

Happy 2018 everyone! Oprah Winfrey always says “Cheers to a New Year and another chance for us to get it right!” Thank you to the Chamber for the privilege of coming before you again and outlining how the City hopes to keep getting it right! Those of you who have heard me speak before know that I believe that our city’s success depends on our focus and investment on three pillars: Engaged neighborhoods, flourishing businesses and decisive, responsive government.

You represent those flourishing businesses. As always, on behalf of the Council, I want to sincerely thank you for locating here in Kirkland. We know you have choices, and we are very grateful that you have chosen to make this community your home.

Last Friday, February 2nd was Groundhog Day. I am pleased to report that our hardworking City Manager crawled out of his office and saw his own shadow. According to legend this means we will have six

more years of prosperity! What I think we all love about that other

Groundhog Day story is that while the main events of the day remain the same, our hero discovers that small but important changes in how he treats others, creates real transformation. By focusing on being a better person and making the world a better place for others, he creates a better life for himself.

Preparing for this State of the City speech felt a little bit like Groundhog Day. As I reviewed my past remarks, I found that nearly all of the key elements remain the same. In 2014 I told you that the State of the City was *poised*. In 2015 I said the State of the City was *strong*. In 2016 I said the City was *thriving*. In 2017 I said that Kirkland was *blossoming*.

Each of those statements remains true. Kirkland is growing by leaps and bounds. The economy remains red hot. Unemployment and vacancies rates are near historic lows and the number of new businesses and residents are at an all-time high. In our permit pipeline

today we have over 4,700 units of housing and 1.5 million square feet of commercial and office space. Another 564,000 square feet of institutional redevelopment is happening, including the renovation and expansion of Juanita High School and construction of a brand new Peter Kirk Elementary School. The great news is that these projects are all happening according to the vision developed by our community during our Kirkland 2035 process. Our community imagined Kirkland as a vibrant, attractive, green and welcoming place to live, work and play. They asked us to provide new jobs, new services and diverse housing choices, and to steer these investments into walkable, mixed-use urban centers served by transit. They encouraged us to preserve single family neighborhoods and to enact thoughtful environmental regulations to protect our tree canopy, reduce flooding and improve water quality. We have accomplished each of these tasks.

Kirkland also remains an award winning government. We have maintained our AAA credit rating and once again earned the

Government Finance Officers Distinguished Budget Award, “reflecting the commitment of the governing body and staff to meet the highest principles of government budgeting.” Pepperdine’s Davenport Institute for Public Leadership conferred upon Kirkland a Gold Award for our public engagement efforts, stating that “The City of Kirkland strives to place its residents at the center of policy making.” Our new Park Lane earned a National Great Street Award, from the American Planning Association - one of only five streets in all fifty states so honored. According to the APA, Park Lane “enriches the economy, facilitates economic growth, and inspires others around the country.” And together the City of Kirkland and Robert Pantley’s group earned the Governor’s prestigious Smart Communities Award for the public/private partnership that resulted in Arete, a LEED Platinum project that is “a model of urban planning that sparks economic development with beautiful architecture, affordable housing and environmental sustainability.”

The Council is incredibly proud of our team at City Hall, an accomplished and talented group of professionals taking a leadership role in our region. Our City Manager leads the board of ARCH, our Deputy City Manager Tracey Dunlap is the Chair of the E-gov Alliance, heading up tech initiatives to provide best in class service and most recently our own Jim Lopez and his team were recognized by the Washington Cities Insurance Authority for their work on risk management on behalf of the City....please recognize all of our City Staff in the room today.

2018 is a New Year, Same Booming economy, same standards of excellence. This is a very special time in Kirkland, and we're all fortunate to be a part of it. But we cannot take this good fortune for granted. These achievements didn't happen by accident. They are the result of generations of investment by citizens who came before us in our jewel of a city, of entrepreneurial investments by our companies,

and by intentional, careful planning by the city. It's our responsibility to protect and enhance these investments. Since 2011, Kirkland has adopted a City Work Program. The current 2017-2018 Program is at your table and it highlights the major initiatives that the City is pursuing to maintain a strong organization and a high quality of life for our residents and businesses. Within the next year we hope to see the first Eastside Women and Family shelter built in Kirkland. Within the next five years we'll see new ramps from I-405 into Totem Lake, linking our urban center to the region. We will see new workforce housing built at the Kingsgate Park and Ride. We will see a new Sound Transit station at 85th Street and 405, connecting Downtown Kirkland and the 85th Street Corridor to a river of bus rapid transit from Everett to Bellevue to Renton to SeaTac. The Work Program keeps us focused on doing the right things and doing them well.

I'd like to take a moment to acknowledge the retirement of Councilmember Doreen Marchione. Doreen led our Council and taught

us how to disagree without being disagreeable, and how to work with our staff, and each other as a team. She brought common sense and dignity to our office. We are going to miss Doreen in 2018. Now, I'd like to tell you a little bit more about my colleagues on your City Council. Deputy Mayor Arnold asks how can we become a leader in environmental stewardship at the City and in Kirkland? He works hard to bring creative compromises to us on the Council, helping us to move forward. Councilmember Sweet asks – are we prepared for a major emergency? Do our police and fire service have everything they need to keep us safe? She's also our unofficial liaison to the State legislature. Councilmember Nixon is the champion of open government in our state, he provides invaluable advice and information about the City and the Council's activities on social media, and is our master of technical detail. Councilmember Asher leads our working group that works with our state legislators and was the one who asked – Kirkland needs the ramps at 132nd, and WSDOT needs the \$75m to build them. Why not

Kirkland? He's also a strong advocate for active neighborhood associations. Councilmember Pascal has taken his passionate advocacy that he made so famous on Finn Hill, city-wide. He cares about investments that make life better, and that Kirkland is known for – parks, streets, walking paths that connect neighborhoods, sidewalks, bike lanes. Our newest member, Councilmember Tom Neir you all know through his work on the Kirkland Parks Foundation. Tom's business background and strong financial knowledge, as well as his commitment to public service, will serve the City well.

So the building blocks of continued prosperity are moving into place. But so too are challenges that can undo our hard work. Too many of our residents struggle with poverty and homelessness. With undertreated mental illness and addiction, with violence in the home, against spouses, and children. The skyrocketing cost of housing only exacerbates these obstacles. You may know that dozens of families sleep in their cars at one of our churches on 132nd. We will not thrive

as a community if we cannot create homes for our teachers, our first responders, our bank employees and our baristas. We will not be a complete community if our children and our parents cannot stay in their home town. Coretta Scott King famously asked ‘Why should there be poverty with all of our science and technology. There is no deficit of human resources. It is a deficit of human will.’ Kirkland has acted, we will continue to act. We recently created our first ever Human Services Commission to advise us on how to more effectively serve those in need. We also budgeted record investments in our Housing Trust Fund and our human services grant programs. The work of our Housing Strategy group is almost complete. Through new state legislation that we championed, Kirkland has been able to invest in our Women and Family shelter and in the preservation of affordable housing in perpetuity, at the Houghton Court Apartments. Our progressive development regulations have resulted in over 400 units of dedicated affordable housing that will come on line in the next two years. But

despite our efforts, more must be done. The region of GoDaddy, Bluetooth, and Google, of Inrix and Evergreen has within us the will to solve these problems.

So I say to you that the State of the City is *striving*. We are striving to be the most just and compassionate city. A complete community. We are striving to be a safe place to raise a family, to be a place where one can find a home by their work, or work by their home, and where they have options on how to get around, where they have choices and time, for indoor and outdoor activity and fun. And we are striving to have the very best run government, a government that all of our citizens can continue to trust and be proud of. We have challenges. The Council must respond to the legitimate concerns of our neighborhoods that today's growth can overwhelm us. That we have come too far, too fast. This Council is committed to ensuring the livability of the City. In 2018, through a partnership with our community, we will develop the 2019-2020 biennial budget and Work

Program. We know we need to prioritize providing responsive police and fire services, safe streets and great parks for those who are here today, and those who are yet to come. But this will also be the last budget we adopt before we lose almost 4 million dollars a year in state support for our 2011 annexation of our new neighborhoods. As we planned, sales tax revenue from Kirkland Urban and the Village at Totem Lake will help close the gap. But this Council must manage that gap, and balance new investments with staying fiscally disciplined and financially sound.

Conversations about major new investments are a year or two away. So this year, our opportunity to improve our community comes, not from funding great new initiatives, but in how we treat each other. I see the great work of 2018 revolving around one significant Work Program element that needs our focus, and that is fostering an inclusive, welcoming community and a love of Kirkland. Kirkland has

made great strides in being both a model of prosperity and a model of tolerance and inclusion. But we have much more to do.

February is Heritage Month in Kirkland, and Black History month throughout the nation. We have iconic examples in our past whose words can help us imagine an even brighter future. Just a few weeks ago, the real Rosie the Riveter, Naomi Parker Fraley passed away. Naomi was the woman who inspired the famous “We Can Do It!” poster that has become synonymous with the tidal wave of women who entered the work force in the 1940’s. Tens of thousands of these courageous Rosies worked at Boeing and right here in Kirkland, building Navy warships at the Lake Washington Shipyards just about where we are sitting today. Getting the job done. In our troubled times where fear and hatred of those different from ourselves is being exposed, or even fostered, once again it will be millions of women (and our enlightened men!) rising up and saying that every person matters, and calling upon us to strive for a better America. The women’s marches

said, our society achieves so much more when we value all people, and when we celebrate people of all ages and abilities, all races and religions, and all genders and orientations. Susan B. Anthony got it right when she said “It was we the people, not we the white male citizens...but we the whole people, who formed the Union. And we formed it, not to *give* the blessings of liberty, but to *secure* them...to the whole people...”

By exploring what it means to be welcoming and inclusive, by having the conversations and making the decisions that mean we really welcome and celebrate everyone, Kirkland has a chance to lead the way. Harriet Tubman said “Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience and the passion to reach for the stars to change the world.” We can make the creation of a complete community more than a dream. We can make it our work in 2018. Not everyone will be comfortable with this conversation. Once again from Susan B. Anthony, “Cautious, careful

people, always casting about to preserve their reputations, can never effect reform". We must stop being cautious and start being daring. And we must start now. The only way to make change happen...is to strive, to plan, to innovate, and then to execute. Let's strive to work together to make Kirkland the most welcoming and inclusive city in the nation. And by doing that we will keep Kirkland the most livable City in America. Thank you!