

State of the City
Mayor Mary Lou Pauly – Feb. 7, 2019

Introduction

Good morning.

My name is Mary Lou Pauly, and I am the current Mayor of the City of Issaquah. Thank you for joining me today for the State of the City Address.

At the start of each year, our City pauses to reflect on what we accomplished last year, and we take a look forward to what we are hoping to accomplish this year. In the past, mayors have typically presented this speech at a City Council meeting but I wanted to try something new. So thank you, Issaquah High students who are joining me here today, to hear the annual update.

A Look Back

To set the stage for this year's address, let's take a walk back into the 1990s and talk about the Issaquah of 20 years ago.

The Issaquah High Class of 1998 recently celebrated their 20-year reunion at Lake Sammamish State Park, and the Issaquah memories they shared were surely much different than the City you know today.

Issaquah's new retail core was under construction:

- adding the Commons shopping area and Target on the south side of I-90,

- and Pickering Place and Costco on the north side, on properties that were either formerly vacant land or the old Skyport. Yes, you could find large empty tracts of land on Gilman Boulevard just 20 years ago.

Completion of our City Hall and Police Station was still two year away.

No trolley travelled through Olde Town, and the track that the trolley runs on now was used up into the early 1990s by a rail company. Trains travelled southbound from Redmond, next to East lake Sammamish Parkway, into Issaquah and stopping at Darigold on Front Street, crossing city streets near the Pickering Barn and also crossing Front Street at Dogwood.

Our Community Center had just been built, and we were years away from renovating Issaquah High School. Those students from 1998 were still attending school at the Issaquah High's building from 1962.

Home construction began in Issaquah's first urban village – the Issaquah Highlands, but stores, restaurants and the hospital were still years away. And plans were soon underway for our second village called Talus.

At that time, Issaquah was facing a tremendous amount of change, and in 2003 was named the fastest growing community in the state.

As we move toward present day, and our region is still growing at a significant pace, we are now managing a different kind of transition. A time of redevelopment on the valley floor, around I-90. A new urban form of construction that is more vertical and will accommodate Issaquah's new residents in a mixed use residential and retail area, serviced by current and future transportation hubs.

Re-development can be much more challenging to do, and to do well, than new development in open areas. How do we protect what makes Issaquah special, while we are planning for the growth we know is inevitable?

Strategic Plan

To ensure our community's values and vision are reflected in future decision making, the City is creating its first ever strategic plan. We are hearing from the community that they want us to preserve existing neighborhoods, focus on making getting around town more manageable, and that we are intentional and proactive in managing the growth and development as the valley floor transitions to a more urban style neighborhood.

Recognizing that we are surrounded by an absolutely breath-taking natural environment, with forested hillsides, salmon bearing creeks and Lake Sammamish, our community wants to ensure these natural treasures are enhanced, protected and stewarded. We are also charged with making sure we can take care of the lands and amenities that the city currently manages, and to make sure our city is a place where residents and businesses thrive.

This will all take focus and alignment, and so we started our strategic plan more than a year ago, and we have heard from more than 1,300 people.

The plan is in draft now before Council and set for adoption this year. It will align how we allocate budget, resources and staffing to meet these community desires.

What we learned from our outreach, is that the values and the vision of the Issaquah community has not changed over the years, and while we have grown significantly, and will continue to as our region thrives, we must be very intentional with how we will get all this done and still keep Issaquah an amazing place to live, work and play.

At the forefront of this new Strategic Plan, will be the vision that drives the strategies and action items. Our collective community vision is simply stated

Issaquah thrives as a welcoming community, creating a sustainable legacy for future generations that honors its rich history and passion for the natural environment.

Time to step through some of the challenges and opportunities that lie ahead for Issaquah. I want to share with you some thoughts on smart growth, affordable housing, transportation and financial sustainability. And then to close with parks and open space preservation.

Smart Growth

Issaquah is in a unique and enviable position. Our City is located on the edge of the Urban Growth Boundary, meaning that while Issaquah is designated for additional growth, we also remain surrounded by vast open space.

Herein lies the challenge: How do we grow without displacing jobs, commercial spaces, retail amenities, our existing neighborhoods and our beloved forested hillsides?

While we clustered our last wave of growth into our urban villages, our next focus is now on Central Issaquah, which is our 1,100-acre commercial core that surrounds Interstate 90.

Our vision is to transform that area into a more livable, sustainable and balanced mixed-use urban area that serves residents, employees and visitors.

Back in 2016, the City Council assessed whether current projects being constructed in the Central area met the community's vision. Because of the review findings, the City consequently enacted a development moratorium, which enabled us to pause and address several development-related issues, from architectural fit to lack of new affordable housing. The moratorium was lifted in 2018 after implementing new design and development standards. The City and the Council have committed to tracking and monitoring new projects as this central part of our town redevelops.

Back in the early 1990s, Costco made a decision to locate its world headquarters campus in the Pickering Center, next to its new-at-the-time warehouse. And we are excited in 2019 for Costco to expand its campus and add a nine-story, 600,000-square-foot building, as well as a 10-story parking garage just north of I-90.

And farther west, construction will wrap up in 2019 on two residential projects along Newport Way Northwest – Anthology, which includes 398 apartments, and Revel Issaquah, which offers 146 senior housing units. These new developments can be seen from I-90 as they sit at the western edge of town, behind the Arena Sports Complex.

The Issaquah School District has building plans for 2019 that include a new middle school at the entrance of Talus on SR 900. As land becomes increasingly scarce in Issaquah, the City is partnering with the district to enable the development of more urbanized schools, like this project.

Affordable Housing

Issaquah, like many Puget Sound cities, is currently feeling the pressure of a rapidly growing region, as affordability has risen to a serious concern for our residents. We need to look for new and innovative ways to increase the availability of affordable housing options and we need to find new partnerships to get this important work accomplished. You may have seen Issaquah in the news recently in connection to affordable housing.

I joined mayors from some of the largest cities in King County – representing communities outside Seattle – in a joint declaration that supports substantially increasing the supply of quality housing for all households in our region.

Issaquah is committed to diversifying housing options for its community through several initiatives, including:

- A proposed mixed-use, transit-oriented development (TOD) project called “Trailhead” on State Route 900.
- The development of a citywide housing strategy.
- The addition of inclusionary zoning in the Central Issaquah Plan – a strategy that requires a percentage of new housing to be constructed and made available to individuals and families with incomes below the county average

Our joint declaration of mayors was released along with Microsoft’s pledge of \$500 million to help advance affordable housing solutions in the Puget Sound region.

We are excited to see what partnerships we can leverage in the future for Issaquah.

Transportation

Now let's turn to traffic – the number one community concern since the 1960s.

Issaquah's is forming its first Transportation Advisory Board, which held its inaugural meeting last night. This group includes a dedicated youth position, which is held by a fellow Issaquah High student, Kobi Sundra.

This group will work on several transportation issues, including developing a Mobility Master Plan that will serve as a framework for setting our future priorities.

Just last week, we cut the ribbon on the largest capital project in our City's history, which will help improve our northern road network.

Southeast 62nd Street now runs from East Lake Sammamish Parkway to Costco's headquarters and Pickering Place.

This massive undertaking involved building two roundabouts and a bridge; making enhancements to the North Fork of Issaquah Creek; and enhancing East Lake Sammamish Trail so that pedestrians and cyclists no longer have to stop, or interact, with vehicles at Southeast 62nd. The total price for this project was \$44,000,000 with the City receiving substantial contributions from Costco and other transportation agencies such that we were able to leverage \$10 dollars for every \$1 from Issaquah taxpayers to construct this significant project.

This also means our beloved I-90 undercrossing near the Post Office is now open again! I'm thankful for the community's patience while we built these new amenities.

Other projects are now in the works for 2019, including a new traffic signal near Gilman Village at the intersection of Gilman, Juniper and Rainier.

Along Interstate 90, the Washington State Department of Transportation plans to add capacity this year between the Eastgate and Lakemont interchanges through the addition of auxiliary lanes.

Meanwhile, Issaquah continues to advocate at the regional level for opportunities that help control pass-through traffic, and reduce its impact on our community. A great example is our lobbying efforts to improve State Route 18, which would help relieve our regional traffic pressures to the south.

Financial Sustainability

As we continue to plan for our future, it is essential that we also develop a more sustainable financial plan for Issaquah.

This year, our forecasted revenue growth simply doesn't keep pace with our rapidly-expanding community. This population growth only increases the demand for our services.

Quite simply, it is unsustainable. We must find creative ways moving forward to bridge this gap – and this challenge is a top priority for me in the coming year.

We also need to develop a long-range plan for how to fund our capital projects, including several to address our transportation needs. Most of these projects, however, are big-ticket items, with hefty price tags, that are holding us back on proceeding with some very impactful and important projects.

Our latest project at Southeast 62nd Street took long-term planning and creative funding to execute. Moving forward, Issaquah must be bold and visionary on how we fund capital projects that will enhance our quality of life and economic vitality well into the future.

Parks and Open Space

Focusing now on parks, back in 2013, more than two-thirds of Issaquah voters supported a Parks Bond. This year, we celebrated by reflecting on our series of successes!

Thanks to the taxpayers' \$10 million investment, we leveraged an additional \$6.3 million in grant funding, totaling to a \$16.3 million investment in Issaquah's park system.

Using these funds, we upgraded several parks, our pool and more. Most recently, we built two multi-use sports fields at Central Park, which feature artificial turf, lighting improvements and other amenities.

Several projects will take place in 2019, including the development of an Introductory Skills Mountain Bike Park in the Issaquah Highlands, and a new dog park.

We also announced some exciting news late last year. Following a long-standing history of successful regional partnerships and open space acquisition in Issaquah, the City Council approved a plan to preserve 46 acres on Cougar Mountain.

Commonly called Bergsma, the land is located on the northeast corner of Cougar Mountain between Newport Way Northwest and Talus. It had been proposed for residential development – most recently as 57 homes. This significant, privately-owned open space property abuts the Cougar Mountain Regional Wildland Park and its conversion to public

ownership means trail enhancement and outdoor recreation opportunities for our neighborhoods and outdoor enthusiasts.

The City's planned acquisition of the Bergsma property – in partnership with King County Parks and The Trust for Public Land – will serve as a gateway to Cougar Mountain from Issaquah's valley floor. The land connects to a "green necklace" of other City parks, trails and open spaces; the master-planned Talus community; and a major transit center serviced by Trailhead Direct, King County's transit-to-trails program.

I am thrilled by this once-in-a-lifetime opportunity to preserve more open space in town. I want to extend my appreciation to both the citizen advocacy groups, our partner agencies, and of course our City Council for such a brave and bold decision.

Planning for the Future

We have an exciting and challenging year ahead. With the help of our dedicated City Council, staff and community, I'm confident we'll make great strides in strategically building a bright future.

Meanwhile, I hope that 20-plus years from now, as you return to Issaquah for your own reunions, the aspects of Issaquah you remember and love are still preserved, while you'll also find vast opportunities to build a life here.

I'm so grateful to be here today. What better place to share our vision for the future than with our next generation? Thank you for hosting me!