

Snohomish County

Economic Stimulus Action Plan

**Snohomish County Economic Stimulus Task Force
September 2002**

Membership

Gary Nelson, County Council Chair, Task Force Co-Chair

Bob Drewel, County Executive, Task Force Co-Chair

John Koster, County Council Vice Chair

Gary Weikel, Deputy County Executive

Peter Hahn, Director of Public Works

Faith Lumsden, Director of Planning & Development Services

Invited Members:

Bob Terwilliger, Auditor

Gail Rauch, Assessor

Bob Dantini, Treasurer

Diane Libby, Chief Civil Deputy Prosecuting Attorney

Participating Members:

Dan Clements – Director, Finance Department

Dave Waggoner – Manager, Paine Field, Snohomish County Airport

Judith Stoloff – Planning & Development Services, Long Range Planning

Staff Support:

Steve Holt, Executive Director

John Chelminiak, Council Administrator

The Need for a Task Force

On May 15, 2002, the Snohomish County Council unanimously passed a joint resolution forming an Economic Stimulus Task Force. The County Executive signed the resolution that same day. The Task Force was formed at the urging of many in the business community as a response to the national economic downturn that had begun in 2000 and became more dramatic following the terrorist attacks on September 11, 2001.

The Council, Executive, and other elected officials recognized the effect of rising unemployment in the community, the strong role that Snohomish County business plays in the state's economy, and the role Snohomish County government plays as an investor in economic

development. Snohomish County is one of the largest employers in the area, invests heavily in construction infrastructure projects from roads to the airport, and affects economic development through its regulatory practices.

Snohomish County is one of the region's largest employers, with more than 2,700 employees and a monthly payroll in excess of \$12.4 million. In addition, the county creates many more jobs and economic activity through its capital investment programs and partnerships with other governmental entities.

The County's 2002 capital budget totals some \$184 million, and an estimated \$741 million for the 2002-07 time frame. Major areas of capital spending for 2002 include: Roads- \$49 million, Solid Waste transfer stations- \$28.3 million, Parks- \$19.4 million, surface water- \$14 million, and Paine Field Airport- \$10.5 million. In addition, the County is involved in a four-year, \$168.4 million construction project on its downtown Everett campus. A new corrections facility, administration complex, and underground parking garage will be completed in 2004.

The role of the task force was not to adopt a long-range economic development plan. Rather, the task force brought together county elected leaders with department heads to find ways Snohomish County government could quickly assist in stimulating the local economy.

The Current Economic Climate

Snohomish County's economy is the second strongest in the state trailing only King County. Average income for Snohomish County residents is \$35,072. Eight percent of the state's non-agricultural jobs are located in Snohomish County. The county enjoys a strong manufacturing job base with Boeing and other high-tech manufacturers. Approximately 31 percent of manufacturing jobs in the four-county metropolitan area are in Snohomish County. And the number of aerospace jobs in Snohomish County equals the number in neighboring King County. Many of those manufacturing jobs depend on a county -owned and -operated facility, Paine Field Airport.

During the 1990's, manufacturing continued to be the dominant industry. However, job growth in construction, government and military, and services helped bring more balance to the economy. The high tech corridor was the strong driver of private job growth. Government and military jobs doubled in the 90's, driven in part by major infrastructure investments such as Naval Station Everett and the University of Washington Bothell Campus.

While diversification has helped, Boeing still has a major impact on the county's economy. Boeing employment topped out in 1998 and resulting layoffs turned the unemployment picture around. After steady declines from a 1993 high of 7%, unemployment rates went down every year to a low of 3.1% in 1998. Since then, there has been a steady three-and-a-half year increase in unemployment. The rates hit 7.5% in April and May of 2002 and dropped slightly to 7.4% in June. However, news of approximately 600 more Boeing layoffs later in the year will continue to impact unemployment. The slowdown in air travel means

production on Boeing planes is curtailed in the near future; in addition, Boeing Commercial Airplane President Alan Mulally recently told a meeting of elected officials that Boeing production would not return to its previous high levels.

The Work of the Task Force

The Task Force was formed with the concept of a rapid response. From its first meeting, the group was given 45 working days to produce its first report. The rather detailed resolution adopted by the Council provided the framework for the effort. The committee held its first meeting on June 13, 2002, and managed to accomplish its 45-day report in just two highly-focused sessions.

At its first meeting, the committee reviewed a number of internal elements to the plan and directed department directors and others to report back at its next meeting. The task force examined programs already underway and proposed new innovations and methods for speeding up planned projects.

At its second meeting, the Task Force identified and classified a total of 44 elements of an economic stimulus plan. Additional elements may be incorporated into the plan as they are identified. The range includes changes to the county's regulatory climate; direct investments in capital projects, programs to stimulate job creation and growth, and improvements to the way the county provide customer service. Many of the changes can be accomplished in the short term, while others will take longer but will have long-lasting impacts.

The detailed report following this summary includes four classifications:

- I. Job Retention and Recruitment – Public and Private
- II. Permit and Regulatory Enhancement
- III. Capital Improvements Projects (early starts and pump priming)
- IV. Business Customer Service Enhancements.

Highlights of the stimulus package by category include the following:

Job Retention and Recruitment – Public and Private

The county will continue to be a major player in the recruitment of the Boeing Sonic Cruiser or Boeing's next generation of aircraft. The county is committed to the prospect that if it is to be built, it will be built at Paine Field. The county will continue to send that message to Boeing, federal and state officials. It is committed to providing the climate necessary to provide the infrastructure and regulatory climate for production of the next generation of Boeing aircraft.

The county will continue to play a positive role in economic development efforts underway. These efforts target existing job centers including the high tech corridor, new opportunities in Snohomish County towns to provide jobs near residents, and economic stimulus of our farmland/agriculture communities. The county will continue to attempt to attract business cluster developments, such as biotechnology and others, to the tech corridor. The Evergreen Crescent initiative targets smaller cities and towns for economic opportunities. The county also will seek funding for the Economic Development Strategy for farmlands/agriculture.

Public sector and public-private partnerships are another important element. Paine Field's master plan includes possible development of an aircraft terminal, with an eye toward the retention of a regional air carrier. In addition, the completion of a programmatic environmental impact statement of manufacturing lands connected with Paine Field will help speed private investments by making future projects "permit ready". The airport has provided \$75,000 toward this effort.

County officials are playing important roles in seeking regional transportation solutions. Referendum 51, the Regional Transportation Investment District process, Sound Transit, and Community and Everett Transit all play important roles. Projects included in all of the above work programs would help solve transportation problems while creating thousands of construction jobs.

Permit and Regulatory Enhancements

The Executive and Council are working hard to improve the building process in Snohomish County to provide both predictability and protection. The ability to attract good jobs requires a housing base that is affordable and includes good amenities.

Legislation slated for Council consideration includes implementation of the nine-lot short plat law, a lot-size averaging ordinance, an urban centers package, and amendments to the PRD code to increase usage of this development tool.

Both the Executive and Council are committed to an understandable development process that avoids unnecessary delays while making certain laws and regulations are followed. A major element of this effort is underway with a performance audit of the permitting process. The Council and Executive will work toward implementation of the recommendations of the report when it becomes available this fall.

In addition, the county will work to clarify the permitting process. This work will include steps to improve the clarity of permit review letters, adoption and publication of written policies, an automated system of indexing regulatory decisions, and streamlining the Final Plat approval process.

Capital Improvement Projects (early starts and pump priming)

The county is a major investor in public infrastructure. On a yearly basis, the county invests tens of millions of dollars in road projects, drainage improvements, solid waste and surface water facilities.

Over the next three years, the county will prime the economic pump with its Campus Redevelopment Initiative. Demolition of structures begins this month as construction is poised to begin on a new jail and parking garage. Next will come a new administration building followed by the building of a public plaza and remodeling of the current administration building. The project totals almost \$170 million and will provide construction jobs, equipment and facility purchases, and tax revenue.

As mentioned above, the airport is engaged in the master planning process. In addition, nearly \$11 million in bonds were issued last year for airport improvements. These improvements should help make the airport an even more valuable economic development magnet.

Snohomish County's six-year capital improvement program totals slightly more three-quarters of a billion dollars. The single largest expenditure line item is one of the region's most important, road capacity projects. Over the next six-years, the county will spend \$131-million for improving capacity on county roads. If the Regional Transportation Investment District approves a construction plan in a May 2003 ballot issue, the investment in transportation infrastructure will increase dramatically.

The county's capital improvement plan for 2002 and 2003 includes a total of almost \$370 million in spending.

Category	2002	2003
General Government Facilities	\$18,180,212	\$30,816,156
General Government Buildings	3,099,079	1,809,164
Park & Recreation Facilities	19,412,134	5,179,252
Park & Recreation Land	6,490,708	2,375,411
Law Enforcement Facilities	28,584,299	59,338,386
REET Debt Service & Reserves	4,893,588	4,869,698
Transportation Facilities	49,034,000	58,109,900
Surface Water Facilities	13,960,800	6,045,000
Solid Waste Facilities	28,270,397	5,396,000
Airport Facilities	9,875,000	13,275,000
Airport Equipment	600,000	--
Total All Items	\$182,400,217	\$187,213,067

Business Customer Service Enhancements

As part of the Campus Redevelopment Initiative, the county is studying ways it can improve the way it does business with citizens. While a one-stop customer service lobby will have to wait for

construction of the new building, some elements of the plan can be implemented more quickly, during construction.

The county will work to develop public access computers, to reduce wait times at counters, to provide better website information and interaction, and to establish customer comment and feedback forms. Many of the county's business activities relate to the region's economic climate, from the speedy transaction of real estate recordings to the application of building permits. Early implementation of new customer service standards will increase economic activity.

A major technological advance will take place this fall in one of the most important functions of county government, elections. Snohomish County will be the first county in the state to have vote at the polls electronic touch screen technology. The touch screen system is similar to a bank ATM and provides a fool-proof system for the voter.

The County Auditor, Bob Terwilliger, is managing this project among a number of technology advancement that are being made to the Auditor's office. Another project includes the electronic recording of documents such as real estate transactions. These so-called "smart documents" will be sent directly to the Auditor's office.

Treasurer Bob Dantini is also working to make it easier for citizens to access the services of his office. This includes web access to tax information, automatic checking withdrawal for tax payments and better methods for cash management of taxpayer payments.

Snohomish County's Role

Snohomish County has an important role to play in economic development. The county's elected leadership and department heads are committed to this effort. The county will be a leader in number of ways:

- Be a strong voice for economic development, new jobs, and economic diversity;
- Provide a regulatory climate that encourages the type of development needed to be a 21st century leader;
- Invest wisely in community in projects that improve quality of life and provide jobs;
- Work in smarter, better ways, to provide service to the citizens.