



2006 State of the City Address Mayor Dennis P. Hession January 20, 2006

I believe strongly in open, accessible government. With that in mind, I thought it was important to disclose some information about myself. I'll understand if by the end you are wishing for less transparency, but here goes.

I was born in Salt Lake City, Utah, of wonderful parents with a big brother and a little sister. I had a very nurturing childhood in a traditional family where my father was the chief executive officer of the newspapers and my mother was a housewife and stay-at-home mom after a short career as the station manager of a local television station.

I grew up Catholic in Salt Lake City (which many find hard to believe) and went to Catholic grade school and high school.

My father was born of Irish immigrant parents who were a big part of my life. On Sundays, we would go there for dinner and roll back the rug in the dining room and learn how to dance to Irish music. I still know how to dance the Irish jig, but I won't.

My father taught me how to punt a football (but probably would have disapproved of using that talent to kick a ball between the spires at Gonzaga) and how to tie a tie (although he was not nearly as obsessed with wearing them), and how to fold and throw a newspaper. And, he taught me about integrity and respect for others.

My mother grew up poor in Salt Lake City, was raised by her mother (who lived next door to us during my childhood) and could not afford college. But she was extremely well read and a practicing grammarian. My grandmother was a second mother to me, gave me her 1950 Chevrolet, and taught me the words of frustration, "Hell, damn spit."

My mother taught me how to make a grilled cheese sandwich, how to dance, manners, and the importance of family and personal relationships.

I went to Gonzaga, where I grew up, met Janie, and learned to think from the Jesuits who taught me about social justice.

Thirty-three years ago, I married Janie, who loves to cook, mentor students, read the sports page, dance to Motown, and professes not to like dogs, although we've had three with the middle name of Jane.

We have three boys who plan to be physicians and a daughter who aspires to be a lawyer.

I have practiced law for 25 years and will miss the association with my partners, staff, and clients. I have tried to serve this community through my contacts with Excelsior Youth Center, March of Dimes, YMCA, Youth Sports Association, Habitat for Humanity, Red Cross, the Spokane Park Board and Park Foundation, and 15 years of coaching. My friends say I am consumed by public service, and they may be right.

I share this information about myself because I hope it gives you a glimpse at who I am. Our individual stories help define us, and together they make up a community narrative—one we all can learn from.

I succeeded to this position in an extraordinary way. There was *nothing* ordinary about the last eight months of 2005 at the City. While we will never forget what brought us here this morning, we must not dwell upon it.

I marvel at our citizens. They listened to the stories being added to our community narrative, but refused to let those stories characterize us. They processed the information at hand, deliberated, and resolved the issue.

Earlier this week, we celebrated the life and legacy of Dr. Martin Luther King, Jr. Dr. King reminds us to be vigilant and willing to act:

“The time is always right to do what is right.”

Through the chaos of much of the year, it may be easy to forget that the City did accomplish many things in 2005, thanks to the courage and character of the employees of the City of Spokane. Our employees came to work every day to serve us all, and they performed their jobs very well.

They did all those things we take for granted yet we can't live without. They processed wastewater, fixed streets, put out fires, picked up trash, loaned out books, mowed lawns, caught and prosecuted criminals, supplied clean drinking water, and served neighborhoods.

So today, we join together to focus on our accomplishments and to look forward to our future.

ACCOMPLISHMENTS

As we look at the past year, some things stand out:

We added a new downtown Police presence and expanded our use of technology to aid law enforcement. We opened two new Fire Stations.

We completed the first two projects—on the Maple & Ash corridor and along Greene Street—under our 10-year street improvement plan, and we reopened our old friend, the Monroe Street Bridge, following a 2 ½ year reconstruction project and a wonderful three-day celebration.

We celebrated opening the new Rotary Riverfront Fountain and the new gondola.

We secured \$3.4 million in federal and state grants to help homeless individuals and families move to permanent housing. And next week, we're embarking on a comprehensive count of those who are homeless to attempt to extend our resources and provide even greater assistance to this very vulnerable segment of our population.

We added 220 acres to the City of Spokane, welcomed visitors from throughout the world to the Sister Cities International Convention, and passed a levy to temporarily maintain police and fire services and expand library services in the branches.

COMMUNITY CELEBRATION

But the community's successes do not stop at the doors of City Hall, as evidenced by the huge capital investment numbers we're tracking. For the second year in a row, we processed record building permits totaling nearly \$408 million in value, up from the 2004 record of \$289 million, and early returns this year, if sustained, would exceed even 2005 totals.

While there are some extraordinary projects in that value, including the expansion of the convention center and Spokane Public Schools projects, we are seeing overall tremendous growth and development activity.

We've permitted 679 new single-family residences valued at \$121 million, compared to 540 valued at \$94 million in 2004.

In downtown Spokane, we're seeing a housing boom that includes high-end condominiums and apartments. Renovation of the former Penney's location, West 809 Main Avenue. The Barbieri project on the north bank and various loft projects. Economists tell us that a healthy—and safe—downtown requires urban living, and that's what's happening.

The biggest plans for new residential units in the core are at Kendall Yards. Last week, the plans for developing Kendall Yards on the north bank of the Spokane River west of Monroe Street were submitted. We're talking about a \$1 billion investment over the next 20 years.

Next door, we continue to watch the expansion of Spokane's convention facilities. My hat's off to the Public Facilities District for their work, which is ahead of schedule and within budget.

The signature event booked for that facility—and the Arena—will be the biggest and most prestigious sporting event ever to be held in Spokane—the 2007 State Farm U.S. Figure Skating Championships. Tonight, at midnight, the one-year clock to this event starts ticking. After recently spending several days in St. Louis, I know we can do it better. The theme for our event is: “We're going to WOW you,” and I believe we will. And, in the process, we hope to gain the 2009 World Figure Skating Championships to lead us into the 2010 Olympics in Vancouver, B.C.

Events, though, abound. We'll also host the first and second rounds of the NCAA basketball tournament in 2007, and the West Coast Conference Tournament is scheduled for the new Kennel at Gonzaga in less than two months.

The Convention & Visitors Bureau continues to do an outstanding job of promoting our City and the region and putting heads in beds with the thriving convention activities.

Our growth is evident in other places, too. SIRTI's new technology center in the U District is open and two more buildings are under construction. Walt Worthy continues to invest in Spokane with his \$35 million Worthy Tower. The Fox Theater renovation is under way. And our airport is being remodeled complete with a new control tower, new shops, and amenities.

Our economy is on the move, and at the City we're continuing to work to help facilitate that growth. Top on our list is our strong commitment to the build-out of the University District, as a main economic driver, building on our higher education and health care assets. I've directed staff to do what it takes to complete the Riverside Avenue extension project and to seek money for the remaining infrastructure improvements identified in the U District Master Plan.

We'll support the Institute for Systems Medicine and adding additional WWAMI programs in Spokane. WWAMI is the medical school system run by the University of Washington.

And, as we look at economic development, commerce and transportation, we have to come together as a community and a region to move forward on the completion of the North Spokane Corridor. We will discuss this with legislators next week in Olympia and want to thank Rep. Cathy McMorris for reminding us of this important endeavor and for offering to help us.

The City's role is to facilitate and encourage business growth and development. Among other things, we'll have a new computer permitting system on line by January 1, 2007. We are continuously revisiting our processes, protocols, and programs to maximize efficiency and responsiveness.

We have just this week completed the purchase of the Rookery Block and will begin marketing it to interested developers today. And we'll develop community-based plans for Albi Stadium, the former Playfair site, and the North River Bank.

All this development activity, the many events, and increased tourism mean many new jobs for Spokane and a significant economic impact for our community now and a brighter future for tomorrow.

GOALS

With that as our base, it's time for the City to get moving on specific initiatives. We're planning an aggressive initial work plan. In 2005, we will:

- **Attack the Budget from all directions.** We have made a commitment to a long-term balanced budget. To do that, we must address the budget's structural imbalance. Our citizens helped us to create a little breathing room, but we know this hiatus is very temporary and we must find long-term solutions. There is no easy way out. We've already talked about ways to increase revenues, but tough decisions have to be made about reducing expenses.
 - Look at our City assets and find ways to increase the return to citizens on their tax dollars.
 - Work to maximize our revenues. Next month, we'll be asking our new Economic Forecasting Council for their thoughts.
 - Reduce controllable expenses.
 - Work with our employees and their representatives to explore solutions to escalating employee benefit costs.
 - Evaluate ways to finance a Police equipment replacement fund.
 - Complete self-analysis/efficiency evaluation. Our friends at Sacred Heart Medical Center and Empire Health Services have already been helpful in this effort and we thank them.

- **Create a strategic plan for expanding the City's boundaries.**
 - This is about providing urban services in urban areas and complying with the State's Growth Management Act and our own comprehensive plan.
 - We will immediately initiate the first annexation in the North Metro area.
 - The Strategic Plan will identify all potential areas of annexation, determine the economic impact of each annexation and categorize the land use and zoning, and prioritize the list of potential annexations.

- We recognize that any annexation has financial and other impacts on Spokane County and other jurisdictions, and we will explore ways to mitigate those impacts
- At the same time, we'll pursue our center-focused growth plans so that we continue to build our community in a smart, sustainable way.
- **Pursue municipal consolidation of services where appropriate.**
 - The goal is to create efficiencies and manage resources to deliver a better product.
 - We have a couple of successful examples: youth, historic preservation.
 - There is potential for consolidation with libraries, animal control, and geographic information systems, and the search continues.
- **Make key personnel decisions, including hiring a new Police Chief and City Attorney.**
 - Our first priority is the Chief of Police. We are including candidates from both inside and outside the department and are just completing the selection of a search committee. We will also promptly develop a search committee for the position of City Attorney.
 - The Library Board set a good example for us by appointing a permanent replacement in their Director—Pat Partovi. Congratulations.
- **Forge a strong relationship between the Mayor's Office and the City Council.**
 - I am grateful to the Council for their confidence in me by unanimously supporting my appointment as Mayor.
 - I have great confidence in their abilities and insight.
 - The Council is scheduled to fill the seventh seat on the dais by next Monday night. We look forward to a full compliment of City Council Members.
- **With the City Council, develop a Comprehensive Strategic Plan for the City.**
 - Need to incorporate the ideas and goals of our partners, along with our own, to ensure the stabilization of our economy in the long term. (Chamber, EDC, ITA, SNEDA, etc.)
 - This plan will focus on our key service areas: Economic Development, Transportation and Infrastructure, Public Safety, Human Services.
 - City Council President Joe Shogan designated a special committee led by Council Member Al French, which will work with my office to develop a platform to address these key service areas.
- **Improve relationships and cooperation with other jurisdictions, especially Spokane County, the City of Spokane Valley, Liberty Lake, the state, Spokane Public Schools, and the other cities within the County.**
 - We need to work together for a successful region.

- My intention is to get before the governing bodies of each of the jurisdictions within the next couple of months (I have already been to Liberty Lake) to extend our hand in cooperation to work jointly for our common benefit.
- **Promote economic development.** In addition to the many things we've already mentioned, we'll also:
 - Look for more opportunities like the successful Iron Bridge Project to use TIF.
 - Continue efforts to be more customer service-focused.
 - Explore the formation of a port district within Spokane County.
- **Improve and maintain water quality in the Spokane River, a significant and regional asset.**
 - **This is a top** priority for my Administration because of the obvious environmental affect and the potential impact on our economy. We are looking for **common ground** with our neighbors along the river and across the stateline in Idaho, because only a regional approach to these issues will be successful.
 - In particular, we are participating in a collaborative process with the Department of Ecology, other jurisdictions and business and environmental interests to improve the state of dissolved oxygen in the Spokane River with hope that the parties will be able to agree on a **technically feasible, affordable** solution.
 - We anticipate that we will be investing in new treatment technologies, in water reuse and conservation, and in controlling non-point sources to ensure we meet water quality standards now and in the future.
 - Complete the final rollout of the Water Stewardship Program initiated when I was with City Council.
 - Goal is to share this stewardship program with other governments here and in Idaho. We are already working with Department of Ecology, the Joint Aquifer Board, and Spokane Public Schools.

Really, we're looking for way to shake things up. Over time, we want to develop more creative ideas. Consider:

- The creation of a Mobile Workforce Development Initiative, coordinating all the mobile work force efforts of our employees.
- Developing a street lighting program for neighborhoods and a sidewalk LID program.
- Focusing on public infrastructure (streets, utilities, technology including GigaPop) that will enhance private-sector development opportunities.

CLOSING

Before I bring this address mercifully to a close, I would like to take this opportunity to thank the many elected officials who took the time to be here today and particularly members of the Spokane City Council. Thank you also to the members of my Transition Team, who shared their wisdom and knowledge. I look forward to calling on each of them in the future, and to thank all of you for your kind attention.

Now, in addition to the City being more innovative, bold, flexible, and responsive to customers, we're going to implement what I call the "Samaritan Plan" to create a City that through its employees projects fairness, acceptance, justice, helpfulness, caring, friendliness, and trustworthiness.

"The time is always right to do what is right."

And so, I commit to you that:

- Our integrity will never be compromised;
- We will pursue excellence in all things we do;
- We will be bold and creative in our programs and in our direction; and
- With your help, we can—and will—do great things for the citizens of the City of Spokane.