POPULATION & EMPLOYMENT FORECASTING & ALLOCATION 2025

Skagit County, Washington
and the cities of
Anacortes
Burlington
Concrete
Hamilton
La Conner
Lyman
Mount Vernon
Sedro-Woolley

December, 2003

Berryman & Henigar, Inc. in association with Michael J. McCormick

ACKNOWLEDGEMENTS

Skagit County Growth Management Act Steering Committee

Kenneth A. Dahlstedt, Don Munks, & Ted W. Anderson,
Skagit County Commissioners
H. Dean Maxwell, Mayor of Anacortes
Roger "Gus" Tjeerdsma, Mayor of Burlington
Eron Berg, Mayor of La Conner
Skye Richendrfer, Mayor of Mount Vernon
Sharon Dillon, Mayor of Sedro-Woolley

Skagit County Growth Management Act Technical Advisory Committee

Gary Christensen AICP, Skagit County
Ian Munce, City of Anacortes
Margaret Fleek, City of Burlington
John Doyle, Town of La Conner
Elizabeth Sjostrom, City of Mount Vernon
Jeroldine Hallberg, City of Sedro-Woolley

Skagit Council of Governments

Kelley Moldstad

Project Manager

Kirk Johnson AICP, Skagit County Planning & Permit Center

Consultants

Roger Wagoner FAICP, Berryman & Henigar, Inc.
Michael J. McCormick FAICP

SKAGIT COUNTY
POPULATION & EMPLOYMENT ALLOCATION
FINAL REPORT

INTRODUCTION

This report summarizes the process, findings, conclusions, and recommendations of the consulting services provided to Skagit County and the Skagit Council of Governments (SCOG) by Berryman & Henigar, Inc. in association with Michael J. McCormick during the period March, 2002 to September, 2003. The services included technical analysis and process facilitation to assist the jurisdictions in adopting new population and employment allocations in the Countywide Planning Policies that support updating the comprehensive plans.

Purpose
Under the Growth Management Act (GMA), all local jurisdictions in Skagit County are required to update their comprehensive plans by December 1, 2005. The updates are required to include *"analysis of the population allocated to a city or county from the most recent ten-year population forecast by the Office of Financial Management (OFM) [RCW 36.70A.130(1)(b)]."* OFM issued new high-, medium-, and low county-level population forecasts in January, 2002 that were the basis for this work. In addition to the 20-year population allocations for Skagit County jurisdictions, the County-wide Planning Policies (CPP) also include allocations for commercial and industrial land development over the 20-year planning period.

Process
Under the direction of the County Planning and Permit Center, the consultants analyzed the bases for the adopted SCPP, the new OFM forecasts, results of the 2000 U.S. Census, the *Growth Management Indicators Report* and related information provided by the County and the cities to prepare discussion papers and technical memoranda for consideration by the SCOG planners. During the assignment, the consultants attended many of the monthly SCOG meetings and engaged in telephonic and electronic mail dialogue with the planners. The County planning staff, and the GIS/Mapping Services Department provided a wealth of data and analysis support. Mark Personius, author of the Indicators Report, and Eric Hovee, consultant to the Skagit Council of Governments (SCOG) also provided assistance. The city planners contributed information specific to their jurisdictions and offered valuable comments and suggestions.

Results
Elected officials of the jurisdictions acting as the Skagit County Growth Management Act Steering Committee (GMASC) adopted the 2025 county population target 149,080 and resulting allocations as shown on p. 7 based on recommendations forwarded by the Technical Committee (GMATC) which is the same as the SCOG planners' group.

Report Organization
This report has two major divisions. The first part describes the results of the population forecasting and allocation work, including the SCOG approach to the OFM forecast ranges, the analysis of existing conditions and growth trends throughout the County, and the formulation of the allocation. The second part describes the results of the employment analysis. A "conclusions" section summarizes the current status of the population and employment allocation process. Behind the report, a chronological compilation of discussion papers and other work products of the assignment has been included to provide further detailed information.

2025 POPULATION FORECAST AND ALLOCATION

OFM Forecast Basis

As mandated by the GMA, the state Office of Financial Management (OFM) has developed low, medium, and high population forecasts for each county. The GMA requires each county and its cities and towns to plan to use these forecasts as the basis for updating their comprehensive plans for the 20-year planning horizon. OFM suggests that the medium forecast be considered the "most likely." The 2025 population number adopted by the County, in consultation with the cities and towns, must fall within the OFM range. How the specific number is selected and how the total is distributed between Urban Growth Areas (UGAs) and the remaining rural area is a local decision within the parameters of the GMA.

The OFM low, medium, and high forecasts for Skagit County for the years 2015 and 2025 are as follows:

Table 1
OFM FORECAST RANGE

Adopted SCPP 1.1 2015	OFM Forecast Range - 2015		OFM Forecast Range - 2025	
	High:	154,785	High:	198,992
137,700	Medium:	135,717	Medium:	164,797
	Low:	121,467	Low:	139,253

The currently adopted Skagit Countywide Planning Policy 1.1 establishes a target of 137,700 for the year 2015. That is slightly higher than the OFM 2015 medium projection of 135,717, as shown above. The current CPP 1.1 forecast for 2015 is 1% below the OFM Low forecast for 2025, fully 10 years later, indicating that using the Low forecast for planning purposes would not be consistent with the currently-adopted growth assumptions, nor with the trends of recent growth.

County-Wide Growth Patterns

The county population for the year 2000, according to the U.S. Census, was 102,979 – an increase of 23,434 or 29.5% over 1990. This number is consistent with the OFM's 1995 mid-range estimate, contained in the 1997 County Comprehensive Plan, that the County's population in 2000 would be 103,475.

OFM 1995 Mid-Range Estimate of County Population in 2000	**103,475**
County Population in 2000 Per U.S. Census	**102,979**

The Census figure for 2000 reflects an annual average growth rate of about 2.8% per year. Recent countywide growth was about 1% in the year April 1, 2001 to April 1,

2002, and 1.5% in the year April 1, 2002 to April 1, 2003 - most likely reflecting the general economic slowdown. The total estimated county population as of April 1, 2002 was 105,100 and as of April 1, 2003 was 106,700.

To some, the fact that the growth rate has dropped to 1% is reason to adopt a conservative or low estimate through 2025. They argue that the relatively rapid pace of growth through the 1990s is not likely to continue over the next 20 year period, as the recent slowdown illustrates. Starting with the higher end of the OFM range would require cities and the county to plan for expensive and possibly unnecessary infrastructure, at a time when they are having difficulty providing for current levels of population growth. Some jurisdictions maintain that their current city limits or surrounding UGAs do not have the physical land base or capacity to accommodate increased growth as projected by the OFM mid-range estimate.

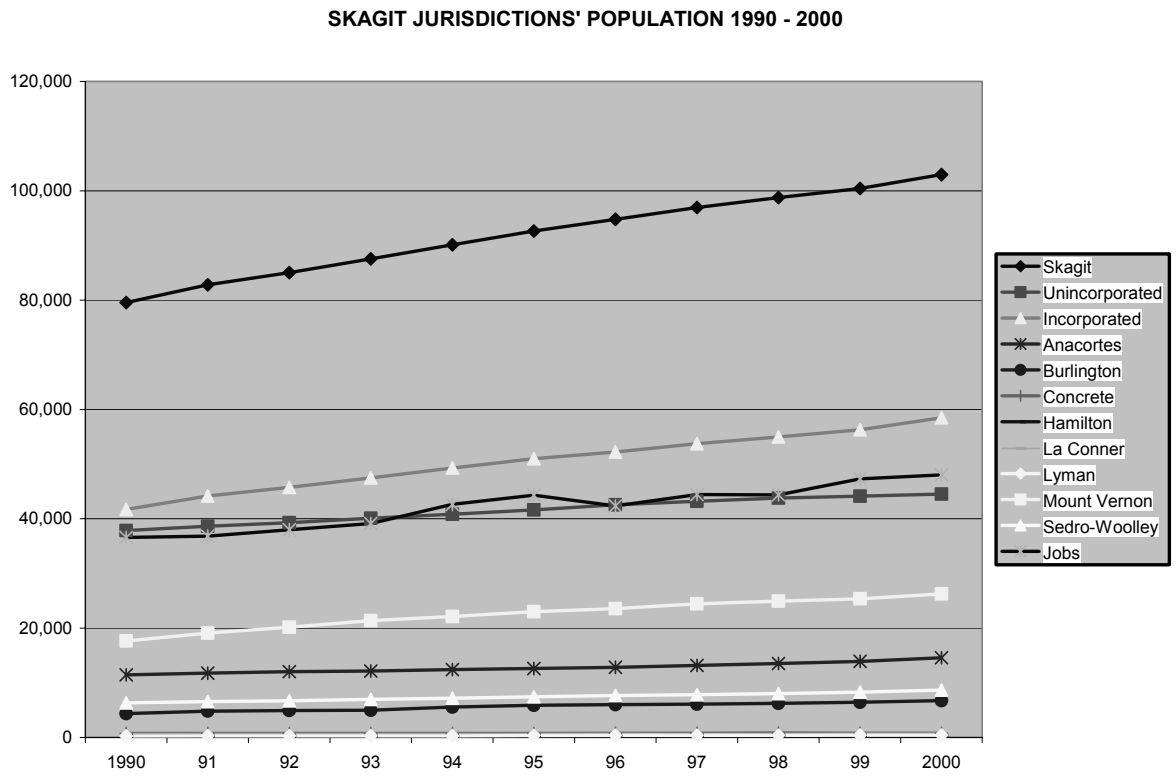
Others believe that the low forecast is unrealistic given that overall growth in the past 12 years has closely tracked the OFM medium-range estimates and that the recent downturn is not expected to continue. They point out that the OFM low forecast for 2025 (139,253) is nearly identical to the county's adopted CPP 1.1 population forecast of 137,700 for 2015, making the low forecast highly inconsistent with currently adopted plans and with their expectations of the future. They also point out that the county is required by GMA to adopt a population projection within the OFM range resulting in a "floor and ceiling" for the county, and then allocate that population accordingly, rather than selecting an overall county number that simply matches the wishes of individual jurisdictions. The OFM range is assumed to be "reasonable" and it is up to the jurisdictions to work within it and be prepared to "show their work".

Growth Trends within the County

Actual growth within the county has varied from UGA to UGA. Burlington, Hamilton, and Lyman have already exceeded their CPP 1.1 targets for 2015, and Anacortes and Sedro-Woolley are closing in. Since the county has not yet completed the Bayview Ridge UGA plan, the effect of that area on the overall county growth can only be preliminarily estimated.

All areas of the county – urban and rural, except La Conner, appear to have sufficient capacity to accommodate significant residential growth relative to their current sizes. Analysis of the development capacity within the UGAs was prepared during this process and will continue to be refined as the jurisdictions commence updating their respective plans. The *Growth Management Indicators Report* includes measures that monitor the results of adopted goals, policies, and strategies in the Plans. The indicators show that:

- ✓ At least 80% of the overall net 1995-2001 population growth has occurred in the urban areas, consistent with SCPP 1.2.
- ✓ Between 70% and 80% of all new housing has been permitted in the UGAs in the same period.
- ✓ The density of new net residential development within the UGAs meets and exceeds the minimum of 4 units per acre.
- ✓ The amount of land designated for resource uses has remained constant.



Countywide 2025 Target

In October 2002, after reviewing the initial analysis of population growth trends and development capacity measures, the GMASC directed the Technical Committee to proceed with allocating the 2025 population target using the midpoint between the OFM Low and Medium forecasts, which is 152,025. Using this as a starting point, the focus of the analysis turned to establishing other assumptions that all jurisdictions could support. This included estimating the capacity of buildable residential land within the UGAs (cities' and County's) as well as the 2000 baseline population in those areas. Each city worked with the county staff to calculate these estimates using the most up-to-date maps and census block information. Some jurisdictions had completed land use inventories and were therefore able to be more precise than others. However, the overall level of detail necessary for developing the targets was sufficient. In addition, the Technical Committee agreed that the

adopted "urban/rural" split for new growth should remain at 80/20 as verified in the *Growth Management Indicators Report.* As a result of this work, the 2025 countywide target population was adjusted to 149,080, 2% below the midpoint of the OFM Low and Medium forecasts.

Allocations

Once the countywide total target was established, and the land capacity estimates were substantially completed, the Technical Committee proceeded with discussion of how to allocate the total urban 2025 population of 105,750. The following summarizes the basis for the urban target:

Table 2
URBAN POPULATION TARGET COMPUTATION

2000 Rural Population using urban population estimate of UGAs (2000 total county pop. – 2000 urban pop. = 2000 rural population)	**102,980 – 68,870 = 34,110**
Growth in Urban Population 2000-2025 (Projected 2025 urban pop. – 2000 urban pop. = growth in urban pop. 2000 – 2025)	**105,750 – 68,870 = 36,880**
Total County Growth 2000-2025, assuming 80% urban factor per CPP. (Projected growth in urban pop. 2000–2025 divided by 80% urban growth factor = 46,100 total County growth)	**36,880 ÷ 0.8 = 46,100**
Growth in Rural Population 2000-2025 assuming 20% factor per CPP. (Total county growth – urban growth = rural growth 2000 – 2025)	**46,100 – 36,880 = 9,220**
Total County Population in 2025: (2025 Urban Population + 2000 Rural Population + 2000-2025 Rural Growth)	**149,080** (105,750 + 34,110 + 9,220)

Three "scenarios" of allocations were prepared for discussion. These were based on different factors.

- The Proportionate Method assumed that the proportion of each UGA to the total urban population in 2025 would be same as it was in 2000, e.g. Mount Vernon at 41% down to Hamilton at 0.45%.
- The Capacity Method assumed that the 2025 population for the city UGAs would be 70-90% of the current estimated land capacities and that the balance of the urban population would be allocated to the county UGAs (Bayview and Swinomish).
- The Corridor Method assumed that the UGAs within the I-5 corridor (Burlington, Mount Vernon, Sedro-Woolley, and Bayview) would receive 80% of the urban population based on OFM's conclusions that growth tends to occur predominantly on major transportation routes.

After reviewing and discussing these approaches, the Technical Committee achieved consensus on the following allocation:

Table 3
ADOPTED 2025 POPULATION ALLOCATION

JURISDICTION (Cities & UGA)	2000 POPULATION	2025 ALLOCATION
Anacortes	14,647	18,300
Burlington	8,728	12,000
Concrete	960	1,350
Hamilton	309	450
La Conner	761	950
Lyman	409	550
Mount Vernon	28,332	47,900
Sedro-Woolley	10,358	15,000
Subtotal Cities & UGAs	64,504	96,500
Swinomish	2,664	3,650
Bayview	1,700	5,600
Subtotal County UGAs	4,364	9,250
TOTAL URBAN	68,868	105,750
TOTAL RURAL	34,110	43,330
TOTAL COUNTY	102,978	149,080

This allocation was presented to the GMASC at the March 19, 2003, meeting, where it was adopted as the basis for the comprehensive plan updates and amendment to the CPP.

EMPLOYMENT FORECAST AND ALLOCATION

Forecast Basis

Unlike population forecasting and allocation, there is no similar basis in the form of a state forecast range. The legislature amended the GMA in 2002 to require local comprehensive plans to include an "*economic development element establishing local goals, policies, objectives and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) a summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, work force, housing, and natural/cultural resources; and (c) an identification of policies, programs and projects to foster economic growth and development and to address future needs."*(SSHB 2697) This requirement "*shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130."*

The land use element must designate "*the proposed general distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, commerce, industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth."* (RCW 36.70A.070) The GMA procedural criteria (365-195-305 WAC) elaborate slightly: "*(d) Estimation using available data of the future population growth for the planning area and a projection of the level of commercial, industrial, and residential development likely to be experienced over at least the next twenty years."* And, "*(e) Selection of commercial, industrial and residential densities sought to be achieved and their distribution for the purposes of accommodating the anticipated growth."*

Therefore, the basis for extending the forecast and allocation of employment to 2025 is dependent upon the Skagit county jurisdictions acting together, using available information. The sources for this include the "*Skagit County Urban Growth Area Analysis", July 1996 (updated March 1997)," Skagit County Employment Report by Detailed Geography", May 2000,* and "*Skagit County Overall Economic Development Plan", February 2000 (updated May 2001 and July 2003 as the "Comprehensive Economic Development Strategy").* These sources have been used to explore employment and non-residential land demand in a variety of ways.

Countywide Policy

The current adopted Countywide Planning Policy SCPP 1.1 contains a target land demand of 3,336 acres for the year 2015, based on the 1996/97 UGA analyses. Of

this, 584 acres is designated for the rural area and the balance of 2,752 acres for the UGAs. This figure uses a "market factor" of 25%, so that the combined net urban commercial/industrial demand target is 2,202 acres.

Employment Growth Trends

Skagit County has seen employment increase by more than 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The average annual change ranged between –1.46% and +4.4% depending upon the industry sector. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time and self-employment positions. The following table shows total jobs in 1990 and 2000 and the relative changes by type of employment.

Table 4
EMPLOYMENT TRENDS

Category	1990	2000	Growth	Percent Change	Average Annual Change (%)
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.22
Farm	2,692	2,876	184	6.8	0.66
Nonfarm	40,505	56,443	15,938	39.3	3.37
Private	34,060	47,610	13,550	39.8	3.41
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	3.53
Mining	70	100	30	42.9	3.63
Construction	3,301	4,674	1,373	41.6	3.54
Manufacturing	4,941	6,387	1,446	29.3	2.60
Transportation & Public Utilities	1,782	2,219	437	24.5	2.22
Wholesale Trade	1,337	1,745	408	30.5	2.70
Retail Trade	8,798	11,722	2,924	33.2	2.01
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.22
Services	9,630	14,931	5,301	55.0	4.48
Government	6,445	8,833	2,388	37.1	3.20
Federal, Civilian	444	466	22	5.0	0.48
Military	440	380	-60	-13.6	-1.46
State & Local	5,561	7,987	2,426	43.6	3.69
State	1,264	1,394	130	10.3	0.98
Local	4,297	6,593	2,296	53.4	4.37

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Employment Forecasts and Analyses

A series of employment analyses has been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions.

The most recent employment forecast was prepared in 2003 by E.D. Hovee & Company (EDH) for the SCOG contained in the November 21 *Project Memorandum*. This forecast is based on the 2025 county wide population forecast target adopted by the GMASC. That number of 149,080 urban residents was used to calculate the urban employment forecast of 65,100 wage and salary jobs, an increase of 49% over the 2001 figure of 43,759. EDH estimates that self-employment would add an additional 6,290 jobs for a grand total of 71,390 in 2025.

Table 5
EDH 2025 EMPLOYMENT FORECAST

		Increase	Average Annual Rate
Total 2000 Jobs	47,880		
Forecast 2015 Jobs	59,110	11,230 (2000-2015)	1.41%
Forecast 2025 Jobs	71,390	12,280 (2015-2025)	1.91%

Source: E.D. Hovee & Company, November, 2003.

These growth rates are more conservative than the 1990-2000 average annual rate of 3.22% shown above.

This forecast method is based on the adopted 2025 population target of 149,080 residents and uses a number of assumptions to establish the work force; factor in "out-commuters", "in-commuters", and multiple job holders. The ratio of total jobs to households (using an average household size of 2.5) would be 1.2.

The EDH analysis resulted in conclusions similar to those prepared as part of this assignment, which used and interpolated work by EDH for the County in 1996 and 1997.

The EDH analysis also breaks the growth forecast into major land use types.

Table 6
EMPLOYMENT FORECAST DISTRIBUTION

Land Use Type	2025 Jobs	% of Covered Employment
Commercial (C)	24,952	38.3
Industrial (I)	15,540	23.9
Natural Resource (NR)	3,770	5.8
Agriculture (AG)	2,610	4.0
Public/Institutional (P)	18,227	28.0
Covered Employment	65,100	100.0
Self-Employment	6,290	
Total Employment	71,390	

Source: E.D. Hovee & Company, November, 2003.

Land Demand
Using the employment density factors listed below, EDH calculated the demand for land to accommodate new non-residential development between 2000 and 2025

based on the distribution of new jobs cited above. Adding a 25% market factor to be consistent with the SCPP, the gross demand for 2025 would be 2,430 urban acres and 516 rural acres for a total of 2,946. EDH also calculated the likely employment and land demand from 1995-2000. This allows a direct comparison between the previous land demand estimates for 2015, which were based on a starting year of 1995, and the current land demand estimates for 2025, which are based on a starting year of 2000. This "catch-up" land demand estimate indicates a need between 1995 and 2000 for approximately 411 acres of commercial and industrial land (without market factor) to support the creation of 3,370 added jobs over the five year period. Application of the market factor to this estimate would increase the total industrial/commercial need for urban and rural lands from approximately 411 to 514 acres. Adding this to the 2,946 acre land demand calculated by EDH between 2000 and 2025, results in a total land demand acreage number of approximately 3,460 acres between 1995 and 2025, with market factor. This is approximately 125 acres more than the 3,336 acres indicated by SCPP 1.1 for 2015.

Table 7
EDH LAND DEMAND FORECAST

	Employment Growth		Density (jobs/net acre)		Land Demand (net acres)	
Land Use	**Urban**	**Rural**	**Urban**	**Rural**	**Urban**	**Rural**
Commercial	**9,063**	**579**	**20.0**	**6.0**	**453**	**96**
Industrial	**4,682**	**–**	**6.5**	**—**	**720**	**–**
Natural Resource & Rural Ind.	**844**	**793**	**2.5**	**2.5**	**338**	**317**
Public/Institutional	**5,180**	**–**	**12.0**	**–**	**432**	**–**
Total 2025 Demand	**19,769**	**1,372**	**–**	**–**	**1,943**	**413**

Source: E.D. Hovee & Company November 2003, based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown below. This is compared to the estimated demand created by the jobs forecast shown above. Some of the land supply estimates (Hamilton, Bay View Ridge, and Rural) do not distinguish between commercial and industrial land, and there is no estimate of land specifically designated for natural resource uses in any of the estimates.

Table 8
LAND SUPPLY

JURISDICTION (Cities & UGAs)	TOTAL SUPPLY (2002)	2015 POLICY (2000)*	2025 DEMAND FORECAST**
Anacortes	420	558	
Burlington	189	242	
Concrete	0	28	
Hamilton	26	60	
La Conner	1.7	2	
Lyman	0	0	
Mount Vernon	587	869	
Sedro Woolley	109	243	
Subtotal Cities and UGAs	1,224	2,002	
Swinomish	**	0	
Bay View Ridge	373	750	
Subtotal County UGAs	373	2,752	
Subtotal Urban	1,597	2,752	2,430
Rural	210	584	516
TOTAL	1,807	3,336	2,946

* With 25% market factor
**Swinomish Reservation contains land designated for industrial and commercial uses

This table enables some preliminary conclusions:

- County-wide, more land area will be needed to support economic development in the future, although there is a considerable supply of land that can accommodate growth for a number of years.
- Concrete and Lyman appear to need to consider means to create land supply for growth, if the jobs/housing balance concept is adopted.
- The relationship of rural/urban land supply and demand may require further policy analysis.

The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 22 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

In 1997, EDH came up with a county-wide figure of 4,394 acres of commercial/industrial land based on calculations of "existing supply" within each jurisdiction. The EDH analysis did not include the Urban Reserve or rural non-UGA

areas. The following table shows the comparison of those EDH results and the adopted CPP 1.1 allocations. The "Growth Rate" column is the 18-year rate using the 1997 and 2015 figures. None of this analysis takes into account the more complex factors such as annexations and other changes to the land base during this period.

Table 9
1997-2015 SUPPLY/DEMAND COMPARISON

Jurisdiction	1997 Use (Acres)	2015 CPP 1.1 Allocation (Less Market Factor)	2015 Use (Acres)	% Growth 1997-2015	Growth Rate (%)
Anacortes	2,367	558 (446)	2,813	18.8	1.0
Burlington	671	242 (194)	865	28.9	1.4
Concrete	0	28 (22)	22	2,200	23.4
Hamilton	9	60 (48)	57	6.3	10.8
LaConner	90	2 (2)	92	1.0	0.1
Lyman	10	0	10	0	0
Mt. Vernon	545	869 (695)	1,240	228.0	4.7
Sedro-Woolley	280	243 (194)	474	169.0	3.0
Bayview Ridge	370	750 (600)	970	262.0	5.5
Swinomish	52	0	52	0	0
Reserve	?	0	?		0
TOTAL	4,394	2,752 (2,201)	6,593	150.0	2.3

In conclusion, we recommend that the CPP be amended to establish a commercial/industrial land demand "target" of 3,000 acres for 2025, broken down into 2,500 urban acres and 500 rural acres. These numbers are rounded from the estimate described on the previous page. This target should then be the basis for further analysis by the jurisdictions as part of their comprehensive plan updates. More specific assessment of buildable land characteristics, local development trends, and the effects of economic development policies and strategies should contribute to a better understanding of the demand and supply for these lands, and therefore produce a better basis for subsequent forecasting.

Preliminary Allocation Alternatives
The following presents 3 alternative approaches to the allocation of the 2025 target commercial/industrial land demand described above. For the purposes of this exercise the following assumptions are used:

- Total county land demand is 3,000 acres
- Rural demand is 500 acres
- County (non-city-oriented including Swinomish) UGA demand is 400 acres.
- City (& UGAs) aggregate demand is 2,100 acres.

The allocations do not distinguish between commercial and industrial land.

Table 10
2025 COMMERCIAL/INDUSTRIAL LAND ALLOCATION ALTERNATIVES

Jurisdiction (Cities & UGAs)	2015 Allocation	2025 Allocation		
		SUPPLY-BASED	DEMAND-BASED	CLUSTER
Anacortes	558	625	240	546
Burlington	242	281	210	309
Concrete	28	42	30	20
Hamilton	60	89	34	60
La Conner	2	3	12	3
Lyman	0	25	30	25
Mount Vernon	869	873	1,253	959
Sedro Woolley	243	162	291	178
Subtotal Cities and UGAs	2,002	2,100	2,100	2,100
Subtotal County UGAs	750	400	400	400
Subtotal Urban	2,752	2,500	2,500	2,500
Rural	584	500	500	500
TOTAL	3,336	3,000	3,000	3,000

The "Supply-Based" allocation distributes the 2,100 city + UGA total based on proportionate increases to the 2002 supply figures as shown in Table 8. The allocation for Concrete is based on the 2015 allocation since the city has no current supply.

The "Demand-Based" allocation is based on the relationships identified in earlier estimates made in 1996 and 1997 and which resulted in the 2015 allocation.

The "Cluster" allocation starts with an initial allocation to cities and groups of cities based on geography. In this method, Anacortes and LaConner are considered to stand alone due to their settings, while the Burlington/MountVernon/Sedro-Woolley and Concrete/Hamilton/Lyman clusters are characterized by their locations and relationships to each other. The following shows the initial cluster allocations starting with ranges using professional judgment, and the subsequent breakdowns. Then, the cluster allocations were further broken down into the individual city portions above. This method could be used by the cluster jurisdictions to further consider their individual allocations during the comprehensive planning update process.

Table 11
"CLUSTER ALLOCATION"

Cluster	Range	Allocation
Anacortes	500-600	550
La Conner	2-4	3
Burlington/Mt. Vernon/Sedro-Woolley	1,400-1,500	1,447
Concrete/Hamilton/Lyman	90-105	100
TOTAL		2,100

Jobs-Housing Balance

The previous discussion of employment planning policy was based on the forecasted targets of the demand for buildable commercial and industrial land using the analyses prepared by the County in consultation with the cities and the Skagit Council of Governments (SCOG). The following offers a different approach for comparative purposes.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. Some other counties have adopted this approach in their countywide planning policies. Using Census and state Employment Security Department data, the following shows the recent trends and relationships of "jobs/housing balance" for King, Pierce and Snohomish Counties and the state. The last several years have been volatile due to the "dot-compost" and Boeing lay-offs. These are "non-agricultural wage & salary jobs". All areas show increases in job growth vs. household growth. Generally, the closer to "1" for new growth, the better. Job or population growth to compensate for prior years' imbalances may be individual communities' policy question.

Table 12
JOBS/HOUSING BALANCE COMPARISONS
(Jobs ÷ Housing Units)

AREA	1995 Ratio	2000 Ratio	95-00 Ratio	COMMENT
King County	**1.4**	**1.61**	**4.93**	A huge change reflecting the tech boom in jobs and the related high cost of housing that drove households out of the county (6.2% growth in housing vs. 21.6% job growth)
Snohomish County	**0.89**	**0.91**	**1.13**	Stable, but this reflects admirable gains in jobs to match the substantial performance in increasing employment (11.8% housing increase vs. 15.1 job increase)
Pierce County	**1.2**	**0.9**	**1.58**	Also fairly stable (6.3% housing increase vs. 11.9% job increase – although this might be skewed by Army and Air Force changes at Fort Lewis and McChord AFB)
3 Counties	**1.18**	**1.31**	**3.15**	Aggregating the 3 counties partially evens out the King County impact, and indicates the sustained overall pattern of jobs/housing relationships. The 3 Puget Sound counties had 73% of the entire state job growth and 50% of the housing growth. Also, 53% of the population growth.
State	**1.03**	**1.07**	**2.17**	Since most of the rest of the State had much less job growth, the fact that the ratio has remained "positive" indicates the influence of the Puget Sound economy and signals a trend that could help to sustain Skagit County's economic performance .

Source: King County 2003 Annual Growth Report

The following displays Skagit County's jobs/housing ratios in 1990 and 2000 as well as the implied ratios of the 2025 forecast targets. These ratios include all jobs, but since the number of agricultural jobs is such a small portion of the total, their impact on the ratios is minimal. This indicates that Skagit County has performed well compared with Snohomish and Pierce counties, and even King County. The 2025 ratio is a function of the population and jobs forecasts described above. It reflects the importance of continued monitoring and evaluation to test the assumptions and the relationships between the variables. This will enable the jurisdictions and the Economic Development Association of Skagit County to work on local and regional policies and strategies to affect the implied ratio.

Table 13
SKAGIT COUNTY JOBS/HOUSING BALANCE TRENDS

1990	**1.42**
2000	**1.70**
2025 Total	**1.20**
2000-2025 Growth	**1.27**

This analysis may be useful in how the County considers approaches to amending the SCPPs. Adoption of a target ratio for the anticipated 20-year growth would be a way to provide an additional measure for monitoring the success of economic development goals, policies, and strategies. For example, this could be framed to adopt the 1.20 overall County ratio as a "bottom line" with an objective of working to sustain the 2000 ratio by updating the plans to produce a higher ratio for new growth.

CONCLUSION

As this report indicates, Skagit County and the cities within the county have used the process described in this report to reach agreement on the 2025 population forecast and population allocations for Skagit County as a whole and the various jurisdictions within the County. These numbers have been adopted by the Growth Management Act Steering Committee (GMASC) for use in updating Countywide Planning Policy 1.1. For non-residential growth the Technical Committee has used two analytical approaches to estimate commercial/industrial land needs for 2025 with similar conclusions. These projections and proposed allocations have yet to be presented to the GMASC for discussion. The current Skagit County policy uses a specific allocation of commercial/ industrial land for 2015, as reflected in SCPP 1.1. This land allocation approach is not a GMA requirement nor is it used in most other countywide planning policies which generally use employment-based *targets* to guide their planning and economic development efforts.

This report offers several alternative approaches for allocating commercial/ industrial acreage among the various jurisdictions in the county, including the concept of "Jobs/Housing Balance." This is a method utilized in jurisdictions including King County, Snohomish County, and Pierce County to address the goal of balancing growth by working to create new job opportunities to match the creation of new households. The concept is useful to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. Some members of the Technical Committee have expressed support for using this approach to allocate commercial/industrial growth among local jurisdictions, to

address a perceived *lack* of balance in the existing location of jobs relative to housing.

The choice of which method to use in allocating commercial/industrial acreage is ultimately a decision for the elected officials who make up the GMASC, based on a variety of objectives and considerations. The planning process discussed in this report has provided planners and elected officials with a variety of tools for approaching the issue and for making planning decisions that benefit their individual jurisdictions and the County as a whole.

POPULATION APPENDIX

Skagit County Population Forecast and Allocation

RECOMMENDED

The Technical Committee has proposed a 2025 population forecast of 149,080 for Skagit County. This is essentially the mid-point between the Office of Financial Management's Low and Medium Projections. Based on the 80% urban/20% rural goal for new growth, this works out to 105,750 urban residents and 43,330 rural residents in 2025.

The following table shows the 2025 allocation recommended by the Technical Committee. Based on the Corridor Method, it assumes that cities and UGAs within the I-5 corridor will receive at least 80% of the urban growth. This is based on OFM's conclusions that growth tends to be focused on major transportation routes. The Committee achieved consensus on this recommendation following some minor modifications to meet a few cities' and the County's wishes. More specific assumptions include:

- Swinomish UGA annual growth rate is assumed to be 1.0% for the Low Allocation
- Bayview allocation is based on the County's subarea plan.
- Mid Range and Intermediate allocations are straight line projections based on the Low figures.

All numbers have been rounded to the nearest 50.

JURISDICTION (Cities & UGA)	2000 POPULATION	LOCATION	RECOMMENDED 2025 ALLOCATION
Anacortes	14,647		18,300
Burlington	8,728	Corridor	12,000
Concrete	960		1,350
Hamilton	309		450
La Conner	761		950
Lyman	409		550
Mount Vernon	28,332	Corridor	47,900
Sedro-Woolley	10,358	Corridor	15,000
Subtotal Cities & UGAs	64,504		96,500
Swinomish	2,664		3,650
Bayview	1,700	Corridor	5,600
Subtotal County UGAs	4,364		9,250
TOTAL URBAN	68,868		105,750
TOTAL RURAL	34,110		43,330
TOTAL COUNTY	102,978		149,080

This allocation, if adopted by the GMASC, will be the basis for each jurisdiction to proceed with its comprehensive planning process to meet the December 1, 2005 GMA deadline. If further analysis indicates a need to revisit this allocation due to more refined conclusions about land or infrastructure capacity, the Technical Committee will reconvene. During the planning, other factors such as zoning densities, urban growth area configurations, and community visioning will be considered as well.

Berryman & Henigar

MEMO

Date: 2/14/03

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: POPULATION 30176

This memo explains how the Revised *Recommended Draft Population Allocation, 2/11/03* relates to the overall 2025 population target.

The recommendation results in an urban population of 105,750. Based on that, the total population would be 149,080 (rounded).

Rural Population in 2000 using Urban Population estimated in SCOG Process	102,980 – 68,870 = 34,110
Growth in Urban Population 2000-2025	105,750 – 68,870 = 36,880
Total County Growth 2000-2025, assuming 80% urban factor per CPP.	36,880 ÷ 0.8 = 46,100
Growth in Rural Population 2000-2025 assuming 20% factor per CPP.	46,100 – 36,880 = 9,220
Total County Population in 2025: Urban Population + 2000 Rural Population + 2000-2025 Rural Growth	105,750 + 34,110 + 9,220 = 149,080

This total is 2,945 persons fewer or 2% less than the mid-point between the OFM Low and Intermediate projections.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

SKAGIT COUNTY GROWTH MANAGEMENT
POPULATION ALLOCATION
TECHNICAL COMMITTEE RECOMMENDATIONS

The Skagit County Growth Management Act Steering Committee (GMASC) has directed the Technical Committee to prepare draft population allocations for the Year 2025. The allocations are to be considered based on the mid-point between the state Office of Financial Management (OFM) "Low" and "Intermediate" forecasts described in the October 8 *Briefing Paper, Selecting an Updated 20-Year Population Forecast for Skagit County* discussed at the November 6 GMASC meeting.

This paper is in two parts: The first part presents an approach to the allocation analysis in tabular form to expedite review. The table features two columns, "Assumptions/Factors" and "Discussion". The first column presents the basic points that have driven the analysis. The second column provides rationale and comparative information related to the assumptions and factors.

The second part of the paper is the Technical Committee's recommended 2025 population allocation.

Population allocation under the GMA involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. While under the GMA it is acceptable to plan for more growth than is forecasted or allocated, it is not acceptable to plan for less than the OFM "Low" county-wide number. Within the County, individual jurisdictions may elect to plan for lower or higher numbers so long as the aggregate is at or above the OFM "Low".

Part One – Assumptions and Factors

The midpoint between OFM "Low" and "Intermediate" is 152,025. For comparison purposes, we have also generated analyses based on the OFM "Low" and "Intermediate" numbers to show the range as indicated in line ***1***. The resulting 25 year growth from 2000 would be similar to the historic growth of the past 25 years (**2**). This amount of future growth would be significantly less in terms of percentage, compared to the past 25 years (***3,4***). Under current policy and consistent with actual urban/rural growth activity per the *Growth Management Indicators Report*, we will assume that 80% of the growth will be in the urban areas (cities and UGAs). This would result in the need to plan for between 29,019 and 49,454 new urban residents over the next 25 years (***5,6***). At

an average household size of 2.5, this would generate the development of 11,608 to 19,782 new dwelling units (***7,8***). This level of development would be much lower than recent housing production rates.

A baseline for the allocation work will be the current land capacity estimates for the cities and the UGAs. Line ***9*** shows the estimated capacity for these areas.

	ASSUMPTIONS/FACTORS	DISCUSSION
1	Proposed 2025 Allocation Baselines: • 139,253 • 152,025 • 164,797	These are the OFM Low and Intermediate projections and the mid-point between them.
2	Growth between 2000 and 2025 would be: • 36,274 • 49,046 • 61,818	In the past 25 years, Skagit County grew by 48,879 people (1975-2000)
3	The percent of growth for the scenarios would be: • 35.2 • 47.6 • 60.0	The population increase over the past 25 years was 90.3%
4	The average annual growth rate for the scenarios would be: • 1.4% • 1.9% • 2.4%	The average annual growth rate over the past 25 years was 3.6%
5	Rural population growth is assumed to be: • 7,255 • 9,809 • 12,364	This is based on the 20% policy
6	Urban population growth is assumed to be: • 29,019 • 39,237 • 49,454	Total minus Rural
7	New urban households would be: • 11,608 • 15,695 • 19,782	Using an average household size of 2.5.

	ASSUMPTIONS/FACTORS	DISCUSSION
8	New households would generate annual urban demand for: • 464 DU • 628 DU • 791 DU	During the 1990's county-wide average housing production was 910 DU/year. The city rate was 579 and the unincorporated rate was 331.
9	Estimated residential land capacity in terms of population is: • Anacortes & UGA 3,300 • Burlington & UGA 2,808 • Concrete & UGA 300 • Hamilton & UGA 0 • La Conner 450 • Lyman 18 • Mt. Vernon & UGA 28,270 • Sedro Woolley & UGA 8,828 • Non-City UGAs ?	Figure subject to change Bayview Ridge preliminary capacity is 5,600 subject to outcome of subarea planning and EIS

Using the above, we examined several allocation scenarios based on the above assumptions and factors. The urban growth will be allocated to the cities + UGAs and county UGAs. The following describes the methods.

Proportionate
Allocate population for 2025 using the same proportions of population that existed in 2000.

Capacity
Allocate population to the jurisdictions (cities + UGAs and county UGAs) based on estimated land capacity. Allocate up to, but no more than 70-90% of capacity. The balance of the total would be allocated to non-city UGA.

I-5 Corridor
Based on OFM's conclusions that growth will follow the freeway, allocate 80% of the population to the areas contiguous to I-5. This would put most of the growth into Burlington, Sedro-Woolley, Bayview Ridge and Mt. Vernon, with correspondingly lesser amounts into the other jurisdictions.

The resulting allocations were discussed by the Technical Committee at the January 10 and February 7 meetings at which some fine-tuning changes were

made resulting in the modified I-5 Corridor emerging as the recommended allocation.

MEMO

Date: 1/2/03

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: PRELIMINARY POPULATION ALLOCATIONS 30176

This transmits a first iteration of population allocations. The *"Assumptions and Factors"* paper describes the approach used to generate these numbers.

We have developed this material for discussion purposes only. It should not be distributed outside of the Technical Committee (SCOG) until the Committee members have reviewed and commented. I will attend the January 10 meeting to answer any questions and participate in the discussion. That should lead to any necessary refinements and transmittal to the GMASC. Following this, we will prepare similar materials on employment allocations.

Capacity estimates for the cities and their UGAs may need further refinement as well.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

Skagit County Draft Population Allocation

PROPORTIONATE METHOD

The following table shows a 2025 allocation distribution that assumes each jurisdiction's share of the population is the same percentage that it is today (2000). This is primarily for comparison purposes in evaluating the other scenarios.

JURISDICTION (Cities & UGA)	2000 POPULATION	PERCENT	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	21.27	20,570	22,744	24,917
Burlington	8,728	12.67	12,253	13,548	14,842
Concrete	960	1.39	1,344	1,486	1,628
Hamilton	309	0.45	435	481	527
La Conner	761	1.10	1,064	1,176	1,289
Lyman	409	0.59	571	631	691
Mount Vernon	28,332	41.14	39,786	43,991	48,193
Sedro-Woolley	10,358	15.04	14,545	16,082	17,619
Subtotal Cities & UGAs`	64,504	93.65	90,568	100,139	109,706
Swinomish	2,664	3.87	3,743	4,138	4,535
Bayview	1,700	2.47	2,389	2,641	2,894
Subtotal County UGAs	4,364	6.34	6,132	6,779	7,429
TOTAL URBAN	68,868	100	96,700	106,918	117,135

Skagit County Draft Population Allocation

CORRIDOR METHOD

The following table shows a 2025 allocation distribution that assumes that cities and UGAs within the I-5 corridor will receive 80% of the urban growth. This is based on OFM's conclusions that growth tends to be focused on major transportation routes. More specific assumptions include:

- Swinomish UGA annual growth rate is assumed to be 1.0% for the Low Allocation
- Bayview Low allocation is based on the implied annual growth rate from 2000 Census Population (1700) to the adopted 2015 target (3,420 + the 909 "Reserve"), or 10.3%. This rate is extrapolated over the 25 year planning period resulting in 6,078.
- Mid Range and Intermediate allocations are straight line projections based on the Low figures.

JURISDICTION (Cities & UGA)	2000 POPULATION	LOCATION	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647		18,757	20,739	22,720
Burlington	7,552	Corridor	10,684	11,813	12,941
Concrete	960		1,230	1,360	1,490
Hamilton	309		396	438	480
La Conner	761		974	1,077	1,180
Lyman	409		524	579	635
Mount Vernon	28,332	Corridor	40,084	44,319	48,554
Sedro-Woolley	10,358	Corridor	14,654	16,202	17,750
Subtotal Cities & UGAs`	63,328		87,303	96,527	105,750
Swinomish	2,664		3,330	3,682	4,034
Bayview	1,700	Corridor	6,078	6,720	7,363
Subtotal County UGAs	4,364		9,408	10,402	11,397
TOTAL URBAN	67,692		96,711	106,929	117,147

Skagit County Draft Population Allocation

CAPACITY METHOD

The following table shows a 2025 allocation distribution that assumes up to, but no more than 70-, 80-, and 90% of each city's capacity will be absorbed by 2025. The balance will be absorbed by the County UGAs.

JURISDICTION (Cities & UGA)	2000 POPULATION	CAPACITY	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	3,300	16,957	17,287	17,617
Burlington	8,728	2,808	9,518	9,798	10,079
Concrete	960	300	1,170	1,200	1,230
Hamilton	309	0	309	309	309
La Conner	761	450*	1,076	1,121	1,166
Lyman	409	18	422	423	425
Mount Vernon	28,332	28,270	48,121	50,948	53,775
Sedro-Woolley	10,358	8,828	16,537	17,420	18,303
Subtotal Cities & UGAs`	64,504	43,974	94,110	98,506	102,904
Swinomish	2,664	None?	0	2,720**	2,720*
Bayview	1,700	3,630***	2,601	5,703	11,522
Subtotal County UGAs	4,364	?***	2,601	8,423	14,242
TOTAL URBAN	68,868		96,711	106,929	117,146

Notes:
* Subject to change
** 2015 allocation used
*** Subject to outcome of subarea planning and EIS

MEMO

Date: 12/26/02

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: INITIAL DRAFT – ALLOCATIONS 30176

This transmits our first round of allocations using the three scenarios or methods. I have just a few observations based on this.

- The Proportionate Method is neutral with respect to capacity or policy. It merely reflects the results if all areas were to maintain the same proportions of population in 2025 as they had in 2000. This would put most growth in the cities and their UGAs and would probably also require expansion of most of the city UGAs.

- The Capacity Method reflects the estimated amount of growth that can presumably be accommodated in the city UGAs as currently calculated. This scenario indicates that the county Bayview UGA would have to be significantly expanded or densified to absorb the remaining urban portion of the OFM projection.

- The Corridor Method seeks to balance city-county growth and would also involve expansion of all UGAs or other strategies such as up-zoning, density bonuses, etc. to accommodate the growth.

After you, Gary and Connie have had a chance to review this submittal, I look forward to your comments and suggestions on both the format and content and how to proceed with getting the word out to the Technical Committee.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

Skagit County Draft Population Allocation

CORRIDOR METHOD

The following table shows a 2025 allocation distribution that assumes that cities and UGAs within the I-5 corridor will receive 80% of the urban growth. This is based on OFM's conclusions that growth tends to be focused on major transportation routes. More specific assumptions include:

- Swinomish UGA annual growth rate is assumed to be 1.0% for the Low Allocation
- Bayview Low allocation is based on the implied annual growth rate from 2000 Census Population (1700) to the adopted 2015 target (3,420 + the 909 "Reserve"), or 10.3%. This rate is extrapolated over the 25 year planning period resulting in 6,078.
- Mid Range and Intermediate allocations are straight line projections based on the Low figures.

JURISDICTION (Cities & UGA)	2000 POPULATION	LOCATION	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647		18,757	20,739	22,720
Burlington	7,552	Corridor	10,684	11,813	12,941
Concrete	960		1,230	1,360	1,490
Hamilton	309		396	438	480
La Conner	761		974	1,077	1,180
Lyman	409		524	579	635
Mount Vernon	28,332	Corridor	40,084	44,319	48,554
Sedro-Woolley	10,358	Corridor	14,654	16,202	17,750
Subtotal Cities & UGAs`	63,328		87,303	96,527	105,750
Swinomish	2,664		3,330	3,682	4,034
Bayview	1,700	Corridor	6,078	6,720	7,363
Subtotal County UGAs	4,364		9,408	10,402	11,397
TOTAL URBAN	67,692		96,711	106,929	117,147

Skagit County Draft Population Allocation

CAPACITY METHOD

The following table shows a 2025 allocation distribution that assumes up to, but no more than 70-, 80-, and 90% of each city's capacity will be absorbed by 2025. The balance will be absorbed by the County UGAs.

JURISDICTION (Cities & UGA)	2000 POPULATION	CAPACITY	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	3,300	16,957	17,287	17,617
Burlington	7,552	2,808	9,518	9,798	10,079
Concrete	960	300	1,170	1,200	1,230
Hamilton	309	0	309	309	309
La Conner	761	450*	1,076	1,121	1,166
Lyman	409	18	422	423	425
Mount Vernon	28,332	28,270	48,121	50,948	53,775
Sedro-Woolley	10,358	8,828	16,537	17,420	18,303
Subtotal Cities & UGAs`	63,328	43,974	94,110	98,506	102,904
Swinomish	2,664	None?	0	2,720**	2,720*
Bayview	1,700	?***	2,601	5,703	11,522
Subtotal County UGAs	4,364		2,601	8,423	14,242
TOTAL URBAN	67,692		96,711	106,929	117,146

Notes:
* Subject to change
** 2015 allocation used
*** Subject to outcome of subarea planning and EIS

Skagit County Draft Population Allocation

PROPORTIONATE METHOD

The following table shows a 2025 allocation distribution that assumes each jurisdiction's share of the population is the same percentage that it is today (2000). This is primarily for comparison purposes in evaluating the other scenarios.

JURISDICTION (Cities & UGA)	2000 POPULATION	PERCENT	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	21.64	20,928	23,139	25,350
Burlington	7,552	11.16	10,793	11,933	13,073
Concrete	960	1.42	1,373	1,518	1,663
Hamilton	309	0.46	445	492	539
La Conner	761	1.12	1,083	1,198	1,312
Lyman	409	0.60	580	642	703
Mount Vernon	28,332	41.85	40,474	44,750	49,026
Sedro-Woolley	10,358	15.3	14,797	16,360	17,923
Subtotal Cities & UGAs`	63,328	93.55	90,473	100,032	109,589
Swinomish	2,664	3.94	3,810	4,213	4,616
Bayview	1,700	2.51	2,427	2,684	2,940
Subtotal County UGAs	4,364	6.45	6,237	6,897	7,556
TOTAL URBAN	67,692	100	96,710	106,929	117,145

Briefing Paper
for the
Skagit County Growth Management Act Steering Committee

Selecting an Updated 20-Year Population Forecast for Skagit County

Prepared by Berryman & Henigar in association with
Michael J. McCormick
September 27, 2002

INTRODUCTION

This paper provides information and seeks to frame the discussion to help the Skagit County Growth Management Act Steering Committee (GMASC) select a population projection for growth management planning to the Year 2025. All jurisdictions within the county are required to update their comprehensive plans addressing growth to that year. The updates must be completed by 2005.

As one of the first steps in this process, Skagit County, in consultation with the cities and towns, needs to decide what the 2025 countywide population target will be for planning purposes. This will set the stage for the planners to divide the overall target into recommended allocations for the city and county UGAs and the remaining rural area. As reflected in recent discussions by the Skagit Council of Governments (SCOG) planners group, some jurisdictions appear to favor selecting a population forecast toward the lower end of the Office of Financial Management (OFM) range, while other jurisdictions favor a number toward the middle of the range.

This decision has important implications for possible revisions to Countywide Planning Policy (CPP) 1.1 affecting population and employment allocations to the various jurisdictions for the next 20-year planning period. Therefore, planners have recommended that the decision should be made by the Growth Management Act Steering Committee (GMASC) created by the newly adopted 2002 Framework Agreement.

OFM Population Forecasts

Under state law, the OFM has developed low, medium, and high population forecasts for each county in the state. (See Appendix A for a detailed description of how these forecasts are developed.) The Growth Management Act requires each county and its cities and towns to plan to accommodate this new 20-year population forecast. As noted above, OFM provides a range with the mid-range number being considered the "most likely." The population number adopted by the county, in consultation with the cities and towns, must fall within the OFM range. How the specific number is selected and how the total is distributed between Urban Growth Areas and the Rural Areas is a local decision—within the parameters of the GMA. The specific outcome is to select an overall number that falls within the OFM range and to distribute that number among the respective UGAs and the Rural portion of the county.[1]

The OFM low, medium, and high forecasts for Skagit County for the years 2015 and 2025 are as follows:

[1] The county may petition OFM to revise the official projection if it feels the projection does not accurately reflect what is likely to transpire.

Adopted CPP 1.1 for 2015	OFM 2015 Forecasts	OFM 2025 Forecasts
	High: 154,785	High: 198,992
137,700	Medium: 135,717	Medium: 164,797
	Low: 121,467	Low: 139,253

The currently adopted Countywide Planning Policy 1.1 establishes a target of 137,700 for the year 2015. That is slightly higher than the OFM 2015 medium projection of 135,717, as shown above. The current CPP 1.1 for 2015 is only slightly below the OFM Low forecast for 2025, fully 10 years later, showing what a significant departure the Low forecast would be from currently-adopted planning assumptions.

County-Wide Growth Patterns

The county population for the year 2000, according to the U.S. Census, was 102,979 – an increase of 23,434 or 29.5% over 1990. This number is generally on track with the OFM's 1995 mid-range estimate, contained in the 1997 County Comprehensive Plan, that the County's population in 2000 would be 103,475, as shown in the table below:

OFM 1995 Mid-Range Estimate of County Population in 2000	103,475
County Population in 2000 Per U.S. Census	102,979

The Census figure for 2000 reflects an annual average growth rate of about 2.8% per year. The countywide growth rate declined to about 1% for the period of April 1, 2001 to April 1, 2002, most likely reflecting the general economic slowdown. The total estimated county population as of April 1, 2002 was 105,100.

To some jurisdictions, the fact that the growth rate has dropped to 1% over the past year is reason to adopt a "conservative" or low estimate through 2025. They argue that the relatively rapid pace of growth through the 1990s is not likely to continue over the next 20 year period, as the recent slowdown illustrates. Starting with the higher end of the range will require cities and the county to plan for expensive and possibly unnecessary infrastructure, at a time when they are having difficulty providing for current levels of population growth. Some jurisdictions maintain that their current city limits or surrounding UGAs do not have the physical land base or "capacity" to accommodate increased growth as projected by the OFM mid-range estimate.

Other jurisdictions believe that the low forecast is unrealistic given that overall growth in the past 12 years has closely tracked the OFM medium-range estimates. The downturn of the past year is not expected to continue. They point out that the OFM "low" forecast for 2025 (139,253) is nearly identical to the county's adopted CPP 1.1 population forecast of

137,700 for 2015, making the "low" forecast highly inconsistent with currently adopted plans and with the likely reality in the future. These jurisdictions also point out that the county is required by GMA to adopt a population projection within the OFM range resulting in a "floor and ceiling" for the county, and then allocate that population accordingly, rather than selecting an overall county number that simply matches the wishes of individual jurisdictions. The OFM range is assumed to be "reasonable" and it is up to the jurisdictions to work within it and be prepared to "show their work".

Growth Trends within the County

Actual growth within the county has varied from UGA to UGA. Burlington, Hamilton, and Lyman have already exceeded their CPP 1.1 targets for 2015, and Anacortes and Sedro-Woolley are closing in. Since the county has not yet completed the Bayview Ridge UGA plan, the effect of that area on the overall county growth can not be estimated.

All areas of the county – urban and rural – appear to have sufficient capacity to accommodate significant growth. Further analysis on the capacity within the UGAs is being developed. A Land Use/Growth Benchmark analysis is producing measures that will be used to monitor the results of adopted goals, policies, and strategies that are included in the adopted plans. A preliminary report provides the following conclusions:

- ✓ At least 80% of the overall net 1995-2001 population growth has occurred in the urban areas, consistent with CPP 1.2.
- ✓ Between 70% and 80% of all new housing has been permitted in the UGAs in the same period.
- ✓ The density of new net residential development within the UGAs meets and exceeds the minimum of 4 units per acre.
- ✓ The amount of land designated for resource uses has remained constant.

Further information about these and other conclusions can be found in the preliminary report _____.

The Issue and the Outcome

There are a number of issues which need to be discussed, considered and, in some cases, resolved before the desired outcome of an adopted 20-year population allocation policy can be completed:

1. The CPPs adopted by Skagit County contain more specific policies to guide future growth and development. Following adoption of the overall county projection and prior to adoption of the allocations to jurisdictions, the current policies need to be reviewed to determine their current appropriateness. If changes are to be

made, they may affect the range of options available for allocating the new growth.

2. The ability of any city or town to accept new residential growth is partially dependent upon the remaining capacity of their current UGA. This, in turn, is dependent upon the amount of vacant or redevelopable land, the density of new residential development, and ultimately, the ability of the jurisdiction to provide urban services. It is essential that each jurisdiction assess the amount of development and the amount of available land that can be used to accommodate future residential development.

3. The GMA is quite clear about what must be done if a jurisdiction can not demonstrate that it can finance the necessary infrastructure; it must reconfigure the land use patterns until it can. The reality of this provision is now apparent in ways it was not in the first iteration of GMA planning for many cities and towns. There are two ways to limit a city or town's exposure to infrastructure concurrency: Limit the development in the existing UGA; and/or accept the minimum amount of new growth—both as a total number for the county and as an individual jurisdiction's share.

Adopting this approach to limit potential problems for individual jurisdictions raises some additional interesting questions:

A. What are the consequences of selecting an "low" population target number for the county? Is it better to select a target nearer the middle of the range and deal with the consequences now or to pick a low number and delay dealing with the consequences?

B. How about equity and fairness? Should one or a small number of jurisdictions be allowed to refuse to accept their "fair share" of the new population?

C. If there are jurisdictions with physical constraints which preclude their acceptance of a "fair share," is there a way for them to compensate those jurisdictions which absorb their share?

Ultimately, the County will adopt new target numbers following the consultative process currently being negotiated. The ease of this process and the subsequent planning undertaken by each jurisdiction will depend, in part, on the cooperation and collaboration of all the parties.

First Step

Initially, the Skagit jurisdictions, through the Growth Management Act Steering Committee, need to decide what the 2025 countywide population target for planning should be, considering the preceding discussion. This will set the stage for the planners

to work on dividing the overall target into recommended allocations for the city and county UGAs and the remaining rural area.

Appendix A

The following quote from OFM's publication *"Washington State County Population Projections for Growth Management"* explains the assumptions used by the Office of Financial Management in determining its High, Medium, and Low forecasts:

> *Washington and its counties, as can be seen in various tables and graphs in this publication, have tended to exhibit growth spurts interrupted by periods of slower growth, stagnation, and sometimes even decline. Furthermore, these spurts are not uniform in time and space. One example is the well-known "Boeing Bust" of the early 1970s that affected the central Puget Sound area. Some other parts of the state experienced rapid growth during the same period. These revised projections incorporate the impact of a "rural rebound" growth trend experienced by most of the western states in the early 1990s. It was an exodus of two million people leaving California during a severe economic recession that caused this trend. Rural and nonmetropolitan growth in Washington during the early 1990s was far greater than anticipated, but quickly slowed as California's economy recovered in the mid-1990s.*
>
> *History shows us that growth spurts or contractions usually do not last long. Such a situation creates uncertainty, and alternative projections are a solution. While the intermediate population projection is assigned the distinction of reflecting the most likely trend—most near term growth, for most counties, is not expected to track "right on" the intermediate expectations. Population growth is simply not likely to follow any single set of numbers. Growth will most likely be somewhat higher, or lower—or both higher and lower over the long term.*
>
> *Aside from the near term growth in the state model, no attempt is made to predict the timing and magnitude of spurts. Recent growth patterns are blended into general tendencies. General tendencies are based on (1) 1960-2000 trends in relative population growth, and (2) a set of assumptions that is both grounded in past experience and which seems reasonable, given what is known about the economic, demographic, and social character of each of the 39 counties. These assumptions are:*
>
> - *Major growth, in terms of numbers, if not rates, will be through accretion of existing population centers. Rates of growth will be smaller (or potentially negative) at the center sand high on the periphery.*
>
> - *This accretion will occur along existing transportation corridors and spurs, primarily the interstate highways and similar roadways.*

- *Non-corridor growth has been happening due to in migration of retirees and perhaps telecommuters. This is expected to continue for counties where sustained historical growth has been recorded.*

- *Counties that are remote, and that have inconsistent growth histories, are assumed to have lower prospects for substantial future growth despite population jumps in the early 1990s.*

The "population centers" noted above are Seattle, Spokane, Yakima, Tri-Cities, and Portland. Growth assumptions for individual counties are largely manifested in the migration numbers presented in the tables. In practice, the assumptions are not rigidly applied. They serve as guidelines for modifying various migration and population share trends out towards the projection horizon It should be noted that detailed migration data by age and gender from Census 2000 will not be released until mid-2002 and therefore could not be incorporated in the revised projections. However, OFM's treatment of migration includes several noteworthy technical features. One is that special in/out -migrating populations related to the presence of colleges, military facilities, prisons, and mental hospitals are handled separately from other migrants for counties that are significantly impacted by such populations. Population pyramids for each county were examined to ensure that the age-sex characteristics of all counties, and particularly those with colleges, correctional facilities, or other special populations, were successfully carried forward through 2025.

High and Low Projection Alternatives. *GMA specifications require that county projections be expressed as a "reasonable" range developed within the state high and low projection series. State high and low projections are based on probable economic and other assumptions. State growth assumptions do not carry forward extreme economic conditions or other factors that have resulted in relatively short periods of extremely high population gains or losses. County projection growth ranges, developed within the state framework, were established on the same general basis and show moderate variations.*

County high and low projection alternatives reflect uncertainty bands. They are not, in a formal sense, alternative scenarios. In general, the uncertainty band will be larger for smaller counties than large ones. It will be larger for faster growing than slower growing areas. It will be larger for counties with erratic growth in the past and smaller for counties that have had steadier growth. It will be larger for counties that may be impacted by changes in variable military, college, correctional, or other special populations. Both series sum to statewide low and high projections similar to the intermediate series.

Berryman & Henigar

MEMO

Date: 11/18/02

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: Forecasting "Data Points" 30176

Kirk, the attached spreadsheets are intended to be the baseline for the forecasts. The include FACTS and ASSUMPTIONS that need to be completed and verified. The Population table is pretty straightforward. The Employment version is less so.

Population

Col. 1 – We've used the population numbers for the unincorporated UGAs that came from the GIS maps. Where the census divisions and the UGA boundaries don't line up, we interpolated.

Col. 2 – We don't have numbers of households for the unincorporated UGAs. If they are easy to generate, that would be good.

Col. 7 – These capacity numbers should include the cities' estimates and the County's for the unincorporated UGAs. I think that this is the stuff that Connie is working on.

Col. 8 – The "system capacity" would be any information regarding sanitary sewer treatment, water supply, etc. issues that might affect growth estimates.

Employment

Col. 2 – This is the only recent distribution of jobs by jurisdiction that we have found. If it's suspect, we might not want to use it.

Col. 3 – As I know, there is not information yet on employment by jurisdiction from the census or any other source unless Kelly has something.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

Col. 5 – Again, we will hopefully be able to get newer information from the cities, Connie & GIS to supplement this '97 work by Eric Hovee.

Col. 6 – Same as with population, anything that we should know about that would affect forecasting.

SKAGIT COUNTY DATA POINTS FOR POPULATION & EMPLOYMENT FORECASTING

POPULATION

AREA	2000 CENSUS POPULATION (1)	2000 HH	2000 HH SIZE (CITIES)	2002 ESTIMATE OFM (CITIES)	GROWTH RATE 90 - '00 (%)	2015 TARGET (CITY & UGA)	LAND CAPACITY (DU)	SYSTEM CAPACITY	NOTES
Anacortes	14557	6086	2.37	14910	2.7				
Anacortes UGA	90					18300			
Burlington	6757	2398	2.74	7190	5.2				
Burlington UGA	795					7065			
Concrete	790	300	2.63	790	0.7				
Concrete UGA	170					1560			
Hamilton	309	117	2.64	340	3.6				
Hamilton UGA						315			
LaConner	761	372	2.05	775	1.1	930			
LaConner UGA									
Lyman	409	161	2.54	415	4.9				
Lyman UGA						370			
Mt. Vernon	26232	9276	2.75	26670	4.9				
Mt. Vernon UGA	2100					41725			
Sedro-Woolley	8658	3205	2.62	8805	3.7				
Sedro-Woolley UGA	1700					12030			
Swinomish	2664	1112	2.4			2720			
Bayview Ridge	1700					3420			
Reserve						910			
TOTAL URBAN	67692	23027		59895		89345			
			2.655						

(1) Estimates for UGAs based on Census Blocks

SKAGIT COUNTY POPULATION ALLOCATION FRAMEWORK

#		2002 POPULATION (ESTIMATED)	2015 ADOPTED POLICY	2022 OFM LOW	2022 OFM MEDIUM	2022 OFM HIGH
1	Total County	105,100	137,700	134,200	156,200	185,300
2	Rural		48,355	47,655	52,055	57,875
3	Urban		89,345	86,545	104,145	127,425
4	County UGAs		7,050	6,830	8,220	10,055
5	City UGAs	65,222	82,295	79,715	95,925	117,370
6	Anacortes	14,910	18,300	17,730	18,300	18,300
7	Burlington	8,728	7,065	6,845	8,570	10,940
8	Concrete	860	1,560	1,510	1,890	2,415
9	Hamilton	340*	315	305	380	485
10	LaConner	775	930	900	1,130	1,440
11	Lyman	415*	370	360	450	570
12	Mt. Vernon	28,621	41,725	40,415	50,610	64,595
13	Sedro-Woolley	10,573	12,030	11,650	14,590	18,625

NOTES:
All numbers rounded to nearest 5

*No data for unincorporated UGA

1. Current OFM 2015 projections are 121,467 / 135,717 / 154,785
2. 2022 rural population assumes 20% of county growth
3. 2022 urban population = total - rural
4. 2022 county UGAs assumes same proportion to total as 2015 adopted policy
5. City UGAs = urban - county UGAs
6. Anacortes @ 2022 "Low" assumed same proportion of City UGA as adopted policy. Anacortes @ 2022 "Medium" & "High" assumes holding at 2015 number.

7-13 Other city UGAs for 2022 "Medium" and "High" assumed proportional after Anacortes is subtracted from city UGA total.

SKAGIT COUNTY POPULATION

	Census		OFM		CWPP	SR 20 Model		Comments
AREA	1990	2000	2001	2002	2015	2020	2025	
Anacortes City	11,451	14,557	14,840	14,910				
Anacortes UGA					18,300	19,314	20,509	
Burlington City	4,449	6,757	6,995	7,190				
Burlington UGA					7,065	8,130	9,167	
Concrete City	735	790	790	790				
Concrete UGA					1,561	1,891	2,181	
Hamilton City	228	309	325	340				
Hamilton UGA					315	362	409	
LaConner City	686	761	765	775				
LaConner UGA					930	975	975	
Lyman City	275	409	410	415				
Lyman UGA					370	426	480	
Mt. Vernon City	17,647	26,232	26,460	26,670				
Mt. Vernon UGA					41,725	48,994	55,756	
Sedro-Woolley City	6,333	8,658	8,700	8,805				
Sedro-Woolley UGA					12,030	14,104	15,904	
Swinomish Res.	2,282	2,664			2,720	3,182	3,588	
Upper Skagit Res.	180	238						
Bayview Ridge					3,420	3,988	4,497	
Reserve					909*			*Includes Similk LAMRID?
Total UGA					89,345	101,366	113,465	
Rural					48,355*	51,446	54,471	*Includes Upper Skagit Res?
TOTAL	79,545	102,979	104,100	105,100	137,700	152,812	167,936	
OFM RANGE					154,785 135,717 134,174	176,627 150,499 130,891	198,992 164,797 139,253	
Straight Line @ 2.294%					142,080	159,140	178,250	1992-2002 Actual Rate

Berryman Henigar

MEMORANDUM

Date: 7/30/02

To: Kirk Johnson

From: Roger Wagoner

Re: August 15, 2002 SCOG Meeting

This transmits a package of materials in support of the next SCOG meeting to discuss population allocations. Since it has been several months since we have met, most of the package includes materials that have been previously distributed.

Update

The state Office of Financial Management recently released its estimates of population as of April 1, 2002. For Skagit County and the cities, OFM estimates that 1,000 new residents were added since April 1, 2001. This one year growth rate is about 1%, significantly lower that the average annual rate experienced over the past decade. The '01-'02 growth occurred primarily in the cities (610) vs. the unincorporated area (390). OFM does not distinguish between unincorporated UGA and rural population. The distribution of growth was as follows:

JURISDICTION	APRIL 1, 2002 ESTIMATE	2001 – 2002 GROWTH
Anacortes	14,910	70
Burlington	7,190	195
Concrete	790	0
Hamilton	340	15
LaConner	775	10
Lyman	415	5
Mt. Vernon	26,670	210
Sedro-Woolley	8,805	105
INCORPORATED	59,895	610
UNINCORPORATED	45,205	390
TOTAL COUNTY	105,100	1,000

More information from the 2000 Census is now available in "profiles" of general

demographic characteristics, selected social characteristics, selected economic characteristics, and selected housing characteristics for each county, city, reservation and other "census designated places". These can be downloaded from the OFM website at www.ofm.wa.gov/census2000/index.htm. While we have not discussed the reservations before, the Census reports show that the Swinomish Reservation 2000 population was 2,664 and the Upper Skagit Reservation population was 238. Reservation population does not appear to be explicitly addressed in the current Countywide Planning Policies.

Background

The following (attached) products the status of our work to this point. A quick review of this material prior to the meeting should expedite the discussion and direction for further analysis.

February 22 Workshop Paper
This paper provided some initial conclusions about growth trends; asked questions pertaining to methods for framing the allocation process; and described the information sources necessary to base allocations on.

March 25 Household Trends Analysis
This table shows the changes in household characteristics between the 1990 and 2000 Census'.

March 25 Permit Activity Analysis
This table summarizes the results of our analysis of County-provided permit data for the period 1995 through the first two months of 2002.

Next Steps

The process must balance several forces. These include:

- What the total county target for 2022 should be;
- Urban vs. rural population distribution;
- Community visions regarding growth;
- UGA capacities; and
- LAMIRDs

Data and analysis needs vary among these forces. Several on-going efforts are being made. City permit activity data are being acquired and reviewed. County GIS maps showing 2000 census population distribution and permit activity within the unincorporated UGAs are being developed. Information non-residential capacity is being developed.

The outcome of the meeting should be that everyone is generally comfortable with the approach and the analysis completed to date, and a clear understanding of what is to come and who is responsible.

HOUSEHOLD TRENDS

JURISDICTIONS	1990				2000				TRENDS 1990-2000				ANNEXATIONS		
	Pop In HH	Occupied DU	Vacant DU	HH Size	Pop In HH	Occupied DU	Vacant DU	HH Size	Pop In HH	Occupied DU	Vacant DU (% Total)	HH Size	Pop	Occupied DU	Vacant DU
SKAGIT COUNTY	77,945	30,573	3,007	2.55	101,138	38,852	3,829	2.60	23,193 30%	8,279 27%	1990: 9 2000: 9	0.05 2%			
Unincorporated	37,350	14,141	2,126	2.64	42,665	16,937	2,565	2.52	5315 14%	2,796 20%	1990: 13.1 2000: 13.2	-0.12 -5%	-718	-263	-26
Incorporated	40,595	16,432	881	2.47	58,473	21,915	1,264	2.61	17,878 44%	5,483 33%	1990: 5.1 2000: 5.5	0.14 6%			
Anacortes	11,220	4,669	323	2.40	14,557	6,086	465	2.37	3,337 30%	1,417 30%	1990: 6.5 2000: 7.1	-0.03 -1%	56	26	14
Burlington	4,277	1,749	69	2.45	6,757	2,398	133	2.74	2,480 58%	648 37%	1990: 3.8 2000: 5.3	0.29 12%	263	107	5
Concrete	735	276	37	2.66	790	300	35	2.63	55 7%	24 9%	1990: 11.8 2000: 10.5	-0.03 -1%	0	0	0
Hamilton	228	88	19	2.59	309	117	18	2.64	81 36%	29 33%	1990: 17.8 2000: 13.3	0.05 2%	0	0	0
La Conner	651	291	29	2.24	761	372	62	2.05	110 17%	81 28%	1990: 9.1 2000: 14.3	-0.19 -8%	0	0	0
Lyman	275	118	8	2.33	409	161	12	2.54	134 49%	43 36%	1990: 6.3 2000: 6.9	0.21 9%	8	3	0
Mt. Vernon	17,189	6,885	282	2.50	26,232	9,276	410	2.75	9,043 53%	2,391 35%	1990: 3.9 2000: 4.2	0.25 10%	364	117	5
Sedro-Woolley	6,020	2,356	114	2.56	8,658	3,205	129	2.62	2,638 44%	849 36%	1990: 4.6 2000: 3.9	0.06 2%	27	10	2

NOTES FOR THE TABLE OF "HOUSEHOLD TRENDS"

This table is a working document intended for compiling data pertaining to growth trends in Skagit County from 1990-2000. The relationships between and among the variables will be used to formulate assumptions to support forecasting future population growth.

1. The table contains U.S. Census data describing housing and residential population for the two census periods. The city information is for the incorporated areas only.
2. The population shown here does not include people living in "group quarters".
3. The shaded "Trends" section of the table includes comparisons that may inform the forecasting process. Growth rates of population and housing for all of the cities were equal to, and generally significantly greater than, the County overall. Burlington and Mt. Vernon had the highest growth rates, somewhat attributable to annexations.
4. Vacancy rates, which contribute to "market factor" are fairly consistent .
5. Household sizes have increased in the cities with the exception of Anacortes, Concrete, and La Conner.

HOUSING UNIT PERMIT ACTIVITY
Skagit County Unincorporated UGAs and Rural Area
1995 - 2002 Including Mobile Homes

AREA	1995	1996	1997	1998	1999	2000	2001	2002	TOTAL	Pending
Anacortes UGA	0	0	0	0	2	0	0	0	2	0
Burlington UGA	2	0	0	0	3	4	3	1	13	1
Concrete UGA	0	0	0	1	1	0	0	0	2	0
Hamilton UGA	0	0	0	0	0	0	0	0	0	0
La Conner UGA	0	0	0	0	0	0	0	0	0	0
Lyman UGA	0	0	0	0	0	2	6	2	0	0
Mount Vernon UGA	14	17	5	12	5	12	13	2	80	7
Sedro-Woolley UGA	0	0	2	35	19	5	5	2	68	5
Bayview UGA	0	1	0	0	0	0	0	0	1	0
Swinomish UGA	23	10	5	14	6	3	7	0	68	4
TOTAL UGAs	39	28	12	62	36	26	34	7	234	17
Rural Area	189	237	185	187	187	250	185	20	1440	154
"No Data"	9	17	2	8	6	1	2	0	45	2
TOTAL	237	282	199	257	229	277	221	27	1719	173

DISCUSSION DRAFT - 3/25/02 - Berryman & Henigar w/ Michael J. McCormick

Comments

Most of the UGA is designated for industrial uses

No UGA

No UGA

SKAGIT COUNCIL OF GOVERNMENTS
POPULATION ALLOCATION WORKSHOP
February 22, 2002

Introduction

This first workshop is intended to be an ice-breaker that introduces the consultants; establishes contact protocols; and introduces the process and outcomes.

Overall Objective

Consider the range of options pertaining to growth targets for the next 20 years and come to agreement on a recommended amendment to the Countywide Planning Policies.

2/22 Objective

- Provide the consultants with direction regarding the scope of work, schedule, and products.
- Discuss cities' concerns with schedule and data needs.

Workshop Approach

We propose that the workshop be a combination of presentation and discussion. Mike McCormick will be the facilitator and Roger Wagoner will provide some information to fuel the discussion.

It's our intention for this to be a collaborative effort. We want to help you develop a policy framework for population allocation decisions so that each community can move confidently on with planning.

Process Issues

Following are some issues to be discussed regarding the project's scope of work, schedule, and related considerations:

- Project timeframe and deadlines
- Risks and potential consequences of not meeting current 2002 Update deadlines (and likelihood of an extension)
- Project scope of work and city "buy off"
- Potential difficulties for cities of meeting consultant data needs
- Involvement of city and county elected officials in approving project outcomes (and intermediate steps)

FACTS AND ASSUMPTIONS

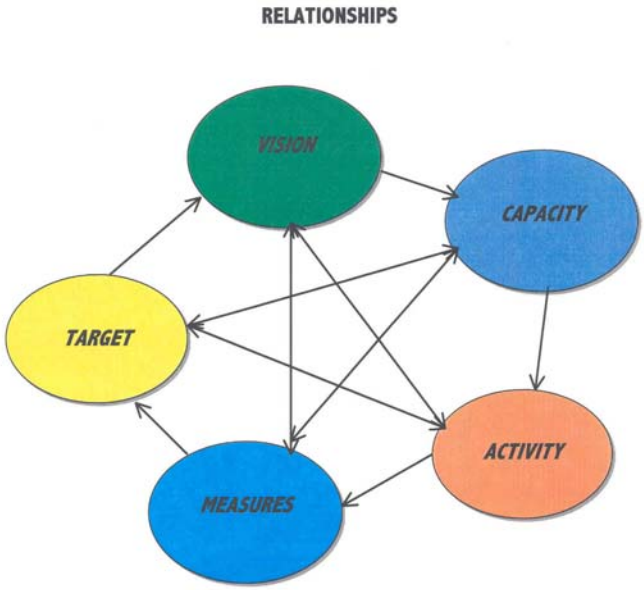
The following is a brief synopsis of the technical side of providing information that will support the eventual amendment to the CWPPs.

Questions to be addressed:

- How much growth? - The allocations/targets/projections are necessary for GMA compliance. OFM's "projections" provide ranges that are supposed to define the limits for the updates. There are options available for working outside of the OFM numbers, but we don't see a need to consider them at this time.

- Where should the growth be? - This should be a much more informed discussion and decision since it involves the issues of urban vs. rural, size and location of the UGAs, community visions, and market reality. We hope to discuss these and other factors within the context of our collective GMA experience and its application in Skagit County.

- Why and How to Grow? - In answering the first two questions, we need to consider the capacity of land and infrastructure, annexation activity, density and competitiveness among the jurisdictions – and what the plans say about these factors. The fiscal side is important too.



As to Question 1 – How Much Growth?

Countywide Growth

Adopted ***2015*** target:	137,700 (65% Urban, 35% Rural split; based on adopted CWPP goal of 80% of new growth to UGAs, 20% to Rural Area)
New OFM ***2015*** Projections	154,785 (High) {17,085 greater than SCOG} 135,717 (Medium) {1,983 lower that SCOG} 121,467 (Low) {16,233 lower than SCOG}
New OFM ***2022*** Projections	185,254 (High) {~4.9%/year, 2015-2022} 156,151 (Med) {~1.9%/year, 2015-2022} 134,174 (Low) {Forget it}
Recent Growth Rate ***(1990-2001)***	~2.8%/year
Straight line extension @ 2.8% ***(2015-2022)***	~164,700

So, as a start, we could consider testing the countywide number for 2022 in the range of 155,000 to 170,000.

As to Question 2 – Where should the growth be?

Cities & Urban Growth Areas

Since we don't have population numbers for the cities' UGAs, at this point we can just look at the 1990-2001 growth within the incorporated areas. The table shows those numbers, the respective annual growth rates, and for comparison purposes, the adopted 2015 allocations.

	1	*2*	*3*	*4*	*5*
	CITY POPULATIONS				
Cities & Unincorporated UGAs	1990	2000	2001	'90-'01 City Rate (%)	2015 CWPP UGA ALLOCATIONs
Anacortes	11,451	15	14,840	2.7	
Burlington	4,449	6,757	6,995	5.2	,065
Concrete		79	790	0.7	
Hamilton	228	309	32	3.9	315
	686	761	765	1.0	930
	275	409	41	4.5	370
ernon	17,647	26,232	26,460	4.5	41,725
Woolley	6,333	8,658	8,700	3.4	
Total City Populations	41,804	58,473	59,285	3.8	
Unincorporated UGAs					
Bayview Ridge					
Swinomish Reserve					2,720 909
Total UGAs					89,345
Rural					48,355
TOTAL COUNTY	79,545	102,979	104,100	2.8	137,700

We do have some UGA numbers going beyond the adopted 2015 targets to work with. These come from the December, 2001 *SR-20: " Sharpes Corner to SR 536 NEPA Pilot Project"* prepared for WSDOT that has 2020 and 2025 forecasts for the UGAs and rural area. (Table 3-3 "Forecast Agreed to With SCOG Planners".)

And, for the sake of discussion . . .

The following is an illustration of some approaches we can explore in addressing new targets. This combines some of the above information with some "number-smithing" to see some of the implications of using growth rate assumptions and other factors.

	4	*5*	*6*	*7*	*8*	*9*
AREAS	**'90-'01 City Rate (%)**	**2015 CWPP UGA ALLOCATIONS**	**2022 @ 2.8%**	**2022 @ City Rates**	**2022**	***Notes to Column 8***
Anacortes	**2.7**	**18,300**	**19,410**	**19,250**	**19,800**	***Using the SR 20 Study, we interpolated between the 2020 and 2025 forecasts***
Burlington	**5.5**	**7,065**	**9,150**	**10,995**	**8,545**	
Concrete	**0.7**	**1,561**	**1,035**	**850**	**2,005**	
Hamilton	**3.9**	**315**	**425**	**465**	**380**	
LaConner	**1.0**	**930**	**1,000**	**850**	**975**	
Lyman	**4.5**	**370**	**535**	**610**	**450**	
Mt. Vernon	**4.5**	**41,725**	**34,610**	**39,560**	**51,700**	
Sedro-Woolley	**3.4**	**12,030**	**11,380**	**11,955**	**14,825**	
Total City UGAs	**3.8**	**82,296**	**77,545**	**84,535**	**96,680**	
Unincorporated UGAs						
Bayview Ridge		**3,420**			**4,190**	
Swinomish Reserve		**2,720 909**			**3,345 0**	
Total UGAs		**89,345**	**88,000**	**95,405**	**104,215**	
Rural		**48,355**	**48,160**	**52,210**	**52,655**	
TOTAL COUNTY	**2.8**	**137,700**	**136,160**	**147,615**	**156,870**	

EMPLOYMENT APPENDIX

Berryman Henigar

MEMORANDUM

Date: **9/24/03**

To: **Kirk Johnson**

From: **Roger Wagoner**

Re: **JOBS/HOUSING BALANCE**

"This just in" . . . Some new numbers from the 2003 King County Annual Growth Report (you can find it on the web www.co.king.wa.us).

Using Census and state Employment Security Department data, they show the following trends and relationships of "jobs/housing balance" for King, Pierce and Snohomish Counties and the state (Chapter III, Page 26). Of course, the last several years changes resulting from the "dot-compost" and Boeing lay-offs have some side affects). These are "non-agricultural wage & salary jobs".

AREA	1995	2000	5 YEAR	COMMENT (RW's)
King	1.4	1.61	4.93	A huge change reflecting the tech boom in jobs and the related high cost of housing that drove households out of the county (6.2% growth in housing vs. 21.6% job growth)
Snohomish	0.89	0.91	1.13	Pretty stable, but this reflects admirable gains in jobs to match the substantial performance in increasing employment (11.8% housing increase vs. 15.1 job increase)
Pierce	0.83	0.9	1.58	Also fairly stable (6.3% housing increase vs. 11.9% job increase – although this might be skewed by Army and Air Force changes at Fort Lewis and McChord AFB)
3 Counties	1.18	1.31	3.15	Putting the 3 counties together somewhat evens out the King County impact, but does indicate the sustained overall pattern of jobs/housing relationships. The 3 Puget Sound counties had 73% of the entire state job growth and 50% of the housing growth. Also, 53% of the population growth.
State	1.03	1.11	2.17	Since most of the rest of the State had much less growth, these ratios are pretty compelling.

Berryman Henigar

MEMORANDUM

Date: 6/17/03

To: Kirk Johnson

From: Roger Wagoner

Re: EMPLOYMENT ALLOCATIONS

I looked at the 1997 EDH *"Urban Growth Area Analysis Update"* to examine its conclusions and compare with the recent work and discussion.

EDH came up with a county-wide figure of 2,344 acres of commercial/industrial land "available for development" based on calculations of "existing supply" within each jurisdiction. Using a 25% market factor, that would generate a figure of 2,930 acres. The EDH analysis did not include the Urban Reserve or Non-UGA areas. The following table shows the comparison of the EDH results and the adopted CPP 1.1 allocations. The "Growth Rate" column is the 18-year rate using the 1997 and 2015 figures. None of this analysis takes into account the more complex factors such as annexations and other changes to the land base during this period.

JURISDICTION	1997 USE	1997 EDH ALLOCATION	2015 CPP 1.1 ALLOCATION (less 25% market factor)	2015 USE	GROWTH RATE (%)
Anacortes	2,367	502	558 (446)	2,813	1.0
Burlington	671	322	242 (194)	865	1.4
Concrete	0	0	28 (22)	22	23.4
Hamilton	9	33	60 (48)	57	10.8
LaConner	90	2	2 (2)	92	0.1
Lyman	10	0	0	10	0
Mt. Vernon	545	771	869 (695)	1,240	4.7
Sedro-Woolley	280	217	243 (194)	474	3.0
Bayview Ridge	370	497	750 (600)	970	5.5
Swinomish	52	0	0	52	0
Reserve	?	0	0	?	0
TOTAL	4,394	2,344	2,752 (2,201)	6,593	2.3

One approach to looking at 2025 would be to extrapolate these growth rates for another 10 years beyond 2015. That would look like:

JURISDICTION	2015 CPP 1.1 ALLOCATION (less 25% market factor)	2015 USE	1997-2015 JURISDICTION GROWTH RATE (%)	2025 JURISDICTION RATE x 2015 ALLOCATION	2025 COUNTY-WIDE RATE x 2015 ALLOCATION
Anacortes	558 (446)	2,813	1.0	616	700
Burlington	242 (194)	865	1.4	278	304
Concrete	28 (22)	22	23.4	229	35
Hamilton	60 (48)	57	10.8	167	75
LaConner	2 (2)	92	0.1	2	2.5
Lyman	0	10	0	10	10
Mt. Vernon	869 (695)	1,240	4.7	1,376	1,091
Sedro-Woolley	243 (194)	474	3.0	327	305
Bayview Ridge	750 (600)	970	5.5	1,281	941
Swinomish	0	52	0	0	0
Reserve	0	?	0	0	0
TOTAL	2,752 (2,201)	6,593	2.3	4,286	3,464

The existing estimated Swinomish capacity of 420 acres could be added to these 2025 totals bringing them to 3,884 – 4,706 acres. Or, 368 of the Swinomish acres could be used to reduce the totals since this land was not factored into the CPP. That would result in total 2025 allocations of 3,096 – 3,918 acres.

What does that mean with respect to current UGAs? Using the estimated inventory figures we now have, the following could be concluded:

JURISDICTION	2025 ALLOCATION	2002 INVENTORY	SURPLUS (SHORTAGE)
Anacortes	616-700	420	(196-280)
Burlington	278-304	189	(89-115)
Concrete	35-229	0	(35-229)
Hamilton	75-167	26	(49-141)
LaConner	2-2.5	1.7	(O.3-0.8)
Lyman	10	0	(10)
Mt. Vernon	1,091-1,376	219	(872-1,157)
Sedro-Woolley	305-327	109	(196-218)
Bayview Ridge	941-1,281	630	(311-651)
Swinomish	0	420	420
TOTAL	3,464-4,286	2,015	(1,449-2,271)

Using this analysis, we can estimate that Skagit County jurisdictions will have to double the amount of commercial/industrial land that is "available for development" during the next 20 years.

MEMO

Date: 6/10/03

To: SCOG Planners

From: Roger Wagoner

RE: EMPLOYMENT ALLOCATIONS 30176.01

This memo is a progress report on the analysis leading towards updating CPP 1.1 to extend the commercial/industrial land allocation policy to the year 2025. At this time, we should be completing the assignment so that all jurisdictions have the CPP basis for initiating their individual comprehensive plan updates.

Next Steps

1) Confirm current inventory of developable land within each jurisdiction;
2) Determine the most effective way to allocate; and
3) Ensure consistency with the CEDS.

Approach

For discussion purposes, we would like to advance the following proposal based on the findings and conclusions included in the balance of this memo.

a) Establish a minimum requirement for all jurisdictions to have a 5 (or 7) years' supply of buildable commercial and industrial land available at all times. During the next 18 months leading to the 2005 GMA update deadline, jurisdictions would be charged with determining whether their current inventory is adequate and is served by urban services as indicated by 6-year capital facilities planning, and if not, how they propose to meet the requirement. This could be through UGA expansions or through "reasonable measures" such as infill strategies, upzoning, etc.

b) The updates should also include further forecasts and policy direction for 20 year commercial and industrial land needs, guided by the GMA changes in the 2002 legislation (SSHB 2697) mandating an economic development element (if legislative funding is made available), and by the CEDS.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

c) Require that all jurisdictions collaborate on implementing a land use monitoring database that would enable periodic assessment of commercial and industrial land absorption.
d) Following the 2005 adoption process, the SCOG would then revisit how the plans have addressed the CPP, and whether there should be further amendments prior to the next cycle of comprehensive plan updates.

March Discussion Paper

Following the completion of the population allocation work, the *"Skagit County Growth Management Employment Allocation"* discussion paper was drafted for SCOG review. That paper, dated March 14, described employment trends in the County, summarized information produced in prior reports, and outlined alternative methodologies for allocating employment land demand for the 20-year planning period.

In the paper and at SCOG meetings, we discussed the data "gaps" or inconsistencies inherent to this process. This includes the nature of the different ways that jobs are counted (covered, sole proprietors, part-time, etc.); the generalization of employment density factors used to compute land demand; and the uncertainty of the current status of land supply for commercial and industrial uses in the urban area(s).

Since March, the following conclusions have been developed that need scrutiny by the SCOG planners. Direction from the planners is necessary to establish the guidance needed to provide a draft policy recommendation.

Conclusions

1) As currently written, CPP 1.1 is not clear about the meaning of the commercial/ industrial land allocations. Are these "goals" for land absorption by 2015? Or, are they merely "targets" of land supplies to be available for development? Is this land inventory that is supposed to be maintained by the addition of "new" land as "current" land is absorbed? According to County planners, these allocations reflect the total amount of new commercial and industrial acreage each jurisdiction has available for development over the target period. If a jurisdiction exhausts its allocated supply ahead of schedule, it would need to obtain a greater allocation through revisions to the CPPs, but it could not unilaterally enlarge its UGA to accommodate additional commercial/industrial development. Each jurisdiction's allocation falls within a larger, countywide control total. CPP 1.1 should be amended to make this intent clear.
2) The current adopted OEDP contains a policy *"In cooperation with local jurisdictions, Skagit County shall maintain a minimum five year inventory of read(y)-to-build industrial sites at all times through the duration of the Comprehensive Plan."* There is no similar policy for commercial land or for the cities and towns.

3) Since the GMA has been amended to require comprehensive plans to be reviewed at least every 7 years, Skagit jurisdictions should consider whether to continue with the 5 year policy and whether there should be a similar policy for commercial land and for the cities/towns.
4) While we are still awaiting finalization of the current inventory estimates, it appears that the supply contains about 2,000 acres. Using absorption rates described below, this supply would appear to be sufficient in round numbers for the next 20+ years. However, it may not be in the right locations and it may not be distributed according to some jurisdictions' expectations.
5) Policies and regulations do not have much direct influence on the marketplace (unless they prohibit development outright, or make it financially unfeasible). However, comprehensive strategies and actions can have significant influences if they show local governments' willingness to support development by ensuring proper infrastructure, streamlining permit processes, or even selling or leasing public land at less-than-market prices. A long way of saying that the simple act of adopting land allocations has limited utility in making things happen.

CEDS

It was determined that the employment allocation work should be coordinated with the SCOG's updating of the Comprehensive Economic Development Strategy (formerly, the OEDP). Working Draft #1 of the CEDS has been distributed and will be discussed at the June 12 meeting. The update draft acknowledges the SCOG's pending decision on employment allocation as part of the CPP amendment process. The draft describes economic trends and concludes that job growth throughout the County has resulted in there being twice as many jobs now than existed in 1980, an annual growth rate of 3.4%. The draft states that *"Skagit County historical job growth trends do not align with its population growth, which was more rapid in the 90s. In contrast, overall job growth was stronger in the 1980s. This suggests the possibility of resurgent employment growth locally – particularly with recovery from the current economic downturn."*

The following discussion has been prepared to supplement our earlier discussion paper and may provide further information describing the background work we have done.

Land Use Analysis

CPP 1.1 establishes a "goal" of 3,336 new acres of commercial/industrial land to be available and/or developed throughout the County between 1995 and 2015. Of this, 584 acres is for the rural area and the remaining 2,752 acres is for the urban area(s). This came out of the 1996/97 studies and assumes a 25% market factor. Deducting the 25% market factor, the net urban acreage goal is 2,200A. The November, 2002 *"Growth Management Indicators Report"* summarizes commercial/industrial

development permit activity for the period 1995-2001, or ¼ of the planning period. For that period, all Skagit County jurisdictions reported permitting of more than 5 million square feet of building area. The following table shows the distribution of this activity.

COMMERCIAL/INDUSTRIAL BUILDING PERMIT ACTIVITY
Skagit County 1995 - 2001

Incorporated City	Square Feet
Anacortes	546,236
Burlington	1,839,923
Concrete	0
Hamilton	0
La Conner	64,720
Lyman	0
Mount Vernon	903,343
Sedro-Woolley	326,155
Subtotal	**3,680,377**
Unincorporated UGA	
Anacortes UGA	39,033
Burlington UGA	3,960
Concrete UGA	0
Hamilton UGA	0
La Conner UGA	0
Lyman UGA	0
Mount Vernon UGA	140,234
Sedro-Woolley UGA	136,110
Bayview UGA	738,932
Swinomish UGA	0
Subtotal	**1,058,269**
Unincorporated Rural	
Subtotal	**398,778**
TOTAL COUNTY	**5,137,424**
Sub-Total Urban	**4,738,646**
Sub-Total Rural	**398,778**

Note: Total for Unincorporated Rural Lands excludes public purpose facilities and utilities
Sources: Cities, Skagit County, Earth Tech, Inc.

Some observations can be made:

- The permit data used to develop this report did not show the land absorption involved in these projects.
- 70% of the permitted development was inside the cities of Anacortes (11%), Burlington (39%), and Mount Vernon (19%). Most of the permitted development in the non-city UGA was in Bayview.

A gross building "footprint" factor common to much commercial and industrial development is 30-35%. That is, 65-70% of the total site area is devoted to parking, stormwater management facilities, landscaping, etc. If that factor were applied to the reported 1995-2001 building permit data, then something like 340-400 acres of land would have been absorbed. That's about 70-80 acres per year.

Other Information

The Swinomish Tribe has provided information describing current employment and land supply. There are 6 enterprises occupying tribal land (including the casino and tribal government). Together these enterprises employ 460 full-time equivalents and occupy 124 acres of land for an employee density of 3.7. The Tribe has an additional 421 acres of commercial land available for development.

The April, 2003 Draft Bayview Ridge Subarea Plan and DEIS indicates the County's current thinking regarding the nature of the land supply for commercial and industrial uses within that area. There are 779 "developable" acres of industrial-zoned land now. This is after critical areas have been accounted for, but not land necessary for roads and utilities. All of the alternatives would retain this amount of industrial land, due to the current adopted CPP. The DEIS estimates that employment within the subarea will increase from 1,456 in 1998 to 3,301 in 2015 and 4,305 in 2025. New jobs in that 27 year period would total 2,850.

State Forecast

The State of Washington recently released new county-level employment forecasts for the period 2000-2010. For Skagit County, it estimates that 5,800 new jobs will be created. The following table shows the distribution of those new jobs by industry:

INDUSTRY	NEW JOBS 2000 – 2010	LAND AREA (A)*
Manufacturing	**470**	**72**
Construction & Mining	**250**	**38**
Transportation, Communications & Utilities	**160**	**8**
Wholesale & Retail Trade	**1,160**	**58**
Finance, Insurance & Real Estate	**210**	**11**
Services	**2,270**	**114**
Government	**1,320**	**66**
TOTAL	**5,840**	**367**

*Using job/acre factors of 6.5 for the first two industries and 20 for the remaining, the forecasted new jobs would require 367 acres of land. Assuming these are net acres, then the forecast would mean absorption of 37 acres per year.

To compare the Skagit County 5 year data with this interpretation of the state's 10 year forecast, we get a range of 37-80 acres absorbed per year. Even at the high end of the range, the supply of commercial/industrial acreage currently allocated by CPP 1.1 through 2015 would appear to be sufficient in round numbers for the next 20+ years.

Skagit County Jurisdictions
ESTIMATED 2002 COMMERCIAL/INDUSTRIAL LAND SUPPLY
(Acres)
6/12/2003

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY		TOTAL SUPPLY (2002)	2015 POLICY (1994)
	Commercial	Industrial		
Anacortes	0	420	420	558
Burlington	41	148	189	242
Concrete	0	0	0	28
Hamilton	26		26	60
La Conner	0.1	1.6	1.7	2
Lyman	0	0	0	0
Mount Vernon	219		219	869
Sedro Woolley	28	81	109	243
Subtotal Cities and UGAs			965	2,002
Swinomish	420		420	0
Bay View Ridge	630		630	750
Subtotal County UGAs			1,050	2,752
Subtotal Urban			2,015	2,752
Rural	210		210	584
TOTAL			2,225	3,336

Berryman Henigar

MEMORANDUM

Date: 4/22/03

To: File 30176.01

From: Roger Wagoner

Re: EMPLOYMENT FORECASTS

The state forecasts growth of 5,840 nonagricultural jobs in Skagit County between 2000 and 2010 within the following industry categories:

INDUSTRY	NEW JOBS 2000 – 2010	LAND AREA (A)*
Manufacturing	470	72
Construction & Mining	250	38
Transportation, Communications & Utilities	160	8
Wholesale & Retail Trade	1,160	58
Finance, Insurance & Real Estate	210	11
Services	2,270	114
Government	1,320	66
TOTAL	5,840	367

*Using job/acre factors of 6.5 for the first two industries and 20 for the remaining, the forecasted new jobs would require 367 acres of land. Using a market factor of 25%, the total land requirement would be 459 acres.

SKAGIT COUNTY GROWTH MANAGEMENT
EMPLOYMENT ALLOCATION

Introduction

In response to the Skagit County Growth Management Act Steering Committee (GMASC), the Technical Committee has prepared recommended draft population allocations for the Year 2025. This paper describes the assumptions and methods used to prepare related allocations for employment growth in Skagit County jurisdictions.

Employment allocation under the GMA, like population allocation, involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. It is not, however, bound by control totals provided by the state Office of Financial Management. Since the GMA does not (yet) require local plans to have economic development elements, the primary purpose for jobs analysis is to assist in estimating land needs for growth of commercial and industrial business.

This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. Skagit Countywide Planning Policy #1.1 establishes commercial/industrial land allocations in acres for the year 2015. This totals 3,336 acres county-wide, resulting from considerable analysis performed over the past 5-6 years. That total land demand "target" includes 584 "non-urban" acres. The remaining urban land demand of 2,752 acres is allocated to the city and county UGAs. The following builds on that work to extend the planning horizon out to 2025. The allocation is intended to be a guideline for the County and cities to use in maintaining their respective comprehensive plans and coordination of economic development activities through the Skagit Council of Governments and the Economic Development Association of Skagit County. It is not intended that land suitable for development must <u>currently</u> be available in every jurisdiction to meet the targets established by the adopted allocation.

Jobs-Housing Balance

The previous work was based on analysis of zoned capacity of buildable land prepared by the County in consultation with each city and the Skagit Council of Government (SCOG) Overall Economic Development Plan. This paper uses that information, as updated, but also proposes an alternate method for estimating future job growth.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. The following analysis has been prepared to show how such an approach would result in the allocation of new employment growth.

Table 1 displays the relationships between jobs and housing in 1990 and 2000 and then applies the ratios of jobs per household to the OFM population totals and the recommended population target developed during the population allocation process. The table shows the range of jobs that would result from applying the 1990 and 2000 jobs/housing ratios to the estimated 2025 households resulting from the OFM forecasts and the Skagit County population target.

Table 1
JOBS/HOUSING BALANCE ANALYSIS
Skagit County

1990 Jobs/Housing Balance	1.42 jobs per household (30,573 Households)
2000 Jobs/Housing Balance	1.7 jobs per household (34,973 Households)
2000 Population In Households	98%
2000 Average Household Size	2.6
OFM 2025 Low Population	52,490 Households = 74,535 - 89,230 Jobs
OFM 2025 Medium Population	62,115 Households = 88,200 - 105,595 Jobs
OFM 2025 High Population	75,005 Households = 106,505 - 127,505 Jobs
Skagit County 2025 Target Population	56,310 Households = 79,960 – 95,725 Jobs

The result of this analysis indicates new job growth between 2000 and 2025 would be in the range of 20,640 to 36,405, with the mid-point at 28,520. Table 2 demonstrates how this methodology could be used to distribute employment at the jurisdictional level based on the recommended population targets.

Table 2
THEORETICAL DISTRIBUTION OF NEW JOBS
(Jobs/Housing Balance)
2000 – 2025

JURISDICTION (Cities & UGA)	POPULATION GROWTH	HOUSEHOLD GROWTH (2.6 per HH)	JOBS @ 1.42 (per HH)	JOBS @ 1.7 (per HH)	% TOTAL
Anacortes	3,620	1,390	1,975	2,368	8
Burlington	3,180	1,225	1,740	2,080	7
Concrete	390	150	215	255	1
Hamilton	140	55	75	90	0.3
La Conner	190	75	105	125	0.4
Lyman	140	55	75	90	1
Mount Vernon	19,000	7,305	10,375	12,420	42
Sedro-Woolley	4,505	1,730	2,455	2,940	10
Subtotal Cities & UGAs	31,165	11,985	17,020	20,365	69
County UGAs	4,885	1,880	2,670	3,195	11
TOTAL URBAN	36,050	13,865	19,690	23,560	80
RURAL	9,220	3,545	5,035	6,025	20
TOTAL COUNTY	45,210	17,410	24,720	29,585	100

The mid-point between these to projections is 27,150 jobs. The difference between the results of this table and results of Table 1 is in how the population in households per jurisdiction here and the county-wide percentage used in Table 1 affects the number of jobs. The next step is to see how this compares with trends and other recent employment forecasts.

Trends

Skagit County has seen employment increase by more then 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The annual change ranged between -4.5% and +9%. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time and self-employment positions. Table 3

shows total jobs in 1990 and 2000 and the relative changes by type of employment.

Table 3
EMPLOYMENT TRENDS 1990 - 2000
Skagit County

CATEGORY	1990	2000	GROWTH	PERCENT CHANGE	AVERAGE ANNUAL PERCENT CHANGE
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.22
Farm	2,692	2,876	184	6.8	0.66
Nonfarm	40,505	56,443	15,938	39.3	3.37
Private	34,060	47,610	13,550	39.8	3.41
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	3.53
Mining	70	100	30	42.9	3.63
Construction	3,301	4,674	1,373	41.6	3.54
Manufacturing	4,941	6,387	1,446	29.3	2.60
Transportation & Public Utilities	1,782	2,219	437	24.5	2.22
Wholesale Trade	1,337	1,745	408	30.5	2.70
Retail Trade	8,798	11,722	2,924	33.2	2.01
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.22
Services	9,630	14,931	5,301	55.0	4.48
Government	6,445	8,833	2,388	37.1	3.20
Federal, Civilian	444	466	22	5.0	0.48
Military	440	380	-60	-13.6	-1.46
State & Local	5,561	7,987	2,426	43.6	3.69
State	1,264	1,394	130	10.3	0.98
Local	4,297	6,593	2,296	53.4	4.37

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Forecasts and Analyses

A series of employment analyses have been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions. Sources include:

- *1998 Skagit County Employment Report by Detailed Geography, (SCOG) BST Associates, May 24, 2000.*
- *Skagit County Overall Economic Development Plan, (SCOG) E.D. Hovee & Co., February, 2000 and updated May 4, 2001*
- *Skagit County Urban Growth Area Analysis, (County) E.D. Hovee & Co., July, 1996 and updated March, 1997*

The first analysis (BST), documented 1998 employment by industry and geography. Jobs were defined in terms of full-time equivalents. Analysis of employment in the UGAs was based on the transportation analysis zones (TAZs). Table 4 summarizes the conclusions of this study. The percentage distribution of 1998 jobs shown in the last column can be compared to the similar column in Table 2 which shows the percentage of new jobs by jurisdiction at 2025 if the jobs/housing balance method of forecasting were adopted.

Table 4
1998 EMPLOYMENT DISTRIBUTION
Skagit County

JURISDICTION	JURISDICTION FTEs	URBAN GROWTH AREA FTEs	TOTAL FTEs	% OF TOTAL
Anacortes	4,303	1,235	5,538	14.7
Burlington	5,304	203	5,507	14.6
Concrete	293		293	0.8
Hamilton	120		120	0.3
La Conner	1,291		1,095	2.9
Lyman	66		66	0.2
Mount Vernon	13,206	1,460	14,666	38.9
Sedro Woolley	3,553	736	4,289	11.4
Total Cities & UGAs	28,136	3,634	31,574	83.8
County UGA			1,074	2.8
TOTAL URBAN			32,648	86.7
Rural			5,022	13.3
TOTAL			37,670	100

Source: BST
Associates May 2000

The most recent employment forecast was prepared in 2001 by E.D. Hovee & Company (EDH) for the SCOG (May 4, 2001 Project Memorandum). Two

methods were used. In this analysis, EDH forecasts a range of between 37,700 and 39,300 total new jobs between 1997 and 2025. Interpolating this growth to the 2000-2025 period would result in approximately 29,910 to 35,800 new jobs. It should be noted that EDH's estimate of 1997 does not include farm jobs and uses a ratio to compute "self-employment" jobs. This results in 43,516 "total jobs" compared the U.S. Department of Commerce, Bureau of Economic Analysis number of 50,483 "total full-time and part-time" jobs, excluding farm jobs, in 1997.

The EDH estimate of job growth out to 2025 would result in an aggregate of 81,210 to 82,800 total jobs. This compares favorably with the jobs/housing balance method forecast of 79,960 to 95,725 jobs (including farm jobs) since the final total of jobs in 2025 will depend on a wide range of variables including land capacity, access, market forces, and Skagit County's competitiveness.

The EDH analysis also breaks the growth forecast into land use types (not including farms) as follows:

Table 5
JOB GROWTH PROJECTIONS
BY LAND USE & FORECAST ALTERNATIVE
(1997–2025)

Land Use Type	Methodology Pop-Driven	Shift-Share	% of Total
Commercial (C)	13,595	14,189	36.1
Industrial (I)	8,373	8,739	22.2
Natural Resource (NR)	1,981	2,082	5.3
Agriculture (AG)	275	341	0.7/0.9
Public/Institutional (P)	9,276	9,732	24.6/24.8
Covered Employment	33,500	35,083	88.9/89.3
Self-Employment (SE)	4,200	4,200	11.1/10.7
Total Employment	37,700	39,283	100

Source: E.D. Hovee & Company, May 2001.

The mid-point between these two projections is 38,490 jobs.

Land Demand

Using the following employment density factors, EDH estimated land demand for commercial and industrial job growth that resulted in the adopted countywide planning policy allocations of 3,336 acres for the year 2015. Those density factors are:

- Commercial Land 20 Employees/Acre
- Industrial Land 6.5 Employees/Acre
- Natural Resource Land 2.5 Employees/Acre

Land demand for rural uses such as agriculture, and public and institutional uses, and self-employment was not calculated. (Skagit County uses the following density factors for rural uses: commercial – 6; industrial – 3; natural resources – 1.5; and rural industrial/natural resource – 2.5. The Port of Skagit uses a density factor of 11.1 for its property.) A 25% market factor was applied to account for land that is expected to be unavailable for development and use.

Using the urban densities and the market factor, the percentage distribution of jobs forecasted in the commercial, industrial, and natural resource sectors, and the range of job forecasts, we have compared the resulting land demands below:

Table 6
2025 COMMERCIAL/INDUSTRIAL
LAND DEMAND COMPARISON

TYPE	DENSITY	% TOTAL JOBS	EDH FORECAST* Net + Market Factor Acres	BALANCE FORECAST** Net + Market Factor Acres
Commercial	20	36.1	595 + 150	515 + 130
Industrial	6.5	22.2	1,120 + 280	975 + 245
Natural Resource	2.5	5.3	695 + 175	605 + 150
TOTAL			2,410 +605	2,095 + 525

* Average of shift-share and population-driven methods + 25% market factor
** Average of 1990 and 2000 jobs/housing ratios + 25% market factor

Thus, the range of land demand based on this analyis is 2,620 to 3,015 acres

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown in Table 7. This is compared to the estimated demand created by the jobs forecast shown above. Some of the land supply estimates (Hamilton, Bay View Ridge, and Rural) do not distinguish between commercial and industrial land, and there is no estimate of land specifically designated for natural resource uses in any of the estimates.

The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 23 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

Table 7
COMMERCIAL/INDUSTRIAL LAND SUPPLY-DEMAND
(Acres)

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY		TOTAL SUPPLY (2002)	2015 POLICY (1994)*	2025 DEMAND FORECAST**
	Commercial	Industrial			
Anacortes	0	420	420	558	210-240
Burlington	41	148	189	242	185-210
Concrete	0	0	0	28	25-30
Hamilton		26	26	60	10
La Conner	0.1	1.6	1.7	2	10
Lyman	0	0	0	0	25-30
Mount Vernon	350	237	587	869	1,100-1,270
Sedro Woolley	28	81	109	243	260-300
Subtotal Cities and UGAs			1,224	2,002	1,825-2,100
Swinomish	***		***	0	***
Bay View Ridge	373		373	750	290-330
Subtotal County UGAs			373	2,752	290-330
Subtotal Urban			1,597	2,752	2,115-2,430
Rural	210		210	584	525-605
TOTAL			1,807	3,336	2,640-3,035

* With 25% market factor
**Proportional distribution based on Table 2
***Swinomish Reservation contains land designated for industrial and commercial uses

This table enables some preliminary conclusions:

- County-wide, more land area will be needed to support economic development in the future, although there is a considerable supply of land that can accommodate growth for a number of years.
- Anacortes appears to have no land supply designated for commercial development.
- Concrete and Lyman appear to need to consider means to create land supply for growth, if the jobs/housing balance concept is adopted.
- The relationship of rural/urban land supply and demand may require further policy analysis.

Preliminary Allocation Alternatives

The following presents 3 alternative approaches to the allocation of the 2025 target commercial/industrial land demand described in the previous analysis. For the purposes of this exercise the following assumptions are used:

- Total county land demand is 3,000 acres.
- Rural demand is 525 acres
- County (non-city-oriented including Swinomish) UGA demand is 400 acres.
- City (& UGAs) aggregate demand is 2,075 acres.

The allocations do not distinguish between commercial and industrial land.

Table 8
2025 COMMERCIAL/INDUSTRIAL LAND
ALLOCATION ALTERNATIVES
(Acres)

JURISDICTION (Cities & UGAs)	2015 ALLOCATION	2025 ALLOCATION		
		SUPPLY-BASED	DEMAND-BASED	CLUSTER
Anacortes	558	625	240	546
Burlington	242	281	210	309
Concrete	28	42	30	20
Hamilton	60	89	9	60
La Conner	2	3	12	3
Lyman	0	0	30	0
Mount Vernon	869	873	1,253	959
Sedro Woolley	243	162	301	178
Subtotal Cities and UGAs	2,002	2,075	2,075	2,075
Subtotal County UGAs	750	400	400	400
Subtotal Urban	2,752	2,475	2,475	2,475
Rural	584	525	525	525
TOTAL	3,336	3,000	3,000	3,000

The "Supply-Based" allocation distributes the 2,075 city + UGA total based on proportionate increases to the 2002 supply figures shown in Table 7. The

allocation for Concrete is based on the 2015 allocation since the city has no current supply.

The "Demand-Based" allocation uses the "Demand Forecast" estimates from Table 7.

The "Cluster" allocation starts with an initial allocation to cities and groups of cities based on geography. In this method, Anacortes and LaConner are considered to stand alone due to their settings, while the Burlington/Mt.Vernon/Sedro-Woolley and Concrete/Hamilton/Lyman clusters are characterized by their locations and relationships to each other. Table 9 shows the initial cluster allocations starting with ranges and the subsequent breakdowns. Then, the cluster allocations were further broken down into the individual city portions in Table 8.

Table 9
CLUSTER ALLOCATIONS
(Acres)

CLUSTER	RANGE	ALLOCATION
Anacortes	500-600	546
La Conner	2-4	3
Burlington/Mt. Vernon/Sedro-Woolley	1,400-1,500	1,446
Concrete/Hamilton/Lyman	80-90	80
TOTAL		2,075

SKAGIT COUNTY GROWTH MANAGEMENT
EMPLOYMENT ALLOCATION

Introduction

In response to the Skagit County Growth Management Act Steering Committee (GMASC), the Technical Committee has prepared recommended draft population allocations for the Year 2025. This paper describes the assumptions and methods used to prepare related allocations for employment growth in Skagit County jurisdictions.

Employment allocation under the GMA, like population allocation, involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. It is not, however, bound by control totals provided by the state Office of Financial Management. Since the GMA does not (yet) require local plans to have economic development elements, the primary purpose for jobs analysis is to assist in estimating land needs for growth of commercial and industrial business.

This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. Skagit Countywide Planning Policy #1.1 establishes commercial/industrial land allocations in acres for the year 2015. This totals 3,336 acres county-wide, resulting from considerable analysis performed over the past 5-6 years. That total land demand "target" includes 584 "non-urban" acres. The remaining urban land demand of 2,752 acres is allocated to the city and county UGAs. The following builds on that work to extend the planning horizon out to 2025. The allocation is intended to be a guideline for the County and cities to use in maintaining their respective comprehensive plans and coordination of economic development activities through the Skagit Council of Governments and the Economic Development Association of Skagit County. It is not intended that land suitable for development must currently be available in every jurisdiction to meet the targets established by the adopted allocation.

Jobs-Housing Balance

The previous work was based on analysis of zoned capacity of buildable land prepared by the County in consultation with each city and the Skagit Council of Government (SCOG) Overall Economic Development Plan. This paper uses that information, as updated, but also proposes an alternate method for estimating future job growth.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. The following analysis has been prepared to show how such an approach would result in the allocation of new employment growth.

Table 1 displays the relationships between jobs and housing in 1990 and 2000 and then applies the ratios of jobs per household to the OFM population totals and the recommended population target developed during the population allocation process. The table shows the range of jobs that would result from applying the 1990 and 2000 jobs/housing ratios to the estimated 2025 households resulting from the OFM forecasts and the Skagit County population target.

Table 1
JOBS/HOUSING BALANCE ANALYSIS
Skagit County

1990 Jobs/Housing Balance	1.42 jobs per household (30,573 Households)
2000 Jobs/Housing Balance	1.7 jobs per household (34,973 Households)
2000 Population In Households	98%
2000 Average Household Size	2.6
OFM 2025 Low Population	52,490 Households = 74,535 - 89,230 Jobs
OFM 2025 Medium Population	62,115 Households = 88,200 - 105,595 Jobs
OFM 2025 High Population	75,005 Households = 106,505 - 127,505 Jobs
Skagit County 2025 Target Population	56,310 Households = 79,960 – 95,725 Jobs

The result of this analysis indicates new job growth between 2000 and 2025 would be in the range of 20,640 to 36,405, with the mid-point at 28,520. Table 2 demonstrates how this methodology could be used to distribute employment at the jurisdictional level based on the recommended population targets.

Table 2
THEORETICAL DISTRIBUTION OF NEW JOBS
(Jobs/Housing Balance)
2000 – 2025

JURISDICTION (Cities & UGA)	POPULATION GROWTH	HOUSEHOLD GROWTH (2.6 per HH)	JOBS @ 1.42 (per HH)	JOBS @ 1.7 (per HH)	% TOTAL
Anacortes	3,620	1,390	1,975	2,368	8
Burlington	3,180	1,225	1,740	2,080	7
Concrete	390	150	215	255	1
Hamilton	140	55	75	90	0.3
La Conner	190	75	105	125	0.4
Lyman	140	55	75	90	1
Mount Vernon	19,000	7,305	10,375	12,420	42
Sedro-Woolley	4,505	1,730	2,455	2,940	10
Subtotal Cities & UGAs	31,165	11,985	17,020	20,365	69
County UGAs	4,885	1,880	2,670	3,195	11
TOTAL URBAN	36,050	13,865	19,690	23,560	80
RURAL	9,220	3,545	5,035	6,025	20
TOTAL COUNTY	45,210	17,410	24,720	29,585	100

The mid-point between these to projections is 27,150 jobs. The difference between the results of this table and results of Table 1 is in how the population in households per jurisdiction here and the county-wide percentage used in Table 1 affects the number of jobs. The next step is to see how this compares with trends and other recent employment forecasts.

Trends

Skagit County has seen employment increase by more then 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The annual change ranged between -4.5% and +9%. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time and self-employment positions. Table 3

shows total jobs in 1990 and 2000 and the relative changes by type of employment.

Table 3
EMPLOYMENT TRENDS 1990 - 2000
Skagit County

CATEGORY	1990	2000	GROWTH	PERCENT CHANGE	AVERAGE ANNUAL PERCENT CHANGE
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.22
Farm	2,692	2,876	184	6.8	0.66
Nonfarm	40,505	56,443	15,938	39.3	3.37
Private	34,060	47,610	13,550	39.8	3.41
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	3.53
Mining	70	100	30	42.9	3.63
Construction	3,301	4,674	1,373	41.6	3.54
Manufacturing	4,941	6,387	1,446	29.3	2.60
Transportation & Public Utilities	1,782	2,219	437	24.5	2.22
Wholesale Trade	1,337	1,745	408	30.5	2.70
Retail Trade	8,798	11,722	2,924	33.2	2.01
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.22
Services	9,630	14,931	5,301	55.0	4.48
Government	6,445	8,833	2,388	37.1	3.20
Federal, Civilian	444	466	22	5.0	0.48
Military	440	380	-60	-13.6	-1.46
State & Local	5,561	7,987	2,426	43.6	3.69
State	1,264	1,394	130	10.3	0.98
Local	4,297	6,593	2,296	53.4	4.37

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Forecasts and Analyses

A series of employment analyses have been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions. Sources include:

- *1998 Skagit County Employment Report by Detailed Geography, (SCOG) BST Associates, May 24, 2000.*
- *Skagit County Overall Economic Development Plan, (SCOG) E.D. Hovee & Co., February, 2000 and updated May 4, 2001*
- *Skagit County Urban Growth Area Analysis, (County) E.D. Hovee & Co., July, 1996 and updated March, 1997*

The first analysis (BST), documented 1998 employment by industry and geography. Jobs were defined in terms of full-time equivalents. Analysis of employment in the UGAs was based on the transportation analysis zones (TAZs). Table 4 summarizes the conclusions of this study. The percentage distribution of 1998 jobs shown in the last column can be compared to the similar column in Table 2 which shows the percentage of new jobs by jurisdiction at 2025 if the jobs/housing balance method of forecasting were adopted.

Table 4
1998 EMPLOYMENT DISTRIBUTION
Skagit County

JURISDICTION	JURISDICTION FTEs	URBAN GROWTH AREA FTEs	TOTAL FTEs	% OF TOTAL
Anacortes	4,303	1,235	5,538	14.7
Burlington	5,304	203	5,507	14.6
Concrete	293		293	0.8
Hamilton	120		120	0.3
La Conner	1,291		1,095	2.9
Lyman	66		66	0.2
Mount Vernon	13,206	1,460	14,666	38.9
Sedro Woolley	3,553	736	4,289	11.4
Total Cities & UGAs	28,136	3,634	31,574	83.8
County UGA			1,074	2.8
TOTAL URBAN			32,648	86.7
Rural			5,022	13.3
TOTAL			37,670	100

Source: BST
Associates May 2000

The most recent employment forecast was prepared in 2001 by E.D. Hovee & Company (EDH) for the SCOG (May 4, 2001 Project Memorandum). Two

methods were used. In this analysis, EDH forecasts a range of between 37,700 and 39,300 total new jobs between 1997 and 2025. Interpolating this growth to the 2000-2025 period would result in approximately 29,910 to 35,800 new jobs. It should be noted that EDH's estimate of 1997 does not include farm jobs and uses a ratio to compute "self-employment" jobs. This results in 43,516 "total jobs" compared the U.S. Department of Commerce, Bureau of Economic Analysis number of 50,483 "total full-time and part-time" jobs, excluding farm jobs, in 1997.

The EDH estimate of job growth out to 2025 would result in an aggregate of 81,210 to 82,800 total jobs. This compares favorably with the jobs/housing balance method forecast of 79,960 to 95,725 jobs (including farm jobs) since the final total of jobs in 2025 will depend on a wide range of variables including land capacity, access, market forces, and Skagit County's competitiveness.

The EDH analysis also breaks the growth forecast into land use types (not including farms) as follows:

Table 5
JOB GROWTH PROJECTIONS
BY LAND USE & FORECAST ALTERNATIVE
(1997–2025)

Land Use Type	Methodology Pop-Driven	Shift-Share	% of Total
Commercial (C)	13,595	14,189	36.1
Industrial (I)	8,373	8,739	22.2
Natural Resource (NR)	1,981	2,082	5.3
Agriculture (AG)	275	341	0.7/0.9
Public/Institutional (P)	9,276	9,732	24.6/24.8
Covered Employment	33,500	35,083	88.9/89.3
Self-Employment (SE)	4,200	4,200	11.1/10.7
Total Employment	37,700	39,283	100

Source: E.D. Hovee & Company, May 2001.

The mid-point between these two projections is 38,490 jobs.

Land Demand

Using the following employment density factors, EDH estimated land demand for commercial and industrial job growth that resulted in the adopted countywide planning policy allocations of 3,336 acres for the year 2015. Those density factors are:

- Commercial Land 20 Employees/Acre
- Industrial Land 6.5 Employees/Acre
- Natural Resource Land 2.5 Employees/Acre

Land demand for agriculture, public and institutional uses, and self-employment was not calculated. A 25% market factor was applied to account for land that is expected to be unavailable for development and use.

Using these densities and the market factor, the percentage distribution of jobs forecasted in the commercial, industrial, and natural resource sectors, and the range of job forecasts, we have compared the resulting land demands below:

Table 6

2025 COMMERCIAL/INDUSTRIAL LAND DEMAND COMPARISON

TYPE	DENSITY	% TOTAL JOBS	EDH FORECAST* Net + Market Factor Acres	BALANCE FORECAST** Net + Market Factor Acres
Commercial	20	36.1	595 + 150	515 + 130
Industrial	6.5	22.2	1,120 + 280	975 + 245
Natural Resource	2.5	5.3	695 + 175	605 + 150
TOTAL			2,410 +605	2,095 + 525

* Average of shift-share and population-driven methods + 25% market factor
** Average of 1990 and 2000 jobs/housing ratios + 25% market factor

Thus, the range of land demand based on this analyis is 2,620 to 3,015 acres

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown in Table 7. This is compared to the estimated demand created by the jobs forecast shown above. Some of the land supply estimates (Hamilton, Bay View Ridge, and Rural) do not distinguish between commercial and industrial land, and there is no estimate of land specifically designated for natural resource uses in any of the estimates.

The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 23 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

Table 7
COMMERCIAL/INDUSTRIAL LAND SUPPLY-DEMAND
(Acres)

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY		TOTAL SUPPLY (2002)	2015 POLICY (1994)*	2025 DEMAND FORECAST**
	Commercial	Industrial			
Anacortes	0	420	420	558	210-240
Burlington	41	148	189	242	185-210
Concrete	0	0	0	28	25-30
Hamilton		26	26	60	10
La Conner	0.1	1.6	1.7	2	10
Lyman	0	0	0	0	25-30
Mount Vernon	350	237	587	869	1,100-1,270
Sedro Woolley	0	108	108	243	260-300
Subtotal Cities and UGAs			1,332	2,002	1,825-2,100
Swinomish	0	0	0	0	
Bay View Ridge	373		373	750	290-330
Subtotal County UGAs			373	2,752	290-330
Subtotal Urban			1,705	2,752	2,115-2,430
Rural	210		210	584	525-605
TOTAL			1,915	3,336	2,640-3,035

* With 25% market factor
**Proportional distribution based on Table 2

This table enables some preliminary conclusions:

- County-wide, more land area will be needed to support economic development in the future, although there is a considerable supply of land that can accommodate growth for a number of years.

- Anacortes, and Sedro-Woolley appear to have no land designated for commercial development.
- Concrete and Lyman appear to need to consider means to create land supply for growth, if the jobs/housing balance concept is adopted.
- The relationship of rural/urban land supply and demand may require further policy analysis.

Berryman & Henigar

MEMO

Date: 2/28/03

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: DRAFT EMPLOYMENT PAPER 30176.01

This memo transmits our first iteration of the draft Employment Allocation paper. This paper does not propose an allocation. It is intended to describe the analysis and conclusions that have been generated to date. Review and comment by the SCOG planners will then provide direction for the refinement of the analysis and development of an allocation strategy. Since the paper summarizes, interpolates, and interprets a substantial amount of information, we hope to get comments regarding the utility of the presentation and suggestions for improvement.

As you know, the current adopted allocation was built based on analysis and forecasts of employment and land capacity during 1996-97. In the 5-6 intervening years, the characteristics of the factors used then have changed considerably. In addition, the 2000 census and other federal data sources as well as the county and cities' land use research provide a much better basis for forecasting.

While the paper attempts to link the prior work with the current information baseline, it does raise some questions for your consideration. For example, is allocation of commercial and industrial land the best policy for directing urban growth? Our analysis shows the difficulty in keeping track of all of the variables that affect economic development - such as employee densities, farm vs. agricultural vs. natural resource jobs, full-time vs. part-time vs. self-employment jobs, and net vs. gross land areas. Without a county-wide tracking system, it will be difficult to monitor the performance of this goal.

This also raises a more general policy issue. As all jurisdictions, including the ports, work together to promote economic development in Skagit County, each has a vested interest in marketing its own community or land base to targeted new businesses and ensuring the stability and growth potential of its existing businesses. As such, the CPP allocations, when viewed as "targets" may be interpreted as "minimums" that are intended to be

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

achieved. The relationship between actions of simply designating or zoning land for new development and adoption of more directive local policies and strategies that are necessary to actually produce new development and new jobs may not be clear enough this setting. In amending the GMA to require economic development elements, the legislature did not provide related new direction for CPP development.

So, the paper provides a basis for the SCOG to consider these and other issues, and to move ahead with an allocation method which can be as simple as possible to understand, monitor, and change over time.

Finally, the factor of time is an important consideration. As stated in the paper, if the final allocation is in terms of land area, this shouldn't be interpreted as anything more than a goal to be achieved over the next 20 years – not that that amount of land has to be in place now. This provides clear direction for flexibility in planning for urban growth areas, making annexation decisions, planning for infill and redevelopment within existing urban areas and planning for "rural activity centers", "major (rural) industrial areas" or "LAMIRDs".

SKAGIT COUNTY GROWTH MANAGEMENT
EMPLOYMENT ALLOCATION

Introduction

In response to the Skagit County Growth Management Act Steering Committee (GMASC), the Technical Committee has prepared recommended draft population allocations for the Year 2025. This paper describes the assumptions and methods used to prepare related allocations for employment growth in Skagit County jurisdictions.

Employment allocation under the GMA, like population allocation, involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. It is not, however, bound by control totals provided by the state Office of Financial Management. Since the GMA does not (yet) require local plans to have economic development elements, the primary purpose for jobs analysis is to assist in estimating land needs for growth of commercial and industrial business.

This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. Skagit Countywide Planning Policy #1 establishes commercial/industrial land allocations in acres for the year 2015. This totals 3,336 acres county-wide, resulting from considerable analysis performed over the past 5-6 years. That total land demand "target" includes 584 "non-urban" acres. The remaining urban land demand of 2,752 acres is allocated to the city and county UGAs. The following builds on that work to extend the planning horizon out to 2025.

Jobs-Housing Balance

The previous work was based on analysis of zoned capacity of buildable land prepared by the County in consultation with each city and the Skagit Council of Government (SCOG) Overall Economic Development Plan. This paper uses that information, as updated, but also proposes an alternate method for estimating future job growth.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. The following analysis has been prepared to show how such an approach would result in the allocation of new employment growth.

Table 1 displays the relationships between jobs and housing in 1990 and 2000 and then applies the ratios of jobs per household to the OFM population totals and the recommended population target developed during the population allocation process. The next step is to see how this compares with trends and other recent employment forecasts.

Table 1
JOBS/HOUSING BALANCE ANALYSIS
Skagit County

1990 Jobs/Housing Balance	1.42 (30,573 Households)
2000 Jobs/Housing Balance	1.7 (34,973 Households)
2000 Population In Households	98%
2000 Average Household Size	2.6
OFM 2025 Low Population	52,490 Households = 74,535 - 89,230 Jobs
OFM 2025 Medium Population	62,115 Households = 88,200 - 105,595 Jobs
OFM 2025 High Population	75,005 Households = 106,505 - 127,505 Jobs
Skagit County 2025 Target Population	58,460 Households = 83,010 - 99,385 Jobs

Trends

Skagit County has seen employment increase by more then 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The annual change ranged between -4.5% and +9%. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time positions. Table 2 shows total employment in 1990 and 2000 by type.

Table 2
EMPLOYMENT TRENDS 1990 - 2000
Skagit County

CATEGORY	1990	2000	GROWTH	PERCENT CHANGE	AVERAGE ANNUAL PERCENT CHANGE
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.73
Farm	2,692	2,876	184	6.8	0.68
Nonfarm	40,505	56,443	15,938	39.3	3.93
Private	34,060	47,610	13,550	39.8	3.98
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	4.14
Mining	70	100	30	42.9	4.29
Construction	3,301	4,674	1,373	41.6	4.16
Manufacturing	4,941	6,387	1,446	29.3	2.93
Transportation & Public Utilities	1,782	2,219	437	24.5	2.45
Wholesale Trade	1,337	1,745	408	30.5	3.05
Retail Trade	8,798	11,722	2,924	33.2	3.32
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.73
Services	9,630	14,931	5,301	55.0	5.50
Government	6,445	8,833	2,388	37.1	3.71
Federal, Civilian	444	466	22	5.0	0.50
Military	440	380	-60	-13.6	-1.36
State & Local	5,561	7,987	2,426	43.6	4.36
State	1,264	1,394	130	10.3	1.03
Local	4,297	6,593	2,296	53.4	5.34

Forecasts

A series of employment analyses have been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions. Sources include:

- *1998 Skagit County Employment Report by Detailed Geography, (SCOG) BST Associates, May 24, 2000.*
- *Skagit County Overall Economic Development Plan, (SCOG) E.D. Hovee & Co., February, 2000 and updated May 4, 2001*
- *Skagit County Urban Growth Area Analysis, (County) E.D. Hovee & Co., July, 1996 and updated March, 1997*

The first analysis (BST), documented 1998 employment by industry and geography. Jobs were defined in terms of full-time equivalents. Analysis of employment in the UGAs was based on the transportation analysis zones (TAZs). Table 3 summarizes the conclusions of this study.

Table 3
1998 EMPLOYMENT DISTRIBUTION
Skagit County

JURISDICTION	JURISDICTION FTEs	URBAN GROWTH AREA FTEs	TOTAL FTEs	% OF TOTAL
Anacortes	4,303	1,235	5,538	14.7
Burlington	5,304	203	5,507	14.6
Concrete	293		293	0.8
Hamilton	120		120	0.3
La Conner	1,291		1,095	2.9
Lyman	66		66	0.2
Mount Vernon	13,206	1,460	14,666	38.9
Sedro Woolley	3,553	736	4,289	11.4
Total Cities & UGAs	28,136	3,634	31,574	83.8
County UGA			1,074	2.8
TOTAL URBAN			32,648	86.7
Rural			5,022	13.3
TOTAL			37,670	100

Source: BST
Associates May 2000

The most recent employment forecast was prepared in 2001 by E.D. Hovee & Company (EDH) for the SCOG (May 4, 2001 Project Memorandum). Two methods were used. In this analysis, EDH forecasts a range of between 37,700 and 39,300 total new jobs between 1997 and 2025. This would result in an aggregate of 81,200 to 87,800 total jobs. This compares favorably with the jobs/housing balance method forecast of 83,010 to 99,385 jobs since the final outcome of jobs in place in 2025 will depend on a wide range of variables

including land capacity, access, market forces, and Skagit County's competitiveness.

The EDH analysis also breaks the growth forecast into land use types as follows:

Table 4
JOB GROWTH PROJECTIONS
BY LAND USE & FORECAST ALTERNATIVE
(1997–2025)

Land Use Type	Methodology Pop Driven	Methodology Shift-Share	%
Commercial (C)	13,595	14,189	36.1
Industrial (I)	8,373	8,739	22.2
Natural Resource (NR)	1,981	2,082	5.3
Agriculture (AG)	275	341	0.7/0.9
Public/Institutional (P)	9,276	9,732	24.6/24.8
Covered Employment	33,500	35,083	88.9/89.3
Self-Employment (SE)	4,200	4,200	11.1/10.7
Total Employment	37,700	39,283	100

Source: E.D. Hovee & Company, May 2001.

Land Demand

Using the following employment density factors, EDH estimated land demand for commercial and industrial job growth that resulted in the adopted countywide planning policy allocations of 3,336 acres for the year 2015. Those density factors are:

- Commercial Land 20 Employees/Acre
- Industrial Land 6.5 Employees/Acre
- Natural Resource Land 2.5 Employees/Acre

Land demand for agriculture, public and institutional uses, and self-employment was not calculated.

Using these densities, the percentage distribution of jobs forecasted in the commercial, industrial, and natural resource sectors, and the range of job forecasts, we have compared the resulting land demands below:

Table 5
2025 COMMERCIAL/INDUSTRIAL
LAND DEMAND COMPARISON

TYPE	DENSITY	% TOTAL JOBS	EDH FORECAST* Acres	BALANCE FORECAST** Acres
Commercial	20	36.1	695	575
Industrial	6.5	22.2	1,315	1,090
Natural Resource	2.5	5.3	815	675
TOTAL			2,825	2,340

* Average of shift-share and population-driven methods
** Average of 1990 and 2000 jobs/housing ratios

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown in Table 6. This is compared to the estimated demand created by the jobs forecast shown above. The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 23 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

Table 6
COMMERCIAL/INDUSTRIAL LAND
SUPPLY-DEMAND

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY (Acres)		TOTAL SUPPLY (2002)	2015 POLICY (1994)	2025 DEMAND	EXCESS [SHORTAGE]
	Commercial	Industrial				
Anacortes	29	148	177	558		
Burlington	122	200	322	242		
Concrete	0	0	0	28		
Hamilton	26		26	60	0	
La Conner	0.1	1.6	1.7	2		
Lyman	0	0	0	0		
Mount Vernon	350	237	587	869		
Sedro Woolley	0	108	108	243		
Subtotal Cities and UGAs				2,002		
Swinomish	0	0	0	0		
Bay View Ridge	373		373	750		
Subtotal County UGAs			373	2,752		
Subtotal Urban			1,873.7	2,752		
Rural			?	584		
TOTAL				3,336	2,340 -2825	