda for the coming year.

Mayor Yu of our Chinese sister city speaks eloquently of China's Four Modernizations. They summarize the goals of the nation, and every school child knows them by heart. In keeping with the spirit of our new relationship, I suppose I could call our goals the three preservations: energy self-reliance; the protection of our human services programs; and the preservation of our environment. These three goals may not be on the lips of every school child, but they have been central to our work in the past year.

Energy

After 40 years of conflict and disappointment, we won a bi-lateral victory at Ross Dam. Like a favorite Broadway musical where everyone knows the lyrics, the negotiations between British Columbia and Seattle had followed an ageless script.

It ran longer than Hello Dolly. Remarkably, this year it closed. The two sides agreed that it was time to settle and settled fairly. The people of Seattle won the power of High Ross Dam at the same low cost, but without flooding the Upper Skagit Valley. British Columbia wins a stable source of revenue and the ability to generate new power at Seven Mile Dam, while Seattle moves closer to energy self-reliance without borrowing a nickel. It was the power play of the decade.

Of course, the settlement of High Ross was not won without sacrifice. I lost a brother. We sent him up to Canada and he retired a diplomat.

High Ross is a success in an area--energy--where there are few successes. In fact, it occurs against the backdrop of a spectacular failure, a political, institutional, and economic failure extending from Wall Street to Main Street.

The region is suffering a kind of paralysis from the WPPSS collapse. Nothing can rewrite that sad chapter, but the damage can be limited if we keep in mind our decent, self-interested goals:

First, to protect the integrity of our original decision not to participate in WPPSS Plants 4 and 5, and continually explain to other actors in the region the nature of that decision. Seattle chose to make a series of alternative investments in conservation and renewable power. Those investments are actually larger than any of the individual participant's investments in Plants 4 and 5. We carry a different set of risks--not, as many believe, no risks.

Second, we must protect our access to financial markets with sound and conservative financial policies that signal investors that we borrow prudently and pay promptly.

Third, we need to vigorously protect our legal position on the several fronts this collapse creates--from the speculator who sees this problem as an investment opportunity, to the investor who in good faith put up money and wants it back regardless of from whose pocket it comes.

And, finally, we need to keep our heads. This may be another long-running show, with a duration more certain than its final act. Michael Hildt, Doug Jewett, Jeanette Williams and I will be spending a lot of time working together on WPPSS problems in the coming year. In partnership with the other actors in the region, we will continue to seek the kind of equitable solution we found at Ross Dam.

Survival Services

It is more difficult to measure progress in meeting human needs than in producing energy. We know we did not succeed during this past year in making our city a place where no one went hungry. But we did work to see that there are fewer who are hungry. And fewer without shelter, or health care.

The entire Council has supported my policy of targeting resources to survival services. With the cooperation of the private sector, and the sweat equity of community agencies, Seattle has kept intact its network of shelters, food banks, community clinics, and senior nutrition programs. But these services must be reinforced to meet increasing need. That task is one of my personal goals for this coming year.

When we talk about the poor and the working poor in Seattle, we are talking mostly about women and children. The majority of those who rely on city shelters and food banks are children under 12. Those children are going to be responsible for this city's future. The city must invest in their lives.

This morning, I opened a new shelter at the Broadview School. The School District provided the building, and the Seattle Emergency Housing Coalition the organizing skill. ITT provided the first funds; Project Transition and the City the rest. Senator Jackson convinced the Army to donate beds and the neighbors donated the blankets. That effort will give 80 women and children decent shelter beginning tonight. It is one important victory in our effort to provide human services. There are many others:

Councilman Benson will recall the struggle we waged together to help save the Public Health Hospital. That fight saved 600 jobs, 20 percent of the University medical education program and major medical research programs.

Last year, in its first year under local control, the hospital broke even. It added new services and staff, continued its support for the community clinics, opened

a new outpatient wing, new laboratories, and a new emergency room.

Housing

The entire City has reason to be proud of our achievements in housing.

We have formed a huge joint venture among public agencies, neighborhood organizations, churches, private developers, and the voters. We debated housing, we regulated it, fought about it, cooperated, campaigned and voted for it.

And we are building it: 45 multi-family projects totaling more than 1,000 units; 655 single homes; hundreds more rehabilitated through neighborhood rehab projects.

In the 1981 election, we voted to tax ourselves to fund a Senior Housing Program. Just 18 months later, that program is putting hundreds of people to work building homes for the elderly. We have 17 projects underway with nearly 700 units. The program is a year ahead of schedule and well within its budget. All 1,000 homes will be ready by 1985.

We'll soon put more people to work building a whole new neighborhood on surplus Coast Guard property near Children's Orthopedic Hospital. Known as Burke-Gilman Place, this new

neighborhood will include 150 homes with 37 for families whose children have special health needs.

We have also acted to improve the safety of existing downtown high-rise apartment buildings. Through Sam Smith's leadership, the City has committed substantial resources to assisting owners of downtown low income housing to meet our fire code. That commitment will help save people's homes and protect their lives.

Seattle met the housing crisis head-on, and has become one of the biggest housing developers on the West Coast. We took risks, but those risks are now paying off in stronger neighborhoods, new jobs, and better shelter.

Preservation of the Urban Environment

In addition to our energy goals and our effort to meet human need, we have acted to preserve our environment. That is a complex task. It means trying to keep Seattle in the midst of constant change.

Environmental issues have appeared more frequently on the Council agenda in the last year: fish sales at the West Wall, the War of the Moths in Ravenna, and a nicotine

rebellion in city restaurants. These issues were ably handled--thanks in large measure to Jack Richards.

Solid Waste

A big environmental issue we still must solve is the management of solid waste. Virginia Galle has been the most forceful voice on this issue, and she deserves credit for starting the work on a comprehensive plan that will guide decisions on closing our landfills, improving our recycling effort, and setting new rates for garbage. We will also decide by the end of the year whether to build a system for converting solid waste to energy, how we would finance that system and how it would be operated.

Comprehensive Plan

Solid waste is just one element of managing growth, and growth is an issue that stirs Seattle like no other. When I first ran for office, Seattle was ablaze with guerilla wars about land use, partly because the City's comprehensive plan was so hopelessly out of date. Written during the 1950's, it was a high-density plan as much at odds with the spirit of the neighborhoods as the Edsel was at odds with tastes of the American consumer.

After taking office, I immediately began an effort to write a new comprehensive plan to protect the neighborhoods. In

the first stages of that plan, we dedicated two-thirds of the city's land to single family neighborhoods, and wrote a code for multi-family zones that allows only modest growth.

This year, the Council adopted another section of our new code designed to prevent the erosion of residential neighborhoods by major institutions. Paul Kraabel deserves credit for his patience in helping to shape this plan. It allows our hospitals, colleges, and universities the flexibility to expand, but only within a defined campus, and only after developing a long-range plan in consultation with its neighbors.

We have shown the will to enforce that new code. When it was necessary, the City filed suit to reduce the impact of a University Hospital expansion, and then worked with the University until we reached a landmark agreement that links future University development to protection for the surrounding neighborhoods.

Downtown Plan

The new code has sharply reduced the number of land use wars. But when we chose to concentrate our energy in the neighborhoods, we were forced to postpone planning for downtown. While our land use planners were working to preserve Ballard and Beacon Hill, downtown development surged. Four new

hotels and 13 major new office buildings appeared on the skyline.

Some of this development has been excellent, like Cornerstone's pioneering effort to create a new neighborhood on the central waterfront. But to be kind, some recent development is not at all sensitive to our city's spirit.

I have seen many American cities with downtown areas that turn into 60-story ghost towns at night and on weekends. When the commuters leave the office buildings to board their express for the suburbs, it is as if the city's heart stopped beating.

That is not what we want for Seattle. We want a downtown that is constantly alive, and filled with people. Downtown should be the region's common ground--the neighborhood everyone owns. This year, we will make a series of decisions that will determine whether Seattle's downtown can ever become as livable as its neighborhoods.

On July 1, I will release a draft Downtown Plan for public review. It incorporates important commercial and retail projects like the new State Convention Center adjacent to Freeway Park and the Westlake project.

But this Downtown Plan is also a neighborhood plan. It is designed to attract thousands of new residents to the five unique downtown neighborhoods--the International District, Pioneer Square, the Central Waterfront, the Market Area, and the Denny Regrade. Our plan would strengthen the neighborhood character of these areas through zoning controls and a partnership with the private sector to provide new housing. We will add public works to support new residential growth, including a large new park in the heart of the Denny Regrade.

Nearly everyone agrees that downtown housing is a prized commodity, but many doubt it can be provided at a cost people can afford. The marketplace may serve the needs of the well-to-do, and the City will continue vigorous efforts to retain downtown housing for the elderly and the poor. But the critical missing ingredient in our downtown neighborhoods is the middle class--the men and women who work in the office buildings and retail stores and would like to live close by.

Land, construction and financing costs create a large gap between the cost of building downtown housing and the average workers' ability to pay for it. The gap is so large that it cannot be closed through traditional public incentives,

and antiquated state laws rule out many of the financing strategies used in other cities.

Our Downtown Plan will outline several methods to overcome these obstacles by linking the development of new office space with the creation of downtown housing. These methods include incentives through the bonus system, the transfer of development rights, and an accessory housing requirement similar in concept to a parking requirement. This option, would require developers of new office space to build downtown housing at the rate of approximately one unit for each 3,000 square feet of office space. Seventy-five percent of this housing would have to be affordable by the middle-income households.

With the office construction forecast during the next 20 years, this proposal would create thousands of affordable housing units with only a three to five percent increase in the cost of new office space.

A few weeks ago a survey of American business leaders gave Seattle's downtown high marks, due in large measure to the "close proximity of livable neighborhoods." Clearly, those who want to build offices downtown will benefit by helping to maintain this balance.

We must be willing to take bold action to build affordable downtown neighborhoods or risk choking on our own commercial success and adding to the problems of suburban sprawl.

Westlake Mall

Our vision of downtown as a place where people provide constant energy and life guided the selection of the Westlake Project. The Rouse Company has shown its ability to realize that vision at Faneuil Hall in Boston and at Baltimore's Inner Harbor. They will do it here in Seattle. Their proposal for Westlake will create an exciting new park, surrounded by a variety of restaurants and shops, a new monorail terminal, a mid-rise office building, and an underground parking garage. It will create 750 new jobs and add \$600,000 a year to the city's tax base. But most important, it will create that symbolic gathering place we've long imagined and worked to build in the heart of our city.

The Rouse plan includes a large public space under glass--complementing the open public park to the south. This space will be alive year round and very much in keeping with the needs of a city that basks in the rain 163 days a year.

I know you will give this proposal the attention it deserves. Together, we have a chance to end the stalemate at Westlake

and to generate year-round, 24 hour-a-day activity in the retail area of our city.

Transit

The same need for life and vitality in our downtown leads me to favor a transit mall along Third Avenue and Pine Street as the first step in solving the downtown traffic problem. Even today, traffic congestion is serious enough to dishearten some who would shop downtown. We must have a transit solution that allows the bus to move faster than you or I can walk. But we also want a downtown where a walk is worth taking.

Our downtown is not just another stop along a linear trip from Burien to Everett. It is the center of our region--the workplace for thousands of people, many of whom live outside the city. It is a hub of activity. We need a transit system that not only moves people to and from downtown, but also from place to place within downtown. I want to work with you and with our colleagues on the Metro Council to meet that goal.

Regional Relations

More than ever before, our decisions on these issues affect our neighbors in the region. Seattle is the central city

in King County, but we are now in the minority in terms of population. That equation creates more than a little tension on all sides and on many issues. The people in Midway don't like having to smell Seattle's garbage, and Seattleites chafe at paying higher utility rates to cover the cost of suburban expansion.

It's time to lower our blood pressure and our voices, because we're all going to be living in the region together.

Seattle Center

We will continue to defend Seattle's interests in these regional issues, but we also pledge to protect the region's interest in our city. That means maintaining facilities that serve everyone in the region--facilities like the zoo, the Aquarium and Seattle Center. Seattle Center may have lost the convention center debate to the freeway site, but in the process, it won a renewal of public interest and concern.

The inexhaustible Ewen Dingwall and his team are bringing sweeping changes. The causes of the "Mercer Mess" are being rooted out; complete redesign of the Fun Forest is in the works; a program for refurbishing the Coliseum will shortly be submitted to you, in preparation for the return of the Sonics to their home court.

The business community has offered to develop special financial support to help meet the Center's long-term needs. It is a generous offer, and we intend to take full advantage of it.

In the next year, the Art Museum will host a major exhibition from the People's Republic of China. The Seattle Repertory Theatre will open its beautiful new theatre this summer. For all those who have been concerned as to the direction of Seattle Center, I want to give every assurance that the direction is forward.

Economic Development

As I review what we have accomplished together, I find the long list of Seattle's unfinished projects becoming shorter. We have a settlement of the 40-year dispute about Ross Dam; we have a good solution to the 25-year puzzle of Westlake; the high-level bridge to West Seattle will open to traffic next year--on time and under budget. We are nearing completion of the comprehensive plan; the Senior Housing Bond Issue is ahead of schedule; the renovation of the Pike Place Market is nearing completion. We've still got to finish these projects, and finish them well. But at long last, we have them under control. That leaves us asking a question

that hasn't been asked in our city in many years: What next?

That question makes us restless. You can feel it. Editors are writing essays on the need for a new agenda. Civic groups are casting about to find the leaders of tomorrow and coax them into public service. It is an exciting time, with the entire region seeking a new course, partly from choice and partly from necessity. The necessity is seen most clearly in the faces of Washington's quarter million unemployed workers.

It is not easy to answer the question of how they will find new jobs. The region's traditional economic base, centered on the raw materials of the sea, the land, the trees, and cheap hydroelectric power, is not adequate to assure our future prosperity.

If our children are to enjoy the quality of life we have enjoyed, we must have a solid plan for economic development and the production of new jobs. Councilmember Sibonga has set the stage for the City's involvement in that planning.

We are in a good position to chart our own course. Seattle is not desperate. We can be selective and choose the kind of

economic activity we want to have here in the future. There have already been a number of good proposals--expansion of our role in world trade; an effort to make Seattle attractive as a headquarters city for more companies; the promotion of regional and international tourism; the development of high tech industry. There is no shortage of good ideas.

What we now need is a community effort at strategic planning --a kind of local Williamsburg conference without the pomp and circumstance. You and I must help to initiate a united effort with the Port, business, labor, and education to find methods of creating jobs that will meet the needs of our work force and complement our environment. The longer we wait, the more we will be forced to compromise.

This effort should focus our energy on new opportunities, and build a consensus for overcoming old problems. A serious effort toward economic development and job creation must include tax reform. The existing system is simply so narrow, so volatile, and so unfair that it has become a major barrier to economic development. While the legislature did a noble job to patch up the holes, the lack of a more stable revenue base threatens all our efforts--especially the system of public education that is the cornerstone of economic development.

Every possible course to economic recovery depends on a single commodity--the human mind. It is the key to stabilizing our traditional industries, and our surest means of attracting new ones. A work force educated in the sciences can help to make the most of our natural resources. Those schooled in foreign languages and economics will prepare us for an expanded role in world trade; those skilled in finance and management will help to attract corporate headquarters.

Seattle-Saving Bonds

Economic development requires a sustained commitment to our schools and universities. It also requires a commitment to maintain the physical resources on which our economy depends--the basic public works that support our traditional industries and attract new jobs.

Like our schools, our physical resources are showing the signs of wear. The Capital Preservation and Improvement Committee, chaired by Norm Rice, has documented a need for more than \$200 million to restore our public works. In April, I supported the committee's report and recommended to the Council three "Seattle-Saving Bonds" to meet our most critical needs.

The total cost of this program will be \$97.4 million, with \$25 million dedicated to renovating fire stations, libraries, Seattle Center and other public buildings; \$41 million for streets, bridges and traffic controls; and \$31.4 million for parks and recreation facilities.

These Seattle-Saving Bonds represent a major reinvestment, but they will not solve all our maintenance problems. In addition, I will propose strategies for improving ongoing maintenance so that future generations do not have to pay the cost of neglect.

The Seattle-Saving Bond program will preserve our legacy of parks and public works, and protect the people from the huge future cost of replacing facilities we can save now through a sound investment in repair. It is a common sense bond issue, but a strong campaign will be needed to pass it. Street repair doesn't have a lot of sex-appeal at the ballot box. These bonds will create jobs, but no shiny new buildings. They will not produce a new city. They will simply help us keep the fine city we already have.

That is a goal well worth a good campaign.

Two years ago, when the recession was just beginning, I said the spirit of our city would provide the surest and best protection against an uncertain future.

The future is no more certain today. In fact, uncertainty is shaking some of the largest and oldest institutions in the region to their foundations. But the spirit of this city does not depend on a few large institutions. It depends on people, and their commitment to the future. It depends on whether people are still willing to make a gift of their time to mount campaigns for a thousand good causes, large and small, from building the Lucille Street Bridge to finding blankets for a shelter at Broadview School.

Through these long hard times, our people have given their answer. It gives us new confidence. We have a city that is solving old problems and alive with new possibilities. A city that is still busy being born.
