

SCOG



Skagit Council of Governments



2014

ANNUAL
REPORT

EXECUTIVE'S MESSAGE

The Skagit Council of Governments (SCOG) is a voluntary organization of local governments to foster a cooperative effort in resolving problems, policies, and plans that are common to the membership and region. SCOG focuses on two important areas that affect the membership of the Council and the citizens of Skagit County.

The first focus is on transportation. SCOG prepares regional transportation plans consistent with locally adopted comprehensive plans, manages and awards federal grant funds to construct projects, and provides a forum for discussing and coordinating regional transportation issues.

The second focus is on economic development. SCOG manages four revolving loan fund programs and prepares the region's comprehensive economic development strategy.

The administration and management of SCOG is important in supporting the regional work on transportation and economic planning. In 2014 SCOG revised its governance agreement, which was ratified by 100% of the members. The new agreement streamlined the board structure and clearly articulated what authority and functions SCOG performs. SCOG also received another finding-free audit from the State Auditor's Office. In 2015 SCOG will be assisting local jurisdictions in coordinating and updating their comprehensive plans.

To be successful, we depend on the many talented and committed elected officials, staff and people of the region to engage in our work at the regional level. There is a lot more to come in 2015 and we look forward to working with you on creating a prosperous future for Skagit County.

Kevin Murphy
Executive Director

HISTORY

INTRODUCTION

The Skagit Council of Governments was first formed in 1967 through an agreement between Skagit County and the City of Anacortes. Formerly known as the Skagit Regional Planning Council, SCOG counted all the cities of the county as members by the end of that year. By the end of the 1970s, all the cities, towns, port authorities and the Swinomish Indian Tribal Community had joined.

The early days of SCOG included a variety of planning efforts for transportation, economic development, housing, solid waste, comprehensive plans and many other issues. Throughout the 1970s, SCOG worked on plans both regional and local in scope.

In 1985, SCOG's revolving loan program began after a widespread loss of manufacturing jobs in the county. This loss led to outside investment directed at saving and creating jobs.

With passage of the Growth Management Act in 1990, regional transportation planning organizations were created to ensure coordinated planning and cooperation among state and local jurisdictions

for the transportation system in Washington. The Skagit-Island Regional Transportation Planning Organization (SIRTPO) was created shortly thereafter, encompassing Skagit and Island counties. SCOG is currently the lead agency for the SIRTPO.

After the 2000 decennial census, an urbanized area was designated for the first time in Skagit County, encompassing Mount Vernon, Burlington, Sedro-Woolley and some surrounding areas. With this designation, a metropolitan planning organization (MPO) was required to carry out regional transportation planning and programming, with funding provided for transportation investments throughout the area. SCOG is the MPO for the urbanized area.

SCOG's focus on regional planning issues has remained strong over the years while new duties have placed a heavier influence on transportation and economic development than when SCOG was first created. SCOG continues to provide a venue for discussion and action for issues that cross jurisdictional boundaries.

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MEMBER AGENCIES

The following are the members agencies of SCOG:

County

Skagit County

Cities

City of Anacortes

City of Burlington

City of Mount Vernon

City of Sedro-Woolley

Transit Agencies

Skagit Transit

Tribes

Swinomish Indian Tribal Community

Samish Indian Nation

Special Districts

Skagit PUD #1

Towns

Town of Concrete

Town of Hamilton

Town of La Conner

Town of Lyman

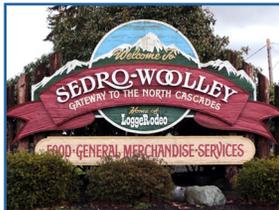
State Agencies

Washington State Department of Transportation

Ports

Port of Anacortes

Port of Skagit



MISSION AND GOALS

MISSION STATEMENT

The mission of the Skagit Council of Governments is to provide visionary leadership on regional plans, policies and issues.

LONG-TERM GOALS

In order to preserve the unique rural quality of life in Skagit County, members are expected to foster and maintain strong working relationships in the following areas:

1. Asset-based **economic development and infrastructure planning** (revolving loan fund, utilities, fiber, roads, water, marine activities, etc.)
2. **Transportation planning**
3. **Consolidation of services** to reduce redundancies, where appropriate, in order to maximize efficiency
4. Forum for **information sharing, education and collaboration** for (borderless) prosperity for the entire county while maintaining the unique identity of each community

SHORT-TERM GOALS

Transportation

- Discuss ways SCOG can address rail and high-way issues
- Have unified messages on projects of regional significance

Economic Development

- Identify 3-5 asset areas for economic development
- Participate in the industrial lands survey and establish a vision for industrial lands
- Forum for Regional Economic Development (FRED). Be able to talk about Envision Skagit 2060 recommendations

Education & Outreach

- Cooperation and collaboration. Respect each other
- Local elected official training
- Public involvement, relations and communications. Expand the understanding and awareness of SCOG to general public
- Create an annual agenda

Emergent Issues

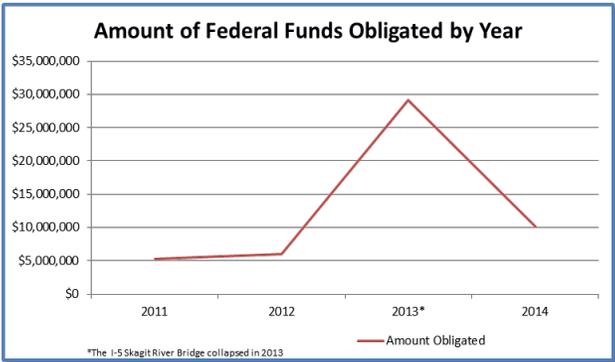
- Facilitate the jail plan
- Support completion of the General Investigation (GI) study
- Have informational sessions on water issues

TRANSPORTATION

2014 MAJOR ACCOMPLISHMENTS OF SCOG

Awarded nearly \$9 million in federal funds
Updated human services transportation plan
Prioritized human services transportation projects

Transportation is a primary regional function of the Skagit Council of Governments. SCOG's role in transportation extends from the state, to the region, to the local level. Through its metropolitan planning organization responsibilities, SCOG conducts a continuing, cooperative, and comprehensive multimodal transportation planning process. This process is ongoing and every year SCOG updates its work program, which lists all the federally required activities being conducted by the organization, to implement the regional transportation planning process.



The collapse of the Skagit River Bridge led to a large influx of federal transportation dollars in 2013

Source: SCOG



Non-motorized Travel on Anacortes's Tommy Thompson Trail

TRANSPORTATION INDICATORS

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Transportation indicators in Skagit County that SCOG tracks include the following:

11 Projects Obligated Regional Funds in 2014

1. Skagit County's Centennial Trail, Big Rock to Clear Lake
2. Mount Vernon's College Way at Interstate 5
3. Anacortes's Guemes Channel Trail Phase II
4. Anacortes's Guemes Channel Trail Phase VI
5. Mount Vernon's Hoag Road Sidewalk Gap and Bike Lane
6. Burlington's Intersection Modification at Cherry Street and Fairhaven Avenue
7. Sedro-Woolley's Jameson Arterial Extension
8. Skagit County's Josh Wilson Road, Phase I
9. Concrete's School Secondary Access
10. SCOG's Administration, 2014-2017
11. Skagit Transit's Skagit Station Improvements

\$2,297,269 Funds for Regional Projects Obligated in 2014

3 Regionally Funded Projects Completed

1. Skagit Transit Bus Shelters
2. Anacortes 22nd & R Roundabout (late 2013)
3. Sedro-Woolley Cook Road Realignment and Extension

\$10,159,593 Federal Obligations for Transportation Projects in 2014

\$588,456 Grant Funding Returned to State/Feds in 2014

+9.5% Skagit Transit Ridership Increase 2013 to 2014 - WSDOT 2013 Summary of Public Transportation & Skagit Transit

THE MEANING OF OBLIGATION

"Obligation" refers to funding being designated for a project. It does not mean that funds have been spent, only that they have been set aside for future spending.

TRANSPORTATION PLANNING PROCESS

SCOG maintains the transportation plan for the region including Skagit and Island counties. This plan, which was last updated in 2011, serves to coordinate transportation planning across jurisdictions in the two counties and meets the transportation plan requirements in federal and state laws. The plan is developed through a variety of stakeholder groups, technical advisory committees, member organizations and public participation. SCOG began working on updating the plan in 2014.

To implement the regional transportation plan, SCOG maintains a regional transportation improvement program (RTIP) of regional transportation projects. The RTIP reflects the investment priorities of the regional transportation plan and the projects on the RTIP must be consistent with the plan. Funds from the federal government, state govern-

ment and other sources are used by local agencies to undertake transportation projects around Skagit County. The transportation planning process goes from the long-range vision of the plan, to the programming of projects, and finally to improve the transportation infrastructure around the county through completing transportation projects.

In 2014, SCOG led the update to the coordinated public transit-human services transportation plan for Skagit and Island counties. This plan was developed with the assistance from an ad hoc committee of special needs transportation stakeholders. Substantial outreach was done through the planning process to ensure the plan addresses the transportation needs of seniors, people with low-income and people with disabilities.



2014 Skagit-Island Special Needs Transportation Committee Meeting

TRANSPORTATION PROJECTS

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While SCOG does not actually construct any transportation projects, it leads the process by which funding decisions are made at a regional level. The following are a list of regionally funded transportation projects that were completed in late 2013 & 2014 by the members of SCOG:

Anacortes *(photo of project on cover)*

The 22nd Street & R Avenue Roundbout Project was completed at a critical Anacortes intersection in late 2013, reducing vehicle delay and improving safety.

Skagit Transit

The regional Bus Shelter Project, installing 13 bus shelters around Skagit County, was completed in 2014.

Sedro-Woolley

The Cook Road Realignment and Extension Project was completed in 2014, reducing traffic congestion at city intersections.

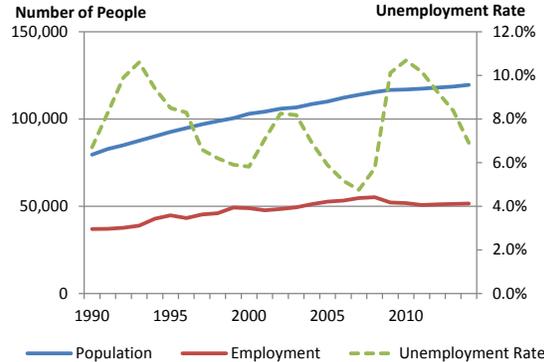


ECONOMIC DEVELOPMENT

SCOG has prepared the Overall Economic Development Plan and Comprehensive Economic Development Strategy (CEDS) for the county going back to 1976. The most recent CEDS was completed in 2003 with a supplement in 2013 updating economic data and economic development projects planned around the county. The 2013 CEDS data supplement and implementation plan included over 200 projects with which SCOG members are planning to implement the CEDS.

In 2013 and into 2014, SCOG worked with the Port of Skagit and other member agencies on a comprehensive survey of industrial properties throughout Skagit County. The report concluded there is enough industrial land to accomodate twenty years of forecast industrial employment growth. However, the report also noted that there are a limited number of large industrial parcels, many development constaints and limited proximity to Interstate 5 for industrial sites in Skagit County.

Steady Population Growth, Employment Fluctuates



Population has grown steadily in Skagit County over the last 20+ years, but employment has fluctuated

Sources: US Bureau of Labor Statistics, Washington State Employment Security Department & Office of Financial Management

ECONOMIC DEVELOPMENT INDICATORS

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SCOG tracks several measures* to get a sense of how the regional economy is doing. These are fairly common measures and movement in a positive or negative direction does not necessarily reflect any decisions made by SCOG. They do, however, provide a gauge to regularly ascertain where present and future economic development efforts may be directed. These Skagit County indicators are as follows:

2014 MAJOR ACCOMPLISHMENTS OF SCOG
Assisted with Industrial Lands Study
3 Revolving Loan Fund Loans Paid-off
Led Initial Forecasting of Employment Growth

6.9% Average Unemployment Rate
in 2014 - WA ESD, Seas. Adj.

51,610 Total Employment in 2014 -
WA ESD, Seas. Adj.

-1.5% Change in Average Unem-
ployment Rate - WA ESD, Seas. Adj., 2013 - 2014

+1.0% Change in Taxable Retail
Sales - WA DOR (3rd Q. 2013 - 3rd Q. 2014)

-440 Civilian Labor Force Average
Annual Change - WA ESD, Seas. Adj., 2013 - 2014

1.7% Inflation Rate - US BLS, Seattle Area,
Consumer Price Index, Dec. 2013 - 2014

**Note: there are several other measures of economic development that may be appropriate to measure the Skagit County economy including, but not limited to: business starts and failures; number of higher than average wage jobs; change in average annual wage; educational attainment; worker productivity; patents; and exports.*

REVOLVING LOAN FUND

The Revolving Loan Fund (RLF) Program was originally funded in response to the loss of over 1,500 industrial jobs between 1982 and 1984 in Skagit County. The Business Development RLF was established in 1985 with a \$700,000 grant from the Economic Development Administration (EDA) and \$234,000 of local funding. The primary objective of the EDA program is job retention and/or creation. It is also designed to leverage private sector investment in local business expansion projects. Since 1985, 64 loans totaling approximately \$3.7 million dollars have been made and 1,835 jobs are estimated to have been saved or created.

The success of the EDA Business Development RLF Program led to additional funding for two new loan programs. The Micro Enterprise RLF and the Business Lending RLF were funded by Community Development Block Grants in 1996 and 2000. The over-

all goal for both of these loan programs is to benefit low-to-moderate income persons. The Micro Enterprise RLF received a total of \$220,000 of grant funding. The purpose of this RLF is to provide financing for small businesses with up to 5 employees. The type of business funded typically has a low cost of entry and/or expansion. Examples of these businesses include: landscape and specialty contractor; shoe repair; massage therapy and dog grooming. There have been 34 loans totaling approximately \$362,000 made since 1996 through the Micro Enterprise RLF.

The Business Lending RLF was funded with a \$500,000 grant. The goal of this program is to finance business expansion and/or retention of business and industry in Skagit County. All for-profit business types are eligible. There have been 55 loans totaling approximately \$1.4 million dollars made since 1996 through the Business Lending RLF.

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REVOLVING LOAN FUND INDICATORS

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SCOG uses several indicators to measure the success of the RLF Program. These indicators are as follows:

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21 Active Loans in 2014

0 New Loans in 2014

6 New Loan Inquiries in 2014
(up from 0 the previous two years)

3 Loans Paid-off in 2014

\$460,277 Total Value of Loans
(2014 year-end)

\$702,603 Total Monies Available
to Lend (2014 year-end)



\$0 Total Value of Loans and Interest
Written-off in 2014

1,835 Total Estimated Jobs Created/
Retained from RLF, 1985 - 2014

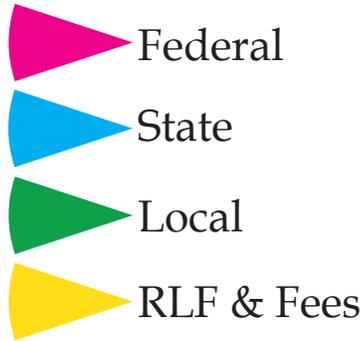
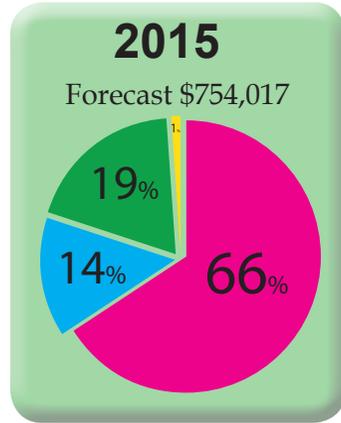
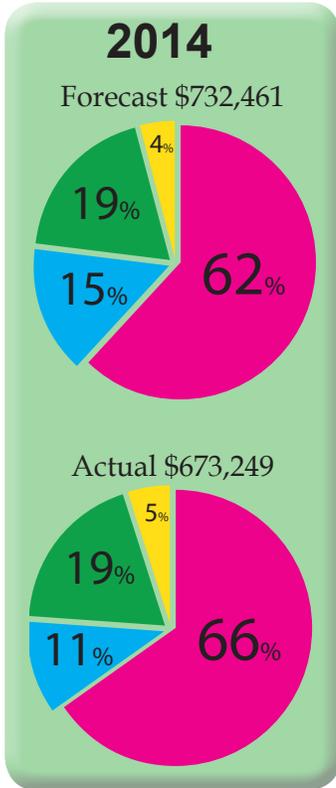
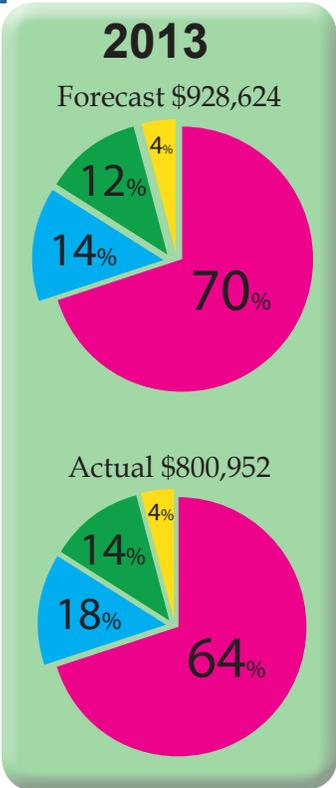
\$6.4 million Value of RLF Loans
Made from 1985 - 2014

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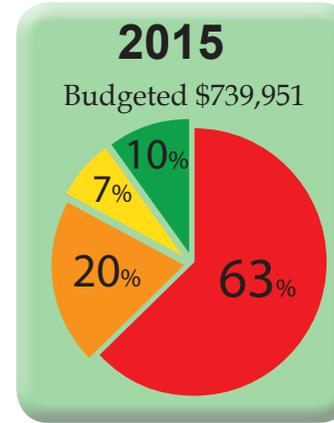
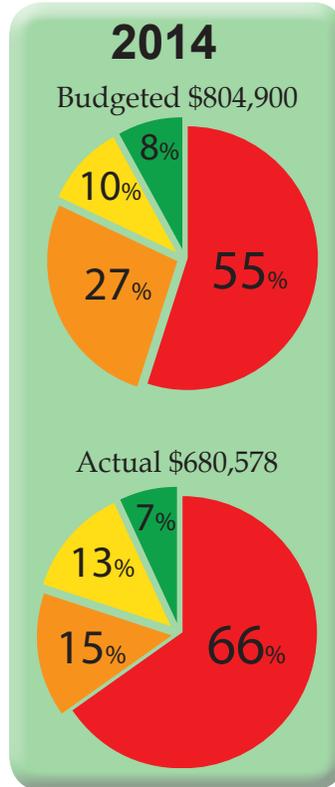
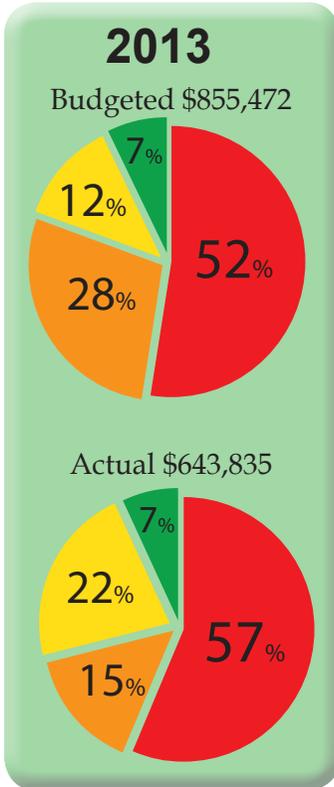
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REVENUES



Notes: 2014 beginning net cash and investments were \$166,964; "Local" revenues include contributions, donations, investment interest and misc. revenues; and percentages are rounded and therefore may not equal 100% when combined.

EXPENSES



Notes: 2014 beginning net cash and investments were \$166,964; "Other" expenses include supplies, printing, insurance, training, software, rent and misc. expenses; and percentages are rounded and therefore may not equal 100% when combined.

WHAT'S COMING IN 2015?

TRANSPORTATION

Regional Project Selection

SCOG will lead a project selection process that will prioritize approximately \$700,000 in funding for transportation projects in Skagit and Island counties.

Regional Transportation Plan

SCOG will lead the development of the long range transportation plan for the region throughout 2015, with plan adoption in 2016.

Public Participation Plan

A revised plan will be developed to update SCOG's approach in engaging the public.

Traffic Counts

SCOG will continue to coordinate traffic counts for member jurisdictions.

Rail Crossing Study

Skagit County has experienced significant rail traffic increases over the past year. SCOG will investigate rail crossings and consider safety and congestion improvements.

Regional Travel Demand Model

Transportation trips will be forecast over the next 20 years to see where infrastructure investments may become necessary.

Non-motorized Plan

SCOG is nearing completion of this plan for pedestrians and cyclists with the results to be included in the 2016 regional transportation plan.

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WHAT'S COMING IN 2015?

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ADMINISTRATION

Planning Agreement(s)

SCOG will work with Skagit Transit and WSDOT to cooperatively determine mutual responsibilities in the transportation planning process.

Public Records Policy

SCOG will develop a policy for public records management to ensure timely access to SCOG records by members of the public.

ECONOMIC DEVELOPMENT

Regional Profile

A regional economic and demographic profile will be developed in 2015 for Skagit County.

RLF Marketing Strategy

SCOG will continue its marketing outreach to promote RLF programs and increase awareness of funding available for businesses in Skagit County.

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Amtrak Cascades Train Crossing Street in Mount Vernon

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Skagit Council of Governments

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