



STATE OF THE CITY  
BY MAYOR CHARLES ROYER

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Mr. President, members of the Council, and fellow citizens.

Today, as required by the City Charter, I report to you on the condition of our good city. It is the ninth time I have done so, and that ties a record. Only the Honorable William Devin was privileged to report so many times on the state of our city.

In Mayor Devin's time, the issues were somewhat less complex. For example, there is no record of a single debate with the suburbs about sewage treatment. The suburbs were then small villages, and sewage treatment consisted mainly of running pipes into Lake Washington. In 1987, we find ourselves spending much of our energies representing Seattle in issues that extend well beyond the limits of the City Mayor Devin knew and loved in the 1940's.

Today I want to concentrate on those issues and talk about the values we must bring--as representatives of Seattle--to the decisions that will shape the future of our larger metropolitan community.

To understand some of what is happening in our region, one may simply go look.

Last week, the department directors and I did just that. We climbed on a bus, toured the Eastside, talked with key staff people of county government and the cities of Redmond, Kirkland and Bellevue. The tour was an idea that came out of our annual Cabinet retreat earlier this year--a retreat devoted almost entirely to regional issues.

Anyone who drives along I-90 to Issaquah or 520 to Woodinville, or simply looks across Lake Washington at Bellevue's skyline can attest to the growth taking place in suburban King County. The changes are staggering, and they're far from over. By the year 2000, King County's population is expected to grow by 22 percent. Most of this growth is expected in unincorporated areas, that today are farmlands and forests.

Seattle now represents only 37 percent of King County's population, and that percentage is expected to decline to 30 percent by the end of the century. Our suburbs are developing suburbs of their own, and building high-rises of their own. Now it seems they want a basketball team of their own as well. After a great deal of soul searching, I've concluded they should get one. From Phoenix or Denver or Salt Lake City, perhaps.

The trends that are reshaping this region are no different than what is taking place in every other urban area of the country. What is different is that in our region, and a very few others, the central city has kept its vitality.

Seattle has worked hard to counter the national trend of urban decline. We have made investments in our neighborhoods--for new schools, child care centers, and a system of community health clinics. We completely rewrote the City's land use laws to strengthen our family neighborhoods and preserve their character, and to revitalize neighborhood business districts.

We asked the voters for the tools to fix up the city. They approved the Seattle 1-2-3 program--to repair the aging bridges and repave the streets; rehabilitate the libraries and restore the parks.

We asked them to help the elderly, poor families, and the homeless. They voted to tax themselves, not once but twice, to build housing for the poor--something no other city has ever done.

We asked for investments in the human spirit, and they saved the Public Market and the farmlands, and voted for a new art museum and a world class zoo.

For more than a decade, the people of Seattle have consciously pursued a policy of reinvestment in their city, and, today, that policy is paying off.

After 20 years of decline in population, Seattle is growing again. In the past three years, the city has added 16,000 people, and our population edged above 500,000 for the first

time since the early 70's. We have added 14,000 new units of housing in Seattle since 1980, and we've had a substantial surge in the city's birthrate. In fact, the number of preschoolers in our city has increased by 27 percent in the past six years.

No one can deny that there's action in Seattle. Twenty major private developments are under way or on the drawing boards downtown. Business expansion in the city is now absorbing more than a million square feet of new office space each year, with expectations of 55,000 new jobs in downtown Seattle by the year 2000. New housing is under construction in Belltown, and planning for new development at South Lake Union is well under way. The state Convention Center rises above the Freeway; a transit tunnel takes shape beneath our feet. We have an exciting plan to resurrect our harborfront as a great place for people, while in the harbor to the north and south, our port expands its trade with the Pacific Rim. Our City's economy is healthy, our unemployment rate a relatively low 6.3 percent, our bond ratings high, our financial reserves strong.

There is another happy difference between our city and others across the country--the low cost of government services.

When the impact of all property taxes and utilities are considered together, the annual cost to the average home-

owner in Seattle is \$1,910--the lowest in King County. And our sales tax rate remains slightly lower as well. No other city in the nation has lower costs than its suburbs for its services.

With all the repair projects under way in the neighborhoods and the explosion of new investment downtown, no one can say the central city of this region isn't healthy. In fact, Seattle's biggest problem may be living with all the construction. We are a city knee-deep in the dust of our own success--a healthy and growing city at the center of a region that is literally exploding with new growth and new challenges.

In these times of rapid change, those challenges are often characterized as battles in a war between the City and the suburbs, but that should not be the case.

All of those involved have a powerful self-interest in the health of the entire region, regardless of which jurisdiction we represent. The people we serve do not conduct their lives within the borders of one jurisdiction. A person might live in Kirkland, work in Renton, go to the theatre in Seattle, hike in the hills above Issaquah.

Our regional agenda should be designed to protect that breadth of choice for everyone--whether they live on a rural lane, a suburban cul de sac or in a downtown apart-

ment. That breadth of choice--in how to live, where to work, how to spend one's leisure time--is the essence of the quality of life that makes our region unique.

The region will not offer that choice if people feel they cannot live in the central city because they are afraid of crime, or cannot depend on the school system, or find affordable housing. Our first task is to make certain Seattle offers the region a central city where families will choose to live, because the neighborhoods are safe, the housing affordable, and the schools excellent.

The region will not offer that choice if the poor and the disabled are concentrated in a few areas of the county, or if the region's economy grows more sharply divided between those who have high salaries and those whose wages cannot even support a family above the poverty line.

The region will not offer that choice if we allow the natural beauty and diversity of this county to be destroyed by unplanned growth. We must insist on good planning and land use laws that protect the environment, and provide plenty of green space and breathing room for everyone.

These are our goals for the region: A central city that is also a family city; an economy that is both strong and just; and a regional environment that is uncompromised by human thoughtlessness.

King County is one of the ten fastest growing areas in the United States. This growth has already put new pressure on the environment and increased demand for new investments in roads, water, energy, and solid waste facilities. The costs of these investments will be staggering, for we long ago harnessed the inexpensive resources. Each new increment of electrical power or water supply will be much more costly to the ratepayers and to the environment than the resources we presently have.

All of us have learned volumes in the debate about Secondary Treatment. But one lesson that stands out most clearly is that issues of growth threaten to split the region over the Hobson's choice of increasing rates or sacrificing the environment.

If we allow the region's future to be decided solely by a series of votes between rates and the environment--between bucks and beaches--everyone will lose regardless of the outcome. We need better choices, and we can have them, if we agree on some basic principles:

- o First, we should agree to guide growth to the incorporated areas where we already have much of the infrastructure in place to support new development.

Sprawl is the enemy. The goal is preservation of open space, and creation of the critical mass of

population within the suburban cities to support high quality public services, commercial activity, and public transportation.

King County's new Comprehensive Plan provides the framework to focus the region's growth, but it must be much more vigorously enforced.

- o Second, we should agree that new growth must pay its own way. Since new utilities are more expensive than those already in place, development that creates the demand for increased services should pay more of the cost of providing that service. Metro's Water Quality Committee endorsed a rate equity policy based on this principle two years ago; the new Metro Rate Structure Advisory Committee studied it again, and recommended it again, last week. Now it must be implemented.

Rate equity--if applied to sewer rates and other costs of growth--means that those who live here now will not unfairly subsidize the moving expenses of those who will live here later.

- o Finally, we must agree to protect from rate shock those on a fixed or limited income. Rate equity would go a long way toward reducing future rate increases for all those who now live in the region, but utility rate increases of any magnitude will

always create a hardship for the very poor. City Light and some other utilities have already created special electrical rates to protect the elderly and disabled, but we have yet to provide a rate structure that recognizes the special problems of low income families with children, whose needs are becoming more severe in this economy. We now have such a program under study at City Light, and we expect to submit a proposal to you as a part of the new rate package.

These three principles--focused growth, rate equity, and protection for the poor--should be at the center of our region's policy toward future growth. If we fail to act on these principles, we will see our natural environment gradually paved in concrete, and development spread across every acre of available land from the shores of Puget Sound to the foothills of the Cascade mountains.

Other cities in America have paid that kind of price for growth, but we do not have to pay it here. There is still a chance for our region to grow with grace if we act now. We are already moving in that positive direction with some new friends and allies.

- o As the region's major water supplier, we are consulting our neighbors--and our customers--more thoroughly and more often in decisions about water policy.

- o With Seattle's cooperation and the patience of our citizens, Metro built the Renton Effluent Treatment System and took sewage out of the threatened Duwamish River. Not only has the project helped to clear the river, it will provide funds to transform an abandoned industrial shoreline into a stunning new park at Seacrest.
  
- o By cleaning the contaminated fuel at the Lake Union Steam Plant, Seattle chose not to ship toxic material through other people's hometowns, and instead carried out one of the nation's biggest toxic cleanup operations.
  
- o We are completing another big cleanup at Midway, where the explosive potential of landfills--both literally and figuratively--first came home to the people of our region. It took many months of hard work, and a lot of money but we now have the methane problem contained, and we are taking steps to restore the community's confidence in its future--and the region's confidence in our good faith.

While repairing the damage of past practices, we charted a new course. We assembled some of the most talented people in the City to solve our solid waste problems, as you well know, since we took some of them from the Council staff.

We have committed Seattle to one of the most ambitious recycling goals ever adopted by a major city. And we intend to meet that goal. We also intend to build an energy recovery plant to burn what cannot be recycled. We should have done it long ago. We will build that plant to fit within the framework of a regional plan and work with others who are ready to move. But move we will. And the only thing standing between Seattle and a 100 percent recycling future is our will and the current lack of a practical means of turning recovery plant ash into a useful product.

While we pursue an environmental future based on servation and sensible growth, it is clear that where this region's human resource is concerned, we are dealing with a moving target.

The population characteristics of today's Seattle tomorrow will describe Bellevue, Renton, and North King County. Those communities are losing children and closing schools, and spending more of their time and money on human services.

The elderly population within Seattle has now stabilized at least until the turn of the century. But the number of elderly on the Eastside will grow by 60 percent between now and the year 2000.

Seattle still has the greatest concentration of low income people in the region, but the number of low income families is now growing faster in suburban King County.

Suburban cities that once seemed immune from human services issues are rapidly coming to terms with the need to provide health care, affordable housing, senior services, and child care.

That task is complicated. Many needed services simply do not exist in some areas of the county, and transportation is a real barrier where bus routes are few and far between. It may seem that Seattle has no direct interest in how the suburbs will solve their human service problems since we have many of our own yet to solve. But the shortage and maldistribution of human services within the region has a major impact on all of us.

For example, 22 percent of the patients now receiving prenatal care in the city's community health system now come from outside the city--because health services for low income people are lacking in their hometowns.

We can create more capacity for city residents in our clinics by helping extend the community health system throughout the county, so that people can be cared for close to where they live.

The same is true of the emergency shelter system. At present, 92 percent of the county's shelter beds are

located within Seattle, even though more than a third of those sheltered come from elsewhere in King County.

For more than two years, we have worked to develop a coherent plan to counter the epidemic of homelessness on our downtown streets, and we now have that plan in place. But it will only succeed if we get help from other jurisdictions. We need their help in providing shelter to homeless families, and in building a fair share of the region's low income housing within their borders. We need their help to improve the county's alcohol and drug treatment programs and to implement sensible changes in the State's GAU program.

We have come a long way since local governments in our region began to help human service agencies a few years ago. This year alone, Seattle will provide \$8 million to community agencies and another \$7 million to our Health and Human Resources Departments--in spite of continuing federal cuts and erosion of basic City revenues.

We are not alone. Bellevue, Redmond, Kirkland, and other cities now have human service policies in place and dedicate a share of their own inadequate revenue to human services.

And if you are looking for a bright sign of change in our direction as a region and as a nation, listen to the words of those who would lead this country after 1988.

The New York Times analyzes the emerging presidential campaign themes as follows:

There is "a substantive , and surprising, consensus that is coming to be called the 'post-Reagan agenda.' Although it is not yet a complete program of government, the emerging platform includes these planks:

- o A renewed commitment to public education.
- o A focus on the needs of children.
- o A need for a more competitive but also more cooperative economy.

"Underlying the consensus is an emphasis on words such as 'community,' 'citizenship,' and 'obligation.'"

The nation's cities--through the Conference of Mayors's, The National league of Cities--like the presidential candidates--are talking again about investing in America and in America's young people. They finally got Seattle's message.

The United States is the only industrialized nation in history to allow its children to become its most impoverished class. In just 14 years, the percentage of children living of every four preschool children in our country today is growing up in poverty.

America's children and youth are relatively few in number, but those few will be called upon to shoulder the greatest economic burden in the history of our country. They will be asked--no, expected--to sustain our nation's economy at a level sufficient to maintain social security and Medicare for the entire baby boom generation as it reaches old age. That will not be an easy task.

In 1950, there were 16 workers for every person receiving social security. By the time today's kindergartners enter the labor market, there will only be 2-1/2 workers supporting each recipient. At those odds, the children are going to have to be pretty darn productive!

Seattle's children are faring better than most, but not nearly well enough. Our past investments in community health care have held our teenage pregnancy rate and infant mortality rate well below those of other major cities, but they are still unacceptably high. We know that investments in prenatal care will pay dividends--we see the results in healthy children who enter the world at seven pounds instead of three. We shouldn't hesitate to make investments that will strengthen our community health system, especially in Southeast Seattle, in the Central Area and in our schools.

We know that investments in child care pay off. We hear it from parents who credit the city's child care program for their ability to get an education and get off public

assistance. But for every parent who has licensed child care in Seattle, there are two more who don't, and the shortage outside the city may be even greater.

Even the King County 2000 Commission, which began with the intent to focus exclusively on capital issues, concluded that the need for a coherent system to deliver these basic human services is one of the greatest challenges we face as a region.

Our most important task this year will be to work with other elected officials--and with citizen groups like King County Commons and King County 2000--to develop a regional funding initiative for human services.

We should characterize that effort as what it is--an effort not only to provide human services, but to make human investments. More than ever before, our economic health depends on the health and education of our people.

Our predecessors recognized the value of human investment. Washington state was the first in the Union to guarantee its children the right to a basic education and to set aside state funds to pay for it. That decision decades ago gave Seattle the second most highly educated population of any major American city; a great research university and a fine system of community colleges. It was that past investment in public education that kept Seattle from

turning out the lights in the recession of the 1970's, and built the vibrant economy we have today.

Almost without exception, the growing companies in our region are being built on brains. As long as our schools, colleges, and universities are first rate, we can have confidence in our local economy, because well-educated people can literally invent jobs for themselves and for others.

It is ironic that the State which first asserted the primacy of education--and reaped such great benefit as a result--is now on the verge of allowing its schools and universities to become second rate because it cannot marshal the funds to sustain their excellence. When all the sound and fury died away in Olympia, it became clear that we did not really make much progress for education in this session. Our schools remain in a financial vice, with inadequate state funding pressing in on one side and state-imposed levy restrictions on the other.

All of our region's schools are hurt by these funding problems, but Seattle's schools face special challenges:

Among its students:

- o One of six children does not use English as a primary language.
- o One of 12 is disabled.

- o Nearly half do not have both parents in the home; and
- o More than a third live at or below the poverty line.

The superintendent is trying to redirect \$10 million to meet these special challenges--to improve vocational education, lower the dropout rate and fix the school buildings themselves. But to do that, he has had to trim every area of the budget and reduce the district's reserves. The district is in a tough situation, but I see three ways we can help them:

- o First, we should support the district as it moves to reduce both the number of children and the length of the ride in its busing program. More of the city's neighborhoods are more integrated today than ever before, so Seattle has earned the chance to lighten the load of busing on our public schools.
- o Second, the City should take on a larger role in providing human services to Seattle's students, so the district can direct its full energies toward education. The district simply cannot afford to meet the needs of its students for health care, counseling, drug and alcohol prevention, youth employment and recreation. The City should help to provide those services for our schools on a much larger scale than we have in the past.

This strategy would increase services and lighten the load on the district. Equally important, it would strengthen the identity of the schools as centers of neighborhood activity and service.

As the district puts new energy into fixing up its older schools buildings and opening new ones, we have a magnificent opportunity to make our schools the focus for a new generation of neighborhood development. That initiative has already begun with our investment in 16 new child care centers within the schools.

I hope you will join Superintendent Kendrick and me as we open the first two centers in that system this week at Concord and Sacajawea.

Much more can be done. You can expect our 1988 budget to contain initiatives to strengthen our schools as the center of action for their neighborhoods.

- o The final point in our agenda for the schools will come as no surprise. We must help achieve tax reform.

It is simply madness to expect our state to support--with a 19th century tax structure--schools that can prepare our children for 21st century competition.

The existing patchwork of taxes on sales, business, and property is so out of date and out of balance that it can no longer meet the needs of our state or even withstand a challenge in the courts. It is as regressive as it is unreliable. It's unfair to the poor and discouraging to new business. It throws our state's economy through more dips and curves than a Phil Niekro knuckleball. To make matters worse, the new federal tax laws that removed the exemptions for local and state sales taxes mean millions of tax dollars needed here in Washington state will start flowing to that other Washington next April 15.

And thanks to a Supreme Court decision last week, business taxes which used to flow to Seattle and the state will now flow to the bottom lines of manufacturing companies. Wouldn't it be better to keep those dollars working for education--here where the economy generated them. Wouldn't it be better to stop whispering the words "income tax" in the privacy of our homes and offices and get on with the necessity of enacting one in public?

Surely the people of this state, who were the first in the nation to guarantee their children the right

to a basic education, are smart enough to craft a new tax system with the capacity and stability to protect that right today.

Mr. President, Seattle today is a vibrant city at the heart of a vibrant region. We have a strong economy and a work force that is highly educated and inventive. We must use that strength and creativity to make our schools and human services a model for the nation once again.

We have an environmental heritage no other city can match. We must forge the alliances that will protect that heritage --to save our waters, farmlands, and forests--from the danger of unmanaged growth.

We have a history of citizen action in Seattle's neighborhoods that built a strong sense of community in the heart of one of the nation's major cities. We must apply that citizen energy to the task of building a stronger sense of community within the region as well.

The people, the environment, and the progressive tradition of our politics--have been Seattle's strengths. We must call on those strengths once again to help a new spirit of metropolitan community take hold within the region.

I see the national tone changing--the debate turning again toward investment and cooperation and partnership of new ideas.

No city in America, no metropolitan region is better poised to help provide the ideas and lead the way.

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