SKAGIT COUNTY GROWTH PROJECTIONS

Summary of Methods and Results, July 2014

INTRODUCTION AND APPROACH

The Growth Management Act (GMA) requires that counties consult cities and allocate population growth within a range of projections provided by the Washington State Office of Financial Management (OFM). GMA also requires that counties consult with cities and size their Urban Growth Areas (UGAs) based on growth over a 20-year period. Last, GMA requires that comprehensive plans and development regulations provide sufficient land capacity for development to accommodate allocated housing and employment growth. (RCW 36.70A.110 and 115)

The update of the Skagit Council of Government's regional transportation model, and the pending Skagit County and cities comprehensive plan updates due June 30, 2016, present an opportunity to update the countywide population and job targets and allocations. The targets and allocations will inform UGA sizing as well as transportation modeling.

Skagit County and its cities will plan for a 20-year period that for GMA planning purposes will be the growth from a base year of 2015 to a horizon year of 2036.

To begin this process the overall population and employment to be distributed to Skagit County as a whole was analyzed and recommendations from the Growth Management Act Technical Advisory Committee (Planners) were made. Once the overall numbers were set, both population and jobs needed to be allocated to each jurisdiction - which proved to be a more difficult task. The primary reason this task is more difficult is due to a timing issue. On one hand each jurisdiction needs a target to plan for; while at the same time they are updating or creating the information they need to show that they can accommodate that target, whether its population or employment. For example, it is difficult to say that Mount Vernon can accommodate a certain number of new residents between 2015 and 2036 until Mount Vernon's Buildable Lands Analysis is updated. However, having raised this timing issue it is important to point out that there is enough historical information to make very educated guesses with regard to the number of people or jobs that each jurisdiction can accommodate.

To overcome this challenge the Planners decided it would be best to consider initial allocations. Then each jurisdiction will proceed with creating or updating their Buildable Lands Analysis documents. After this data is collected, the allocations would be revisited and changes would be made (if necessary) due to factors such as having adequate land supply to support the number of new homes or jobs from the original allocation.

This two-step process is beneficial in that each jurisdiction is able to proceed with updating their Comprehensive Plans using a preliminary planned target. Yet, conversely, should data become available that shows that the overall target needs to be adjusted that can still be done.

Following is a summary of the process to-date and future steps to be taken:

- **Countywide Target for Both Population and Employment Created:** Completed
- **Urban and Rural Shares:** Allocate countywide growth to urban and rural geographies – Completed
- **UGA Allocations:** Determine initial population and employment allocations for individual UGAs – Planners' recommendation to GMA Steering Committee
- **Jurisdictions Update/Complete Buildable Lands Analysis:** Work in process by Planners
- **Reconcile the Population and Employment Allocations with Each Jurisdiction's Buildable Lands Analysis:** To be done after buildable lands analyses

- **Make Final Population and Employment Allocation Recommendations to the Growth Management Act Steering Committee and Request They Be Adopted:** To be done as final step in process

Since a number of policy decisions will be made following the adoption of the population and employment targets discussed within this report, the Planners made their recommendations based on the following overarching goals:

1. To set policies regarding growth that respects Skagit County's unique character and protects the quality of life that we all enjoy here in Skagit County.
2. To accommodate the urban share of the population within existing UGAs or expansions of existing UGAs. The group was clear about not planning for population growth in non-municipal UGAs (such as Bayview Ridge, other than a few buildable residential lots) or fully contained communities.
3. To recommend a more robust employment target that plans for, and focuses on, economic growth that supports family wage jobs in Skagit County.

MODEL

BERK Consulting has collaborated with the Planners to develop a flexible growth model in Excel. Orange cells have drop down menus to choose scenario or assumptions. Results auto update when the selected alternative is applied. Exhibit 1 shows the Growth Model Dashboard, reflecting the different assumptions considered for countywide targets, urban and rural shares, and UGA allocations. Based on selected assumptions the model displays resulting population and employment targets and allocations. The model allows any population share percentage to be allocated to Bayview, including 0%, reflecting evolving County planning priorities there.

Exhibit 1. Growth Model Dashboard

Selected Alternative

Manual	OFM Medium	Locally preferred target	2.34	80/20 Urban Rural	Corridor Focus Share

lternative Options

	Pop Target	Emp Target Method	Pop:Emp Ratio	Urban Rural Split	UGA Allocation
Alternative 1	50-Year Trend	Pop:Emp Ratio	2.34	90/10 Urban Rural	Corridor Focus Share
Alternative 2	OFM Medium	ESD Forecast Growth Rate		80/20 Urban Rural	Corridor Focus Share
Alternative 3	Modified OFM Low	Pop:Emp Ratio	2.48	75/25 Urban Rural	Current Share
Alternative 4	OFM Medium	Locally preferred target		80/20 Urban Rural	Current Share
Manual	OFM Medium	Locally preferred target		80/20 Urban Rural	Corridor Focus Share

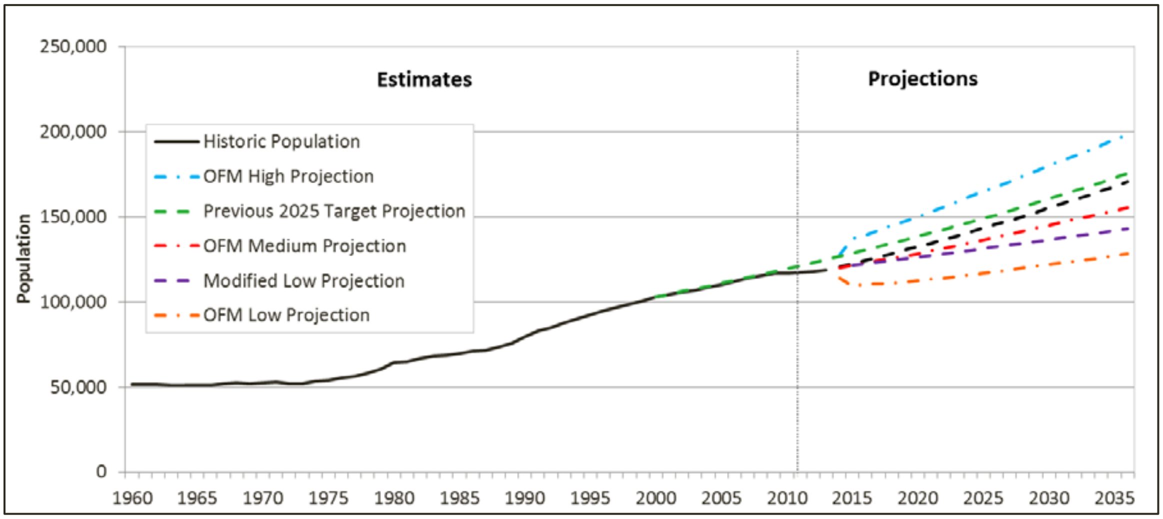
Pop:Emp Ratio, Current Scenario		**BVR Population Assumption**	
Current (2012)	2.36	Share of growth	0.0%
Growth ('12-'36)	2.00		
Total	2.27		

Source: BERK Consulting 2014

POPULATION PROJECTIONS AND ALLOCATIONS

Starting with the OFM 2012 projections of population, factors were assessed that might affect which countywide projections to accept for the planning process. Factors that were considered included: components of population change – natural and migration; historical growth rates; adjustments in previous OFM projections; and other unique factors and trends potentially affecting population growth. Historic growth and the 2012-2040 OFM growth projections are shown in Exhibit 2.

Exhibit 2. 1960-2040 Population Growth



Source: Office of Financial Management, historical data and May 2012 projections

Countywide Target: The OFM projections consider natural growth due to births and deaths as well as migration. The OFM Medium projection is considered the most likely. The OFM Medium projection is lower than the previous Skagit County 2025 Target if the latter was carried forward to 2040. The OFM Medium projection was adjusted downward due to the Great Recession.[1] Following a review of trends, the population targets under consideration included:

- **OFM Medium**
- **50-Year Trend:** Start with OFM Medium Forecast 2012. From start year of 2015 apply the observed 50-Year Growth Rate (years 1960-2013) to year 2036.
- **Modified OFM Low:** Start with OFM Medium Forecast 2012. From start year of 2015 apply OFM Low Growth Rate to year 2036.

Urban and Rural Shares: Based on a review of permit trends, growth has tended to occur in UGAs as directed by GMA and local goals. In 2012, Skagit County considered several methods to estimate urban/rural growth trends; results generally show the County and cities achieved a 79% urban and 21% rural growth split over the years 2000-2010, similar to the 2025 Growth Target policy of an 80/20 split.[2] The 80/20 split is one scenario considered. A second model scenario assumed a 90/10 urban and rural split based on Envision 2060 policies, and reflecting uncertainty over water in rural areas outside of public water systems. A third model scenario provides a lower bookend, with a 75% urban, 25% rural share, assuming growth is not as focused in urban areas.

UGA Allocations: Allocations at individual geographies are based on each community's current share of population, except that the percentage share of population to Bayview should be determined based on changing County policy priorities; then any Bayview reallocation can be spread to other UGAs based on their current share.

[1] See OFM summary at http://www.ofm.wa.gov/POP/gma/local_review/skagit.pdf.

[2] Recognizing the planning level analysis and imperfect year 2000 census geographies (improved in 2010), using 2010 Census blocks and tracking permits for more accuracy in the future is recommended; this process could be set up as part of a forthcoming land capacity method.

Planners' Population Recommendations

The Planners have developed population growth and allocation recommendations based on OFM Medium projections allocated to urban and rural areas by an 80/20 split reflecting trends and policy. UGAs would receive a share of population based on their current shares. Bayview population would be reduced to 0.2% to recognize the small number of existing buildable lots (~22-23), and reallocated based on the current shares to remaining UGAs. See Exhibit 3.

Exhibit 3. Planners' Recommended Initial Population Growth and Distribution Allocation

UGA	2012 Population	2012-2015 Population Growth Forecast	2015-2036 Population Growth Forecast	2015-2036 Population Growth Forecast Allocation Percent	2036 Population Growth Forecast Allocation
Anacortes	16,090	308	5,895	16.5%	22,293
Burlington	10,393	71	3,808	10.7%	14,272
Mount Vernon	33,935	1,034	12,434	34.8%	47,403
Sedro-Woolley	12,431	83	4,555	12.7%	17,069
Concrete	873	0	320	0.9%	1,193
Hamilton	310	3	114	0.3%	427
La Conner	898	-1	329	0.9%	1,226
Lyman	441	2	162	0.5%	605
Bayview Ridge	1,812	-1	72	0.2%	1,883
Swinomish	2,489	15	912	2.6%	3,416
Rural (outside UGAs)	38,277	238	7,150	20.0%	45,665
Total	**117,949**	**1,752**	**35,751**	**100.0%**	**155,452**

Notes: The figures apply to cities/towns including their associated UGAs.

Source: BERK Consulting 2014

With the recommended population allocations, the Planners deliberately did not include urban growth allocations for future fully contained communities or non-municipal UGAs such as Bayview Ridge (other than a minor population allocation to Bayview Ridge reflecting existing buildable residential lots). Based on review of historical data and local knowledge, the Planners anticipate that new non-municipal UGAs or fully contained communities should not be necessary to accommodate future population growth within the 20-year planning period.

The Planners also expressed a desire to have policies put in place that recognize the unique quality of life and rural character of Skagit County and that planning efforts for further growth should reflect the desire to protect and preserve that character while promoting a robust economy that compliments the policy to preserve and protect Skagit County's rich agricultural and resource heritage.

EMPLOYMENT PROJECTIONS AND ALLOCATIONS

For employment, the historical relationship between population and employment was considered to calibrate the countywide employment projection. The industry split also considered the following factors: Current industry distributions; recent trends and industry shifts; Washington State Employment Security Department (ESD) mid-term industry projections; and other unique factors and trends identified by the County and cities including an industrial lands analysis that has been underway at the time of this writing.

ESD Industry Projections. A key source of information for the countywide target and sector splits is ESD's industry projections for the Northwest region of the state, including Whatcom, Skagit, San Juan and Island counties. ESD produces 2-year, 5-year and 10-year projections. These projections are based on the following steps:

> *There are two steps to industry projections. The first step is developing aggregated statewide industry projections using the Global Insight model. The second step produces detailed industry projections. The principal data source for industry projections is a detailed covered employment time series of four-digit NAICS data for all Washington counties, specifically, the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).* [3]

The projections used in this process assumed that 5-year growth rates would be applied to the base 2012 Total Employment estimates and carry forward in the 20-year planning period (2015-2036). The growth rates using broad sector categories are shown in Exhibit 4 below. See the Attachment for more detailed projections by industry. A "cross-walk" of the detailed North American Industry Classification System (NAICS) sectors to the summary sectors is also provided in the Attachment.

Exhibit 4. ESD 2013 Industry Projections for Northwest Counties Summarized by Employment Model Categories

Sector	2011	2016	2021	CAGR 2011-2016	CAGR 2016-2021
Resource	600	600	600	0.0%	0.0%
WTCU	17,200	20,200	22,100	3.3%	1.8%
Manufacturing	14,300	15,800	16,600	2.0%	1.0%
Retail	19,700	20,700	20,900	1.0%	0.2%
FIRES	41,800	46,200	48,600	2.0%	1.0%
Edu	1,600	1,800	2,000	2.4%	2.1%
Health	16,400	18,000	19,100	1.9%	1.2%
Gov	32,800	33,400	36,100	0.4%	1.6%
Total	**144,400**	**156,700**	**166,000**	**1.6%**	**1.2%**

Abbreviations: Compound Annual Growth Rate (CAGR), Warehouse Transportation Communications Utilities (WTCU), Finance Insurance Real Estate Services (FIRES), Education (Edu), Government (Gov)

Source: ESD 2013; BERK 2014

As shown above, the resource sector is not projected to grow, and Warehouse Transportation Communications Utilities (WTCU) is expected to grow the most. The 2013 Employment Projections prepared by ESD for 2-year, 5-year and 10-year timeframes were not accompanied by detailed explanations (see footnote 3). However, OFM has issued a document explaining statewide long-term employment trends and appears to rely on ESD-generated long-term industry forecasts. For example, OFM documentation indicates why the retail sector is likely to see less growth in the future than other sectors. "One factor affecting the retail employment forecast is the expectation that increases in total personal income will be slower in the next 30 years than was the case between 1970 and 2010."[4]

Non-Farm Jobs: ESD projections are for nonfarm jobs. ESD defines this in part as follows:

> *Employment is the total number of persons on establishment payrolls employed full or part time who received pay for any part of the pay period which includes the 12th day of the month. Temporary and intermittent employees are included, as are any workers who are on paid sick leave, on paid holiday, or who work during only part of the specified pay period. A striking worker who only works a small portion of the survey period, and is paid, would be included as employed under the CES definitions. Persons on the payroll of*

[3] Employment Security Department. July 2013. 2013 Employment Projections. Available: https://fortress.wa.gov/esd/employmentdata/docs/industry-reports/employment-projections-2013.pdf. Also see: https://fortress.wa.gov/esd/employmentdata/reports-publications/industry-reports/employment-projections.

[4] See "Long-Term Forecast of Washington Wage and Salary Employment" at http://www.ofm.wa.gov/economy/longterm/2012/lt2012ch3.pdf.

more than one establishment are counted in each establishment. Data exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

The BERK model allocations rely on ESD projections of nonfarm jobs. Jobs that are excluded in the projections of "nonfarm jobs" are not necessarily central to the purpose of sizing UGAs. Sole-proprietor jobs are not land consumptive as they may occur at existing homes. Resource lands of long-term significance including agriculture, are protected under Skagit County's Comprehensive Plan, and can add jobs or not and change their agricultural activities from one type to another. Farm jobs may not be "peak hour" jobs necessary to model for transportation purposes. Farm employment is often seasonal.

While farm jobs are not included in the employment target or allocations, some related activities are included, such as processing facilities; however, processing facilities are considered industrial jobs.

Countywide Target: Countywide employment projections were developed, some based on a population/employment ratio assumption and some based on ESD growth rates applied to the 2012 job base independent of population growth.

- The job projection based on ESD mid-term growth rates equals 16,559 over the 2012-2036 period (or 14,795 for the 2015-2036 period).
- Using a population/employment ratio of 2.34 (similar to the 2012 ratio) and the OFM Medium Population Forecast, the resulting jobs would equal 17,041 over the 2012-2036 period (or 15,278 over the 2015-2036 period).
- Considering trends as well as policy choices of increased family wage job creation such as at Bayview and other UGAs, one option explored increased jobs over ESD growth rates resulting in 17,763 jobs over the 2012-2036 period (16,000 jobs over 2015-2036).

Urban and Rural Growth Shares and UGA Allocations: One allocation scenario, "current share", assumes that each UGA's current share of jobs is carried forward. Sector splits for this scenario are based on ESD forecasts.

A second scenario is "corridor trends share" which assumes that the growth rate within the 2002-2011 period would occur moving forward for four market areas[5]: Anacortes, I-5 Corridor, Towns & Tribal Land, and Rural; however, the sector splits (manufacturing, retail, etc.) are based on ESD mid-term projections. As a result, communities along I-5 would have a greater share of employment growth; within the corridor itself a greater share of manufacturing jobs would be allocated to Bayview and less to Mount Vernon and Burlington, reflecting recent Bayview Subarea Planning efforts and limited UGA expansion opportunities for industrial land in those two cities. Anacortes shows a reduced share based on the trend period. However, the 10-year trend from 2002-2011 would mean more growth to Towns & Tribal Land relative to current shares; this trend may not continue post-recession and is explored in the third scenario below.

A third scenario "corridor focus share" also assumes more growth towards the I-5 Corridor. This scenario also provides a share for Anacortes that is between the current share and 2002-2011 based share, a Towns & Tribal Land share similar to the current share, and a reduced Rural share. Similar to the "corridor trends" approach, a greater share of jobs would be allocated to Bayview and less to Mount Vernon and Burlington, reflecting recent Bayview Subarea Planning efforts and limited expansion opportunities for industrial land in those two cities. As with the other scenarios, sector splits are based on ESD forecasts.

[5] While some geographies lost jobs in some sectors over the 2002-2011 time period, the model does not assume that continues. The model uses the 2002-2011 trends to determine among the "market areas" what share of growth would be captured. The actual employment growth and sector splits are based on ESD forecasts.

Exhibit 5 shows the relative shares of each approach.

Exhibit 5. Share of Employment Growth (2012-2036) to Market Areas: Future Scenario

MARKET AREA	Current Share	Corridor Trends Share	Corridor Focus Share
Anacortes	16.4%	10.2%	11.0%
I-5 Corridor *Bayview Ridge, Burlington, Mount Vernon, Sedro-Woolley*	63.0%	66.5%	80.0%
Towns & Tribal Land *Concrete, Hamilton, La Conner, Lyman, Swinomish*	5.2%	14.3%	5.0%
Rural	15.4%	9.0%	4.0%
Total	**100%**	**100%**	**100%**

Source: BERK Consulting 2014

The “current share” results in a 15.4% rural job percentage, leaving nearly 85% of jobs inside UGAs. The “corridor trends share” approach assumes more jobs are attracted along the I-5 corridor and Towns and Tribal Land where most urban areas and infrastructure are located in the county; thus, 9.0% is the rural share, and 91% the urban share. The “corridor focus share” assumes the share of Rural jobs would decrease comparing current shares to 2002-2011 trends, and thus the share of growth is 96% urban and 4% rural.

Planners’ Employment Recommendations

The Planners have considered countywide employment projections similar to but greater than ESD growth rates reflecting policy choices for greater family wage jobs and industrial growth. The total growth selected is: 17,763 jobs over the 2012-2036 period (16,000 jobs over 2015-2036).

The Planners considered the three scenarios described above regarding how jobs could be allocated to UGAs. The corridor trend or corridor focus shares propose a greater share of industrial growth to Bayview Ridge. Exhibit 6 shows the results.

Exhibit 6. Employment Growth and Distribution Scenarios

A. Current Share

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth 2015-2036	Total 2036	Percent: 2015-2036
Anacortes	8,166	304	0	69	1,010	969	576	**2,610**	**11,080**	16.30%
Burlington	9,467	366	0	267	1,003	1,154	575	**3,008**	**12,840**	18.80%
Mount Vernon	16,024	522	0	177	1,189	2,064	1,703	**5,149**	**21,695**	32.20%
Sedro-Woolley	4,594	152	0	41	364	581	490	**1,476**	**6,223**	9.20%
Concrete	347	11	0	13	0	12	88	**112**	**470**	0.70%
Hamilton	214	10	0	1	55	7	5	**67**	**292**	0.40%
La Conner	1,053	42	0	57	0	112	167	**335**	**1,429**	2.10%
Lyman	28	1	0	1	4	1	3	**9**	**38**	0.10%
Bayview Ridge	1,434	63	0	1	437	14	8	**451**	**1,948**	2.80%
Swinomish	925	32	0	16	0	163	121	**299**	**1,256**	1.90%
Rural	7,749	260	0	45	1,057	694	686	**2,485**	**10,493**	15.50%
Total 2015-2036	50,001	**1,763**	**0**	**688**	**5,119**	**5,771**	**4,422**	16,001	**67,764**	
Percent			0.00%	4.30%	32.00%	36.10%	27.60%	100.00%		

Notes: The figures for cities/towns include their associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: BERK Consulting 2014

B. Corridor Trends Share

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth 2015-2036	Total 2036	Percent: 2015-2036
Anacortes	8,166	187	0	71	568	640	353	**1,628**	**9,982**	10.20%
Burlington	9,467	390	0	272	1,093	1,217	618	**3,201**	**13,058**	20.00%
Mount Vernon	16,024	436	0	180	844	1,803	1,527	**4,373**	**20,833**	27.30%
Sedro-Woolley	4,594	144	0	41	344	565	479	**1,433**	**6,172**	9.00%
Concrete	347	31	0	27	27	33	228	**312**	**689**	1.90%
Hamilton	214	23	0	2	136	32	20	**188**	**426**	1.20%
La Conner	1,053	110	0	72	188	336	341	**931**	**2,093**	5.80%
Lyman	28	3	0	1	11	7	6	**25**	**55**	0.20%
Bayview Ridge	1,434	202	0	1	1338	255	44	**1627**	**3,263**	10.20%
Swinomish	925	91	0	26	74	425	305	**823**	**1,839**	5.10%
Rural	7,749	146	0	46	599	353	454	**1,458**	**9,353**	9.10%
Total 2015-2036	50,001	**1,763**	**0**	**739**	**5,222**	**5,666**	**4,375**	15,999	**67,763**	
Percent			0.00%	4.60%	32.60%	35.40%	27.30%	100.00%		

Notes: The figures for cities/towns include their associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: BERK Consulting 2014

C. Corridor Focus Share

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth 2015-2036	Total 2036	Percent: 2015-2036
Anacortes	8,166	201	0	76	596	678	406	**1,753**	**10,120**	11.00%
Burlington	9,467	470	0	328	1,270	1,483	771	**3,852**	**13,789**	24.10%
Mount Vernon	16,024	523	0	217	989	2,066	1,975	**5,266**	**21,813**	32.90%
Sedro-Woolley	4,594	172	0	50	411	630	632	**1,727**	**6,493**	10.80%
Concrete	347	11	0	9	8	8	85	**109**	**467**	0.70%
Hamilton	214	8	0	1	47	12	7	**66**	**289**	0.40%
La Conner	1,053	38	0	25	62	116	124	**326**	**1,417**	2.00%
Lyman	28	1	0	0	4	3	2	**9**	**37**	0.10%
Bayview Ridge	1,434	242	0	1	1570	341	60	**1959**	**3,635**	12.20%
Swinomish	925	32	0	9	21	152	108	**288**	**1,245**	1.80%
Rural	7,749	65	0	21	249	169	205	**646**	**8,459**	4.00%
Total 2015-2036	50,001	**1,763**	**0**	**737**	**5,227**	**5,658**	**4,375**	16,001	**67,764**	
Percent			0.00%	4.60%	32.70%	35.40%	27.30%	100.00%		

Notes: The figures for cities/towns include their associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: BERK Consulting 2014

Additional Scenarios. After a review of the three scenarios in Exhibit 6 by the Planners, three more scenarios were developed as illustrated in Exhibit 7.

First, a scenario tested a different Rural share that matched more recent trends. The I-5 Corridor share was made 75% and the Rural share 9%, with no changes to Anacortes or the Towns & Tribal Land shares under “corridor focus share”. Thus, I-5 Cities’ shares are slightly reduced compared to the “corridor focus share”.

Second, a scenario assumed Anacortes and the I-5 Corridor market areas would become one market area considered “Cities & Bayview” and together allocated 90%, with Towns & Tribal Land at 5% and Rural at 5%. This would increase Anacortes’ share relative to other scenarios, with slight reductions in shares for Burlington, Mount Vernon, and Sedro-Woolley.

Third, both of the scenarios above are combined with a Rural trend at 9%, with the combined Cities & Bayview category at 86%, leaving a moderate Towns & Tribal Land share of 5%.

Exhibit 7. Additional Employment Growth and Distribution Scenarios

A. Corridor Focus Share with Recent Rural Trend

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth	Total 2036	Percent: 2015-2036
Anacortes	8,166	202	0	78	596	681	401	**1,756**	**10,124**	11.0%
Burlington	9,467	441	0	313	1,169	1,400	729	**3,611**	**13,519**	22.6%
Mount Vernon	16,024	493	0	207	895	1,996	1,819	**4,917**	**21,434**	30.7%
Sedro-Woolley	4,594	162	0	48	379	609	580	**1,616**	**6,372**	10.1%
Concrete	347	11	0	9	7	8	85	**109**	**467**	0.7%
Hamilton	214	8	0	1	48	11	7	**67**	**289**	0.4%
La Conner	1,053	38	0	26	63	115	125	**329**	**1,420**	2.1%
Lyman	28	1	0	0	4	3	2	**9**	**38**	0.1%
Bayview Ridge	1,434	228	0	1	1,483	309	55	**1,848**	**3,510**	11.6%
Swinomish	925	32	0	9	22	150	109	**290**	**1,247**	1.8%
Rural	7,749	147	0	47	557	381	462	**1,447**	**9,343**	9.0%
Total 2015-2036	50,001	**1,763**	**0**	**739**	**5,223**	**5,663**	**4,374**	**15,999**	**67,763**	
Percent			0.0%	4.6%	32.6%	35.4%	27.3%	100.00%		

Notes: The figures for cities/towns include their associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: BERK Consulting 2014

B. Cities & Bayview Market Focus and Moderate Towns & Tribal Land and Rural Share

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth 2015-2036	Total 2036	Percent: 2015-2036
Anacortes	8,166	316	-	121	927	1,068	642	**2,758**	**11,240**	17.2%
Burlington	9,467	427	-	301	1,161	1,338	703	**3,502**	**13,396**	21.9%
Mount Vernon	16,024	474	-	199	903	1,866	1,802	**4,771**	**21,269**	29.8%
Sedro-Woolley	4,594	156	-	46	370	574	578	**1,567**	**6,317**	9.8%
Concrete	347	11	-	9	8	8	85	**110**	**468**	0.7%
Hamilton	214	8	-	1	46	13	8	**67**	**289**	0.4%
La Conner	1,053	38	-	25	61	116	125	**328**	**1,419**	2.1%
Lyman	28	1	-	0	4	3	2	**9**	**38**	0.1%
Bayview Ridge	1,434	220	-	1	1,410	320	62	**1,793**	**3,447**	11.2%
Swinomish	925	32	-	9	21	151	109	**291**	**1,248**	1.8%
Rural	7,749	81	-	26	313	206	259	**804**	**8,634**	5.0%
Total 2015-2036	50,001	**1,764**	**0**	**738**	**5,224**	**5,663**	**4,375**	**16,000**	**67,765**	
Percent			0.00%	4.60%	32.70%	35.40%	27.30%	100.00%		

Notes: The figures for cities/towns include their associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: BERK Consulting 2014

C. Combination: Cities and Bayview Market Focus, Recent Rural Trend, and Moderate Towns & Tribal Land Share

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth 2015-2036	Total 2036	Percent: 2015-2036
Anacortes	8,166	302	0	117	886	1,025	608	**2,629**	**11,097**	16.4%
Burlington	9,467	409	0	291	1,091	1,288	676	**3,346**	**13,222**	20.9%
Mount Vernon	16,024	456	0	192	837	1,832	1,695	**4,573**	**21,053**	28.6%
Sedro-Woolley	4,594	150	0	44	348	563	541	**1,500**	**6,244**	9.4%
Concrete	347	11	0	9	7	8	85	**109**	**467**	0.7%
Hamilton	214	8	0	1	47	12	7	**66**	**288**	0.4%
La Conner	1,053	38	0	26	62	115	125	**326**	**1,417**	2.0%
Lyman	28	1	0	0	4	3	2	**9**	**38**	0.1%
Bayview Ridge	1,434	210	0	1	1,356	298	58	**1,702**	**3,346**	10.6%
Swinomish	925	32	0	9	22	149	110	**288**	**1,245**	1.8%
Rural	7,749	147	0	47	561	374	465	**1,452**	**9,348**	9.1%
Total 2015-2036	50,001	**1,764**	**0**	**737**	**5,221**	**5,667**	**4,372**	**16,000**	**67,765**	
Percent			0.00%	4.60%	32.60%	35.40%	27.30%	100.00%		

Notes: The figures for cities/towns includetheir associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: BERK Consulting 2014

Recommended Scenario: Based on a review of all scenarios in Exhibit 6 and Exhibit 7, the Planners have developed recommended initial allocations that reflect trends in the Rural area at 9%, a share of jobs in Anacortes at 13% reflecting that local jurisdiction's review of employment data and discussions with local businesses, the I-5 Corridor share predominating at 73% and a Towns & Tribal Land share of 5%. See Exhibit 8.

Exhibit 8. Planners' Recommended Initial Employment Growth and Distribution Allocation

UGA	2012	Net Growth 2012-2015	Resource	Retail	Industrial	Services	GovEdu	Net Growth 2015-2036	Total 2036	Percent: 2015-2036
Anacortes	8,166	238	0	92	702	806	476	**2,076**	**10,480**	13.0%
Burlington	9,467	429	0	305	1,141	1,360	710	**3,516**	**13,412**	22.0%
Mount Vernon	16,024	479	0	201	874	1,936	1,774	**4,785**	**21,288**	29.9%
Sedro-Woolley	4,594	158	0	46	368	592	566	**1,572**	**6,324**	9.8%
Concrete	347	11	0	9	7	8	85	**109**	**467**	0.7%
Hamilton	214	8	0	1	47	11	7	**66**	**288**	0.4%
La Conner	1,053	38	0	26	63	115	125	**329**	**1,420**	2.1%
Lyman	28	1	0	0	4	3	2	**9**	**38**	0.1%
Bayview Ridge	1,434	222	0	1	1,436	305	57	**1,799**	**3,455**	11.2%
Swinomish	925	32	0	9	22	150	109	**290**	**1,247**	1.8%
Rural	7,749	147	0	47	558	379	463	**1,447**	**9,343**	9.0%
Total 2015-2036	**50,001**	**1,763**	**0**	**737**	**5,222**	**5,665**	**4,374**	**15,998**	**67,762**	
Percent			0.0%	4.6%	32.6%	35.4%	27.3%	100.0%		

Notes: The figures for cities/towns include their associated UGAs. Sector splits are based on ESD projections. ESD mid-term growth rates were applied to 2012 base employment. ESD Projections are for non-farm jobs and exclude proprietors, self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Source: Skagit Council of Governments 2014; BERK Consulting 2014

Jobs and Employment Acres: Following the adoption of the GMA in 1990, Comprehensive Plan updates in Skagit County have allocated jobs to each jurisdiction by converting each job into a metric of acres for ease of use by each jurisdiction. The conversion from jobs to acres was accomplished using industry accepted ratios as documented in the 1995 Overall Economic Development Plan for Skagit County.

Early in this current process, the Planners expressed a desire to allocate employment instead of acreage with these Comprehensive Plan updates. The main reason for this departure from historic practices was to provide each jurisdiction with more flexibility with how jobs are inventoried and how they may be allocated. For instance, a jurisdiction may have jobs that are trending more towards industrial uses versus professional office uses meaning that they need a greater land base than what was originally allocated – the number of jobs would be the same but the acreage would be different. Additionally, there has been legislation adopted by the State that limits certain jurisdictions from expanding their UGAs into floodplains (RCW 36.70a.110). Affected jurisdictions may need to concentrate more heavily on job creation that utilizes less land than they historically had.

As noted in the Introduction and Approach section, it is anticipated that each jurisdiction will conduct a Buildable Lands Analysis. These analyses should include common assumptions and ongoing tracking procedures to ensure that analyses are consistent across Skagit County and land development is tracked on a regular basis to see how jurisdictions are accommodating allocated population and employment. The precise methodology for the Buildable Lands Analyses has not yet been developed, but the Planners will be developing it in the near future.

ATTACHMENT: INDUSTRY PROJECTIONS AND CROSSWALK TABLES

ESD Northwest County Industry Projections

ESD NORTHWEST REGION EMPLOYMENT PROJECTIONS					
Source: Employment Security Department/LMEA					
Industry employment projections, May 2013					
Industry	**Estimated employment 2011**	**Estimated employment 2016**	**Estimated employment 2021**	**Average annual growth rate 2011-2016**	**Average annual growth rate 2016-2021**
TOTAL NONFARM	144,400	156,700	166,000	1.6%	1.2%
NATURAL RESOURCES and MINING	600	600	600	0.0%	0.0%
Logging	400	400	400	0.0%	0.0%
Mining	200	200	200	0.0%	0.0%
CONSTRUCTION	9,200	11,600	13,200	4.7%	2.6%
MANUFACTURING	14,300	15,800	16,600	2.0%	1.0%
Durable goods	8,200	9,400	10,000	2.8%	1.2%
Wood product manufacturing	1,500	1,800	1,700	3.7%	-1.1%
Nonmetallic mineral product manufacturing	400	500	500	4.6%	0.0%
Fabricated metal product manufacturing	800	1,000	1,100	4.6%	1.9%
Machinery manufacturing	1,300	1,800	2,200	6.7%	4.1%
Computer and electronic product manufacturing	400	400	500	0.0%	4.6%
Electrical equipment and appliance mfg	300	300	400	0.0%	5.9%
Other transportation equipment	1,200	1,300	1,200	1.6%	-1.6%
Non durable goods	6,100	6,400	6,600	1.0%	0.6%
Food and beverages manufacturing	3,100	3,200	3,400	0.6%	1.2%
Printing and related support activities	200	200	100	0.0%	-12.9%
WHOLESALE TRADE	4,000	4,200	4,400	1.0%	0.9%
RETAIL TRADE	19,700	20,700	20,900	1.0%	0.2%
Food and beverage stores	4,000	4,100	4,100	0.5%	0.0%
Motor vehicle and parts dealers	2,200	2,300	2,300	0.9%	0.0%
Other retail trade	13,500	14,300	14,500	1.2%	0.3%
TRANSPORTATION, WAREHOUSING AND UTILITIES	4,000	4,400	4,500	1.9%	0.5%
Utilities	500	500	500	0.0%	0.0%
Transportation and warehousing	3,500	3,900	4,000	2.2%	0.5%
INFORMATION	2,600	2,700	2,900	0.8%	1.4%
FINANCIAL ACTIVITIES	5,800	6,400	6,800	2.0%	1.2%
Finance and insurance	4,100	4,600	4,900	2.3%	1.3%
Real estate, rental and leasing	1,700	1,800	1,900	1.1%	1.1%
PROFESSIONAL and BUSINESS SERVICES	10,800	12,800	14,000	3.5%	1.8%
Professional, scientific and technical services	5,200	5,800	6,000	2.2%	0.7%
Management of companies and enterprises	700	800	800	2.7%	0.0%
Other professional services	3,800	4,600	5,200	3.9%	2.5%
Employment services	1,100	1,600	2,000	7.8%	4.6%
EDUCATION and HEALTH SERVICES	18,000	19,800	21,100	1.9%	1.3%
Education services	1,600	1,800	2,000	2.4%	2.1%
Health services and social assistance	16,400	18,000	19,100	1.9%	1.2%
LEISURE and HOSPITALITY	16,500	17,800	18,300	1.5%	0.6%
Arts, entertainment and recreation	2,600	2,900	3,100	2.2%	1.3%
Accommodation and food services	13,900	14,900	15,200	1.4%	0.4%
OTHER SERVICES	6,100	6,500	6,600	1.3%	0.3%
GOVERNMENT	32,800	33,400	36,100	0.4%	1.6%
Federal government	3,300	3,100	3,100	-1.2%	0.0%
State and local government other	14,400	14,400	15,100	0.0%	1.0%
Government educational services	15,100	15,900	17,900	1.0%	2.4%

NAICS Codes and Model Allocations

2-Digit	Description	Allocation Group
11	Agriculture, Forestry, Fishing and Hunting	Resource
21	Mining	Resource
22	Utilities	Industrial
23	Construction	Industrial
31	Manufacturing	Industrial
32	Manufacturing	Industrial
33	Manufacturing	Industrial
42	Wholesale Trade	Industrial
44	Retail Trade	Retail
45	Retail Trade	Retail
48	Transportation and Warehousing	Industrial
49	Transportation and Warehousing	Industrial
51	Information	Services
52	Finance and Insurance	Services
53	Real Estate and Rental and Leasing	Services
54	Professional, Scientific, and Technical Services	Services
55	Management of Companies and Enterprises	Services
56	Administrative and Support and Waste Management and Remediation Services	Services
61	Educational Services	Gov/Edu
62	Health Care and Social Assistance	Services
71	Arts, Entertainment, and Recreation	Services
72	Accommodation and Food Services	Retail
81	Other Services (except Public Administration)	Services
92	Public Administration	Gov/Edu