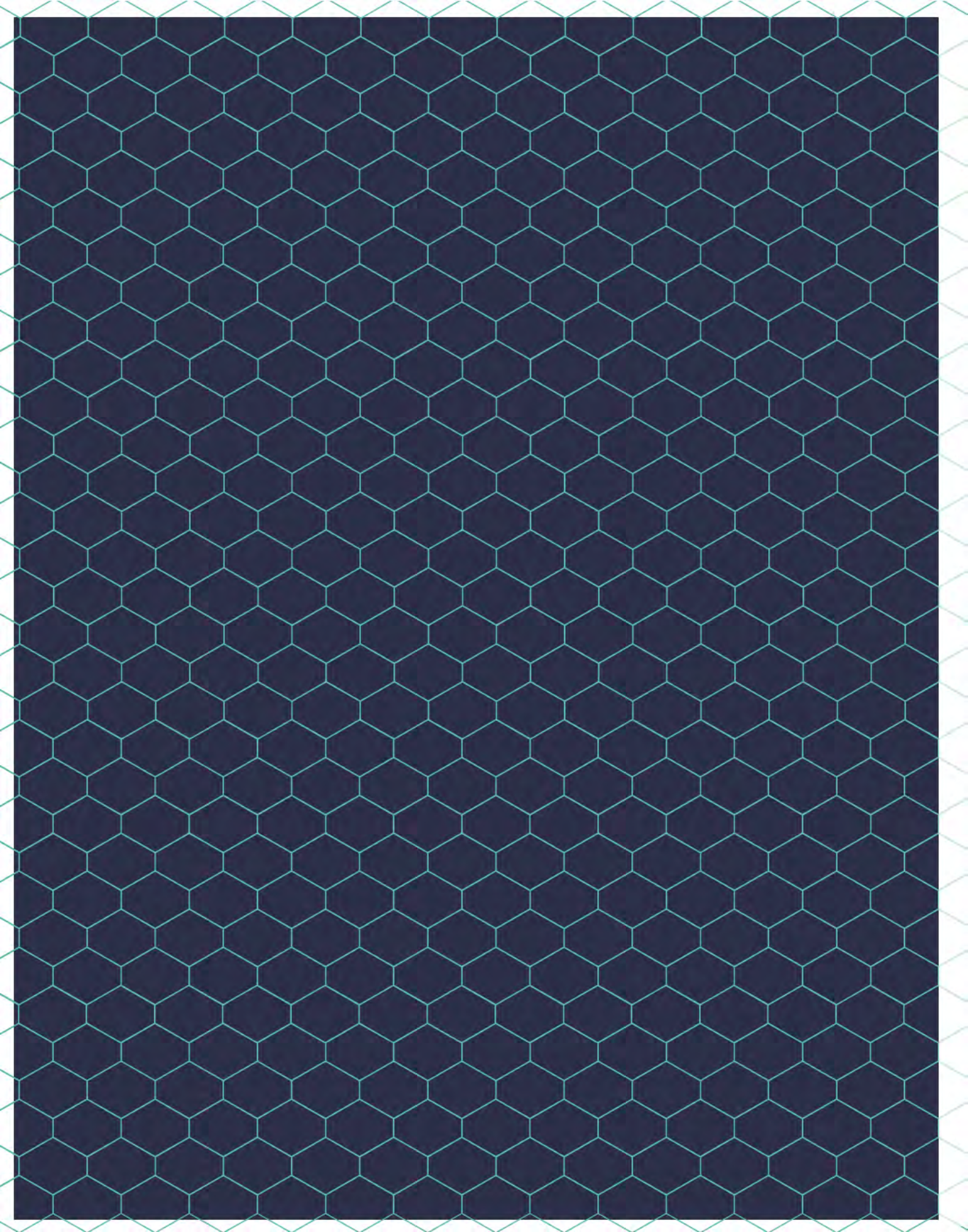


Puget Sound Regional Council



ANNUAL REPORT • MARCH 2016





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Message from the President & Executive Director

This is an exciting time for our region. The signs of growth and opportunity are everywhere. In 2015 the region's population grew faster than it has in a decade. We've gained over 240,000 jobs in just the last five years. Transit ridership is at an all-time high.

It's been more than two decades since the passage of the Growth Management Act and adoption of the first regional VISION to shape growth in the central Puget Sound. Analysis of where growth is occurring shows that VISION 2040 is making a positive difference. Rural areas are staying rural. Most new housing and jobs are flowing to urban places, especially designated regional growth centers.

While we celebrate that progress, it's clear there is more work to do to address the challenges that come with growth. The existing transportation system hasn't kept up with demand, and there are growing concerns about housing affordability and social equity.

Research we conducted in partnership with Forterra has given us a perspective on how Puget Sound residents feel about our region and the pace of growth. A majority of people believe that growth can be a good thing, but they want to ensure we grow in ways that preserve the region's natural beauty, resources and diversity.

New transportation funding

This year saw some major steps in the right direction for transportation. In July state leaders passed the Connecting Washington package that will complete projects critical to mobility in the region, including the completion of SR 520 between I-5 and the Lake Washington floating bridge. The Legislature also gave Sound Transit the authority to ask for voter approval of the next stage of investments in light rail, commuter rail and bus rapid transit. This

fall Congress passed the Fixing America's Surface Transportation Act, securing \$3.6 billion in highway funding and \$1.2 billion in transit funding for Washington through 2020. Local transit and transportation measures were passed by voters in Snohomish County, Tacoma, Seattle and Enumclaw.

Local comprehensive plan updates

Forward-thinking by cities and counties is also critical to our region's livability. This year jurisdictions all around the region have prepared comprehensive plans that will guide how their communities grow and develop over the next 20 years. PSRC staff has worked closely with our members to review those plans and ensure they meet the requirements of the Growth Management Act and VISION 2040. We're seeing innovative approaches that address housing needs, transportation and other issues as communities decide on the best ways to accommodate expected growth and improve quality of life for residents.

New data and forecasting tools

Our agency has continued to innovate by providing new planning tools and forecasts needed to plan for the long term. In 2015, we released a new travel model – SoundCast – customized for the central Puget Sound region, which produces more accurate and specific transportation measures. Our data team also released the Land Use Vision tool, which projects the growth in jobs, people and households that individual cities and counties anticipate in their comprehensive plans, policies and growth targets.

Regional Economic Strategy

Looking ahead, we invite you to get involved in our work to launch a new Regional Economic Strategy. Even with our current prosperity, it's important to stay on top of what we need to do to successfully compete with other regions around the world. The new economic strategy will describe the actions and investments needed to maintain our competitive edge and keep our region thriving in the years to come.

Thank you to our members, elected leaders, staff, advocates and individuals who all participate in the work of the Puget Sound Regional Council and help the region prepare for the future. Your contributions are key to our success – now and in the years ahead!



JOHN MARCHIONE

PSRC PRESIDENT
CITY OF REDMOND – MAYOR



JOSH BROWN

PSRC EXECUTIVE DIRECTOR



MANAGING GROWTH

Updating city & county comprehensive plans

All 86 cities and counties in the region are updating their comprehensive plans to accommodate the next 20 years of growth and enhance their communities. The plans add up to a shared vision for the future that is in sync with the region's VISION 2040 growth strategy. PSRC is collaborating with members to certify local plans to ensure that we're all working towards common goals to sustain a healthy environment, a strong economy and great quality of life for all.



CITY OF TACOMA

ENVIRONMENT – Jurisdictions are protecting shorelines and the environment, supporting low-impact development to improve water quality, and adopting new local strategies to address climate change.



TRANSPORTATION – Communities are planning for a full range of mobility options, like better transit access, safe bicycle and pedestrian improvements, and investments to serve compact neighborhoods. Transportation planning is tightly integrated with plans for growth and development.



CITY OF KIRKLAND

PLANNING FOR SIGNIFICANT GROWTH –

Cities are planning for great neighborhoods while supporting significant growth of jobs and people, and counties are working to protect the region’s valuable farms and forests.

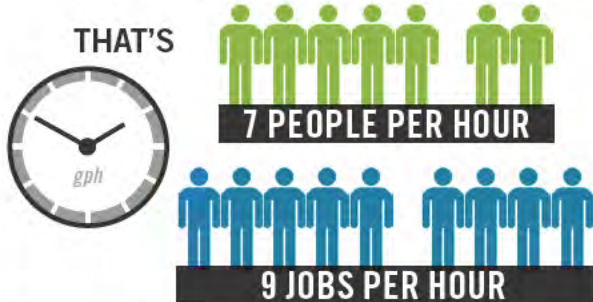
CENTERS – The region’s most dynamic places are its centers. Communities are doing great work planning for regional and local centers. Making centers livable and attractive places for growth is fundamental to the success of VISION 2040.

HOUSING – Ensuring communities have housing that’s affordable to all economic segments and those with special housing needs is a continuing challenge, but one being addressed by local plans with an increased emphasis on strategies to achieve real results.



Growth Trends

The region grew by
63K PEOPLE AND 76K JOBS last year.



1/3 OF THE REGION'S JOBS ARE GOING INTO REGIONAL GROWTH CENTERS

- REGIONAL GROWTH CENTERS
- COMPRISE 3%
- OF THE REGION'S URBAN LAND

This urban-focused growth pattern is helping preserve rural land



LAKE SAMMAMISH

Challenges of growth — pressure on the transportation system and housing affordability



I-5, CITY OF SEATTLE

Regional Centers Framework

PSRC is evaluating the region's approach to growth and manufacturing centers, which play a critical role in the region's growth strategy. Consistent procedures and criteria for all types of centers will help the growth strategy be more successful.

New regional growth center in Issaquah

In 2015, Issaquah's Central Urban Core became the region's 29th regional growth center. The city's plan is to make room for more than 6,000 people and 14,000 jobs by creating a vibrant urban center with more parks and open space, and better transportation connections for biking, walking and transit.



CITY OF ISSAQUAH

Supporting transit oriented development

Transit oriented development (TOD) is about encouraging a mix of affordable housing, activities and jobs around current and future transit stations. TOD is one of the key goals of the VISION 2040 growth strategy and the region is working to support implementation in a variety of ways:

In September PSRC hosted the *New Opportunities: Working Together to Build Great Transit Communities* event to discuss ways to partner and improve the market for transit oriented development.

The *Regional Equitable Development Initiative (REDI) Fund* – a financing tool for developing affordable housing and mixed-use projects within walking distance of frequent transit service – got a \$2.5 million boost from the Legislature in 2015. It's anticipated the REDI fund will roll out with an initial \$20-25 million in 2016, with opportunity for expansion of the fund in the future.

The *Regional Transit Oriented Development Advisory Committee* provides ongoing guidance to PSRC and other agencies and organizations to create and support equitable transit communities in the region.

VISION 2040 AWARDS

Honoring Regional Innovations

Through the annual VISION 2040 Awards, the Puget Sound Regional Council honors outstanding examples of how the region is achieving its vision for growing wisely and creating great quality of life in all the region's communities. In 2015 PSRC recognized six innovative projects and plans:



Kitsap Forest and Bay – Preservation of 6,700 acres of forest, wetlands and shoreline surrounding Port Gamble Bay in north Kitsap County



Sound Transit's Regional Transit Long-Range Plan – Sound Transit's plan to expand regional transit, including express bus, commuter rail, light rail and related access projects beyond Sound Transit 2.



South Kirkland Transit Oriented Development – A multi-jurisdictional effort to develop an attractive and affordable community with efficient connections to transit, trails, and employment centers.

Mountlake Terrace's Town Center Regional Stormwater Facility – Built by Mountlake Terrace to support efficient redevelopment of its town center, the facility gives developers optimal use of their property and eliminates the need for maintenance.



Tacoma's Regional Growth Center Plan – A compilation of subarea plans and environmental work for the Hilltop, South Downtown and North Downtown neighborhoods, which has led to increased grant funding, revitalized development, and helped Sound Transit and Amtrak locate efficiently.

Marion Green Townhomes – Townhomes built around a shared courtyard space with parking underneath – providing single-family housing at three times the density.



RENEWED INVESTMENT IN TRANSPORTATION



U LINK: The highly anticipated extension of Sound Transit's Central Link to Husky Stadium began service on March 19. Passengers can now ride from the University of Washington to downtown in 8 minutes, and all the way to Sea-Tac Airport in 46 minutes.

"The transportation package state leaders put forward today is the most important transportation investment in our region's history. It will shore up fragile structures, complete our roadway network, and allow the region's voters the chance to finally connect our major cities with light rail. We could not be more grateful for their leadership." – REDMOND MAYOR JOHN MARCHIONE, PSRC PRESIDENT



520 BRIDGE: The Connecting Washington package adopted by the Legislature provided the final \$1.64 billion needed to fully fund the new 520 bridge project. PSRC began funding the project with the original Trans-Lake Study in 1997. The floating bridge is scheduled to open in April. [PHOTO COURTESY OF WSDOT]



Transportation Planning & Funding

The region is making progress on big investments in transportation systems and facilities that support a growing economy and healthy environment.

Touchdown for state transportation package

PSRC and communities all around Puget Sound successfully rallied in 2015 to make the case for a comprehensive statewide transportation package, including authorization for Sound Transit 3. Thanks to leadership around the state on transportation, the Legislature passed and the Governor signed the Connecting Washington package in July.

Great expectations for Sound Transit 3

Sound Transit is moving forward with sending an ST3 ballot measure to voters in November 2016. The Sound Transit Board has been studying options for the ST3 plan, including extending light rail, bus rapid transit and commuter rail to more communities and opportunities for transit oriented development. A draft ST3 plan for public review is expected in spring 2016.



Voters say YES to local transportation measures

Voters in Tacoma, Enumclaw and Seattle said yes to measures that will fix streets, make safety improvements, add sidewalks and make other needed investments to improve local transportation systems. Voters in Snohomish County also said yes to Community Transit's Proposition 1, which is adding more service and a second Swift bus rapid transit line.

FAST Act secures federal transportation funding

In December, President Obama signed the five-year Fixing America's Surface Transportation (FAST) Act that will provide Washington state with \$3.6 billion in highway funding and \$1.2 billion in transit funding through 2020.

Selecting projects for \$700 million in PSRC funding

In 2016 PSRC will decide on projects for about \$700 million in federal transportation funding from the FAST Act. It's a competitive process with projects selected on their merits. Criteria include support for centers, safety, equity, and air quality benefits.

Fixing the state's transportation mismatch

PSRC has been working with leaders around the state to design a new approach for allocating \$3.6 billion in Federal Highway Administration funds that will come to the state over the next five years. Under the state's old policy, 66% of these funds have been used for state highways, while 34% have been for all local transportation. That split no longer matches the needs of cities and counties, which maintain 86% of state and local road miles and support many other vital parts of the transportation system. The Governor's office will convene a group this spring to consider new approaches and guide next steps.



CITY OF MUKILTEO

Special needs transportation awards

Over the past year, PSRC and the Washington State Department of Transportation have partnered to approve funding for over \$8 million for 21 projects that help people with disabilities, older adults, youth, and people with low incomes get around more easily.

Transportation Improvement Program

Through PSRC's work to maintain the Regional Transportation Improvement Program, the region is advancing more than \$6 billion in transportation improvements over the next four years. Through our project selection processes and project tracking, PSRC is ensuring that federal transportation funds are put to work on priority projects that help achieve the region's growth, economic development and transportation strategy.

Transit integration

PSRC is helping to coordinate and track regional efforts to better integrate transit service and planning. We hosted a Transit Integration Summit in June to review integration that is underway and build momentum for even more integration to deliver an efficient, high performing regional transit system.

Transportation Futures Task Force: Let's get ahead

The Transportation Futures Task Force began meeting in February 2015 to examine the region's long-term transportation future. This independent task force included broad representation of civic leaders from central Puget Sound. In early 2016 the task force developed a final report with recommendations for policymakers at every level of government to consider. This work will help inform PSRC's next update of the regional transportation plan.

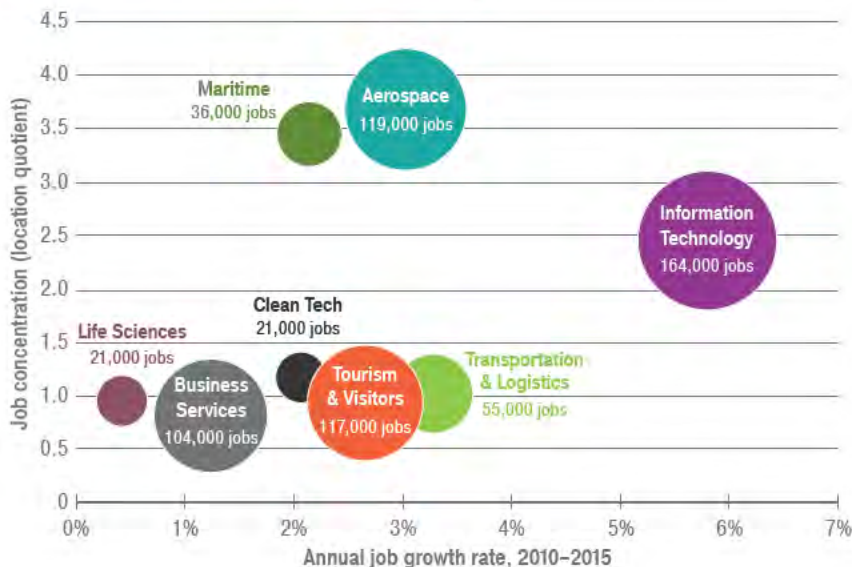
REGIONAL ECONOMY



Regional Economic Strategy

The region's economy is booming. There are more opportunities than ever for job seekers, entrepreneurs, and businesses of all sizes. In 2015 the central Puget Sound region gained more than 54,000 jobs, marking the fifth consecutive year of job growth.

Region's major industries are growing jobs



The timing is right to look ahead and figure out the actions and investments needed to maintain our competitive edge in the years to come. Economic foundations that benefit all industries like educational opportunities for all, efficient transportation, and affordable housing options are all part of keeping our region thriving for the long term.

PSRC will launch a new Regional Economic Strategy in 2016. Working with our public and private partners, it will give us a fresh look at new data and strategies for sustaining a robust regional economy.

Manufacturing community partnership seeing results

The federal Manufacturing Community designation, administered

by PSRC, is boosting manufacturing-related programs and projects. This designation helps communities compete for federal grants in support of manufacturing. Some of the successes so far:

- **NextGen LEAN pilot at Jorgensen Forge** — A pilot program helped Tukwila-based Jorgensen Forge cut a manufacturing process from 115 to 13 days, allowing that company to bring in more business and hire 70 more employees. It is one of six pilot projects funded through a federal grant.
- **Composite Recycling Technology Center** — The Port of Port Angeles broke ground on the Composite Recycling Technology Center in September. The facility will convert scrap carbon composite into new products, while training workers and serving as a manufacturing incubator and research facility. A grant from the U.S. Economic Development Administration helped support the effort.



Export-Import Bank reauthorized

As part of the FAST Act transportation package, Congress approved reauthorization for the Export-Import Bank – a top regional priority.

Smart Buildings Center opens

In October 2015, the Smart Buildings Center had its grand opening in the newly renovated Pacific Tower on Beacon Hill in Seattle. The center is designed to spur collaboration and innovation in building technology to save money and energy. This effort was partially funded by a PSRC-led federal grant to boost the clean technology sector.



CITY OF SEATTLE

REGIONAL DATA

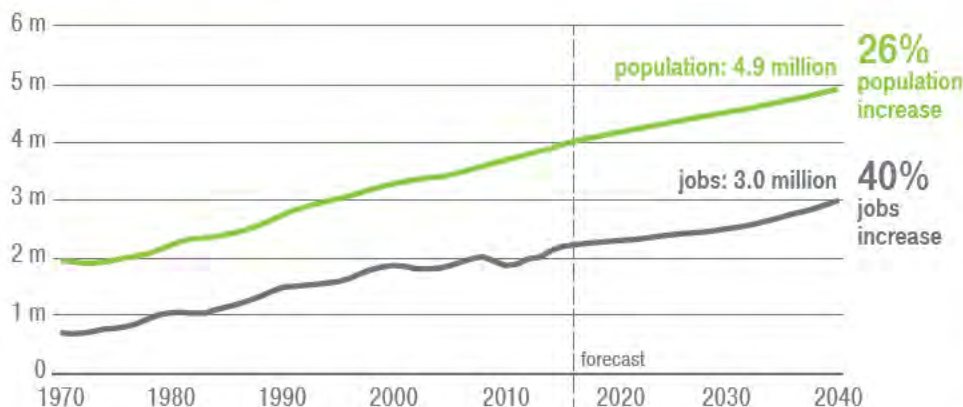
Puget Sound Travel Study

Results from the 2014 Puget Sound Travel Study of more than 6,000 households were released in 2015, along with a report highlighting changes from prior surveys in 2006 and 1999. Changes show a gradual increase in biking, walking and transit trips, accompanied by a gradual decrease in driving. In 2015, PSRC conducted a booster survey made up of 50% of households from the 2014 survey and 50% new households. Data from the entire survey effort will be used to update PSRC's land use and travel demand models with the latest information about how households are making decisions about housing and transportation.

SoundCast

PSRC's new travel model, SoundCast, was released publicly for the first time in June 2015. SoundCast is an activity-based model, which is used to predict the daily activities of individual people and their corresponding travel choices. SoundCast increases the region's ability to analyze transportation policies and their impacts on different groups of people. For example, it can tell us whether improved transit service will provide more benefits to elderly households as the percentage of the population over age 60 continues to grow.

Regional growth forecast



In November 2015, PSRC hosted a successful peer review of SoundCast sponsored by the Federal Highway Administration. A four-person expert panel spent two days reviewing the model, concluding that SoundCast met or exceeded the performance of the existing PSRC travel model, while providing recommendations to help guide future improvements.

Regional Macroeconomic Forecast

PSRC published a new regional macroeconomic forecast that shows the region growing by 26% more people and 40% more jobs by 2040. The region's economy is expected to keep out-performing the national average. Among the highlights:

- By 2040, the region is likely to reach 4.9 million people, an increase of 1 million over 2015 levels.
- The number of households would rise by 665,000 for a total of 2.12 million.
- Wage & salary employment is forecast to reach 2.75 million jobs. When self-employment and uniformed military jobs are also included, regional employment reaches 2.98 million by 2040.



Lidar detects landslide risks

PSRC continues to play an active role in coordinating and distributing lidar data in the region as a member of the Puget Sound Lidar Consortium. Lidar is a technology that uses laser signals transmitted from an airplane to the ground and back again to show a picture of the surface of the Earth in detail.

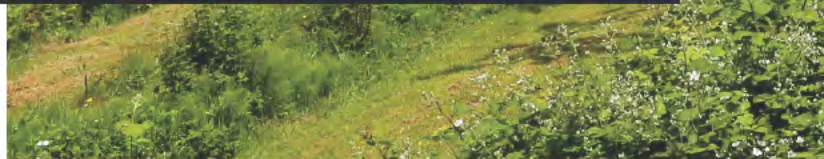
A priority after the Oso landslide is to use lidar to assess landslide risks. In 2015 the Puget Sound Lidar Consortium coordinated efforts by King County, cities and the state Department of Natural Resources to step up efforts to complete a lidar assessment of all areas in King County.

Land Use Vision growth projections

PSRC has a new data resource to help the region plan for growth. The Land Use Vision (or LUV) projects the growth in jobs, people and households for individual cities and counties through the year 2040. It reflects PSRC's regional growth strategy, VISION 2040, as well as the growth anticipated by cities and counties in their comprehensive plans, policies, and growth targets. It was developed using PSRC's UrbanSim land use forecasting model.



CITY OF BREMERTON



TOWN OF STEILACOOM



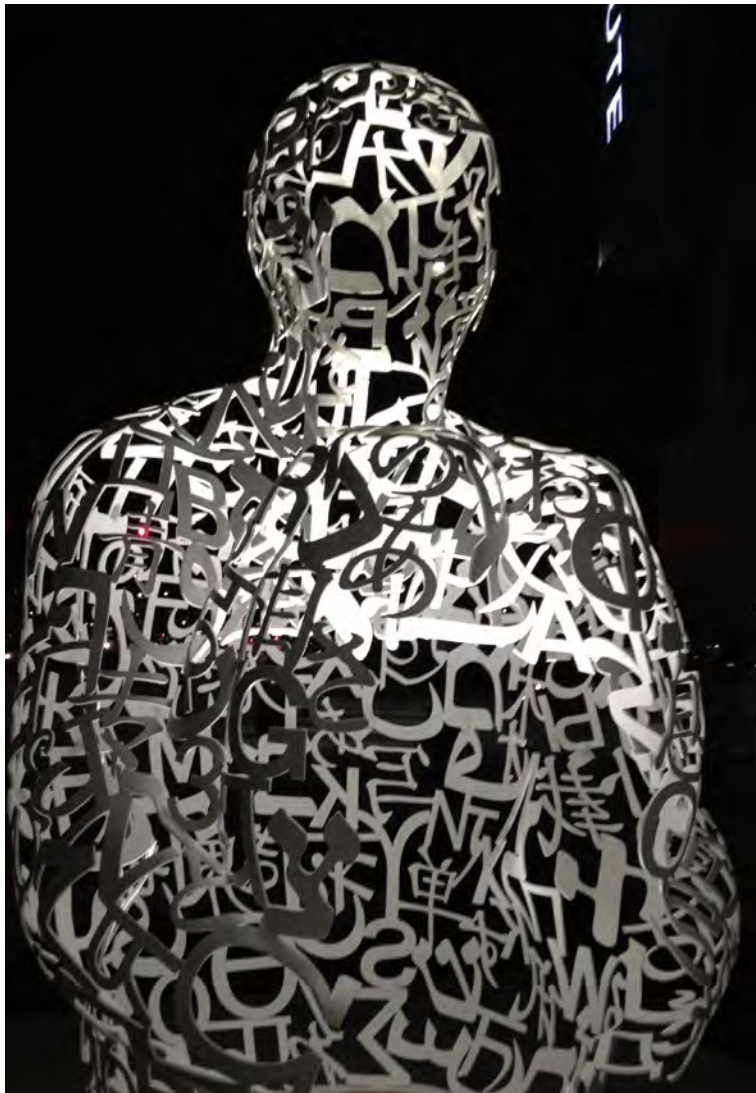
About the Puget Sound Regional Council

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 & Organization

The members of PSRC are King, Snohomish, Pierce and Kitsap counties, 73 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.



ALLEN INSTITUTE FOR BRAIN SCIENCE

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 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 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 & Funding Sources

The Puget Sound Regional Council's adopted biennial budget for 2016-2017 (July 1, 2015–June 30, 2017) is \$27.4 million. The agency's work program is funded by a combination of federal and state grants, dues paid by PSRC members, and other local sources.



CITY OF REDMOND



CITY OF EVERETT



Making regional connections with local leaders — PSRC hosted a workshop for newly elected officials in January 2016 in partnership with Sound Transit and the Puget Sound Clean Air Agency. More than 40 new officials representing 30 cities participated in the workshop, which described how central Puget Sound works together to address regional issues, including transportation, air quality, growth management and economic development.



Puget Sound Regional Council

Funding for this document provided in part by member jurisdictions, grants from the 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 206-587-4819.

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Additional copies of this document may be obtained by contacting:

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Seattle, Washington 98104-1035

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TRANSIT AGENCIES—Community Transit—Everett Transportation Service—Kitsap Transit—Metro (King County)—Pierce Transit—Sound Transit—



COVER PHOTOGRAPH: DON WILSON, SOUND TRANSIT UW STATION PRIOR TO OPENING

