State of the City Address 2017 Mayor Marilyn Strickland February 8, 2017 Hotel Murano, Tacoma, WA

# **Introduction and Thank You**

On behalf of the City of Tacoma and the Tacoma City Council, thank you for taking the time to attend today's 2017 State of the City Address. I would like to welcome Council Member Lauren Walker Lee who has returned to fill a vacancy for a year, and brings with her, a wealth of knowledge and experience to help us tackle the issues we face in 2017.

I want to thank the Tacoma-Pierce County Chamber and CEO Tom Pierson for their collaboration in the production of this event. I'd also want to thank Bennish Brown, today's Master of Ceremonies, from the Tacoma Regional Convention and Visitor's Bureau, who works hard every day to showcase our community to promote tourism and highlight our beautiful corner of the world. Finally, a special thank you to my house band, the Lincoln High School Drumline, led by music teacher Peter Briggs, and Emily Cook who does one of the best renditions of our national anthem.

# **Back to the Future**

It's important to remember where we've been as we discuss the future. And to be mindful of our history. A few decades ago, it would have been accurate to describe Tacoma as a polluted industrial town on the decline. Many industries operated in our city and along our shores long before the U.S. Environmental Protection Agency started doing its work in 1970. Each successive decade in Tacoma seemed to have its own set of challenges laced with violence and a negative reputation we just couldn't seem to shake.

But something else started to happen. Waterfront property was being purchased; historic buildings were being saved; environmental remediation was taking place; museums, we built convention facilities and a university; regional transit was being planned; neighborhoods were being renewed. Slowly and surely, expectations started to change in Tacoma for the better. Today, I describe Tacoma as an international waterfront city that is a leader in education, the arts and environmental stewardship.

In 2010, we were still in the doldrums of the recession. Unemployment was 12% in Tacoma, the high school graduation rate was 55% and Fitch rating agency gave the City of Tacoma's financial position a negative outlook. Today, the unemployment rate has been cut in half – (although I still believe it is too high), our high school graduation rate continues to climb and is now 85% (higher than the state average) and our financial outlook has improved from stable to positive. We went from making \$60M of cuts to our city budget in 2012 to restoring services in 2016. This is not a green light to go on a spending spree. We must remain disciplined with our finances and grow our tax base to provide more essential services for our community.

#### The Past Few Years

Last year, I delivered the 2016 State of the City address entitled "Better Together". Two years ago, my address was entitled Tacoma Rising and three years ago, the theme was Tacoma 2.0. In these addresses, I challenged us to open our eyes and fully appreciate what's good about our city, to view ourselves on a larger stage as part of the metropolitan Seattle-Tacoma-Bellevue region and to understand that what happens outside of our borders and beyond, can have a positive impact for local businesses and the people who call Tacoma home.

I don't believe you will ever hear a State of the City Address that doesn't mention the need for more living-wage jobs and the need to support innovation, entrepreneurship and the local businesses that are already here. Tacoma is moving in the right direction and there are opportunities today that did not exist just a few years ago. But these opportunities will only serve the greater good if we are willing to educate ourselves and make the connections that can lead to prosperity – or the theme for this year's SOTC address – "Educate. Connect. Prosper". And I say this with one caveat. Growth does not equate prosperity if it is not intentionally inclusive.

## **Looking Ahead**

According to the Chinese Lunar Calendar, 2017 is the year of the rooster – a year where we can anticipate both drama and productivity. For Tacoma, it will be a year of transition.

- A new President has taken office
- Governor Inslee was re-elected and is focused on getting our state to finally meet its paramount duty to fully fund education.
- A new County Executive was elected
- The residents of Tacoma will elect four new city council members, including a new mayor this November.

And before that happens, the current city council and our community will embark on selecting a new city manager – a decision I describe as the most important one this elected body makes. The bar as has been set high by T.C. Broadnax who was recruited to Dallas, and our decision will come down to selecting the most qualified candidate who can help move Tacoma forward by implementing the vision set forth in Tacoma 2025 and the city council's stated priorities, being fiscally responsible, and doing so in a way that is equitable and inclusive.

I invite those of you who are here today and anyone watching from home to please participate in the community engagement events surrounding the selection process for a new city manager. In the meantime, city employees will continue to work toward the goals stated from Tacoma 2025, the community vision that strives toward improving our neighborhoods, diversifying our economy and preparing our workforce, leadership in educational attainment, strong and inclusive civic engagement, equity and empowerment.

And while 2017 is my final year as mayor, it is only February – there are eleven months of hard work ahead of us to maintain our momentum, to do more and to set the stage for the next chapter of leadership in our city.

## **ECONOMIC/INVESTMENT SUCCESS**

Because this event is hosted by the Chamber of Commerce and has a slant toward economic development, I'd like to share a few things we can look forward to in 2017 that are the result of collaboration and lot of patience by many community partners in the past few years – in both the public and private sectors.

- 1. Tacoma was recently ranked as one of the hottest housing markets in the U.S. for rental construction with a vacancy rate of 3%. There are nearly 2000 housing units scheduled to break ground this year in various neighborhoods throughout the city.
- 2. More than three million square feet of industrial space for logistics are planned in the Tideflats and our light industrial areas, including Netherlands based NewCold, a state-of the art cold storage facility that will be located in South Tacoma and will bring 100 family wage jobs to the neighborhood.
- 3. The historic Washington Building, in the heart of our downtown will be renovated into apartments, increasing the population of downtown residents.
- 4. In partnership with Joint Base Lewis McChord and MultiCare Health Systems, the University of Washington Tacoma will open a biotech incubator near campus later this year.
- 5. The continued growth of Point Ruston. Every time I blink, there is an announcement for more condos, apartments, retailers and restaurants. This example of public-private partnership is one of the crowning jewels of our city and our waterfront.
- 6. We recently signed a purchase and sale agreement with a housing and retail developer from Vietnam, to build a mixed use project on 11<sup>th</sup> and Tacoma Avenue in the space currently occupied by the library parking lot.
- 7. Ground has broken on projects in the Stadium District, the most densely populated neighborhood in Pierce County. You can expect to see more restaurants, retail, and housing investments tied to the anticipation of light rail.
- 8. We are in final design for expansion of the Tacoma Link from our theater district to the Stadium and Hilltop neighborhoods.
- 9. Pierce Transit, serving the greater Tacoma region with bus and shuttle service, has restored 40,000 hours of service since the recession.
- 10. Every historic building cannot be saved but we made the decisions to purchase Old City Hall, an icon that when renovated, will continue to add beauty to our North Downtown dining and entertainment district.

- 11. We received a three-year grant from the U.S. Department of Commerce and have opened a Minority Business Development Association office at City Hall in partnership with the World Trade Center and Bates Technical College. Not only will this provide assistance to minority-owned businesses in Tacoma, it will serve the entire region.
- 12. As you look around various neighborhoods, people are buying homes, renovating them and putting them back on the market. This is happening in some of our most historically distressed areas and attracting needed investment to improve neighborhoods and the condition of housing stock available.
- 13. The Northwest Seaport Alliance's container volumes reached 3.6 million, the highest level since 2007 and the Port of Tacoma is investing more than \$140 million in infrastructure to keep us competitive and retain family-wage maritime jobs in Tacoma.
- 14. In 2016, the city paved over 400 blocks and leveraged \$4.2 million in new revenue to obtain \$20 million in grants for design and construction of critical roads and arterials. The roads measure passed by Tacoma voters in 2015 in allowing us to obtain Federal Funds to help us leverage our local investment. In 2025, this will sunset and it's up to us to make sure the voters renew this important resource.
- 15. The City of Tacoma has introduced House Bill 1495 in Olympia that will allow cities with populations of 50,000 or more outside of King County re-invest local sales and property taxes into newly constructed or rehabilitated buildings of at least 50,000 square feet. This will encourage more Class A office space to be built and encourage property owners to upgrade existing facilities which will attract more employers.
- 16. We will host the 2017 Minor League All-Star Game, thanks to the hard work of the Tacoma Rainiers led by Aaron Artman. Tickets are already selling at a rapid pace. The City investment in Cheney Stadium continues to benefit the community.
- 17. We will host the 2017 Festival of Sail which will attract visitors from the region.
- 18. As a Welcoming City, we will form an Immigrant and Refugee Task Force because it is the right thing to do and it is smart economics.

## **Biggest Investment Ever**

When it comes to actually creating jobs, government has a somewhat limited role and we do not control a market that is dynamic and grows organically. We can hire people to work directly in government, we can support policies and practices that make it easier to do business or we can invest in infrastructure and transportation. I'm pleased to say that every opportunity to invest in infrastructure over the past few years has been approved by the state legislature or by local and regional voters. These investments are crucial to our local and regional economy to help move people and goods and to improve safety. Transit use improves the environment and our quality of life. Those of us who promoted these investments also highlighted the job creation opportunities in both the public and private sectors.

Between the passage of the \$16 billion transportation package in 2015 by the state legislature, the passage of the \$325 million street repair measures in 2015 by Tacoma voters and voter approval of the \$54 billon investment in Sound Transit, the Central Puget Sound is making the largest investment in infrastructure in history for the next two decades. This means family wage jobs in construction, and professional services including engineering, planning, architecture and related fields. Compounded by the construction boom of buildings in our region and a projected retirement boom from the building and trades, we must make sure our workforce is prepared - no, we must make sure we have a local workforce for these family wage jobs and that the contracting environment makes it easier for minority-owned businesses and employees to participate in this prosperity. Conservative estimates forecast that there will be more than 220,000 direct and indirect jobs as a result of these investments with an average wage of \$60K per year for construction workers in the next two decades.

This will require partnerships from both the private and public sectors and an aggressive workforce development strategy.

This year's theme "Educate. Connect. Prosper." is influenced by opportunities to get more people gainfully employed in jobs during the regional construction boom and massive investment in infrastructure. Depending on who you ask, there aren't enough jobs that pay well or there aren't enough qualified workers to fill them or there aren't enough people choosing to enter high demand professions. I would argue that all of these are true but what we lack is a comprehensive system that brings all parties to the table to discuss how we create a continuum of services. In education and social services, there is a term used called "Collective Impact". It is a model used where all organizations who have a role to play in solving a complex problem examines the entire continuum, explore barriers and works toward solutions to a desired outcome. And right in front of us, is an opportunity that can benefit our community in an equitable way – but only if we are willing to put in the hard work that will prepare us. There are a lot of people doing a lot of good work in this space but we need a coordinated and aligned effort and better communication.

So here is my challenge Tacoma. The City is willing to convene a summit this Spring called TacomaWorks. We will spend half a day evaluating issues and developing solutions to get more people employed or better access to jobs through this massive investment we're making in infrastructure.

Hypothetical situations: Janet Jones is a 25 year old woman who has a variety of part time jobs. She is interested in becoming a crane operator but can't get into an apprenticeship program because her drivers license was suspended from unpaid parking tickets and she barely makes enough to cover rent and living expenses. How can we help her in a timely way that puts her on a fast track to pursue becoming a crane operator? Bill James is a project manager for an architecture firm. His company is very busy right now and can't keep up with the demand for work. He is considering running ads in newspapers outside of our market to fill entry and mid-level positions in his company. Daniel Crawford is a college freshman who wants to major in a high demand field. He's always liked drawing plans and is considering getting training in CAD.

At a minimum, I will ask the following groups to be our partners:

- Tacoma Public Schools Summer Jobs and Tideflats Certification
- Tacoma Housing Authority
- Puyallup Tribe of Indians
- City of Tacoma Public Works, Sound Transit, WA State Department of Transportation

- Non-profit organizations
- WorkForce Central
- Community and Technical Colleges
- Contracting Community, not just general contractors but the Association of General Contractors
- Local branches of the AIA
- Urban Land Institute
- Trade organizations
- Minority Contracting Association
- Organized Labor
- People looking for work

Local economies depend on many things but if we want our local businesses to grow and to be successful, we they need regular customers with spending power. Jobs that pay well help meet all of those goals. By bringing these groups together in a coordinated way where we have a chance to educate and connect with each other, we can help each other and people looking for work become more prosperous.

#### **PROGRESS ON PROJECT PEACE**

Last year, I shared with you the results of community engagement events for Project PEACE. At the end of the day, the purpose of Project PEACE is to make our city more safe through improved relationships between the police and the community – especially those affected by crime and poverty and positive interactions between police officers and youth based on mutual trust and respect. So how have we done since I introduced policy recommendations last year?

- Police officers to live in the communities they serve 35% of our recent hires live in Tacoma.
- Expand the Community Liaison Officer program we now have 17 CLOs, one of whom is part of the homeless outreach team.
- Hire a more racially diverse police force that reflects the community we serve this is a priority for the City. In 2015 and 2016, the demographics of new hires reflect or exceed 2010 Census data.
- Body cameras In 2016, TPD formed a work group and has identified a pilot program that will be rolled out in mid-2017.
- A focus on de-escalation as a first resort this is part of standard training and TPD has added an Advanced Training Officer.
- Ongoing efforts to educate the police force and the public on institutional racism/implicit bias/cultural competency – a cadre of Commissioned personnel was certified to teach Fair and Impartial Policing. To date, 240 commissioned officers have received the training.
- Improve relationships with youth Boys and Girls Clubs and Safe Streets have held youth academies in which middle school youth learn about the law enforcement profession and what it takes to become a police officer.

Building mutual trust and respect takes time but the Tacoma Police Department is moving in a positive direction and takes the recommendations from Project PEACE very seriously. In addition to keeping our communities safe, our police officers and first responders are often asked to be counselors and social service providers. We need to do a better job of addressing our human services needs and we are.

## **HUMAN SERVICES NEEDS (mental health hospital, homelessness, youth shelter)**

Last year, I announced the desire to address homelessness on a regional level. I've convened several meetings since then with local mayors and elected officials. We've created a legislative agenda to develop policies and resources to address the issue. When the City Council adopted its 2017-2018 budget, we increased our investment in services to address homelessness by 50% and seek to address the systemic issues. But it is not enough. Tacoma is a city of 205,000 in a county with over 750,000 residents. We need our neighbors to not just invest in these services but to build and operate facilities in communities throughout the entire county.

Insert legislative agenda: document recording fee increase, affordable housing trust fund, landlords who rent mobile homes.

Finding solutions that are humane, realistic and holistic is a tall order when the problem itself is so complex. Here is what we've learned:

Homelessness is not just an urban issue. It affects rural, suburban and urban populations. People find themselves homeless for many reasons including substance abuse and mental illness but we've also learned that domestic violence, lack of affordable housing and income instability contribute to people finding themselves homeless. Some people want to live off the grid and have been in and out of the system for long periods of time. Some who are experiencing homelessness are employed. Changes in mental health funding the federal and state levels means that this issues end up unresolved in local communities.

In partnership with MultiCare and Franciscan – several cities have made a contribution to help build a much needed 110-bed mental health facility in Tacoma that will serve the county. This a good start but we need more of these facilities county-wide and plans to support people when they are released from these facilities so their care and treatment can continue after they are discharged.

The face of homelessness has many dimensions and we often forget that many of our youth are not safely housed. There has been no youth shelter in Pierce County for nearly 30 years. We are also taking a long-vacant building to create a youth drop-in center and emergency overnight shelter for youth ages 14-24 experiencing homelessness. While the location has raised concerns, we believe that this can be a positive for the neighborhood by taking a long vacant property and creating a social enterprise business on the retail floor, access to transit, access to social and recreational services nearby. A homeless youth we save today will not be a homeless adult in the future.

But I will repeat: It is not enough. Tacoma is a city of 205,000 in a county with over 750,000 residents. We need our neighbors to not just invest in these services but to build and operate facilities in communities throughout the entire county.

#### FEAR AND ISOLATION WILL NOT BRING BACK JOBS NOR MAKE US MORE SAFE

As an international city, as a Port City, as a city in the most trade dependent it state in the nation, it is incredibly disappointing and disheartening to hear some of the rhetoric from the November election that continues today. Rhetoric that demonizes trade when we know that automation is the primary reason jobs have been lost in manufacturing while productivity continues to rise. Plans to expensive build walls and damage alliances when we should cultivate relationships and strive for cooperation that is mutually beneficial. Proposed policies that discriminate against people for their faith, their country of origin, or their immigration status. Grandstanding that does not make us look strong but makes us seem uninformed, weak and does more to compromise, not improve our safety. Language that has become normalized. But going back to our history, this is not the first time our nation (or our city) has been down this path. There was a time when we expelled the Chinese, sent Japanese Americans to internment camps. We watched banks engage in the practice of Redlining to discriminate against African Americans and other minorities when it came to mortgage lending. As a result, we segregated neighborhoods and have deprived many of generational wealth. We can't change the past but we can do better.

## **Welcoming Cities**

In 2015, Tacoma joined the Welcoming City movement, a group of cities and counties across the nation that value the contributions of immigrants and refugees and view them as assets to our communities.

- More likely to start businesses (30% more likely compared to US nationals)
- Less likely to commit crime
- More likely to be people of faith who value strong families
- Not a monolith. Come from all over the world and have diverse viewpoints and customs.
- Important for positive community oriented policing

A Welcoming City is part of a national network (welcomingamerica.org) and works to create inclusive policies and practices such as making it easier for entrepreneurs to start a business or ensuring that government materials are available in multiple languages. We are guided by the principles of equity, inclusion and helping communities prosper by policies, practices, and a climate where all people feel welcome, including immigrants and refugees.

In case there is any confusion, let me state that The Tacoma Police Department does not check the immigration status of those with whom they interact. It is not their responsibility to do the job of Federal agents. They do not have the time and resources and are more focused on addressing public safety and community policing which is based on forming positive relationships with the community. I also want to state that any resident of Tacoma, regardless of immigration status will get access to all city services.

In response to the current climate around this topic, Tacoma will form an Immigrant and Refugee Task Force to gain input and insight by hearing directly from them and learning what issues are most important to them and how our community can better assist them. I would also like to invite you to attend a forum on February 16 from 8:30-1:00 at the University of Washington Tacoma which will examine immigrant labor and the regional economy. Fifteen percent of all business owners in the state

of WA are foreign born, contributing \$2.4 billion to the state economy. Based on the Immigration Policy Institute's report, "Latinos and Asians (both foreign-born and native-born) wield \$44.7 billion in consumer purchasing power, and the businesses they own had sales and receipts of \$22 billion and employed more than 94,000 people at last count."

# **Civic Engagement and Civility**

As the new administration sorts out its relationship with Congress, the media and the rest of the nation, we must focus on opportunities are right in front of us at the local level. But understand something. The tone and tenor of what comes out of Washington D.C., sets the tone for our entire nation. That tone can make us optimistic or pessimistic. It can unify or divide us. And it can sow fear and hate or give us confidence and hope. If Tacoma has been successful for the past few years, part of it is due to a strong and positive relationship with not just our Congressional delegation in DC, but with the White House and Federal Government. A White House with an urban agenda for our metropolitan regions based on ladders of opportunity, valuing trade and uplifting those who need help.

Over the past four years, Tacoma has received \$200 million of assistance from the Federal government (our money) that has helped us do everything from improve transit to rebuild infrastructure, build affordable housing for vulnerable families, house homeless military veterans and support minority owned businesses. That relationship with the White House with the past administration has supported, recognized and rewarded us for hard work and programs in education, housing and summer youth employment.

We now live and govern in uncertain times. As residents, as public servants, as business owners and as voters. This is why it is some incredibly important to pay attention, educate yourselves and become well informed about the news and what's happening in the world. Your active and well informed participation in civic life matters more now, than ever.

There was a time when we got our news from three sources. Radio, TV and print. The game has changed. Social media had democratized access to information and can be a good thing. But the echo chambers of social media have become substitutes for civic and civil discourse where people seek affirmation from like minded people. It has replaced face-to-face conversations that allow active listening and disagreement based on facts. It has robbed us of the ability to explore nuances and details to solve our most pressing issues.

So here is some unsolicited advice:

- Get your news from legitimate publications and journalists. The ones that do research and take time to check facts.
- Talk to people. In person.

# The Metropolitan Revolution

Bruce Katz of the Brookings Institution often points out that metropolitan regions and CITIES are the engines of our economy and are at the forefront of progress that moves our nation forward.

Looking back on the past seven years, the City of Tacoma along with our residents, private sector, education, governmental and non-profit partners have accomplished a lot to help improve our local economy. We dug our way out of the recession and can be proud of:

- Making education a civic priority more students graduating, more 2 and 4 year degrees
- Passing a tax measure for the first time in 40 years to final Fix Tacoma Streets
- Getting the state legislature to increase the gas tax to finish Hwy 167 and Hwy 509, the Puget Sound Gateway Project that will make our Ports more globally competitive
- Passing Sound Transit 3. The game changer that will connect the region to the South Sound.
  Tacoma voted yes.
- Developing and implementing a Climate Action Plan stormwater, wood burning stoves, auto emissions, tree canopy.
- Creating Summer Jobs 253 paid work experience, earn credits, financial literacy training and career prep which will serve 253 students in 2017
- Raising the minimum wage and implementing a paid sick leave policy
- Banning the Box for City of Tacoma job applicants with a felony conviction to ensure equity and giving a second chance to those who've made mistakes.
- Strengthening our Sister Cities program and advancing international relations to promote education, tourism and attracting foreign direct investment into our city
- Launching and implementing recommendations from Project PEACE a proactive approach to public safety by improving police and community relations
- Tacoma was at the forefront of supporting Marriage Equality in Washington State
- We honored the will of the voters to provide safe and legal access to medical and recreational marijuana.
- Opening an office of Equity and Civil Rights
- In partnership with Metro Parks moving forward with the Eastside Community Center
- Making a financial commitment to help the renovation of the historic Pantages and Rialto Theaters.
- Securing Federal funding to expand Tacoma Link light rail to the Stadium and Hilltop Neighborhoods
- Making a \$30 million public investment in infrastructure to spur the growth of Pt. Ruston
- Keeping public broadband accessible and affordable especially given the recent ruling on Net Neutrality
- Investing in historic properties such as Old City Hall and finding a developer for the Washington Building
- Infrastructure investments on Pacific Avenue and in South Tacoma, Hilltop, Dome and Lincoln Business Districts to spur beautification efforts and attracting more private investment.
- We have raised our city's profile and regularly appear on "best of" lists that rank cities for the arts, tourism, education, dining, recreation and quality of life.

And this is a partial list.

Tacoma 2025 builds on this work to continue propelling us forward:

Livability – by 2025, Tacoma will be a city of choice in the metropolitan region known for connected neighborhoods, affordability, efficient transportation including reliable transit, vibrant arts and culture. Residents will be healthy and have access to services and community amenities.

Economy and Workforce – By 2025, Tacoma will have a growing economy with an abundance of family wage jobs in key industries. Tacoma will be a community of choice for employers, those who are highly skilled and trained and those who are seeking training and education.

Education – By 2025, Tacoma will lead the region in educational attainment amongst youth and adults. In addition to producing more graduates from high school and colleges, more college graduates will find employment in the region. Lifelong learning and access to education will be prioritized and valued.

Civic Engagement – by 2025, more Tacoma residents will be engaged participants in civic affairs. The leadership of the city both elected and volunteer, will reflect the diversity of the city and fully participate in decision making.

Equity and Accessibility – by 2025, Tacoma will ensure that all residents are treated equitably and have access to services, facilities and financial stability. Data will be used to make decisions, direct funding and develop strategies to address disparate outcomes.

2017 will be a big year in Tacoma. We cannot predict what will happen in Washington DC but we can control what happens here at home.

Let's finish what we've started in 2010. And let's set the stage for the next chapter in Tacoma.

Educate. Connect. Prosper – for the city that is our destiny. The international waterfront city that is a leader in education, the arts and environmental stewardship. A city that is accessible, welcoming and treats all people with respect and dignity. A city that is imperfect but strives to better every day because we are kind, we are compassionate and we dream big while firmly grounded in reality.

Tacoma - a city that is now better educated, better connected and therefore more prosperous. This is our destiny.