

SCOG 
Skagit Council of Governments

2013
ANNUAL
REPORT



EXECUTIVE'S MESSAGE

TRANSPORTATION

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 two focus areas also relate to each other, economic prosperity requires infrastructure.

The region continues to grow. In order to provide jobs for the existing and future population, the infrastructure needs to be there. The transportation system is a critical piece of that necessary infrastructure. The region needs a transportation system that provides for the efficient movement of people, as well as freight and goods. Skagit County continues to experience higher than average unemployment, improving infrastructure can assist in improving the economy and increasing jobs.

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 2014 and we look forward to working with you on creating a prosperous future for Skagit County.



Kevin Murphy
Executive Director

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 including a variety of planning efforts including transportation plans, economic development plans, housing plans, comprehensive plans, solid waste plans and many others. Throughout the 1970s SCOG worked on plans both regional and local in scope.

In 1985, the 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 and 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 currently staffs 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.

MEMBER AGENCIES

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The following are members agencies of SCOG - including members of the Skagit Metropolitan Planning Organization and Skagit Sub-regional Planning Organization:

ECONOMIC
DEVELOPMENT

County

Skagit County

Special Districts

Skagit PUD #1

Cities

City of Anacortes
City of Burlington
City of Mount Vernon
City of Sedro-Woolley

Towns

Town of Concrete
Town of Hamilton
Town of La Conner
Town of Lyman

BUDGETS

Transit Agencies

Skagit Transit

State Agencies

Washington State Department of Transportation

2014

Tribes

Swinomish Indian Tribal Community
Samish Indian Nation

Ports

Port of Anacortes
Port of Skagit

MISSION AND GOALS

INTRODUCTION

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 highway 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

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2013 MAJOR ACCOMPLISHMENTS OF SCOG

Adopted the transportation improvement program
Allocated funds to regional transportation projects
Completed demographic profile for Skagit County

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Along with economic development, 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. SCOG, through its metropolitan planning organization responsibilities, conducts a continuing, cooperative, and comprehensive multimodal transportation planning process. This process is ongoing and every year SCOG updates the work program, which lists all the federally required activities being conducted by the organization, to implement the regional transportation planning process.

SCOG regularly contracts with consultants to assist with activities of the transportation planning process. In 2013, SCOG contracted with consultants to conduct work on a non-motorized plan, which will inform the 2015 regional transportation plan.



Bike Lane at Recently Completed Anderson-Laventure Road Project in Mount Vernon

TRANSPORTATION INDICATORS

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

5 Projects Obligated Regional Funds in 2013

1. Anacortes 22nd & R Avenue Roundabout
2. Anacortes Guemes Channel Trail
3. Bow Hill Road Reconstruction
4. Skagit Transit Feasibility Study
5. Concrete Secondary Access



\$1,156,509 Funds for Regional Projects Obligated in 2013

\$29,150,458 Federal Obligations for Transportation Projects in 2013

\$0 Grant Funding Returned to State/Feds

3 Regional Projects Completed

1. Burlington Regional Byway Center
2. Anderson-Laventure Road
3. Sedro-Woolley Cook Road Roundabout

+7.1% Skagit Transit Ridership Increase 2012 to 2013, WSDOT 2012 Summary of Public Transportation & Skagit Transit

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.

To implement the regional transportation plan, SCOG maintains a transportation improvement program (TIP) of regional transportation projects. The TIP reflects the investment priorities of the regional transportation plan and the projects on the TIP must be consistent with the plan.

Funds from the federal government, state government 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 trans



SCOG Transportation Roundtable Discussion with Governor Inslee

portation infrastructure around the county through completing transportation projects.

In 2013, SCOG began to gear-up for an update to the regional transportation plan which will be adopted in 2015. This initial work included forecasting for population and employment growth for the next 20 years.

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 regional transportation projects that were completed in 2013 by the members of SCOG:

Burlington

A regional byway center modeled after a local train station was completed in 2013.



Mount Vernon

The Anderson-Laventure Road project was completed in 2013 linking Anderson and Laventure Roads.

Sedro-Woolley

The Cook Road Roundabout project was completed in 2013.

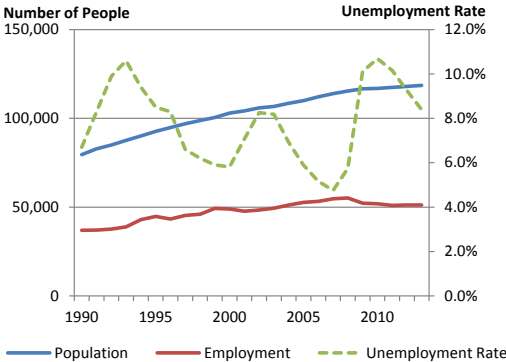


ECONOMIC DEVELOPMENT

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.

Through the end of 2013, SCOG worked with the Port of Skagit and other member agencies on a comprehensive survey of industrial properties throughout Skagit County. The product of this work will show how much land is suitable for development and where it is located. A final report on industrial lands will be delivered in 2014 and will inform future policy decisions regarding economic development.

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

At SCOG we track 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:

2013 MAJOR ACCOMPLISHMENTS OF SCOG

Updated Economic Development Strategy
Updated Revolving Loan Fund Plan
5 Revolving Loan Fund Loans Paid-off

8.4% Average Unemployment Rate
in 2013 - WA ESD, Seas. Adj.

51,220 Total Employment in 2013 -
WA ESD, Seas. Adj.

-0.8% Change in Average Unemployment Rate - WA ESD, Seas. Adj., 2012 - 2013

+6.1% Change in Taxable Retail Sales - WA DOR (2nd Q. 2012 to 2nd Q. 2013)

-540 Civilian Labor Force Average Annual Change - WA ESD, Seas. Adj., 2012-2013

1.3% Inflation Rate - US BLS, Seattle Area, Consumer Price Index, Dec. 2012 - 2013

**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.*

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REVOLVING LOAN FUND

Skagit County lost over 1,500 industrial jobs between 1982 and 1984. This heavy loss led to the development of the EDA Business Development RLF Program whose purpose is to promote business development through an Economic Adjustment Implementation Grant. \$700,000 was provided by the U.S. Department of Commerce and a \$234,000 local match was provided to get the revolving loan fund program going. The first loans made out of the RLF program were primarily to forest products and boat construction companies.

2013 was the 28th year that the RLF has been lending through SCOG to local businesses and governments. The original piece of the RLF is the Business Development RLF which provides funding to “fill the gap” when bank financing is not available. Loans available through the Business Development RLF range from \$25,000 to \$80,000. After first being capitalized in 1985, the RLF was expanded a number of times in the 1990s



RLF Participant Skagit River Brewery in Mount Vernon

and in 2000. The expansion led to new microenterprise loans becoming available for low and moderate income people to better themselves financially through enterprise ownership. The Microenterprise RLF provides loans in the range of \$2,500 to \$10,000.

The new funding also allowed small businesses that were unable to secure funding from traditional lending sources to get a loan. Loan amounts for the Business Lending RLF range from \$5,000 to \$25,000.

REVOLVING LOAN FUND INDICATORS

SCOG uses several indicators to measure the success of the revolving loan fund. These indicators are as follows:

27 Active Loans in 2013

0 New Loans in 2013

5 Loans Paid-off in 2013

\$557,052 Total Value of Loans
(2013 year-end)

\$576,207 Total Monies Available
to Lend (2013 year-end)

\$0 Total Value of Loans and Interest
Written-off in 2013



RLF Participant Town of Hamilton

1,835 Total Reported Jobs Created/Retained from RLF, 1985 - 2013

\$6.4 million Value of RLF Loans
Made from 1985 - 2013

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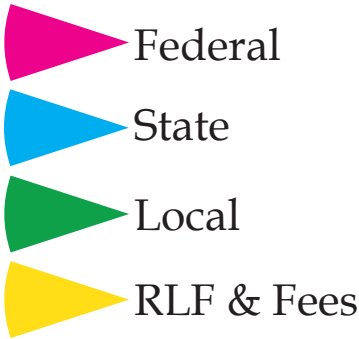
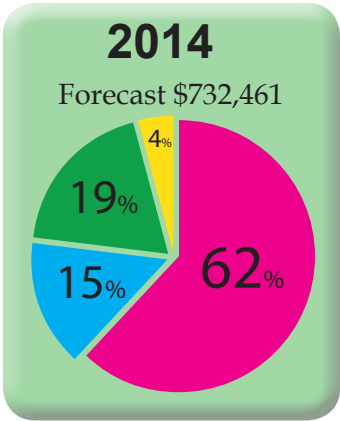
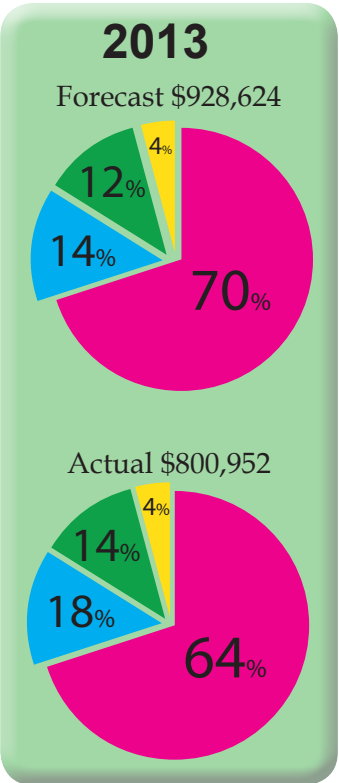
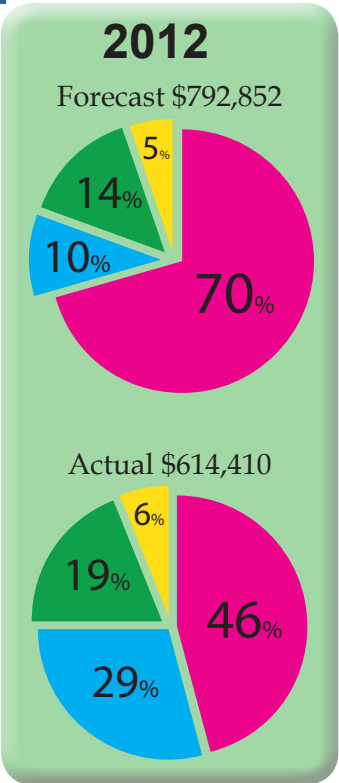
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REVENUES

2013 MAJOR ACCOMPLISHMENTS OF SCOG

Audit Free of Findings for 3rd Straight Year
SCOG Qualifies As a Low Risk Entity



Notes: 2014 beginning net cash and investments were \$173,105; "Local" revenues include contributions, donations, investment interest and misc. revenues; and percentages are rounded and therefore may not equal 100% when combined.

EXPENSES

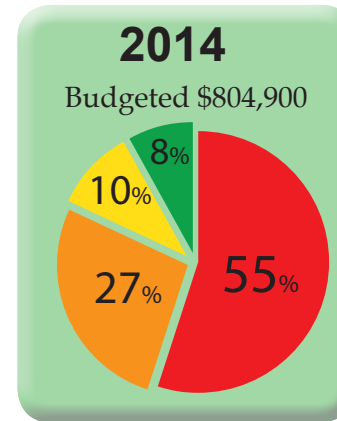
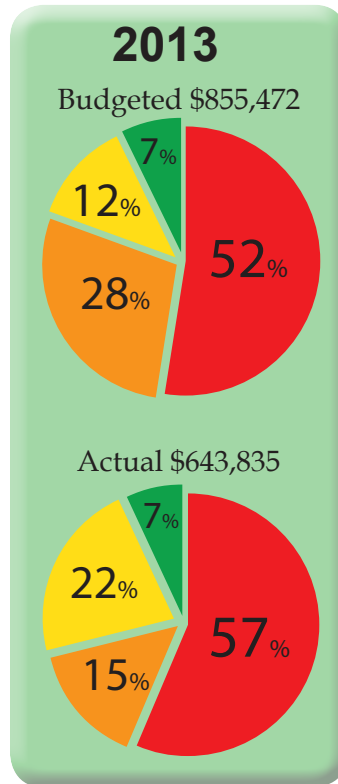
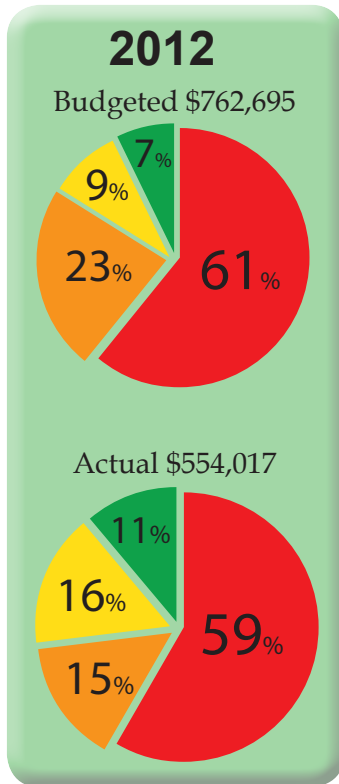
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Notes: 2014 beginning net cash and investments were \$173,105; "Other" expenses include supplies, printing, insurance, training, software, rent and misc. expenses; and percentages are rounded and therefore may not equal 100% when combined.

WHAT'S COMING IN 2014?

TRANSPORTATION

Non-motorized Plan

SCOG will develop this plan for pedestrians and cyclists with the results to be included in the 2015 regional transportation plan.

Human Services Transportation Plan

An updated plan for those with special transportation needs around Skagit and Island counties will be developed by SCOG.

Regional Travel Demand Model

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

Traffic Counts

SCOG will continue to coordinate traffic counts for member jurisdictions.

Title VI Plan

SCOG will renew its commitment to nondiscrimination in the Transportation Program with this plan, meeting new requirements.

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 Project Selection

SCOG will lead a project selection process that will prioritize approximately \$9 million in funding for transportation projects around Skagit County over the next six years.

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ADMINISTRATION

SCOG's Website

SCOG will improve its website in 2014 to make documents easier to find and improve the user experience.

Planning Agreement(s)

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

Governance Agreement

SCOG will streamline existing agreements with member jurisdictions with a new agreement clearly identifying SCOG's responsibilities in regional planning for transportation and economic development.

ECONOMIC DEVELOPMENT

Regional Economic Action Plan

An action-oriented plan will be developed with member jurisdictions focused on a select-few economic development goals.

RLF Marketing Strategy

SCOG will develop a strategy to promote RLF programs and increase awareness of funding available for businesses in Skagit County.

Growth Forecasts

SCOG will assist member jurisdictions with forecasting population and employment growth out to 2036 which will inform comprehensive planning processes around Skagit County.

SCOG

Skagit Council of Governments

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