

5th Annual State of Downtown Economic Forum
Tuesday, February 24, 2009 – 7:30am

Thank you for this opportunity to join with you.

For months, we have seen the gathering clouds of an economic downturn. Hoped to be spared. We are now in the storm.

Tough times -- we are already seeing alarming trends

Everyday we read about job loses. Behind every headline is a family that's hurting. Human cost will become more visible every month. We need to forge new partnerships, new coalitions of government, business and faith community.

The signs of economic stress are all around us. Permit applications are the lowest some of our planners have seen in 15 years

We are watching revenues closely, and we will make budget adjustments later this year.

I have already asked departments to make up to \$17 million in cuts.

We will see the impact of this recession in our communities, and, sadly, on our streets.

Services for mentally ill and the least, the lost and the last are threatened. The state and county face massive deficits that jeopardize basic human services. The holes in our safety nets are growing wider, and more people are passing through.

People in this room may read articles about threatened services and say: This doesn't impact me. But it does. We have a responsibility to our fellow residents. And city centers often become the last refuge of the down and out.

The city is doing its part to lead us through the economic storm: Accelerating \$315 million in capital projects -- paving projects and sports fields, conservation programs and restoring urban

forests, broadband and smart grids. Work on \$168 million Spokane Street Viaduct project already started.

We're making sure businesses have the permits to grow and add jobs. McKinstry will add 500 jobs with newly-permitted facility in SoDo.

Seven years ago, I was criticized for my vision for South Lake Union. Now, South Lake Union is considered a silver lining in the storm.

6,900 new jobs have been created. More than four million square feet of space has either been built or is under construction.

Later this spring, Amazon.com will move forward with the latest phase of their 1.5 million square foot complex. In July, Gates Foundation broke ground for a \$500 million campus that will make Seattle a center of global health and philanthropy. UW ready to tackle third phase.

The city helped incubate Seattle's life science industry: we made zoning changes and built the Seattle Streetcar, which carried more than 500,000 passengers last year and provides easy connection between South Lake Union and downtown

There are other rays of light in these dark times.

My goal is to make Seattle the green building capital of the country. We fostered a climate where companies such as McKinstry and Mithun architects could grow and thrive.

Today, we are investing in transportation projects that will put our people to work while making us more competitive in the long-term.

Our plan to fix the Mercer Mess and improve the Spokane Street Viaduct will directly create more than 1,300 jobs. Mercer will be the road to Global Health.

Last week, I traveled to Washington, DC and met with Pres. Obama. The president made it clear: the federal stimulus must fund new projects that create new, private sector jobs.

The nation's Governors heard the same message.

Today, my understanding is the Legislature will announce how it will spend \$350 million in federal transportation funds – the first installment of the stimulus.

The best information we have this morning indicates that Mercer and Spokane will not be on the Legislature's list.

In fact, the Legislature will not fund a single project of any significance in Seattle.

How can the largest economic engine in the state be excluded from the stimulus package?

This is not what the president intended. This is bad policy and bad economics.

I urge each one of you to join me, take out your cell phone and call Olympia. The legislative hotline is 1-800-562-6000.

Our voices must be heard in Olympia. We must fulfill the promise of the President's package, and put people to work immediately. We must make certain this investment helps our economy grow, now and in the future.

Light rail is a great example of the federal and local governments working together.

Next month, I'll break ground in a light rail extension from downtown to UW. This 7-year project will create about 2,900 well-paid construction jobs. Capitol Hill will be 3 minutes from the U and three minutes from downtown. Trains will run every 7 minutes.

The overwhelming victory of mass transit last November opened a way forward for region.

Create 69,000 direct and in-direct construction jobs over 15 years.

The health of a city is more than numbers on a balance sheet. It is measured by our spirit, our creativity, our commitment to one another.

Call to action to mobilize 10,000 volunteers.

That's how we will emerge stronger: neighbor by neighbor, business by business, lending each other a helping hand.

City government, the business community and people of faith must work together. We have common interests and common aims. To weather this storm, we must all play a part in lessening the hardships an increasing number of our fellow residents will feel.

Throughout this city, there is a renewed sense of community, sparked by the change in Washington, DC. Despite their worries, people (esp. young people) want to help. They want to be asked. They want to know what they can do for their city, their country, their globe.

It is up to us to channel this spirit. Together we will embark on an unprecedented effort to our people to work. And we will mobilize 10,000 volunteers to do great things, and bring us closer as a community.

We will emerge from this downtown stronger, with a greater sense of empathy and community. We will weather the storm and emerge stronger on the other side.

Thank you.