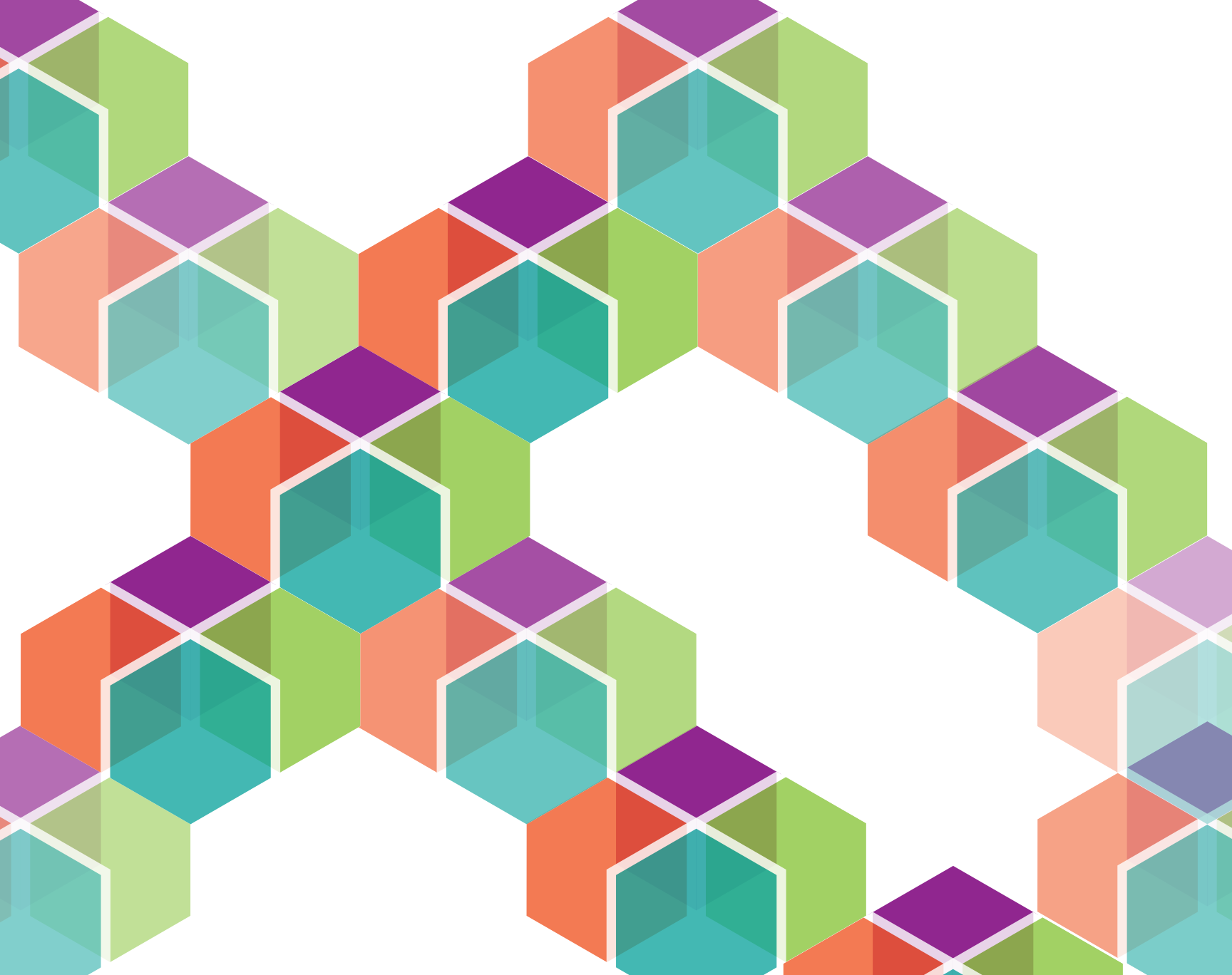




**Puget Sound Regional Council
ANNUAL REPORT**

MAY 2018



Under Construction





Bellevue, REI headquarters

Message from the President and Executive Director

Under Construction



These are boom times in our region. A strong economy is generating exceptional opportunities for many. People from all around the country and world are moving here for jobs, education and quality of life. Our new neighbors are bringing fresh ideas and vitality and contributing to the region's strength.

As our residents know, the pace of change in many cities and neighborhoods is striking.

New apartments, schools, hotels, roads, and transit projects are seemingly all under construction at once. As we dodge orange cones and follow detours, the changes can feel a bit overwhelming – like living in your house during a major remodel.

Because growth has come so quickly, the region is challenged with managing housing affordability, cost of living, and transportation needs. Many people are feeling priced out of the region. And not all parts of the region are experiencing robust economic growth, yet.

Amid these significant changes, the Puget Sound Regional Council (PSRC) plays an important role in bringing the region's leaders together to work on innovative solutions. Following local elections last November, the region saw more than 130 new local leaders who are holding public office for the first time. We had a chance to meet many of them at our regional workshop for newly elected officials earlier this year at PSRC. They are an impressive,

As a region, we must plan for a future that we collectively choose, and that can only happen if we work together.

The future we choose means good jobs, government focused on public service, and a healthy environment.

It also will mean looking for ways to make our region more competitive globally.

—Dave Somers, Snohomish County Executive and PSRC President

committed group of people who are stepping up to solve problems in their communities and collaborate regionally on issues that matter to our residents.

Regional coordination is more important than ever. In our recent VISION 2050 survey, a majority of respondents said it was very important to work together on a regional growth strategy. That continues to be our focus: working together to understand the region's current challenges, forecasting growth and trends, and developing plans and policies. We are working to ensure our region is an exceptional place to live now and for many generations to come. Over the past year we've made progress on important work that is advancing the region's long-term vision and preparing for continuing growth:

- **Regional Transportation Plan** – The new plan describes how the region will catch up on transportation and keep pace with expected growth over the next two decades.
- **Planning for 2050** – PSRC is starting a major refresh of our regional growth strategy, extending VISION another decade. First steps this year included releasing a new forecast showing the region will add another 1.8 million people by 2050. We also reached out to thousands of people throughout the region to get input on scoping for VISION 2050.
- **Funding for Transportation** – PSRC selected projects to receive \$25 million in funding for programs focusing on rural town centers, transportation alternatives and special needs transportation. We also kicked off the project selection process for an additional \$525 million to help the region resolve some of our transportation challenges.
- **Boeing's New Midmarket Aircraft** – Recognizing the important role the aerospace sector has in our region's economy, PSRC is providing support for statewide efforts to secure design, production, and final assembly of Boeing's New Midmarket Aircraft.
- **Updated Regional Centers Framework** – The Executive Board approved an updated framework that supports the region's diverse town and city centers and establishes consistent procedures for planning for growth in these areas.



Dave Somers

SNOHOMISH COUNTY EXECUTIVE &
PSRC PRESIDENT



Josh Brown

PSRC EXECUTIVE DIRECTOR

- **Open Space Conservation Plan** – We've developed a new regional open space plan, uniting and coordinating many efforts around central Puget Sound working to protect open space as the region grows.
- **Regional Aviation Baseline Study** – PSRC is partnering with the Federal Aviation Administration on a study to better understand the dynamics and impacts of the region's growing aviation activity.

We are also proud of our continuing track record of solid financial management of agency resources. PSRC once again received a clean audit from the Washington State Auditor, the sixth in a row. In the last 18 years, our agency has had just one finding. We also received a national budget award from the Government Finance Officers Association.

Moving forward, we invite you to stay involved in our work. Attend a meeting, sign up for email updates, visit our website or give us a call! We look forward to working with you.

Dave Somers • SNOHOMISH COUNTY EXECUTIVE • PSRC PRESIDENT

Josh Brown • PSRC EXECUTIVE DIRECTOR

Bellevue Link light rail

Keeping the Region Moving

Through planning and funding for transportation, PSRC works to improve mobility, provide transportation choices, and support a growing economy and healthy environment.

This is the first regional plan that highlights the specific projects and programs the region is counting on to catch up on transportation over the next decades.

It includes the most aggressive investments in infrastructure in the region's history.

It also shows how we make more progress on addressing climate change and better ensuring equitable access to transportation throughout the region.

— Seattle Councilmember Rob Johnson, Chair, Transportation Policy Board

Regional Transportation Plan

The new Regional Transportation Plan describes how the region will meet transportation needs over the next two decades and keep pace with expected growth.

Historic Levels of Investment

The plan outlines unprecedented investments in highway, transit, rail, ferry, bicycle and pedestrian systems. It maps how the region's transportation system will be sustained and improved — to better connect housing with employment centers, major military installations and freight hubs.

The new plan was shaped by extensive outreach to local governments, community groups, and many people around the region who are passionate about transportation and the future of the region.

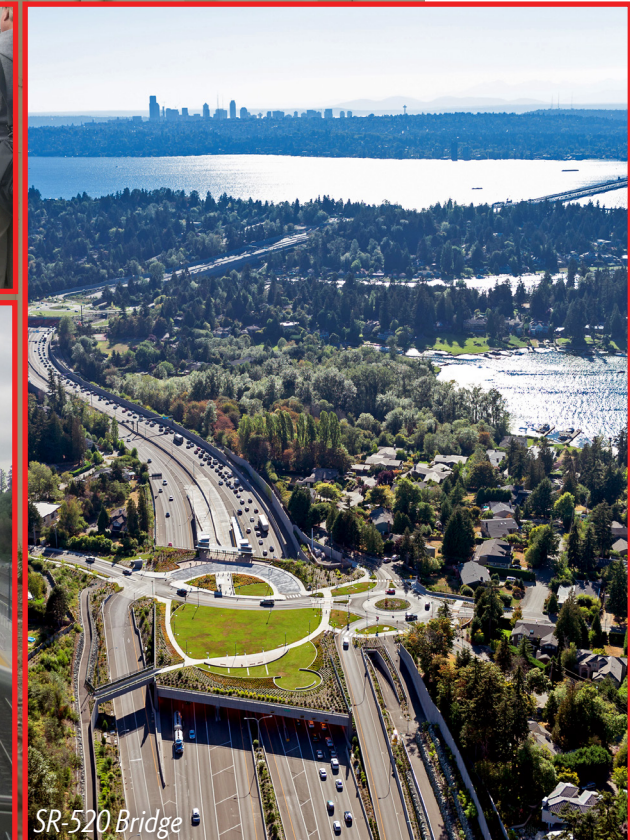
— Major transportation projects underway are transforming the region. —



Alaskan Way Viaduct replacement tunnel



Kitsap Fast Ferry



SR-520 Bridge



Mukilteo Ferry Terminal

Bellevue Link light rail

Funding for Transportation



The City of Duvall celebrated the opening of the Main Street project in 2018. PSRC contributed \$1.6 million via the Rural Town Centers program to the project in a prior funding round.

Cowen Park Bridge, Seattle

PSRC decides on the projects that will receive millions in transportation funding annually from federal sources.

Transportation Alternatives

The Transportation Alternatives program awards federal funds to community-based transportation improvements in the region, such as bicycle and pedestrian facilities, historic preservation projects, and environmental mitigation.

Transportation Alternative Projects Funded in 2017

King County Parks	East Lake Sammamish Trail North Extension	\$2.3 million
Pierce County	121ST Street South Streetscape Improvements	\$1 million
Seattle	Bell Street Protected Bike Lane	\$1.3 million
Tacoma	Revitalizing Tacoma's Brewery District with Complete Streets	\$2.2 million
King County Metro	RapidRide H Line Non-Motorized Safety Improvements	\$951,631
Seattle	Cowen Park Historic Bridge	\$2.4 million
Bainbridge Island	Olympic Drive Non-Motorized Improvement Project	\$878,320
Issaquah	Newport Way Nonmotorized Improvement Project – SR 900 to SE 54TH Street	\$1.6 million
Tacoma	Pipeline Trail, Phase III Construction	\$1.9 million
Lynnwood	44TH Avenue West/I-5 Underpass Improvements	\$255,672
Sultan	Sultan Pedestrian and Bicycle Bridge	\$2.5 million
Kitsap Transit	Bremerton Transportation Center ADA Improvements	\$153,412

Rural Centers and Corridors

PSRC's Rural Town Centers and Corridors Program targets a share of regionally managed federal funds to help fund projects in smaller towns and cities in rural areas of the region.

Rural Town Centers and Corridors Projects Funded in 2017

North Bend	North Bend Way/Park Street Roundabout	\$1 million
Stanwood	90TH Avenue Extension, Construction	\$1.4 million
Orting	Whitehawk Boulevard Extension	\$346,000
Snohomish	Bickford & Weaver Intersection Improvements	\$216,250

Special Needs Transportation

PSRC distributes a share of federal funds to support special needs transportation. In 2017 the region received a total of \$8.3 million for 20 projects that offer transportation services for seniors, people with disabilities and other people with mobility challenges.

About \$4.2 million from PSRC's regionally managed special needs transportation funds was leveraged with \$4.1 million from the Washington State Department of Transportation.



Senior Services of Snohomish County received funding for its Transportation Assistance Program.



Green Line Groundbreaking

2018 project selection underway — \$525 million available

In March 2018 PSRC issued a call for projects for the next round of project selection for an estimated \$525 million. Project selection is a competitive, merit-based process based on the policy framework established by PSRC's Executive Board.

Project evaluation criteria include:

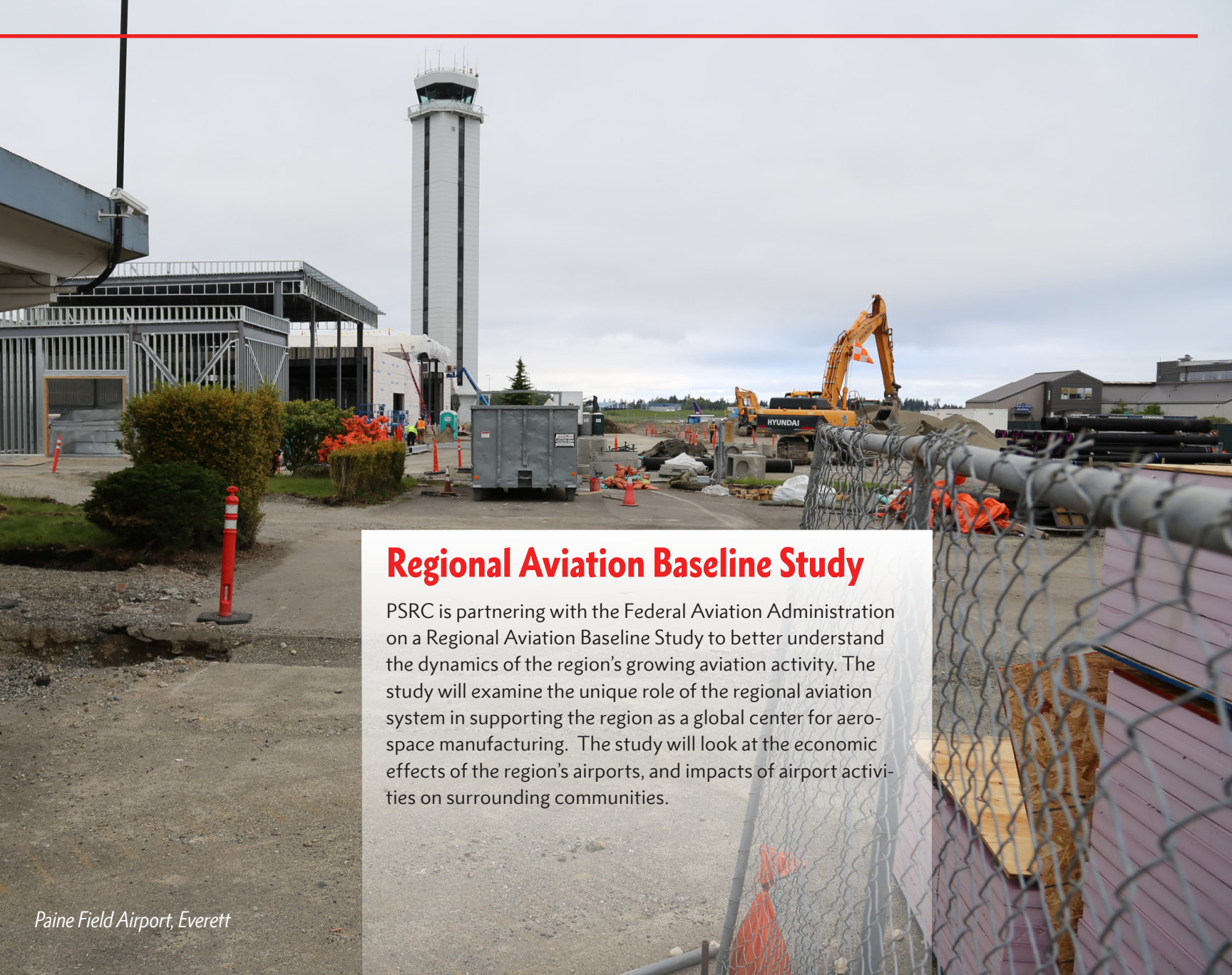
- Support for centers
- Safety, mobility and accessibility
- Populations served, health and equity
- Emissions reduction
- Project readiness

Final funding decisions are expected in October 2018.

Regional Transportation Improvement Program totals \$12 billion

The region's 2017-2020 Transportation Improvement Program (TIP) includes 617 projects with a combined investment of \$12 billion in local, state and federal funds. It's full of projects that the region is counting on to improve commutes and keep up with growing demand. These dollars leverage \$37 billion in total project cost for these investments.

PSRC manages the four-year TIP to ensure that projects are meeting regional policies and federal and state requirements. A new TIP is developed about every two years and is amended monthly to keep current with project changes and funding.



Paine Field Airport, Everett

Regional Aviation Baseline Study

PSRC is partnering with the Federal Aviation Administration on a Regional Aviation Baseline Study to better understand the dynamics of the region's growing aviation activity. The study will examine the unique role of the regional aviation system in supporting the region as a global center for aerospace manufacturing. The study will look at the economic effects of the region's airports, and impacts of airport activities on surrounding communities.

Sustaining Economic Vitality

“Working with the Governor and leaders across the state to ensure Boeing’s New Midmarket Airplane



lands here is one of my top priorities. It’s of vital importance to the economic success of Snohomish County, our region and Washington state.”

— Snohomish County Executive Dave Somers, PSRC President



Amazing Place is the new economic strategy for the central Puget Sound region focused on expanding opportunity, sustaining a high quality of life and promoting global competitiveness.

Amazing Place Actions Underway

The strategy is designed to be flexible and responsive to the changing needs and opportunities of the region.

Boeing’s New Midmarket Aircraft – the NMA

PSRC is working with regional and state leaders to secure design, production, and final assembly of Boeing’s New Midmarket Aircraft. The agency is supporting the work of Governor Inslee’s Choose Washington NMA Council, which is bringing together stakeholders to organize efforts to build the NMA here and strengthen the state’s entire aerospace industry.

The NMA represents an opportunity to further Washington’s leadership in the aerospace sector while also improving workforce and education systems to give workers mobility across industries and the skills to keep up with technological changes.

Commercial Space Sector Study

Building from strengths in both aerospace and information technology, the region’s space sector is expanding. PSRC is leading an effort to analyze Washington’s role in this emerging sector. The study will provide more information and data and identify ways that the region can compete to attract new jobs and investments.



Kitsap County

Expanding Opportunity

Amazing Place includes strategies aimed at expanding economic opportunities to more people and more geographic areas within the region, leveraging actions by local governments, the state, nonprofits and businesses to meet the region’s economic development needs.

Expanding broadband access in the region’s rural areas — In March, Governor Inslee signed SB 6034 into law, allowing the Kitsap County Public Utility District to extend broadband access to the county’s rural communities who aren’t currently served by commercial broadband access.

Port of Everett’s Riverside Business Park — Development at the Port of Everett’s Riverside Business Park is gaining steam. The former site of a Weyerhaeuser mill on the Snohomish River will be home to the aerospace supplier Northwest Aerospace Technologies and a Federal Express distribution center. The Port of Everett has received a \$1.85 million loan from the state’s Community Economic Revitalization Board to make infrastructure and utility improvements to the site.

Arlington-Marysville Manufacturing Industrial Center Study — Arlington and Marysville were awarded \$100,000 from the state’s Community Economic Revitalization Board to pay for an economic feasibility study and master plan for the Arlington-Marysville Manufacturing Industrial Center.



Growing the Cross Laminated Timber Industry — Forterra is leading a statewide coalition of lawmakers, timber industry, academics, small-town mayors, architects and environmentalists to grow the cross laminated timber (CLT) industry in Washington and increase economic opportunities in rural communities in the region. CLT is a building material made of engineered wood panels.

Planning for a Growing Region

Nearly 6 million people will live in the central Puget Sound region by 2050 and the region is getting ready.

The region is expected to grow by another 1.8 million people and add 1.2 million more jobs compared with today. A strong regional economy driven by tech is expected to outperform the national economy.

VISION 2050

Over the next two years, PSRC will develop VISION 2050, extending the existing growth strategy another decade.

As the region prepares to add more people and more jobs, VISION 2050 will provide a guide for sustaining a healthy environment, thriving communities, and a strong economy. VISION 2050 will identify the challenges we should tackle together as a region and renew the vision for what we want to achieve in the next 30 years.

VISION 2050 Scoping

PSRC reached out to residents around the region for input on scoping for VISION 2050, asking them:



- What important regional issues should be the focus of the update?
- How should the region's growth strategy be updated to plan for 2050?
- What impacts and actions should be evaluated through environmental review?

Through five listening sessions, online comments, and emails, PSRC received more than 1,300 individual comments on the scope and environmental review for VISION 2050.



In 2050 — 1.8 million more people than today

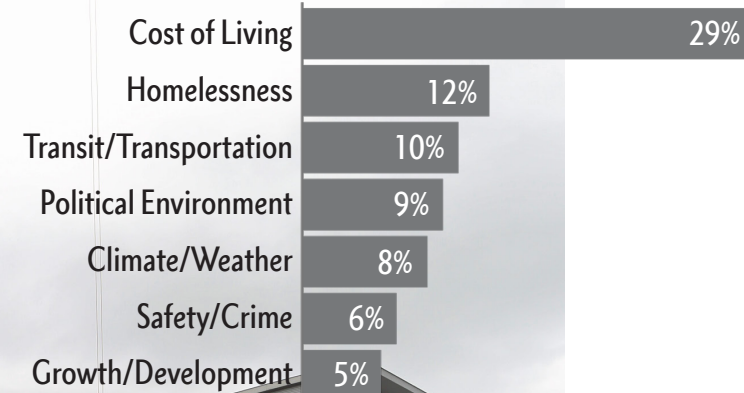


In 2050 — 1.2 million more jobs than today

Cost of living is top concern of Puget Sound residents

In March 2018, PSRC conducted a statistically valid survey of 2,000 people in King, Pierce, Snohomish and Kitsap counties as part of gathering input to shape the scope of VISION. One finding: Cost of living has replaced transportation as the top dislike, compared to previous surveys.

What do you like least about living in the central Puget Sound region?



Regional Centers Framework Update

City and town centers play a vital role in the success of the region's growth strategy.

Over the past several years, PSRC has worked with members and other partners to update the regional centers framework, to support the region's diverse centers and establish consistent procedures for centers planning.

The updated framework, approved by the Executive Board in March 2018, puts the region on sound footing as it develops the VISION 2050 growth strategy to accommodate housing and jobs in walkable mixed-use communities, preserve industrial lands, and achieve an environmentally sustainable pattern of development.

Upcoming centers work includes steps to recognize major military installations, updating the designation procedures for new centers, and identifying issues for VISION 2050.



Tacoma Convention Center



Lake Sammamish

Regional Open Space Conservation Plan

Regional parks, farms, forests, and wilderness areas are all part of the region's spectacular open space network. As the region continues to grow, it's more important than ever to have an effective plan for protecting open space.



PSRC has been working with partners to develop a Regional Open Space Conservation Plan that will knit together open space and related plans from counties, tribes, resource agencies, salmon recovery groups, and other organizations. The plan will identify and elevate these

open space needs to attract funding and support. A final plan is expected to be completed in mid-2018.

Celebrating the VISION 2040 Award Winners

PSRC honored five innovative efforts for promoting a livable region by helping to achieve VISION 2040.

WSU Everett — A new Washington State University campus that will bring economic opportunities to Everett and provide new degree paths for students seeking employment in aerospace and tech.

Plaza Roberto Maestas — A mixed-use housing project located directly south of El Centro de la Raza's historic schoolhouse building and adjacent to the Beacon Hill Light Rail Station.

Clear Creek Wetland and Flood Plain Restoration — A strategic approach to restore 30 acres of wetlands and streams, building on other investments throughout the Clear Creek Basin in Kitsap County.

Cushman Trail — A 6.2-mile regional trail connecting Gig Harbor to Tacoma, and serving community parks, schools and other activity centers.

Orca Lift — A reduced-fare program that increases mobility opportunities for people who earn a lower income.

Making Regional Connections



The Puget Sound Regional Council is the place where people come together to ensure the region thrives now and into the future.

Workshop for Newly Elected Officials

New elected leaders from the central Puget Sound region gathered on January 31 for PSRC's Regional Connections workshop. New officials came from all four counties, including representatives of Auburn, Arlington, Bainbridge Island, Bellevue, Bothell, Des Moines, Duvall, Kent, Marysville, Mukilteo, Puyallup, Snoqualmie, Snohomish, Steilacoom, Sultan, and Sumner. The workshop aimed to spark engagement in regional planning and build relationships among new and veteran elected leaders throughout the region.

Toolbox Peer Networking Series — PSRC regularly hosts the Toolbox Peer Networking Series, focused on best practices and resources for local planning and implementation.

Where We're Growing: Planning Together for a Sustainable Region — This event in November reached full capacity as planners, elected leaders and community members joined in on sessions on growth trends, housing affordability, transportation innovations and more. The event focused on state and regional planning efforts and how we can move forward as a region to create and sustain thriving and equitable places.

Building Transit/Building Opportunity — In October, PSRC hosted an all-day event to explore new ways the region can make the most of new regional transit investments to create successful transit-oriented communities with housing affordable to all income levels.

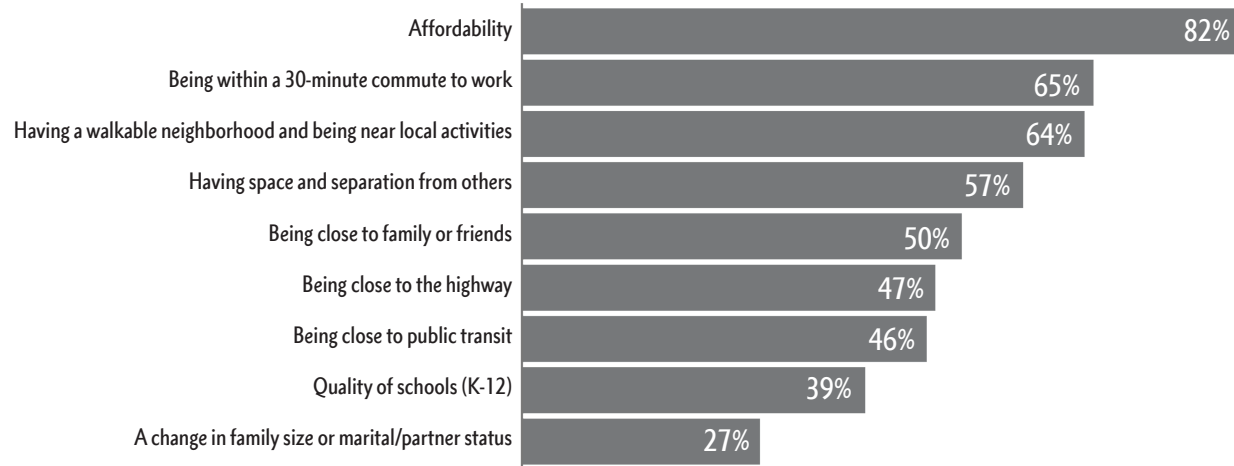
Regional Data and Forecasts

Data on population, employment, travel patterns and other trends help shape the region's plans for the future.

Regional Travel Survey

PSRC's regional travel survey is collecting real-life data on the travel patterns of people in the region. The survey, which is conducted about every two years, asks thousands of individuals around the region to keep track of their trips. Data collected by the travel survey are used by PSRC and many member agencies to develop models that predict household travel behavior.

How important were each of these factors when choosing to move to where you live now?



2050 Regional Forecast of Population and Jobs

PSRC has released its first ever regional forecast to the year 2050, which anticipates the region will grow to nearly 6 million people by 2050, adding 1.8 million more people and 1.2 million more jobs compared to today.

This regional macroeconomic forecast is a big picture, long-range forecast of jobs, population and households at the regional scale. It provides inputs to PSRC's suite of models and analytical tools. It also establishes the future growth assumptions that will be used to support development of VISION 2050.

Puget Sound Trends

PSRC publishes brief reports on regional trends in transportation, population, housing, employment and more.

Data, Modeling and Technical Support

The PSRC data team continues to offer high quality data and modeling to the region's jurisdictions and to support major regional planning efforts, including the Regional Transportation Plan and VISION 2050.

PSRC maintains four primary models that forecast future land use and travel conditions that inform planning and policy making:

- A macroeconomic model of the four-county region
- The UrbanSim land use modeling suite
- Travel demand model known as 4K
- An activity-based travel model known as SoundCast

Datasets available from PSRC

Demographic: Decennial Census, American Community Survey

Housing: residential building permit estimates

Land Use: parcel/assessor data, future land use dataset

Economic: employment estimates, wage estimates

Transportation: Census Transportation Planning Package, household travel survey data, park & ride data, parking inventory data, bicycle & pedestrian counts

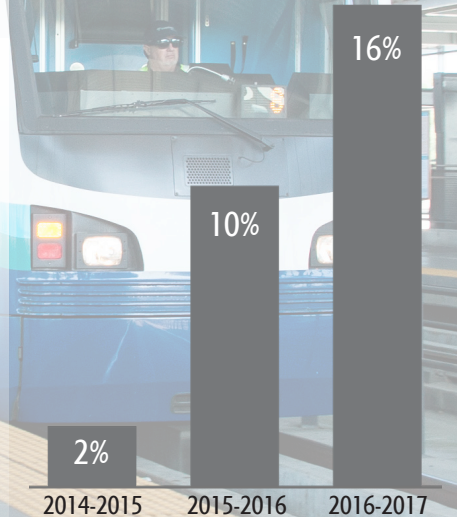
Forecasts: regional macroeconomic forecast, small area land use projections

Looking for data? — Go to psrc.org or contact our Information Center at info@psrc.org

Fixed-Route Transit Boardings, 2010-2017



Sea-Tac Air Cargo Volumes, 2014-2017



About the Puget Sound Regional Council

PSRC works to ensure a thriving central Puget Sound now and into the future through planning for regional transportation, growth management and economic development.

- Long-range planning for transportation, economic development and growth management
- Transportation funding
- Regional data and research
- Regional coordination and outreach

Another clean audit — In 2018, PSRC received a clean audit result from the Washington State Auditor with no findings, the sixth one in a row. In the last 18 years, PSRC has had just one finding.

Regional decision making

The work of the Puget Sound Regional Council is guided by its members, which include King, Pierce, Snohomish and Kitsap counties, 74 cities and towns, four port districts, the region's transit agencies, the Washington State Department of Transportation, Washington State Transportation Commission, the Muckleshoot Indian Tribe, the Puyallup Tribe of Indians, and the Suquamish Tribe.

Elected officials representing PSRC members meet annually as a General Assembly to vote on major decisions, approve the budget, and elect new leadership. The Executive Board makes decisions on behalf of the General Assembly on a monthly basis with the input of several advisory boards made up of local elected officials and representatives of business, labor, environmental and community interests, and members of the public.

Budget and funding sources

The Puget Sound Regional Council's proposed supplemental biennial budget for 2018-2019 (July 2017 – June 30, 2019) is \$27.5 million. The agency's work program is funded by a combination of federal and state grants, dues paid by PSRC members, and by other local sources.



Sunrise, Mt. Rainier National Park



Harbor Avenue, Seattle



Bainbridge Island

PSRC wins national award for budget — PSRC received a 2017 Distinguished Budget Presentation Award from the Government Finance Officers Association. According to the GFOA, PSRC's budget and work program "meets the highest principles of governmental budgeting and provides an example for other governments throughout North America."

Funding for this document provided in part by member jurisdictions, grants from U.S. Department of Transportation, Federal Transit Administration, Federal Highway Administration and Washington State Department of Transportation. PSRC fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see <https://www.psrc.org/title-vi> or call 206-587-4819.

Americans with Disabilities Act (ADA) Information: Individuals requiring reasonable accommodations may request written materials in alternate formats, sign language interpreters, physical accessibility accommodations, or other reasonable accommodations by contacting the ADA Coordinator, Thu Le, at 206-464-6175, with two weeks' advance notice. Persons who are deaf or hard of hearing may contact the ADA Coordinator, Thu Le, through TTY Relay 711.

Additional copies of this document may be obtained by contacting:
Puget Sound Regional Council, Information Center • 1011 Western Avenue, #500 • Seattle, Washington 98104
• 206-464-7532 • info@psrc.org • psrc.org

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Welcome to Des Moines! New member in 2018.





Paine Field Airport, Everett