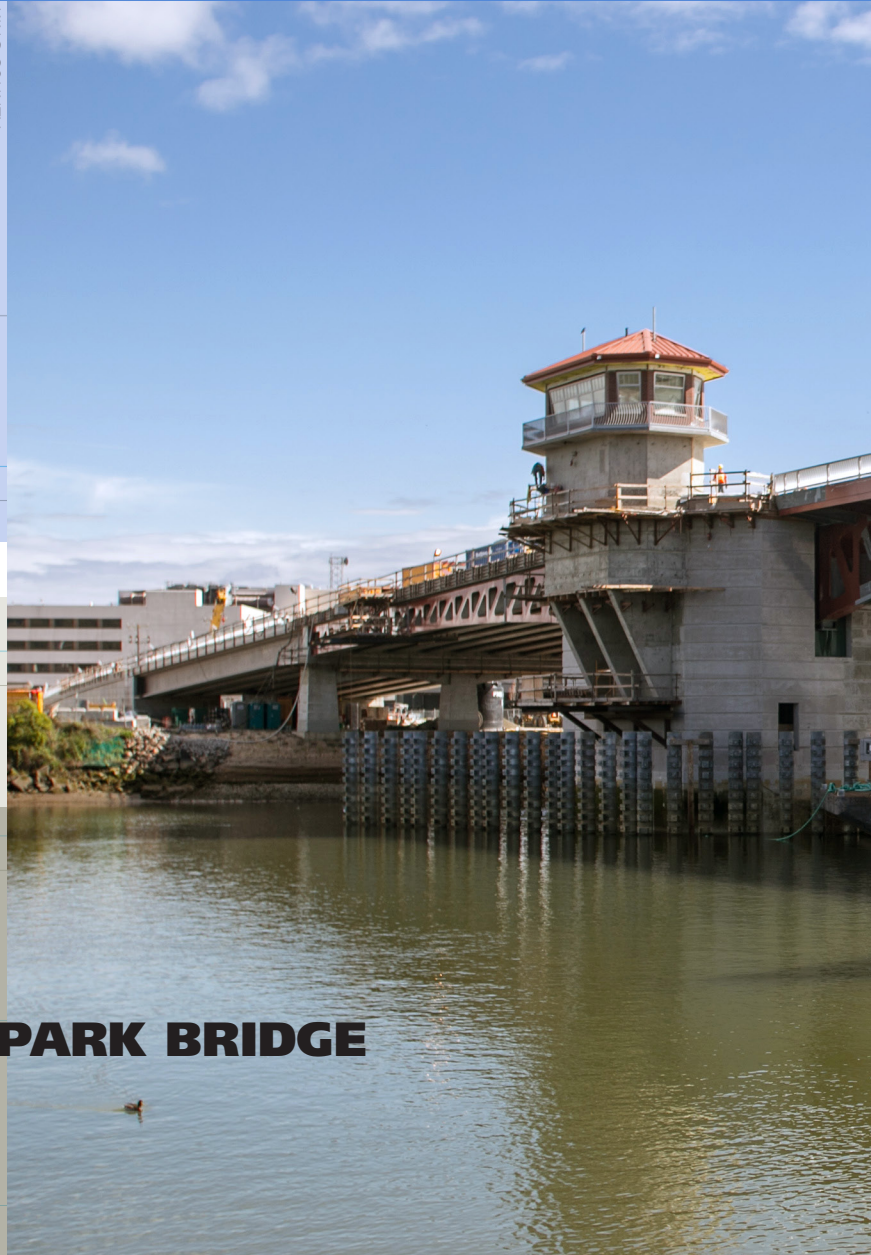


CALLING FOR ACTION ON TRANSPORTATION



KING COUNTY



NEW SOUTH PARK BRIDGE

COVER PHOTO: SR 520 CONSTRUCTION, WSDOT



The new South Park Bridge opened on June 30, reestablishing an essential link across the Duwamish River for residents and businesses. PSRC contributed more than **\$24 million** to the new bridge, which connects two manufacturing/industrial centers with about 80,000 jobs.



NEW PUYALLUP RIVER BRIDGE

— Message from the President and Executive Director —

PAT MCCARTHY
PRESIDENT—PSRC
PIERCE COUNTY — EXECUTIVE



JOSH BROWN
PSRC EXECUTIVE DIRECTOR



ACT NOW TO INVEST IN TRANSPORTATION.

That's the message we've heard again and again over the past year from local governments, board members, business leaders and the public.

In our comprehensive outreach effort to PSRC members in 2014, we asked about their top concerns. **We heard repeatedly that there is a critical need for transportation resources to support a growing economy.**

That sense of urgency is shared by voters in the central Puget Sound region. In a survey we completed this winter, transportation was far and away the most important concern for voters.

With that urgency in mind, PSRC has shared new data that demonstrates the fragile nature of our transportation system. Demand for transit is growing: Some bus routes are standing-room only and park-and-rides are filling up earlier. Delay on HOV lanes has increased dramatically. Many of the region's bridges and structures are at risk.

Throughout this annual report, you'll find more examples of how PSRC is supporting action on transportation and of our continuing work to support a thriving region.

Ensuring that federal transportation dollars are put to work on priority projects is a key role for PSRC. In 2014, the agency selected projects to receive \$686 million through a merit-based competition.

Helping implement the region's VISON 2040 growth strategy on the ground is another big part of what we do. As the region's cities and counties complete updates to their comprehensive plans, PSRC staff is working closely with local staff to ensure they are successful.

Our economic development team is working on multiple fronts to support industry clusters identified in the Regional Economic Strategy. We're continuing to leverage the Manufacturing Communities designation to bring in more federal grant dollars to grow aerospace manufacturing jobs in the region.

PSRC also is producing more data and forecasts than ever before to support local and regional planning. Results from the Regional Travel Survey, new travel and land use models, and an updated regional economic forecast are among the tools and resources being used to inform decisions that matter to the future of the region.

A strong economy is attracting more people to the Puget Sound region. Forecasts show the region will likely top 4 million people in 2016 and will reach nearly 5 million by 2040. The region's economic forecast shows 28 percent more people and 40 percent more jobs by 2040.

With strong leadership from the region and state, we can act now on the investments needed to make a difference today and get ready for the future.

— *Pierce County Executive Pat McCarthy, PSRC President & Josh Brown, PSRC Executive Director* —

Regional leaders are united in calling for new investment in a transportation system that supports a growing economy and quality of life

WHAT DO YOU THINK IS THE MOST IMPORTANT PROBLEM FACING THE PUGET SOUND REGION TODAY?



TRANSPORTATION TOP CONCERN OF VOTERS — In January, PSRC surveyed 1,500 voters in the region on transportation planning issues. In an open-ended question, voters said that transportation is by far the most important issue facing the region.

WHAT IS THE STATUS OF TRANSPORTATION IN THE REGION?

Congestion and delay have grown to crisis levels in the past few years as the economy has added thousands of new jobs.

The region's transportation system is increasingly fragile and often strained beyond capacity across all major modes of travel. Transit usage is up 11% in the last 4 years despite a 6.7% decrease in service hours.

A combination of increasing demands, growing delay, aging infrastructure, and inadequate funding have dramatically decreased the reliability of the regional road, transit and ferry system.



51% FEEL OUR REGION IS LOSING GROUND WHEN IT COMES TO ADDRESSING TRANSPORTATION



MORE JOBS, PEOPLE AND TRAFFIC EXPECTED

Today, a single breakdown in one location can reverberate throughout the region, creating hours of delay for tens of thousands of people. As the central Puget Sound continues to grow and urbanize, there will be increasing demands on a transportation system the region has outgrown. PSRC forecasts indicate the region can expect a 28 percent increase in population and a 40 percent increase in employment by 2040.

WHAT'S NEEDED TO IMPROVE THE SYSTEM?

The region's long-range transportation plan, Transportation 2040, provides a blueprint for meeting the region's transportation needs through the year 2040.

The plan identifies investments needed to keep the system in good shape and serve increasing demand.

An estimated \$78 billion will be required to meet growing needs over the next ten years. Current revenue sources are expected to cover \$53 billion of the cost, leaving an estimated gap of about \$25 billion.

MAINTAINING AND IMPROVING TRANSPORTATION

PSRC ensures that federal funds are put to work on priority projects that improve mobility and support the region's growth strategy.

"The PSRC's regional land use, economic development and transportation planning supports the vital role of international trade in our region's economy. We also recognize the importance of our railways in keeping our seaports competitive. That's why we need to stay on top of changes that could impact our economy and communities up and down the Sound."

— PIERCE COUNTY EXECUTIVE PAT MCCARTHY, PSRC PRESIDENT

STUDY HIGHLIGHTS COAL TERMINAL IMPACTS

PSRC released a study in July evaluating the economic effects of the proposed Gateway Pacific Terminal on the central Puget Sound region, which could result in an additional 18 trains per day, each 1.6 miles long. The terminal is expected to primarily transfer coal to ships for export. Much of the direct costs to King, Pierce and Snohomish counties would be related to increased train traffic – traffic delays at rail crossings and infrastructure improvements.

PSRC FUNDING ACTIONS

In October, PSRC approved the 2015-18 Regional Transportation Improvement Program. This included **\$686 MILLION** awarded through PSRC's competitive funding process, including project development for a future expansion of Community Transit's SWIFT bus rapid transit service.

\$721,000

was redistributed to projects within Pierce County, including Puyallup's nonmotorized plan.



\$22.4 MILLION was directed to transit projects due to a higher than expected amount of funding from the Federal Transit Administration. Kitsap Transit received \$368,388 for passenger-only vessels.



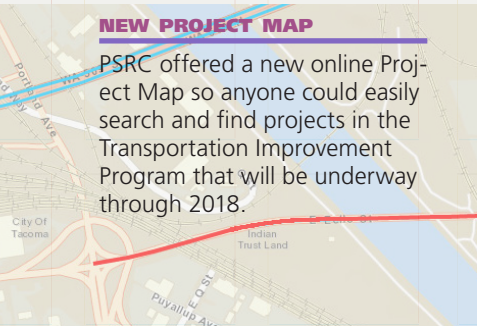
Through the special needs grant program, PSRC recommended **\$11 MILLION** for transportation services for seniors, people with disabilities, low-income individuals, and youth. Some of the projects will be funded through PSRC and others are ranked for Washington State Department of Transportation funding.

MAXIMIZING FEDERAL FUNDS

Improved project management is helping the region meet federal "use it or lose it" deadlines for federal transportation funding. The region is on track to meet or exceed project delivery for 2015.

NEW PROJECT MAP

PSRC offered a new online Project Map so anyone could easily search and find projects in the Transportation Improvement Program that will be underway through 2018.



PSRC approved **\$5 MILLION** to support economic recovery in the Darrington, Oso and Arlington area after the landslide emergency.

\$20 MILLION

was redistributed to ready-to-go projects in June 2014, including \$1 million to Bothell's main street enhancement project.



GETTING READY FOR THE FUTURE OF TRANSPORTATION

A new **Transportation Futures Task Force** began meeting in February 2015 to examine the region's long-term transportation future. The task force includes broad representation of civic leaders from central Puget Sound. The group is investigating how to ensure transportation and transit systems meet the challenges of a growing population and a dynamic economy for the next 30 years and beyond. Among the topics:

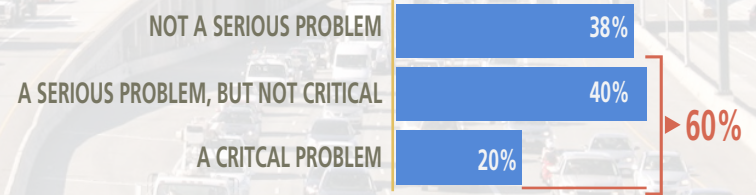
- Where the region is headed demographically and financially
- Transportation trends and new technology systems and how they might change travel
- Financial, equity and environmental issues that need to be considered
- Funding alternatives that might be available

**TRANSPORTATION
FUTURES**

79% SAY CONGESTION IS A SERIOUS PROBLEM



60% FEEL AVAILABILITY OF TRANSPORTATION ALTERNATIVES IS A SERIOUS OR CRITICAL PROBLEM



REGIONAL ECONOMIC STRATEGY



PSRC is working together with public and private partners to strengthen the region's economic foundations and encourage new jobs in innovative industries.

SUPPORTING AEROSPACE AND MANUFACTURING IN THE REGION

In 2014 PSRC led a successful proposal to designate the state's aerospace industry as a Manufacturing Community under a new federal initiative. This special designation means strategic assistance and preferential status for two years on applications for \$1.3 billion in federal grants. The focus is on strengthening small and midsize suppliers through diversification strategies, LEAN management, workforce training and research and development. Already, the state has benefited from the designation, with a \$4.3 million grant from the Department of Defense to enhance the state's military and defense manufacturing readiness and competitiveness.

JUMPSTARTING THE REGION'S ENERGY EFFICIENCY SECTOR

A promising subsector of the clean technology industry is "smart building" technology that saves energy and operational costs. Through a grant from the Economic Development Administration, PSRC has supported emerging efforts that help grow this sector.

The **High Performance Buildings Pilot Project**, launched by the City of Seattle, Microsoft and the Seattle 2030 District, uses software and the cloud to fine tune building performance in real time. This generates an energy savings of 15 to 25 percent without paying for costly retrofits or disrupting tenants. Another major step forward is the **Smart Building Center**, set to open spring of 2015. Housed in the iconic Pacific Tower, the center will install a variety of technologies to serve as a living laboratory. Building owners and operators will be able to see live technologies to select the best product and inventors can test their technologies to demonstrate their efficacy.

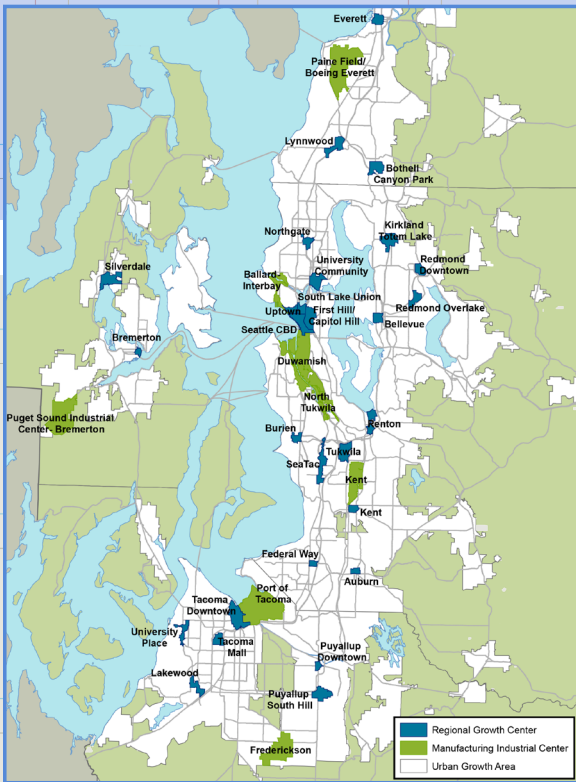
Increasing worker training — One roadblock to growth of the energy efficiency sector is the lack of workers with the right training to run new smart buildings at peak efficiency. In 2014, South Seattle College worked with industry leaders to develop a Bachelor of Applied Science (BAS) in Sustainable Building Science Technology (SBST) program, the first of its kind in the nation.

TRACKING ECONOMIC PROGRESS

The Puget Sound region's economy is growing and diverse, with exciting opportunities now and for the next generation. For the region to grow and hold off competitors, economic foundations that are shared across all industries need to be strong. These include education, business climate, innovation, infrastructure, and quality of life. PSRC recently launched a new program to track measures of how well the region is doing in each of these economic foundations. The first set of measures looked at higher education and worker training.

PLANNING FOR A GROWING REGION

Within the next three decades, the central Puget Sound is expected to grow by 1.2 million more people and add 1.9 million more jobs. VISION 2040 is the region's strategy for accommodating that growth and creating a thriving region.



VISION 2040's growth strategy focuses growth in designated regional growth centers that are connected by major transportation corridors and transit service.

NEW GUIDANCE AND TOOLS FOR LOCAL PLANNING

PSRC works with local governments to review comprehensive plans, planning policies, and transit agency plans. PSRC provides direct technical assistance, and reviews and certifies these plans to ensure they are consistent with regional policies and the Growth Management Act. Certification of local plans is a requirement for jurisdictions and agencies seeking PSRC funding.

The region's cities and counties are preparing major comprehensive plan updates required within the next two years. PSRC offers assistance and resources to support this work. In addition to a monthly peer networking and webinar series on local planning and implementation, new resources include:

Planning for Whole Communities Toolkit — a web-based resource designed to help local jurisdictions promote health, equity, and sustainability in policies, programs, and comprehensive plans.

Growth Element Guide — provides direction on techniques and data to inventory existing housing stock and assess housing needs, and gives guidance on housing policies and tools to promote a range of housing choices.

Growth Targets and Mode Split Goals for Regional Centers — offers guidance for setting growth targets and goals for increasing shares of transit, bicycle, and pedestrian trips in regional centers.

Planning for Transit Supportive Densities & Land Uses — recommendations for how housing, employment, and land use patterns in transit station areas can support and grow successful transit service.



NEW REGIONAL GROWTH CENTERS

In December, the PSRC Executive Board approved Downtown University Place as the region's 28th regional growth center. University Place envisions their downtown center will become a destination for regional shopping, arts, entertainment, and special community events. In January, Issaquah asked PSRC to designate its commercial core as a regional growth center. Final action on the designation is scheduled for June.

TRANSIT-ORIENTED DEVELOPMENT

Forward momentum on transit-oriented development has continued since the adoption of the Growing Transit Communities Strategy. Representatives from 40 public, private, and nonprofit organizations have signed the Growing Transit Communities Compact and continue to meet quarterly in an advisory capacity to the Growth Management

Policy Board. They have pledged an ongoing commitment to work together to determine the best ways to accommodate more growth near transit investments, provide more housing choices, and increase access to opportunity.

INDUSTRIAL LANDS ANALYSIS

PSRC published an updated industrial lands analysis in March 2015. Overall, the region has enough industrial land to meet demand through 2040, but the level of adequacy varies across the region. Manufacturing/industrial centers are doing a good job overall in preserving industrial land. The report contains recommended strategies to preserve and enhance industrial land going forward.

STRENGTHENING REGIONAL AND LOCAL FOOD SYSTEMS

PSRC convenes a Regional Food Policy Council where farmers, business leaders, local governments and others develop policies and recommendations to strengthen the region's food system. In October, the council approved a three-year action plan to enhance the economic viability of local and regional food systems, and promote access to affordable, nutritious food for all residents.



DELIVERING REGIONAL DATA

PSRC is a valued source of data and forecasts that help the region make decisions today and get ready for the future.

REGIONAL TRAVEL SURVEY HELPS UNDERSTAND TRAVEL BEHAVIOR

PSRC completed a survey of more than 6,000 households throughout King, Kitsap, Pierce, and Snohomish counties in spring 2014. Participants answered general household questions and recorded their travel details for a given weekday. The data is used for forecasting travel demand and planning for the future.

In fall 2014, PSRC did a focused survey of college students in the region. College data is typically not captured in household surveys. Surveying students will provide better understanding of their travel behavior, making PSRC's travel models more accurate. The final step will be a follow-up survey of households in spring 2015 to determine if there have been any significant changes in travel choices over the previous year.

SOUNDCAST OFFERS NEW APPROACH TO PREDICTING FUTURE GROWTH AND TRAVEL

In 2014, PSRC completed an internal test launch of a new advanced modeling tool, SoundCast, that will help regional leaders better understand tradeoffs in planning decisions. SoundCast can be used to:

- Analyze how transit, walking, and biking rates will be affected by future changes in the transportation network and land use
- Clarify how packages of transportation projects and future tolling could affect a variety of households in different ways throughout the region
- Describe how the aging population will impact the region's transportation networks

EXPLORING THE EFFECTS OF AUTONOMOUS VEHICLES ON TRAVEL DEMAND

Autonomous or "self-driving" vehicles could transform how the transportation system operates, but many uncertainties make it difficult to begin planning for them today. In research to be published in the Transportation Research Record, four potential impacts were considered: increased road capacity, improved travel experiences, reduced park costs, and per-mile pricing. This work will help PSRC build better tools for understanding autonomous vehicle impacts.

NEW TRIP-BASED 4K TRAVEL MODEL RELEASED

A new trip-based travel model was released for local agency and consultant use, called 4k. The 4k model has greater geographic detail with 4,000 (4k) zones represented in the PSRC region, more than four times as many as previously. This will help to better capture more local behavior like walking to transit and biking.



CHISM BEACH PARK, CITY OF BELLEVUE

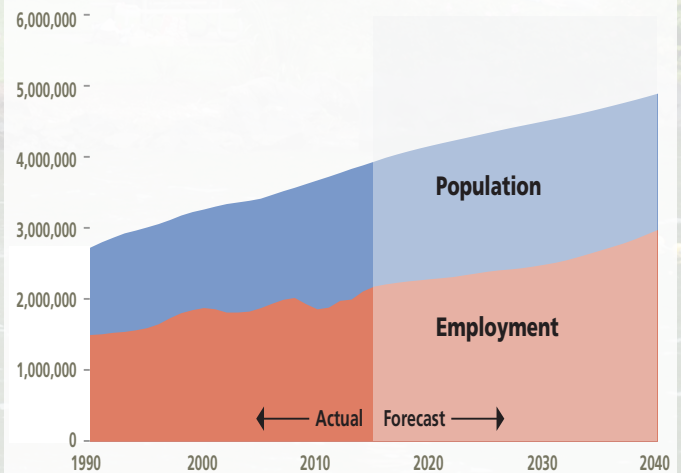
UPDATED REGIONAL ECONOMIC FORECAST SHOWS CONTINUED POPULATION AND JOB GROWTH

In spring 2015, PSRC produced a long term forecast of growth and change through the year 2040. The region is expected to have more than 2.9 million jobs and 4.9 million people in 2040.

FORECASTS SUPPORT LOCAL PLANNING EFFORTS

In summer 2014, PSRC updated two small area forecast datasets, the Land Use Targets and Land Use Baseline, to facilitate local comprehensive planning efforts.

POPULATION AND EMPLOYMENT IN THE CENTRAL PUGET SOUND REGION 1990 – 2040



THIRD CONSECUTIVE YEAR OF POPULATION GROWTH — A strong economy is attracting more people to the Puget Sound region, continuing a pattern of accelerating population growth. The four-county Puget Sound region added 54,550 people in 2014. Forecasts show the region will likely top 4 million people in 2016.

VISION 2040 AWARDS CELEBRATE SUCCESS

The Puget Sound Regional Council honored six projects and programs from around the region with VISION 2040 Awards in May 2014. VISION 2040 is the region's long-range strategy for promoting the well-being of people and communities, economic vitality, and a healthy environment. The VISION 2040 Awards showcase exceptional efforts that help implement the growth strategy.



REDMOND'S CENTRAL CONNECTOR, SPONSORED BY THE CITY OF REDMOND IN PARTNERSHIP WITH KING COUNTY, SOUND TRANSIT, AND THE BERGER PARTNERSHIP — The connector locates several instrumental public infrastructure projects on ten acres of prime real estate in the regional growth center and opens a network of active transportation opportunities using the eastside rail corridor.



PIERCE COUNTY AGRICULTURE PROGRAM, SPONSORED BY PIERCE COUNTY — A successful program to strengthen support for farming and farmers to ensure agriculture remains a healthy component of the Pierce County community.



12TH AVENUE ARTS, SPONSORED BY CAPITOL HILL HOUSING — A vibrant new multi-purpose building in Seattle's Capitol Hill neighborhood, which transforms a 29,000 square foot surface parking lot into a cultural center that meets arts, housing and public safety needs.



FOURTH STREET IMPROVEMENTS, SPONSORED BY CITY OF BREMERTON AND LMN ARCHITECTS WITH PARTNERING AGENCIES LORAX PARTNERS AND EXELTECH CONSULTING — A streetscape design that created a lively theatrical ambiance to generate new investment in downtown Bremerton.



ARBOR VILLAGE, SPONSORED BY MOUNTLAKE TERRACE — The first, large scale mixed-use project to be developed in Mountlake Terrace's new Town Center.

RESIDENTIAL INFILL MEASURES REPORT, SPONSORED BY CITY OF EVERETT, WITH PARTNERSHIP FROM WASHINGTON STATE DEPARTMENT OF COMMERCE, INOVA, PROPERTY COUNSELORS, AND FEHR AND PEER — A reference manual of innovative infill practices and an exploration of potential housing types, infill locations, and land use code changes that will increase residential development capacity in Everett.

MUKILTEO LIGHT STATION

ABOUT THE PUGET SOUND REGIONAL COUNCIL

SR 520 FLOATING BRIDGE, WSDOT

The Puget Sound Regional Council (PSRC) is a regional planning organization that develops policies and makes decisions about transportation, economic development and growth management. PSRC's work includes:

- Long-range planning for transportation, economic development and growth management
- Transportation funding – about \$260 million annually
- Regional data and research
- Regional coordination and outreach

LEADERSHIP AND ORGANIZATION

The members of PSRC are King, Kitsap, Pierce and Snohomish counties, 72 cities within the region, 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

GENERAL ASSEMBLY — Meets at least annually to vote on major decisions, establish the budget, and elect new officers. Includes all elected representatives of PSRC members.

EXECUTIVE BOARD — PSRC's governing board that meets monthly to make decisions on behalf of the

General Assembly. Members are appointed by their General Assembly constituents to represent the member governments.

TRANSPORTATION POLICY BOARD — Makes recommendations on transportation issues to the Executive Board. Includes representatives of the PSRC's member jurisdictions, regional business, labor, and civic and environmental groups.

GROWTH MANAGEMENT POLICY BOARD — Makes recommendations on growth management issues to the Executive Board. Includes representatives of the PSRC's member jurisdictions, regional business, labor, and civic and environmental groups.

ECONOMIC DEVELOPMENT DISTRICT BOARD — The regional Economic Development District (EDD) Board coordinates regional economic development planning. Includes representatives from private business, local governments, tribes and trade organizations.

BUDGET AND FUNDING SOURCES

The Puget Sound Regional Council's proposed biennial budget for 2016-2017 (July 1, 2015–June 30, 2017) is \$25.6 million. The agency's work program is funded by a combination of federal and state grants, dues paid by PSRC members, and from other local sources.

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 <http://www.psrc.org/about/public/titlevi> or call 206.464.4819.

AMERICANS WITH DISABILITIES ACT (ADA)

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, Suite #500
Seattle, WA 98104-1035
206.464.7532 — info@psrc.org • psrc.org

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—**VICE PRESIDENT**—Mayor John Marchione, **CITY OF REDMOND**

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Commissioner Dan O'Neal, **WASHINGTON STATE TRANSPORTATION COMMISSION**

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—Algona —Arlington —Auburn —Bainbridge Island —Beaux Arts Village —Bellevue —Black Diamond —Bonney Lake —Bothell —Bremerton —Buckley —Burien —Clyde Hill —Covington —Darrington —DuPont —Duval —Eatonville —Edgewood —Edmonds —Enumclaw —Everett —Federal Way —Fife —Fircrest —Gig Harbor —Granite Falls —Hunts Point —Issaquah —Kenmore —Kent —Kirkland —Lake Forest Park —Lake Stevens —Lakewood —Lynnwood —Maple Valley —Marysville —Medina —Mercer Island —Mill Creek —Milton —Monroe —Mountlake Terrace —Muckleshoot Indian Tribal Council —Mukilteo —Newcastle —Normandy Park —North Bend —Orting —Pacific —Port Orchard —Poulsbo —Puyallup —Puyallup Tribe of Indians —Redmond —Renton —Ruston —Sammamish —SeaTac —Seattle —Shoreline —Skykomish —Snohomish —Snoqualmie —Stanwood —Steilacoom —Sultan —Sumner —Tacoma —The Suquamish Tribe —Tukwila —University Place —Woodinville —Woodway —Yarrow Point

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ASSOCIATE MEMBERS

—Port of Edmonds —Island County —Puget Sound Partnership —Snoqualmie Tribe —Thurston Regional Planning Council —The Tulalip Tribes —University of Washington —Washington Aerospace Partnership

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—Community Transit —Everett Transportation Service —Kitsap Transit —Metro —Pierce Transit —Sound Transit

