



SCOG



Skagit Council of Governments

**2015
ANNUAL
REPORT**

EXECUTIVE'S MESSAGE

The Skagit Council of Governments or 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 regional. SCOG focuses primarily 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.

SCOG also received another finding-free audit from the State's Auditor's office. In late 2015 the SCOG Board decided to get involved in housing issues and established a housing work program focused on land use, growth and transportation analysis to assist members in planning for adequate housing now and into the future. In 2016 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 2016 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 included a variety of planning efforts for transportation, economic development, housing, solid waste, comprehensive plans and many others. 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 (RTPOs) were created to ensure coordinated planning and cooperation among state and lo-

cal jurisdictions for the transportation system in Washington. Skagit and Island counties formed an RTPO shortly thereafter, encompassing both counties. The RTPO was dissolved in 2015 and Skagit County now has a single-county RTPO.

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 now the MPO and RTPO for Skagit County.

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

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

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

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

- Providing housing opportunities for all income levels
- Have informational sessions on water issues

TRANSPORTATION

ECONOMIC
DEVELOPMENT

BUDGETS

2016

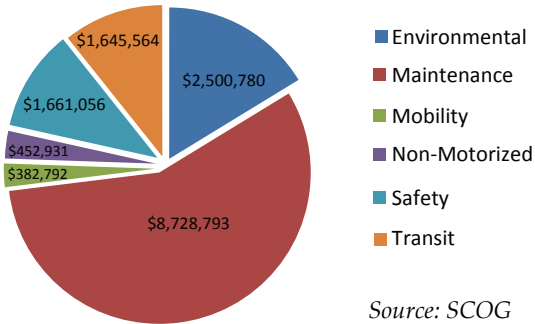
TRANSPORTATION

2015 MAJOR ACCOMPLISHMENTS OF SCOG

Awarded over \$1 Million in Federal Funds
Updated and Implemented Public Participation Plan
Completed Study of Rail Crossings in Skagit County

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 transportation-related activities being conducted by the organization, to implement the regional transportation planning process.

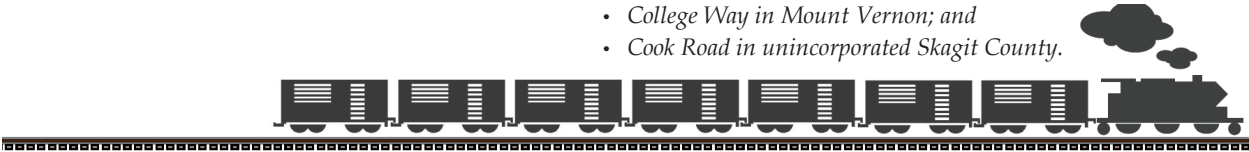
Amount of Federal Funds Obligated in 2015 by Project Type



Source: SCOG

A rail crossing study proposed three locations for overpasses/underpasses at railroad crossings in Skagit County:

- Avon Avenue in Burlington;
- College Way in Mount Vernon; and
- Cook Road in unincorporated Skagit County.



TRANSPORTATION INDICATORS

INTRODUCTION

TRANSPORTATION

ECONOMIC
DEVELOPMENT

BUDGETS

2016

6

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

9 Projects Obligated Regional Funds in 2015

1. Anacortes's March Point Shoulder Widening
2. Burlington's Pease Road-Cascade Mall Non-motorized Connection
3. Burlington's State Route 20-Skagit Street Signalization
4. Concrete's Main Street, Phase III
5. Concrete's Main Street, Phase IV
6. Concrete's Main Street Overlay
7. Sedro-Woolley's Jameson Arterial Extension to State Route 9
8. Sedro-Woolley's State Route 20-Cascade Trail West Extension, Phase 1A
9. Sedro-Woolley's State Route 20-Cascade Trail West Extension, Phase 1B

\$565,381 Funds for Regional Projects Obligated in 2015

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.

1 Regionally Funded Project Completed

1. Anacortes's Guemes Channel Trail, Phase VII

\$15,373,783 Federal Obligations for Transportation Projects in 2015

\$13,594 Grant Funding Returned to State/Feds in 2015

-5.4% Skagit Transit Ridership Decrease 2014 to 2015 - WSDOT 2014 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. SCOG began working on updating the plan in 2014 and an updated plan will be completed in 2016 for Skagit County only, to reflect the new boundary for the regional transportation planning organization which no longer includes Island County.

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 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 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. SCOG will continue work on implementing this plan in 2016 as transportation projects are prioritized for Skagit County’s special needs populations.



TRANSPORTATION PROJECTS

INTRODUCTION

TRANSPORTATION

ECONOMIC
DEVELOPMENT

BUDGETS

2016

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 is the regionally funded transportation project completed in 2015 by a member of SCOG:

Anacortes *(photo of project on cover)*

Extended the Guemes Channel Trail nearly a mile to Lovric's Marina. Future phases of the trail will connect west to Washington Park and east to the Guemes Ferry and Tommy Thompson Trail.

FUNDING PRELIMINARY ENGINEERING

Over the past few years, a greater share of regional funds for transportation has gone to preliminary engineering (PE) for projects. Using regional funds for PE has proven effective in getting projects started prior to getting other funds for acquiring right of way or constructing projects. Since a relatively minor amount of funding is available through regional processes, many jurisdictions have decided to pursue funds to begin/finish the design of a project, and to complete project funding at a later date using other funding sources that have higher levels of funding available. Kick-starting a project using regional funds often allows jurisdictions to leverage funds from other sources to successfully complete projects.



Guemes Channel Trail, During Construction



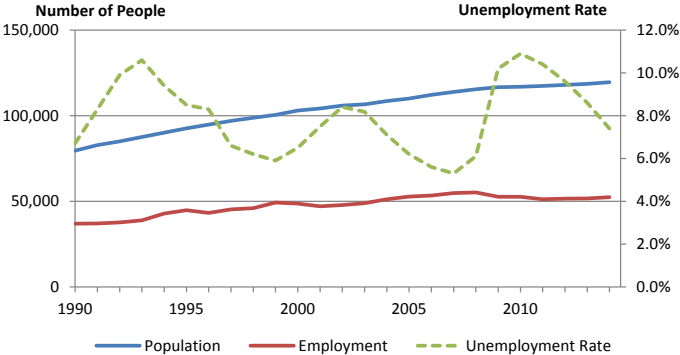
Guemes Channel Trail, After Construction

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 accommodate twenty years of forecast industrial employment growth. However, the report also noted that there are a limited number of large industrial parcels, many development constraints 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

INTRODUCTION

TRANSPORTATION

ECONOMIC
DEVELOPMENT

BUDGETS

2016

10

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:

2015 MAJOR ACCOMPLISHMENTS OF SCOG

8 Revolving Loan Fund Loans Paid Off
Approved 1st New Loan since 2012

6.8% Average Unemployment Rate
in 2015 - WA ESD, Seas. Adj.

52,418 Total Employment in 2015 -
WA ESD, Seas. Adj.

-0.6% Change in Average Unemployment Rate - WA ESD, Seas. Adj., 2014 - 2015

+7.7% Change in Taxable Retail Sales - WA DOR (3rd Q. 2014 - 3rd Q. 2015)

-420 Civilian Labor Force Average Annual Change - WA ESD, Seas. Adj., 2014 - 2015

2.2% Inflation Rate - US BLS, Seattle Area, Consumer Price Index, Dec. 2014 - 2015

**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. 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, 65 loans totaling approximately \$3.7 million dollars have been made and 1,837 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 programs. The Micro Enterprise RLF and the Business Lending RLF were both funded by Community Development Block Grants in 1996 and 2000. The overall goal 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 types of businesses include: landscape and specialty contractor; shoe repair shop; massage therapy; and dog groomer. There have been 34 loans totaling approximately \$362,000 made since 1996.

The Business Lending RLF was funded with a \$500,000 grant. The goal of the 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.

REVOLVING LOAN FUND INDICATORS

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

18 Active Loans in 2015

1 New Loan Approved in 2015

13 New Loan Inquiries in 2015
(Up from 6 the previous two years)

8 Loans Paid Off in 2015

\$504,144 Total Value of Loans
(2015 year-end)

\$670,805 Total Monies Available
to Lend (2015 year-end)



\$0 Total Value of Loans and Interest
Written Off in 2015

1,837 Total Estimated Jobs Created/
Retained from RLF, 1985 - 2015

\$6.5 million Value of RLF Loans
Made from 1985 - 2015

INTRODUCTION

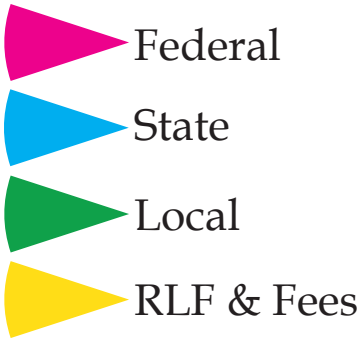
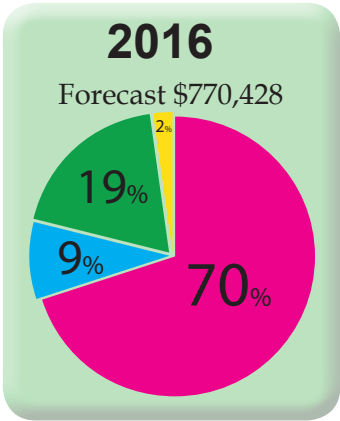
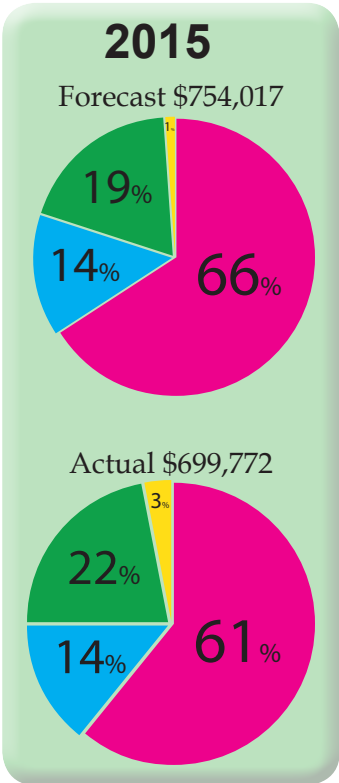
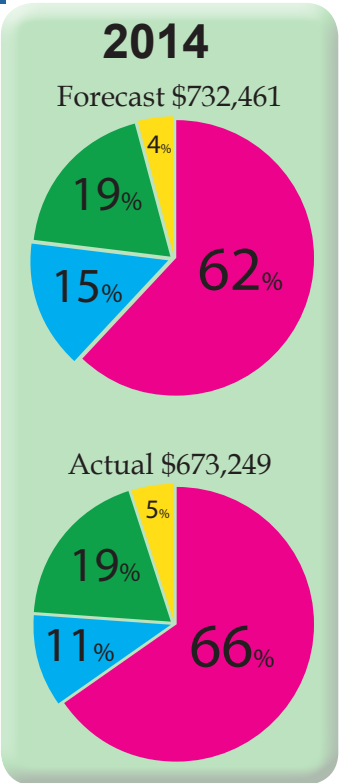
TRANSPORTATION

ECONOMIC
DEVELOPMENT

BUDGETS

2016

REVENUES



Notes: 2015 ending net cash and investments were \$208,663; "Local" revenues include contributions, donations, investment interest and misc. revenues; and percentages are rounded and therefore may not equal 100% when combined.

EXPENSES

INTRODUCTION

TRANSPORTATION

ECONOMIC
DEVELOPMENT

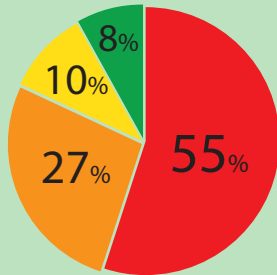
BUDGETS

2016

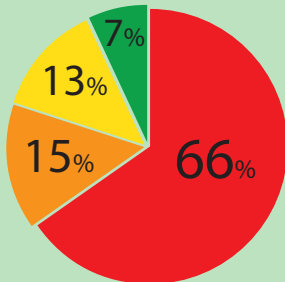
14

2014

Budgeted \$804,900

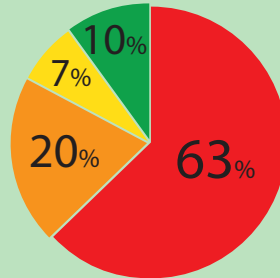


Actual \$680,578

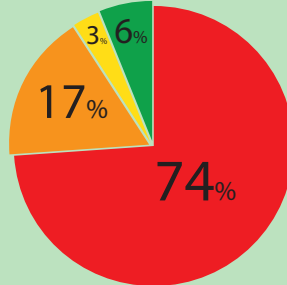


2015

Budgeted \$739,951



Actual \$644,466



Notes: 2015 ending net cash and investments were \$208,663; "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 2016?

TRANSPORTATION

Certify Transportation Elements

SCOG will work with local jurisdictions to review and certify transportation elements of comprehensive plans, ensuring consistency with the Regional Transportation Plan and state's Growth Management Act.

Demographic Profile

SCOG will update the demographic profile including protected Environmental Justice populations (low income and minority) and other demographic characteristics. The demographic profile is primarily used for SCOG's transportation activities.

Intelligent Transportation Systems

SCOG will update the "architecture" of technologies used to monitor and improve the operations of the transportation system.

Traffic Counts

SCOG will continue to coordinate traffic counts for member jurisdictions.

Prioritize Transportation Projects

SCOG will work with Skagit Transit, private non-profits, Indian tribes and others to prioritize special needs transportation projects for the region.

Regional Transportation Plan

SCOG will complete the process of developing the long-range transportation plan for the region in 2016.

Level of Service Methodologies

SCOG will review the different methods that jurisdictions use to evaluate the performance of the transportation system.

WHAT'S COMING IN 2016?

INTRODUCTION

TRANSPORTATION

ECONOMIC
DEVELOPMENT

BUDGETS

2016

16

HOUSING

Housing Program

SCOG will develop a comprehensive housing inventory to support regional transportation plans, growth management plans and housing strategy. The housing work will be linked to local comprehensive plans, regional transportation planning, growth monitoring process identified in the County-Wide Planning Policies and economic development planning.

ECONOMIC DEVELOPMENT

Economic Strategy

SCOG will work collaboratively with the Economic Development Association of Skagit County and others to develop a regional economic strategy.

RLF Marketing Strategy

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

ADMINISTRATION

Planning Agreement

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

SCOG

Skagit Council of Governments

CONTACTS



Kevin Murphy
Executive Director
(360) 416-7871
kevinm@scog.net

Pam Carlson
Finance Manager
(360) 416-7875
pamc@scog.net



Mark Hamilton
Transportation Planner
(360) 416-7876
markh@scog.net

Gabe Philips
Transportation Planner
(360) 416-6678
gabep@scog.net



Address:
204 West Montgomery Street
Mount Vernon, WA 98273

Website:
www.scog.net

