

BENCHMARK

7. THE LEVEL OF SERVICE (LOS) FOR COUNTY ARTERIAL ROADS WILL BE MAINTAINED.

Current LOS for roads and intersections



SUBJECT: HIGHWAY LEVELS OF SERVICE

One of the foundations of the Growth Management Act (GMA) is the requirement to plan for new growth corresponding with the demand for public services and facilities needed to support that growth. The terminology for this relationship in the GMA is called *concurrency*. The failure to adequately plan for such capital facilities may manifest itself as traffic congestion on our roadways. This is when traffic volumes exceed roadway capacity.

The Skagit County Comprehensive Plan adopts Levels of Service (LOS) for road segments and intersections as the means to meet the concurrency requirements of the GMA. The adopted LOS is the amount of congestion we expect to tolerate before taking corrective action. In the past, Skagit County has used the Birdsall method to determine LOS on County road segments. The Birdsall method is not a nationally recognized LOS method and its use has created several problems for Skagit County in the administration of the concurrency mandates of the GMA. For this reason, Skagit County is adopting LOS methods in the Highway Capacity Manual, published by the Transportation Research Board of the National Research Council, a nationally recognized manual for determining Level of Service. Based on the Highway Capacity Manual method, the proposed LOS for Skagit County Roads and Intersections is level D and E, respectively.

The Department of Public Works monitors the LOS on County roads. When traffic volumes exceed the threshold of 7,000 Average Annualized Daily Traffic (AADT) on a road segment the Department initiates further study of the roadway. This threshold is an indicator that a road segment may be approaching the LOS D limitations and should be studied in depth for potential improvements. An annual report on concurrency is then issued. **Figure 7.1** shows the County road segments Public Works is currently reviewing for LOS. County Roads not identified in Table 7.1 do not require study at this time since they are operating below the "LOS Study" threshold. The data reported for 2001 indicate that all roadway segments and intersections are currently operating at or below the appropriate LOS. The County is effectively meeting its GMA concurrency requirements related to the roadway network by planning for growth commensurate with the availability of adequate roadways.



Figure 7.1 Skagit County Road Segment 2001 Level of Service Review

LOS STUDY SEGMENTS	From MP ¹	To MP ¹	Length (miles)	Volume (AADT)	LOS
ANDERSON ROAD	0.120	0.340	0.220	7120	C
COOK ROAD	1.570	1.750	0.180	10200	C
COOK ROAD	1.750	1.800	0.050	12276	D
COOK ROAD	1.800	1.860	0.060	12276	D
COOK ROAD	1.860	1.890	0.030	12276	D
COOK ROAD	1.890	1.950	0.060	10670	D
COOK ROAD	1.950	1.970	0.020	8370	C
COOK ROAD	1.970	5.080	3.110	10712	C
COOK ROAD	5.080	5.320	0.240	8130	C
COOK ROAD	5.320	5.620	0.300	8100	C
COOK ROAD	5.620	6.140	0.520	8480	C
FIR ISLAND ROAD	0.000	0.410	0.410	7473	C
PIONEER HIGHWAY	0.000	1.410	1.410	7019	C
PIONEER HIGHWAY	1.410	1.740	0.330	7019	C
PIONEER HIGHWAY	1.740	3.158	1.418	8043	C

 $^{^{1}}$ MP = Mile Post

Note: County road segments have an adopted LOS "C"; County road intersections have an adopted LOS "D" Source: Skagit County Public Works



BENCHMARK

NDICATOR

8. THE AVAILABILITY OF ALTERNATIVE MODES OF TRANSPORTATION, OTHER THAN THE SINGLE-OCCUPANCY VEHICLE, WILL INCREASE.

Indicators include:

- Public transit ridership levels
- Number of park and ride lots
- Rate of carpooling
- Non-motorized transportation use



SUBJECT: ALTERNATIVE TRANSPORTATION CHOICES

Availability of alternative modes of transportation is a key strategy to promote effective growth management implementation. It reduces the vehicle trip growth rate on County roadways—while maintaining acceptable levels of service and helping to avoid costly road improvement projects to expand roadway capacity. The County's rural nature and distance from Seattle and the King County/Snohomish County metropolitan area presents both constraints and opportunities for developing effective alternative modes of travel.

Several measures are utilized to assess the availability of alternative modes of travel, including U.S. Census data revealing commuter travel patterns in the County between 1990-2000; Skagit Area Transit

(SKAT) ridership levels from 1995-2001; and the number of park-and-ride lots. The commute-to-work data from the US Census (shown in **Figure 8.1**) indicate that while the single-occupant vehicle is the predominant choice for commuters, its share of total commute trips has decreased—falling from 79% of all commute trips in 1990 to 77% in 2000. Commuters increased the use of carpools from 11% to 13% during the same time. The number and availability of park-and-ride lots has grown incrementally in the last decade as well to facilitate the use of carpooling. The County has six Park and Ride lots, but has not added any new facilities in the last five years.

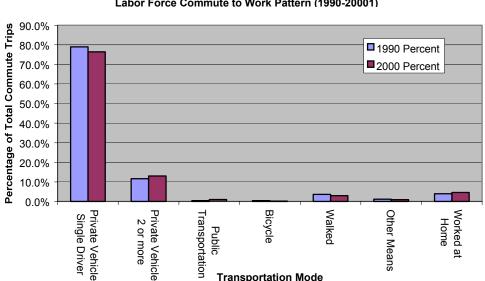


Figure 8.1 Skagit County Labor Force Commute to Work Pattern (1990-20001)

Source: US Census 1990-2000



TRANSPORTATION



According to the Census data, public transportation (including bus, rail and ferry) is not utilized by a significant number of employees commuting to work—although it remains a vital transportation link for the non-labor force population and for those workers who lack access to private vehicles to get to work or have special needs. The SKAT bus ridership data (**Figure 8.2**) indicate a significant drop-off in transit use by the public following the institution of \$0.50 fares in 2000. Previously, the bus transit system did not charge fares for use. **Figure 8.3** highlights the existing public transit routes and Park and Ride lots.

The share of employees who walk to work or who use other non-motorized means, such as bicycles (presumably within urban growth areas), remains relatively stable but fell slightly during the 1990s—accounting for between 3%-4% of all commute trips. Finally, the share of workers who work at home increased slightly from 4% to 4.5% of all commute trips in the 1990s.

While there has been increased use of carpooling, Skagit County should focus more intently on other policies and incentives to encourage both the continued availability and use of alternative modes of travel, including non-motorized means as well as strategies to promote greater utilization of public transportation such as bus and rail.

1,800,000 1,600,000 1,578,880 1.575.733 1,400,000 1,200,000 **Passengers** 1,124,081 1,000,000 Total Fixed Route Passengers 800.000 Total Dial-A-Ride Passengers 681.903 600,000 400,000 200,000 51,440 56,418 58,045 53,121 50,869 43,207 40,513 0 1995 1996 1997 1998 1999 2000 2001 Year

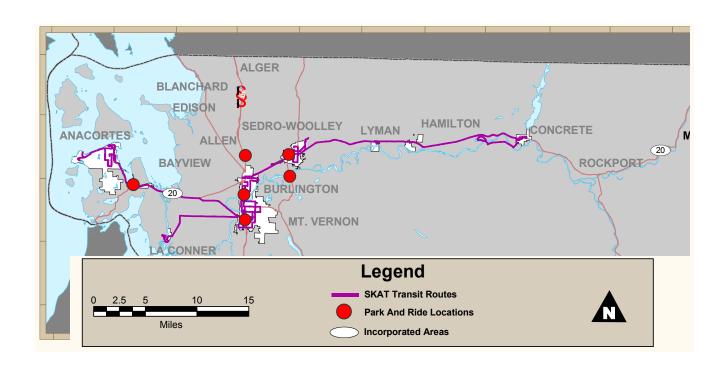
Figure 8.2 Skagit County SKAT Ridership Levels (1995-2001)

Source: SKAT

TRANSPORTATION



Figure 8.3 Skagit County Public Transit Routes and Park and Ride Lots





BENCHMARK

9. SKAGIT COUNTY'S ECONOMY WILL BECOME MORE DIVERSE.

SUBJECT: ECONOMIC DIVERSITY

NDICATOR

Indicators include:

- Non-agricultural wage and salary employees by sector
- Non-agricultural employment change by sector
- Number of jobs created Countywide

Economic development is one of the primary drivers of population and employment growth. Economic development provides jobs for local residents and revenues to fund local and regional capital facilities. One of the key strengths of the County's economy is its industrial diversification. Skagit County has traditionally relied upon timber, agriculture, and food processing as its primary economic sectors. All of these industries remain viable and important components of the overall economy even though the County's economy has diversified significantly over the last several decades.

Both the Countywide Planning Policies (CPP 5.5) and the Skagit

County Comprehensive Plan (Goal A and Objective 1 of the Economic Development Element) identify economic diversification as a primary economic development strategy. The County has experienced a shift from a goods-producing economy to a primarily services-producing one. **Figure 9.1** indicates that retail trade and services are the two largest sectors in the local economy today—together comprising more than 50% of total covered employment. The manufacturing sector's share of total employment, on the other hand, has declined from 25% in 1970 to 13% in 2001.

35% PERCENTAGE OF TOTAL EMPLOYMENT 30% Wholesale & Retail Trade 25% Government 20% Services Manufacturing 15% 10% Construction & Mining Transportation & Public Utilities 5% Finance. Insurance & Real Estate 0% 1995 1996 1997 1998 1999 2000

YEAR

Figure 9.1 Skagit County Employment by Industry (1995-2000)

Source: Washington Employment Security Department





Total employment in the County increased an average of more than 1% annually from 1995-2001 indicating slow incremental growth (see **Figure 9.2**). All economic sectors experienced positive employment growth during the same time period. At the same time all sectors experienced a loss in market share of total employment, except for two—Services and FIRE (Finance, Insurance & Real Estate), which are the fastest growing segments of the County employment market.

While similar employment trends are being experienced throughout the state and national economy based on macroscale demographic and market changes, the data nonetheless indicate that Skagit County is meeting its objectives to diversify the local economy.

49,000 48,000 47,000 46,000 **Employment** 45,000 44,000 43,000 42,000 41,000 40,000 39,000 1995 1996 1997 1998 1999 2000 2001 Year

Figure 9.2 Skagit County Total Employment (1995-2000)

Source: Washington Employment Security Department



BENCHMARK

10. THE NUMBER OF "LIVABLE WAGE"

JOBS WILL INCREASE.



SUBJECT: LIVING WAGE JOBS

NDICATOR

Indicators include:

• Annual Payroll by
Industry Sector

- Changes in real wages
- Average annual wage per worker

Increasing economic diversification is one means to ensure a more healthy and vibrant economy—especially during times of slow growth. However, making sure that those jobs provide for a "living wage" is a different challenge recognized by the Comprehensive Plan (Objective 1 of the Economic Development Element). Living wage or family wage jobs means jobs with wages that can adequately provide for the costs associated with living in the community without undue hardships.

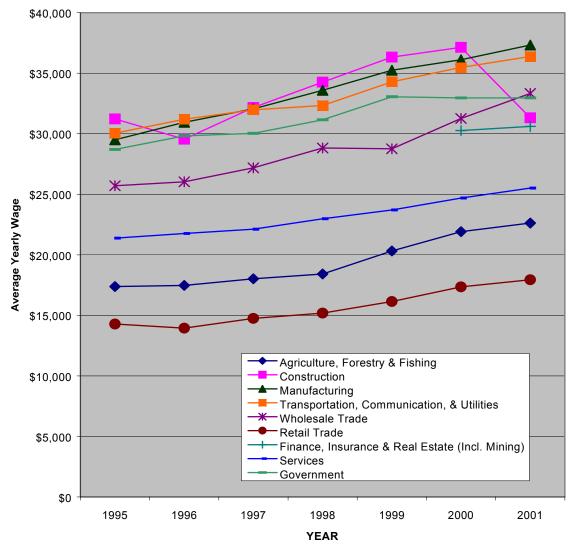
Data pertaining to what constitutes a "living wage" in Skagit County is not readily reported by the Washington State Employment Security Department (ESD). However, data is reported on average wage levels by economic sector and the changes in those wages over time. More discussion of what constitutes an "affordable housing wage" in the County is discussed in the Housing section. The ESD indicates that wages in the County generally lagged behind inflation for much of the 1970s and 1980s and did not start to rise at a rate greater than inflation until the 1990s. The data presented in **Figures 10.1 and 10.2** indicate that the highest paying sectors are: 1) construction; 2) manufacturing; and 3) transportation, communication and utilities (TCU). Together these three sectors account for about 25% of total employment in the County. The lowest-paying industries are: 1) retail trade; 2) agriculture, forestry and fishing; and 3) services. The three lowest paying sectors, combined, account for almost 60% of all jobs in the County.

The particular challenge is that the highest paying jobs are in sectors experiencing the slowest growth and the two fastest growing segments of the economy—retail trade and services—are among the lowest paying jobs in the County. Skagit County should explore additional means to promote higher paying jobs and strategies to reduce housing and transportation costs for lower-income residents—or risk the dominant workforce sector in the County becoming the working poor.

Allocating adequate land uses to accommodate new economic development and affordable housing in areas that can be provided most efficiently with public facilities and services is one means to help meet this objective.



Figure 10.1 Skagit County Annual Average Wage by Industry Sector (1995-2001)

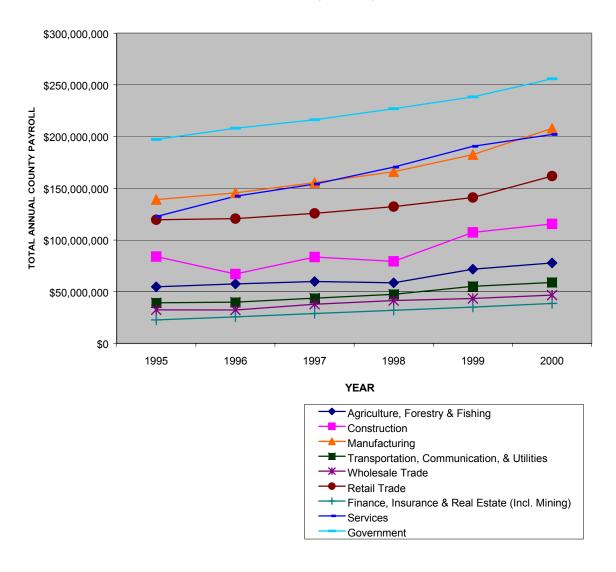


Note:

Finance, Insurance, and Real Estate Sector earnings only reported separately since year 2000. Source: Washington Employment Security Department



Figure 10.2 Skagit County Annual Payroll by Industry Sector (1995-2001)



Source: Washington Employment Security Department



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SUBJECT: VIABILITY OF NATURAL RESOURCE INDUSTRIES

The timber industry has gone through challenging times but it remains an important part of the local economy. Skagit County's agricultural base is especially strong, unlike most counties in Western Washington—although it faces its own challenges. The fishing industry is more variable, subject to wide swings in the health of resource stocks. The mining industry remains a small but steady part of the local economy. Overall employment in the agriculture, forestry and fishing sectors combined accounts for more than 8% of the County's total covered employment as shown in **Figure 11.1**. It has remained relatively stable from 1995-2001 even though the number of business establishments in

those industries has declined steadily during the same time period. The number of business establishments related to mining remained stable at four businesses for the last six years.

Figure 11.1 Skagit County Natural Resource Industry Employment (1995-2001)

Employment Sector	1995	1996	1997	1998	1999	2000
Agriculture, Forestry & Fishing	3,199	3,330	3,369	3,216	3,595	3,622
Percent of Total	8.7%	8.8%	8.7%	8.1%	8.6%	8.3%
Number of Business Establishments	364	366	357	345	339	301
Total County Employment	36,575	37,632	38,806	39,597	41,698	43,759

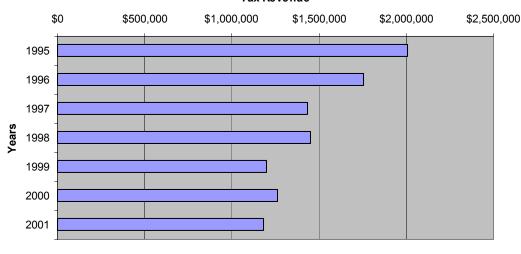
Source: Washington Employment Security Department

Timber excise tax revenue returned to the County from private timber cuts is one indicator of the rate of forest production in the County. These revenues as shown in **Figure 11.2** declined steadily during the past six years from a high of \$2.0 million in 1995 to a low of \$1.1 million in 2001. The timber harvest trend on DNR Trust Lands in the County varied widely from 1998-2001 as shown in **Figure 11.3**, from a total harvest value of \$16.1 million in 1998 to \$22.9 million in 1999 and back down to \$11.7 million in 2001.



Figure 11.2 Skagit County Timber Excise Tax Revenue (1995-2001)





Source: Skagit County Treasurer

Figure 11.3 Skagit County Timber Harvest Trend DNR Trust Lands (1998-2001)

	Trust Lands Board	Feet Timber Harvested		
Year	Skagit County	Washington State	Dollar Value of Skagit Co. Harvest	Percent Share of State Total Harvest
1998	33,523,000	555,604,000	\$16,158,365	6.0%
1999	52,870,000	624,571,000	\$22,947,129	8.5%
2000	57,527,000	627,938,000	\$20,285,214	9.2%
2001	31,173,000	504,951,000	\$11,730,756	6.2%

Source: Washington Department of Natural Resources

Natural resource products like lumber and agricultural products are particularly sensitive to influence from macro-economic variables such as changes in state and federal government policies and national/international commodity market pressures. However, from the local land use perspective, the County Comprehensive Plan designated the most commercially significant of these resource lands for protection from non-resource related growth and development thus ensuring protection from at least the threat of low density sprawl. Given the relatively stable employment base for these industries during the last six years, it appears Skagit County has successfully managed to protect these important assets for continued economic development.



12. SKAGIT COUNTY'S BENCHMARK RETAIL MIX WILL IMPROVE **OVER TIME**

Indicators include:

SUBJECT: **RETAIL BUSINESS MIX**

The number and type of **NDICATOR**

retail businesses in **Skagit County** ■ Dollar value of overall

- retail sales
- Retail Sales by **Jurisdiction**

This indicator is aimed at diversification within the retail trade and services sectors themselves in order to broaden the range of goods and services available to local residents. Several measures are examined including growth in the type and number of business establishments and the value of taxable retail sales for the County.

The County experienced a net gain of 458 new businesses from 1995-2001—an average increase of more than 2% annually. Figure 12.1 indicates that all sectors showed a positive increase or no net loss in business establishments except for manufacturing and agriculture,

forestry and fishing—the only sectors to experience a significant net loss in the number of establishments. The largest share of increase in new business starts was seen in the service sector followed by retail trade and construction as illustrated in Figure 12.2. Total taxable retail sales of goods and services for all industries in the County increased from \$1.1 billion in 1995 to more than \$1.7 billion in 2001. The economic sectors that sold the largest amount of goods and services over the last five years include:

- Retail trade
- Contracting
- ➤ Wholesale trade and
- Services

Retail trade activities comprise the vast majority of the County's total taxable sales. According to the data in Figure 12.3, taxable sales from the County's retail industries almost doubled from 1995 to 2001. Almost \$1.1 billion worth of retail goods and services were sold in 2001 accounting for 62% of the County's total \$1.7 billion worth of sales of goods and services for all industries. Within the retail trade sector, the largest sales of goods and services include: 1) Automobile dealers and gas stations; 2) General merchandise; 3) Retail stores; 4) Eating and drinking establishments; and 5) Building materials and hardware.

Taxable retail sales by jurisdictions in the County are reported in Figure 12.4. The cities of Burlington, Mount Vernon, and Anacortes together account for more than 75% of the County's total taxable retail sales. The cities of Burlington and Anacortes exhibited the strongest increase in total share of retail sales in the County from 1995-2001. During the same time, unincorporated Skagit County's share of taxable retail sales fell from 20% to 15% of the total County.



The total share of new business starts in the County by jurisdiction from 1995-2001 is illustrated in **Figure 12.5**. More than three-quarters of all new business starts occurred in Mount Vernon, Anacortes, and Sedro Woolley. Mount Vernon experienced the largest increase in new business establishments, accounting for more than one-third of all new business starts. Unincorporated Skagit County accounted for seven percent of new business starts over the same time period.

45.00% 40.00% 35.00% Percentage of Total Business Establishments 30.00% 25.00% 20.00% 15.00% 10.00% 5.00% 0.11% 0.11% 0.10% 0.10% 0.11% 0.10% 0.00% -5.00% 1995 1996 1997 1998 2000 1999 Year Agriculture, Forestry & Fishing Mining Construction Manufacturing Transportation & Public Utilities Wholesale Trade Retail Trade Services Government Finance, Insurance & Real Estate

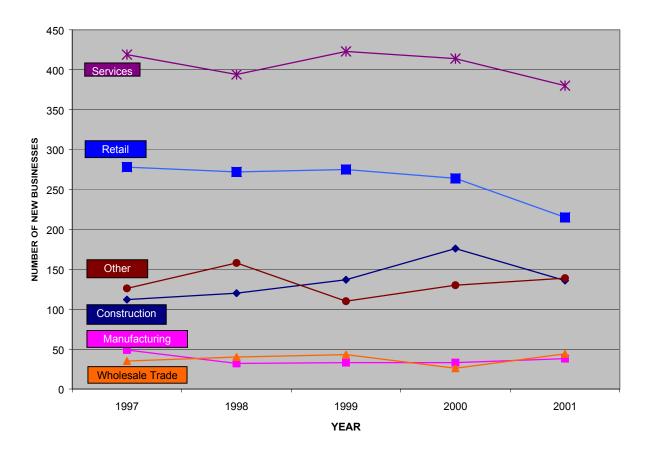
Figure 12.1 Skagit County Business Establishments by Industries (1995-2000)

Source: Washington State Employment Security Department





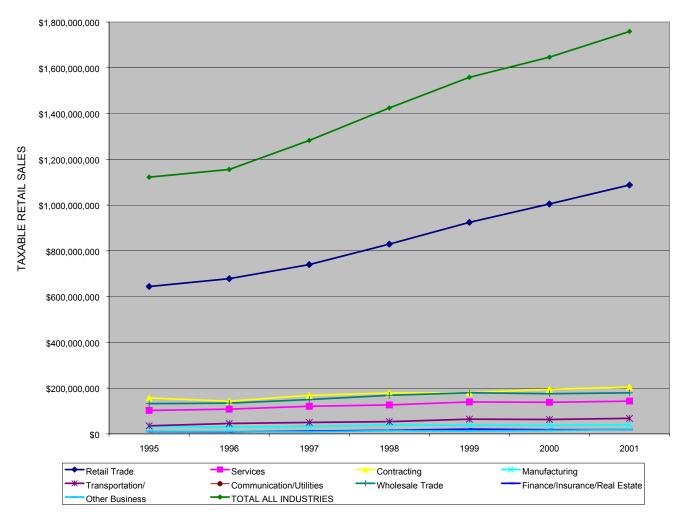
Figure 12.2 Skagit County New Business Establishments by Industry (1997-2001)



Source: Washington Department of Revenue



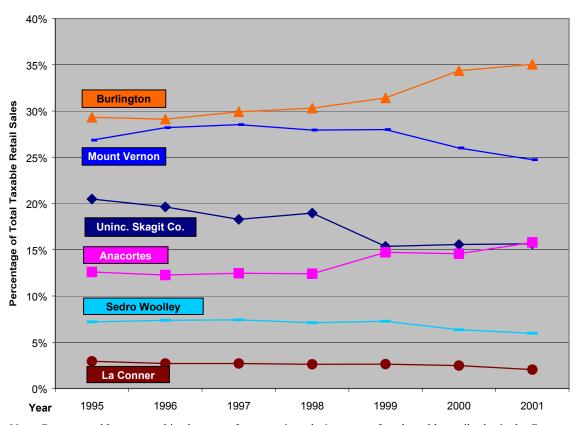
Figure 12.3 Skagit County Taxable Retail Sales by Industry (1995-2001)



Source: Washington Department of Revenue



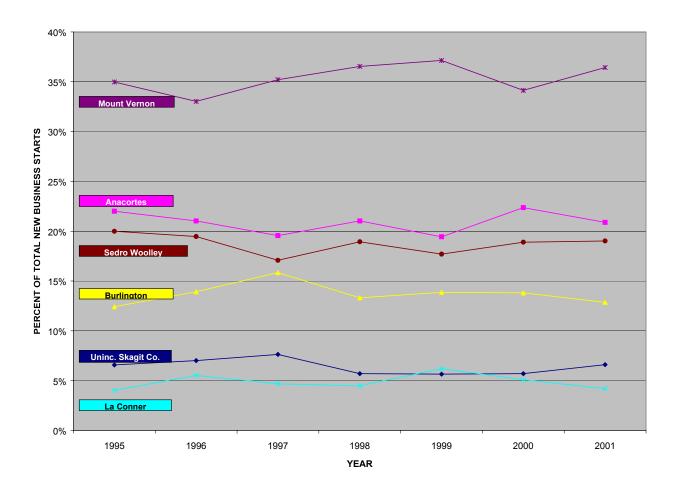
Figure 12.4 Skagit County Taxable Retail Sales by Jurisdiction (1995-2001)



Note: Concrete and Lyman combined account for approximately 1 percent of total taxable retail sales in the County Source: Washington Department of Revenue



Figure 12.5 Skagit County Percent of Total New Business Starts by Jurisdiction (1995-2001)



Note: Concrete and Lyman combined account for approximately 5 percent of total new business starts in the County Source: Washington Department of Revenue



BENCHMARK

13. AGRICULTURE WILL **REMAIN A VIABLE AND VIBRANT PART OF THE** LOCAL ECONOMY.



SUBJECT: **AGRICULTURAL VIABILITY**

INDICATOR

Indicators include:

- Farm operators by principal occupation
- Dollar value of agricultural products
- The number of farms and total land in farms
- Number of dairy farms

Agricultural preservation is one of the fundamental themes underlying many of the goals and policies in the Comprehensive Plan. The bulk of the County's agricultural activity is focused on bulb production, vegetable crops, and dairying. But this sector is not just an important economic asset to the County. Agriculture has deep cultural roots in the community and is perhaps its best known icon. Its economic importance to the local economy goes well beyond the productivity of its famous alluvial soils. It is a significant contributor to the local tourism, visitor accommodation and recreation industries.

Several measures are examined based on data reported from the US Census of Agriculture, which is conducted every five years. Data is reported in Figure 13.1. The data indicate that the value of total agricultural products sold in the County increased from \$102 million to more than \$171 million in the last decade.

Figure 13.1 **Skagit County** Agricultural Economic Indicators (1987-1997)

	Year			
Measure	1987	1992	1997	
Market Value of Agricultural Products Sold	\$102,532,000	\$138,471,000	\$171,690,000	
Total Farms	806	754	714	
Dairy Farms	131	123	93	
Land in Farms (Acres)	95,357	92,074	93,495	
Average Per Acre Land Value	\$2,427	\$3,618	\$4,645	
Operators by Days Worked Off the Farm				
Worked 200 days or more off the farm	319	259	237	
Percent of Total Farm Operators	40%	34%	33%	
Farms with Net Gains		359	308	
Percent of Total		48%	43%	
Farms with Net Losses		396	406	
Percent of Total		53%	57%	

Source: US Census of Agriculture





But there are some troubling trends developing that suggest the economics of farming itself is undergoing significant change. Between 1992 and 1997, more than 50% of all farms in the County experienced a net economic loss—and this number appears to be growing. Not coincidentally, the total number of farms is decreasing, although most of these farms appear to be subject to some consolidation or conversion to other agricultural use. But especially troubling is the loss of dairy farms—considered by many as the barometer of agricultural health in the County.

The number of farm operators who seek significant work (i.e., income) from outside the farm is decreasing as a share of total farm operators. However one-third of all farm operators in the County still work more than half the year on jobs off the farm. This suggests that a second-income for farm households is often needed to offset economic farm losses.

From a land use perspective, Skagit County's strategy to designate agricultural lands of long-term commercial significance effectively protects those lands from the encroachment of urban sprawl. However, many of the problems facing farmers today in the County are more systemic, subject to the nature of agricultural market economies and particular influence from state and federal policies.



BENCHMARK

INDICATOR

14. AVAILABILITY AND USE OF INDUSTRIAL SITES IN SKAGIT COUNTY WILL REMAIN STABLE.

Acres of "ready to build" sites in Skagit County by UGA (i.e., business and industrial parks)



SUBJECT: AVAILABLE LAND FOR COMMERCIAL AND INDUSTRIAL DEVELOPMENT

One of the keys to increasing diversification and attracting new businesses that provide higher-paying jobs is the availability and marketing of "ready to build" commercial and industrial sites in the County. These are sites where the utilities and infrastructure are in place with adequate capacity for immediate development.

The 2000 Overall Economic Development Plan (OEDP) for the County attempted to identify some of these sites based on a 1996 survey. However, there has been no update of that assessment since that time.

The County should work with the Economic Development Association of Skagit County (EDASC) to conduct a biannual inventory of such sites and have those sites reviewed and validated by the Skagit Council of Governments (SCOG) as a means to begin monitoring this indicator and track availability of key economic development parcels. Once complete, the database can be a excellent tool to help the local jurisdictions market new business growth as well as retain and provide for expansion of existing businesses in the County.



Bayview UGA Industrial Park

Source: Skagit County





15. OVER TIME, THE
COUNTY
UNEMPLOYMENT
RATE WILL BECOME
MORE EQUALIZED
WITH THE STATEWIDE
UNEMPLOYMENT
RATE.

SUBJECT: UNEMPLOYMENT RATES

Skagit County's unemployment rate has traditionally been higher than that of the statewide average owing to the County's historic reliance on cyclical patterns in natural resource industry consumption. However, as the County's economy diversified in the 1980s and 1990s, its unemployment rate came down significantly.

Employment/
unemployment rates

The rate of unemployment declined from 8.9% in 1995 to 7.4% in 2001 as shown in **Figure 15.1**. While still higher than the statewide and western Washington averages, the County's current unemployment rate is significantly less than the 10.2% average rate over the past two decades.

Employment growth, business expansions and economic diversification have all helped to bring the County's unemployment rate more in line with state and regional averages.

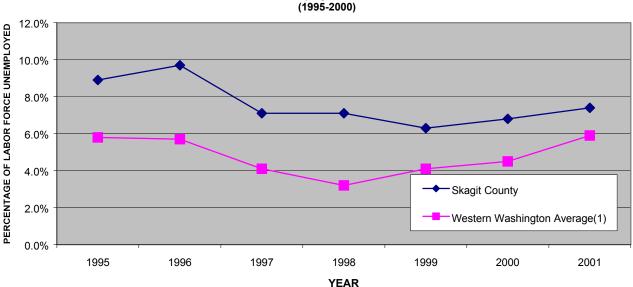


Figure 15.1 Skagit County Unemployment Rate

Note: (1) Western Washington includes all counties west of the Cascade Range. Source: Washington Employment Security Department



TOTAL

THE EDUCATIONAL

SKILL LEVEL OF

SKAGIT COUNTY

RESIDENTS WILL

INCREASE.

Indicators include:

Educational background
of adult population

HS graduation rate



SUBJECT: EDUCATION

Increasing job skills and education in the workforce is an important economic development strategy to attract and retain higher wage paying jobs and employers.

Data reported in **Figure 16.1** from the U.S. Census tracks the education levels for County residents from 1990-2000.

The data indicate that the share of total County residents whose highest educational attainment level included at least some college attendance increased from 50% in 1990 to 58% in 2000. During the same time the share of residents who did not graduate from high school fell from 19% to 16%. The most significant increase occurred in residents who obtained bachelor's degrees or higher degrees in education. That group increased from 16% of the total population in 1990 to 21% in 2000. The educational skill level of County residents is increasing.

Figure 16.1

Skagit County **Educational Attainment Levels** (1990-2000)35% **1**990 30% **2**000 PERCENTAGE OF TOTAL RESIDENTS 25% 20% 15% 10% 5% 0% College Attendence; Less than High High School Associates Degree Bachelor's Degree or School Equivalency Graduate No Degree Higher

HIGHEST EDUCATIONAL ATTAINMENT LEVEL ACHIEVED

Source: US Census

