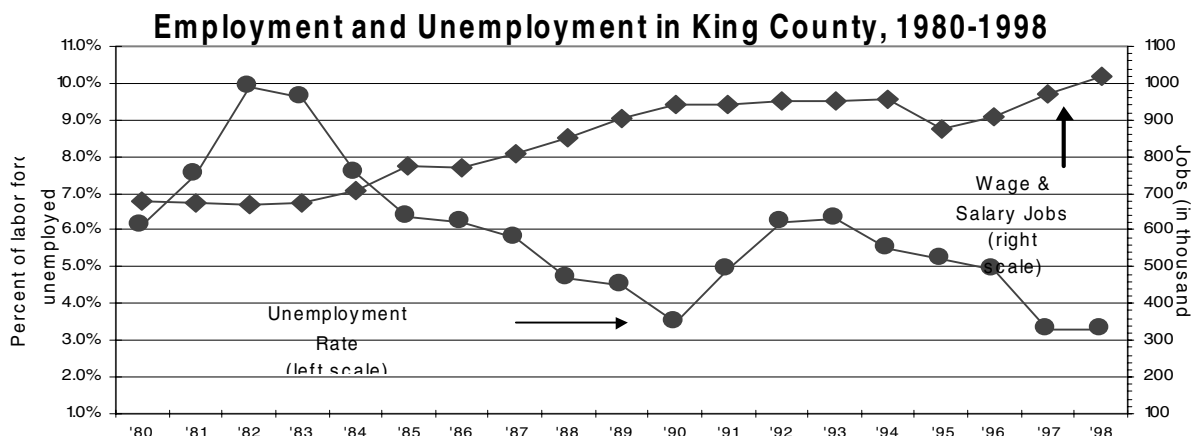


I. Highlights - - - - 1999

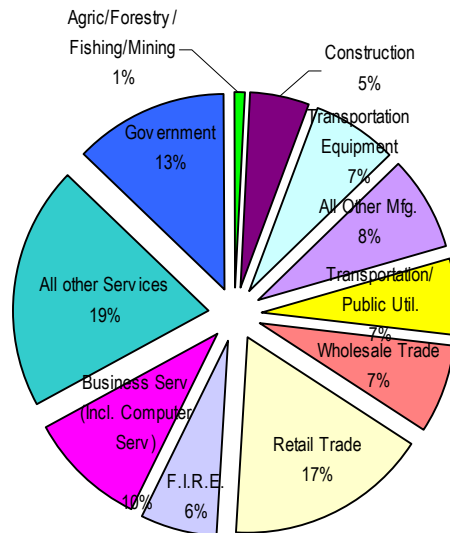
1. Economy reaches a peak in 1998 - '99

Mixed economic signals characterize the current economy. After five slow years, the King County economy has been growing rapidly from 1996 - 1998. More than one million King County residents are now in the labor force, and more than 100,000 additional employees commute from other counties to work in King County. During 1998, the economy created an additional 51,000 new jobs. Unemployment has remained low at 3.3% in 1998, matching lows in 1966 and 1990. Boeing, had more than 106,000 employees in Washington State by mid - 1998, including almost 60,000 in King County. Boeing employment had declined sharply in King County from 1990 to 1995, including both layoffs and a shift of 6,000 employees from Renton to the Everett plant. From 1996 to 1998 all King County Boeing facilities rebounded; although the Renton plant did not regain all the jobs it had in 1990. With 66,400 employees in King County, the aerospace sector is up 16,700 from the low in '95, but still 20,000 below its '90 high.



Fortunately the King County economy is much broader based than the aerospace sector alone. Manufacturing other than aircraft has increased by 10 percent since 1990 and now constitutes fully 59 percent of King County manufacturing jobs. Electronic equipment, food products and apparel have all increased steadily. Microsoft and other computer services firms have led the rapid expansion of sectors other than manufacturing. Employment in computer programming and data processing increased by 29 percent between 1996 and 1998, about three times the rate of total King County job growth. The services sector as a whole has gained 44 percent since 1990, most of this growth coming in the last three years. Retail trade has increased 17 percent on the strength of the construction of new retail centers in Redmond, Bellevue, Woodinville, downtown Seattle and elsewhere. Taken together, all job sectors generate a "gross regional product" of perhaps \$70 billion, or 40 percent of Washington State's \$172 billion economy (1997).

King County Employment by Sector in 1998



In concert with the job growth, real wage levels (wages adjusted for inflation) have increased 24 percent in the last four years. However, a disproportionate amount of this increase has occurred in the computer services and financial sectors, while other sectors, particularly retail and nonprofessional services, continue to earn comparatively low wages. Median household income increased only 5.3% during this time. The gap appears to be widening between large numbers of low-income households and the incomes of a smaller number of households, which are growing dramatically. Other than in computer services, the greatest amount of employment growth since 1990 has been in non-professional services and retail jobs, many of which pay lower wages than manufacturing. The decrease of high-paying manufacturing jobs since 1990 helps explain the slowness of median household income growth. Prospects: Unlike the 1990 boom, today's King County growth is in a context of continuing strong national economic growth. However, the clouds on last year's horizon continue to darken the sky. The economies of several Asian countries are still struggling -- and they are among the largest customers of King County businesses. Japan, which is Washington State's largest trade partner, continues to endure a sluggish economy, its worst recession since World War II. The effects of the problems in South Korea, Thailand, and Indonesia are beginning to be felt here. It is unclear how long or deeply this will affect Puget Sound. The speed of recovery is dependent on each nation's ability to reform its financial systems and open their economies to more competition. There remains concern and uncertainty about whether the crisis will spread to China, Russia and Taiwan. Economists expect at least one more year of struggle for southeast Asia before markets there return to full strength. However, one positive sign is recent interest among Asian airlines in resuming purchase of Boeing planes.

2. King County's population grows slowly as job numbers stabilize

Population growth typically lags a year or two behind job growth in King County. But this year, population growth is slowing down before any noticeable downturn in jobs. The Washington State Office of Financial Management estimates the Countywide population at about 1,677,000 in April 1999 - up less than one percent since 1998. This number has increased 11 percent since 1990, or about 1.2 percent per year. Countywide population growth is not as rapid as might be expected from the job growth, for two reasons: (1) the economy of the rest of the U. S. is doing well in contrast to earlier Puget Sound booms. Most of the new jobs are being filled locally instead of attracting workers from California and elsewhere as was the case in 1990; and (2) many of the migrants from other states are coming to the adjoining

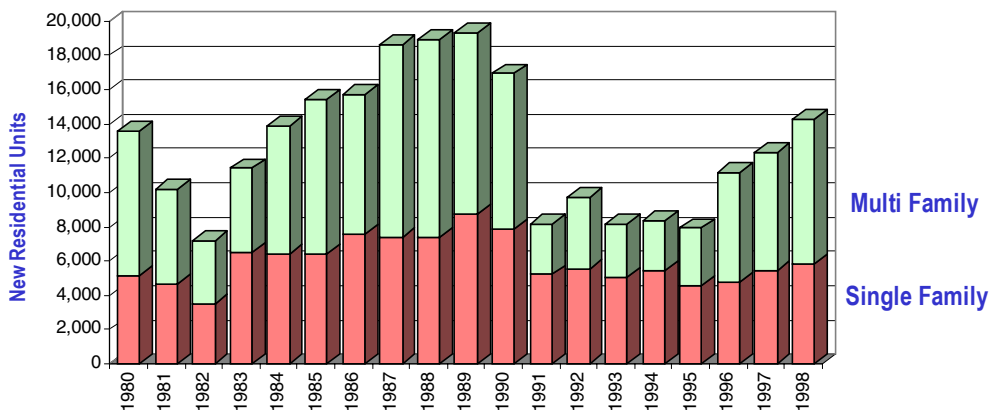
counties of Snohomish, Pierce and Kitsap, and commuting to King County jobs. King County had 55% of the region's population (and two-thirds of its jobs) in 1990, but has only gained 40% of the region's population growth during the 1990s. In the same period, King County garnered almost two-thirds of the region's job growth, so more and more commuting from other counties is required. In addition to these two reasons, some observers believe that average household sizes are declining in the Puget Sound region after some years of stability. The results of the 2000 Census, available in 2001, will answer the current questions about the County's growth rate.

Since 1990, Seattle has gained more than 24,000 people or about four percent. Unincorporated areas, the County's second largest jurisdiction, have lost 133,000 people to new incorporations. The Suburban Cities together have almost 750,000 people, double their collective population in 1989 before Federal Way and SeaTac incorporated.

3. Rate of residential construction continues to increase

Despite the slowing population, residential construction jumped ahead in 1998 to 14,250 new residential units, up 16 percent from 1997 and up 50 percent from the slow years 1992 through 1995. Construction of single family homes was up slightly to 5,800 new houses and mobile homes. Permits for single family construction have stayed remarkably consistent each year since 1991, at about 5,000 new houses in King County. Roughly half of the new houses are in unincorporated areas, although the share is declining with annexations and incorporations.

**Total New Residential Units Permitted
Single Family and Multifamily, 1980 - 1998**

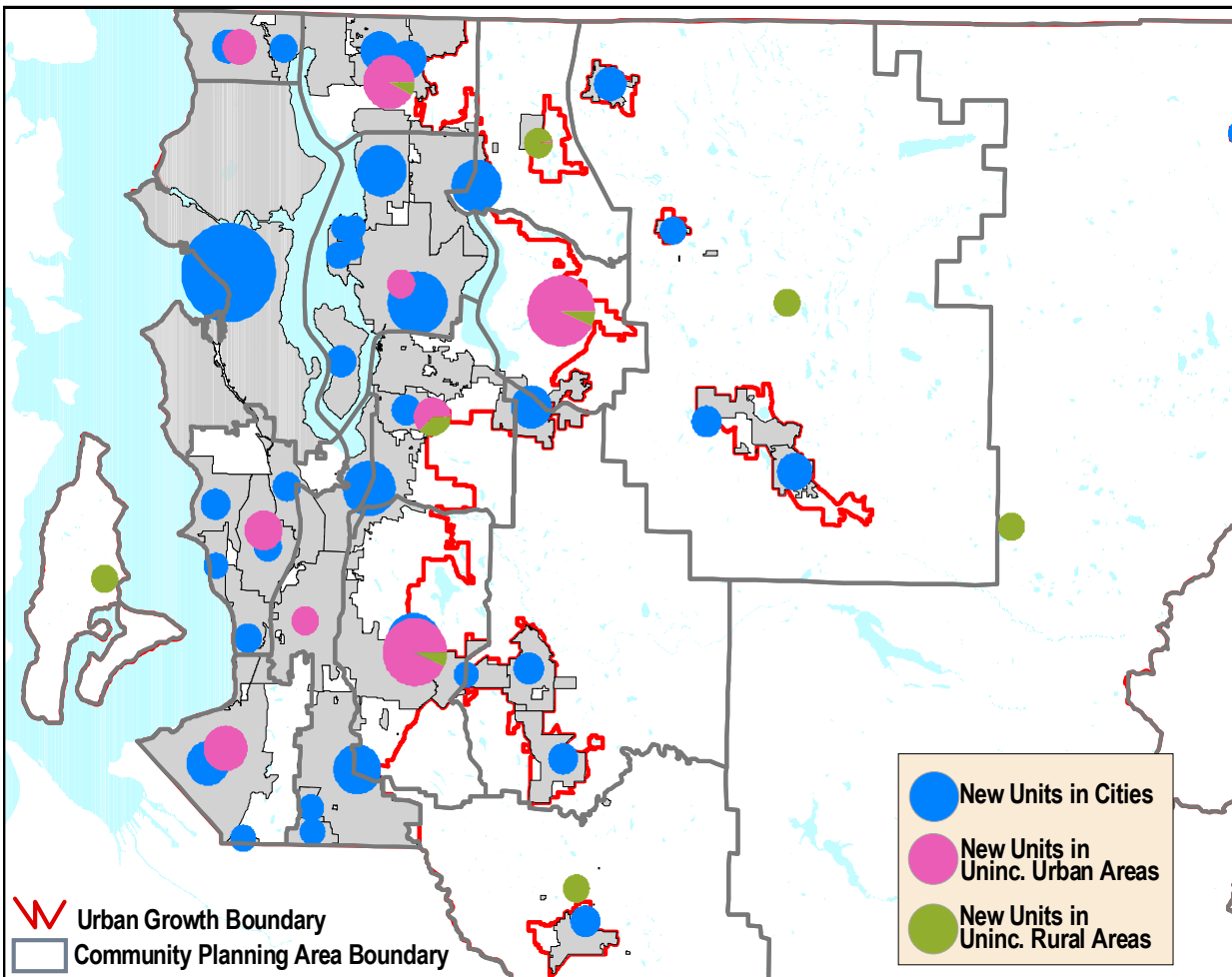


Multifamily construction is much more volatile, and responsive to changes in the regional economy. Multifamily construction increased again in 1998 to 8,400 new apartments and condo units (double the 1992-95 average). Condominium sales have increased significantly, and are now a large share of total home sales (around 20 percent) and construction (nearly 50 percent), in contrast to a few years ago when condos were a tiny share of the market. New construction focused in Seattle, Bellevue, Renton and Auburn; and to a lesser extent Redmond, Issaquah, Kirkland and Kent. Data from selected jurisdictions shows this healthy trend continuing at the same rate in the first quarter of 1999, with large numbers of new permits for multifamily buildings in Seattle and Bellevue. However, total new residential construction has still not returned to levels of the late 1980s, which approached 20,000 new units per year.

4. Residential growth focuses in cities and three unincorporated communities

Nearly three-fourths of the new construction in 1998 occurred within city limits, in marked contrast to trends of the 1970s and 1980s. Seattle received a healthy 28 percent of the County's new residential units, more than 3,900. The Suburban Cities together permitted 6,500 new units, almost half the Countywide total. Bellevue authorized 1,077 new units, Renton 936, and Auburn 731. There were also substantial numbers in Issaquah, Kent, Redmond and Kirkland. Two-thirds of the new housing units in the cities were apartments and condominiums. Building permits by city are reported on pages 67 - 69.

1995 Through 1998 New Units by Urban and Rural Areas



With 3,784 new units, unincorporated King County received 27 percent of Countywide new residential growth, a lower share than in earlier years. Three communities received the largest share of unincorporated growth: East Sammamish with 1,318 new housing units, Soos Creek with 887, and Northshore with 519. Urban portions of unincorporated King County accounted for 2,917 new units, about 20 percent of the Countywide growth. In Rural and Resource areas, only 867 new units were built.

* Last year's AGR mistakenly counted 1,100 new units in the Rural area; actual was 952.

That was up somewhat from 1997, but still barely 6 percent of Countywide new construction in 1998.* Only 37 percent of the unincorporated permits were multifamily; many areas designated for multifamily development have annexed to cities in recent years. Building permits by unincorporated area are reported on pages 125 - 127.

Formal plat recordings declined to 2,213 new lots created in 1998. As with the residential building permits, East Sammamish with 576, Soos Creek with 231 and Northshore with 203 in unincorporated King County had the most lots recorded in 1998. The cities of Kent (211), Renton (147) and Snoqualmie (117) led the way in number of lots applied for. Formal plat applications, indicating single family growth to come in a few years, increased 23 percent to 3,672 lots Countywide in 1997.

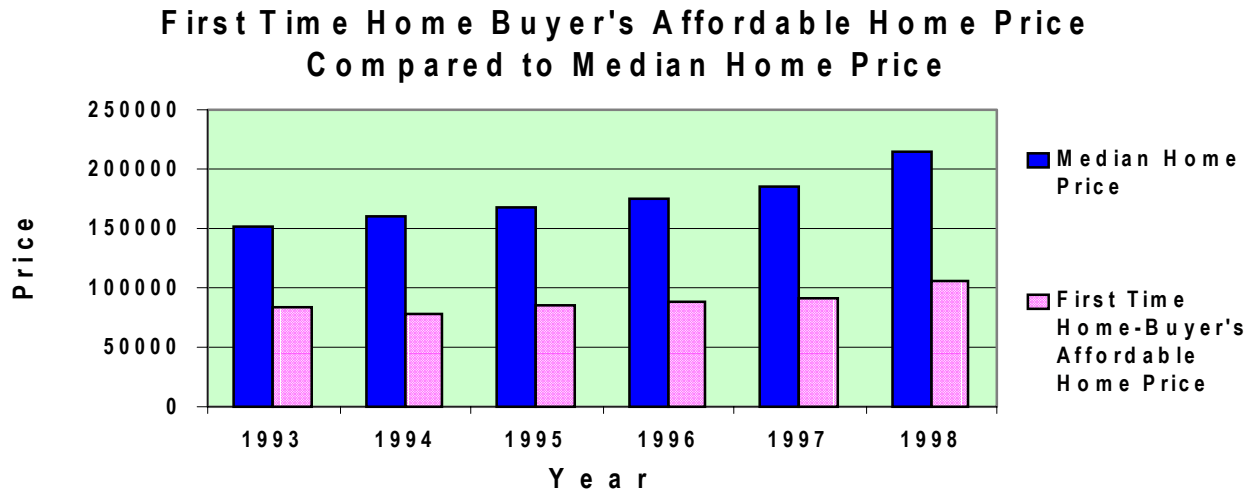
Short plat activity increased in unincorporated King County. The number of lots recorded was up 64 percent from 127 lots in 1997 to 208 in 1998. Applications also increased to 178 lots last year from 158 in 1997, an 11 percent increase. Unincorporated Northshore area led in numbers of recordings with 48 lots while East Sammamish led in applications with 45 lots. However, the number of lots created through short platting remains small compared to formal platting.

5. Intense demand raises the price of housing

Average house sales price (including condominiums) increased 8 percent to \$241,700 in 1998, an increase of 16 percent or \$30,000 since 1995. The median household income has risen only about 5 percent since 1995, and interest rates have fluctuated during the period. As a result, the affordability gap has widened considerably since 1995 (see page 44). This year's AGR contains restored data on house prices, now based on the Northwest Multiple Listing Service. On page 52, average house prices are displayed for four subareas of King County. The Eastside average house sales price was highest at almost \$270,000, and south King County was most affordable at \$156,000. Seattle's average house price rose rapidly like that of the Eastside, and is now more than \$210,000. Average house sales prices by city are on Profiles beginning on page 73. House prices are increasing most rapidly in the areas (Seattle and Eastside) with the greatest job growth, tending to squeeze out low-wage workers from housing opportunities near their jobs. Evidence from the first part of 1999 indicates this pattern of housing price increase is continuing.

Median home price (including both detached single family houses and condos), a more accurate measure of affordability, was about \$196,000 in 1998, or 19 percent less than the average reported above. (The median divides all house sales in two equal halves, one half more expensive and the other less expensive. The median is better because the average is raised by a few very expensive house sales.) Median house prices are only available on a Countywide basis since 1994, and are reported as Indicator # 24 in the Benchmark Report.* "See 1998 Benchmark Report, p. 77. In the Benchmark Report, median house price is reported as \$215,000, but includes only detached single family homes, not condominiums." Although the median income of King County residents is rising, house prices are rising faster. In 1997, there was a gap of \$17,800 between the affordable price and the median house price. In 1998, the gap was \$27,500. The situation is more difficult for renters attempting to buy their first house. The home purchase affordability gap for buyers with a median renter's household income has broadened since 1994, and was more than \$109,000 in 1998. The median renter household with an income of \$32,000 cannot afford to buy a house at the median price of \$196,000. Even with low down payment financing, this household can only afford a house priced at \$105,400. King County and its cities are taking steps to address this need. In 1997, local public funds dedicated to subsidized housing were over \$19 million.

Rent data: Apartment rents increased 5 percent in 1997 and 8 percent in 1998, after a period of slow increase. With vacancy rates still low -- around 3.3 percent countywide -- it is likely that rents will continue to rise rapidly. A two-bedroom apartment is affordable on a median renter's income, but a unit for a larger family is beyond the means of a household with a median renter's income. See Indicator #27 in the Benchmark Report, page 86.



6. King County homeownership rate remains stable

This year's AGR and Benchmark Reports include newly updated estimates of home ownership rates in King County, the first time this information has been available other than the US Census. King County's estimated home ownership rate of 59 percent remains nearly the same as it was in 1990. It is somewhat lower than the 63.7 percent overall rate for the 75 largest metropolitan areas in the U.S.

The home ownership rates in Washington State (63%), and in the United States (66%) have each risen during this decade, although the rate in Washington State is lower than its 1980 rate of 67 percent. The Seattle-Bellevue-Everett Metropolitan Statistical Area, which includes Snohomish and Island Counties experienced a two percent drop in home ownership - from 65 percent to 63 percent - since 1990. As Snohomish County becomes more densely populated, its traditionally high ownership rate has moved closer to the urban average.

The rising cost of home ownership in King County has been somewhat offset by higher income and the availability of lower interest rates during the past few years. However, affordable home ownership opportunities continue to be more abundant in the neighboring counties than in King County. Affordability is an important factor influencing the home ownership rate.

About half of the new multifamily complexes (or 24% of the total new units) are intended to be condominiums. Of these condo units about 80% will be owner-occupied. This means that overall about 66% of new units are destined to be owner-occupied and about 34% are likely to be renter-occupied.

7. Traffic congestion is worsening while transit ridership grows slowly

According to the Federal Highway Administration, traffic in the Seattle area ranks between fourth and eighth most congested in the nation. The broadest measure of travel and traffic congestion is "vehicle miles traveled" (VMT), reported as Indicator # 12 in the Benchmarks Report. Congestion is worsening as more vehicles are being driven more miles. In the 1980s, VMT grew almost four times as fast as the population due to rapid job growth, more two-worker households, and increases in non-work related trips. Since 1990 VMT has grown more slowly, in line with population growth. Benchmark Indicator # 12 shows that per-capita VMT has risen about 5 percent since 1990. Currently, it stands at 9,422 miles per year per capita. Rapid increases in volume of truck traffic have spearheaded this increase, as shown by Indicator # 44.

Other transportation indicators show that transit use has increased in the last two years, but it comprises at best a stable share of VMT. About 55 percent of 1997 travel in King County was by single-occupant vehicle, while transit share increased from 3.8% to 5.7% of all trips. According to the 1990 Census, almost 70 percent of commute trips were by single-occupant vehicle, while transit captured about 9 percent of commute trips.

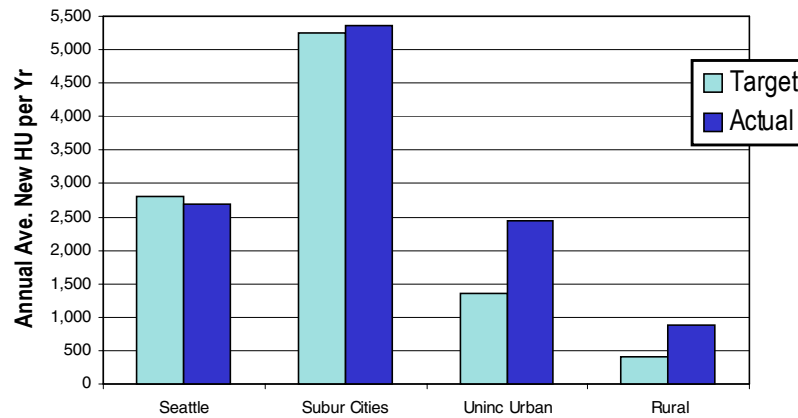
8. Leading indicators reveal likely slowing of rapid growth

"Transportation Concurrency" certificates are a window into the near-future growth we can expect in unincorporated areas of King County. Before subdivisions or building permits can be filed, developers must secure a concurrency certificate from the King County Department of Transportation, under a program that began in January 1995. In four years, concurrency applications for more than 14,000 single family lots and 12,700 multifamily units have been approved in unincorporated King County. (Some of these have already been absorbed into cities including Kent, Maple Valley and Kenmore.)

Single family concurrency applications consist mostly of formal subdivisions. After concurrency approval, many of these have subsequently been filed at the Department of Development and Environmental Services as plat applications, but few have reached construction stage yet. Therefore they show anticipated development (construction in the next five years) in places like East Sammamish, Bear Creek, and Soos Creek. These 14,000 lots indicate a desire for continued development of single family residential homes near the edge of the Urban Growth boundary. They include three Urban Planned Developments (UPDs), large residential communities early in planning stages, on the Bear Creek Plateau and at Grand Ridge (now Issaquah Highlands in the City of Issaquah). They do not include another UPD, Snoqualmie Ridge, now under construction in the City of Snoqualmie.

In contrast to the long lead time for subdivisions, many of the multifamily buildings with concurrency certificates are already under construction. The 12,700 multifamily units in the concurrency pipeline represent significant interest in higher-density development in a suburban setting, in communities including East Sammamish, Soos Creek and Northshore. Unlike the single family dominance of the housing market a few years ago, these concurrency applications indicate market recognition of the need for affordable housing opportunities as King County jobs continue to grow. We do not have a comparable "leading indicator" for multifamily development in the cities of King County, but 1998 building permits indicate a strong market there, too.

Adjusted Target vs. '95 - '98 Construction



9. Growth in some locations is outpacing Growth Targets

The Countywide Planning Policies (CPPs), adopted to implement the State Growth Management Act in 1994, set "growth targets" for households and jobs. Each target is the amount of growth to be accommodated by a jurisdiction during the 20-year Growth Management planning period. The residential targets were expressed as a range of households for each jurisdiction to accommodate between 1992 and 2012. Cities with designated Urban Centers including Seattle, Bellevue, Redmond, Renton, Tukwila, SeaTac, Kent and Federal Way established high target numbers to encourage growth. Growth target ranges are displayed on page 59. In the unincorporated King County jurisdiction, both Rural and Urban targets were set lower than past trends would indicate, in order to encourage growth within cities generally, and designated Urban Centers in particular. The unincorporated Urban target was set at 38,000 new households over the 20 years, only 19% of Countywide growth as opposed to nearly half under old trends. The Rural target was set at less than four percent of Countywide growth, far below the 15% typical in the '80s. This year's AGR reports on our progress after four years of development following adoption of the CPPs.

The graph above compares four years of building permits to targeted shares of development in four subareas: Seattle; the Suburban Cities; unincorporated Urban; and Rural areas. Permits in Seattle constitute 24 percent of Countywide development, a sizeable share and remarkably close to the ambitious 28 percent share set by the CPPs. The 37 Suburban Cities collectively have permitted 47 percent, almost exactly the targeted share. Some of the success cities have had is within designated Urban Centers. However, individual cities differ markedly. The Eastside cities and Renton and Kent have been more successful than southwest King County cities in attracting recent growth.

The unincorporated Urban target was set at 19 percent, a share actually achieved in 1997 and 1998 but exceeded in 1995 and 1996. Rapid growth has taken place, especially in Sammamish and Soos Creek. Concurrency permits indicate that several areas of unincorporated Urban will exceed the target within the next 5 years. The largest targets were established in Soos Creek, Sammamish, and Federal Way, together more than half the unincorporated Urban target. See unincorporated targets on page 136. Several cities have incorporated since the CPPs were adopted in 1994. As new cities form and older cities annex territory, the targets will need to be shifted from unincorporated Urban to cities. When this adjustment is accounted for, the number of issued permits will significantly exceed the adjusted targets. During the first three full years the CPPs have been in effect, more than one-fourth of the Urban unincorporated land area has become city, and so about 10,000 of the original 38,000 target will shift into city

jurisdictions. Calculated this way, the remaining unincorporated urban areas are already approaching their 20-year targets.

The Rural area target was set at less than four percent of Countywide growth, an average of under 400 units per year. In the years since the target was set, actual building construction in Rural and Resource designated areas has been two to three times this annualized average. As a percentage of Countywide construction, Rural activity remains small: less than eight percent of new housing units. This percentage is well below the 13 to 15 % of earlier decades, and far less than Rural growth in other Puget Sound counties. Nevertheless, in the four years 1995 - 1998, new housing construction is nearly halfway (43%) to the 20-year target of up to 8,200 units in Rural areas. Much of this growth is unavoidable due to the large number of pre-existing lots in rural areas.

10. Incorporation and annexation add new city areas

Although King County as a whole is growing slowly, many of its cities are growing rapidly. The suburban cities are acquiring the majority of King County's growth, both through annexation and through new construction within their boundaries. In 1989, unincorporated King County had 590,000 people and the 28 suburban cities together had about 350,000. In the succeeding ten years, ten new cities have formed with more than 250,000 people. Other cities have annexed about 70,000 of the existing population. The 38 Suburban Cities now have more than 700,000 residents. By 2012, the entire Urban area, with 90% of the King County population, is planned to be within city limits.

Four of the new cities have formed within the last year. In 1997, Covington and Maple Valley incorporated next to each other in southeast King County. Both are rapidly-growing, chiefly residential communities, together estimated at nearly 25,000 persons. The City of Kenmore incorporated on August 31, 1998. With about 17,000 people and a large business community, Kenmore occupies the last urban unincorporated area along the Snohomish County boundary.

The newest city is Sammamish which will incorporate on August 31, 1999. The City's 1998 population was estimated at 28,400 and it is growing rapidly. Occupying more than 21 square miles east of Lake Sammamish, the City incorporates the wealthiest remaining community of unincorporated King County. The median house price in 1998 exceeded \$300,000.

Annexations accounted for a further shift of 4,200 persons into cities within the last year. Burien and Shoreline each annexed small islands of unincorporated territory with about 2,000 residents.

11. Decreasing runs of Chinook salmon call for attention to environmental quality

With the listing of Puget Sound Chinook salmon as a threatened species under the Endangered Species Act (ESA), monitoring the condition of salmon runs in King County has become more important than ever. The Puget Sound Basin provides habitat for a total of 209 salmon and steelhead stocks. In a 1992 assessment only about 44% of these stocks were considered healthy. The others were rated as depressed, critical, unknown, or extinct.

Even in undeveloped river systems, there are large natural fluctuations in salmon spawning and survival from year to year. These biological cycles are driven by changes in the conditions of freshwater and marine environments. However, an analysis of long term trends in the major watersheds of King County indicate that the decline in wild Chinook, Coho, and Sockeye stocks is considerably more long-lived than would be expected from natural fluctuations. For instance, through the 1970s and 1980s the number of

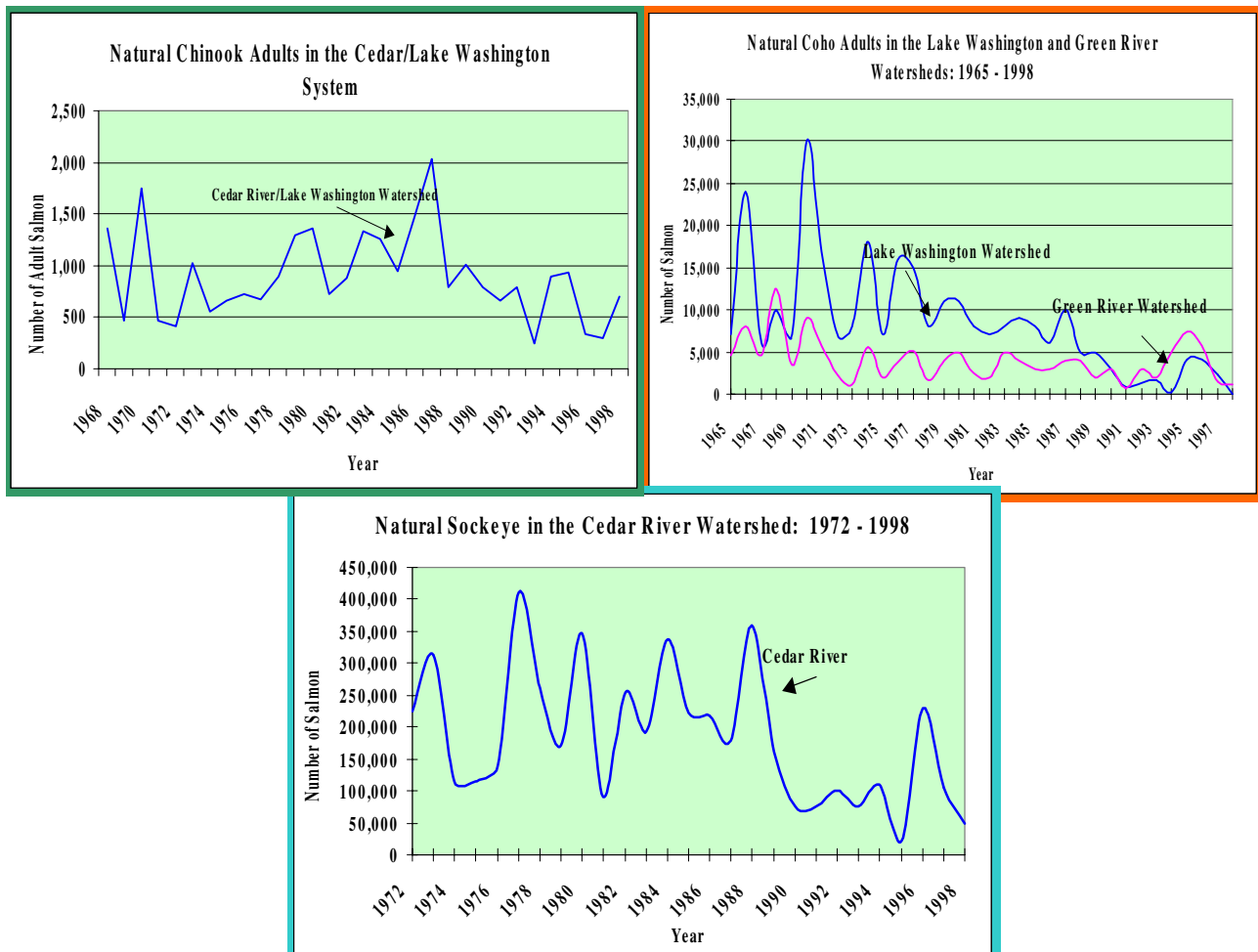
Highlights

returning Chinook adults in the Lake Washington basin fluctuated between a low of about 450 and a high of over 2000. However, 1993, 1996, and 1997 showed exceptionally low returns in the range of 250-350. Even with an increase to about 700 in 1998, the average size of runs in the 1990s are about one-half the average size of runs during the 1980s.

The number of Chinook in the Snoqualmie-Snohomish watershed showed a declining trend from the late 1970s through the mid-1990s. However, in 1998, adult Chinook returned to this watershed in their highest numbers - over 6,000 - since 1980.

A long-term downward trend is also evident among wild Coho adults which return to spawn in the Lake Washington system. In 1970, a high of 30,000 fish was recorded while a low of 200 was recorded in 1994. After three years of relatively good returns, there were less than 500 adult Coho that returned to the Lake Washington watershed in 1998.

Despite one or two rebounds, wild Sockeye in the Cedar River basin have shown a downward trend since 1989, and are considered a depressed stock in that watershed. They are also considered a depressed stock in the Sammamish tributaries of Big Bear Creek and Issaquah Creek.



It is difficult to determine the relative importance of each of the factors that influence the status of a particular salmon stock. There is little that can be done to affect the climatic conditions in the marine environment. Despite the natural fluctuations from year to year, many of the variations and

declines in salmon populations that have been observed in the last several decades appear to be mainly the result of human impacts. In addition to the harvesting of wild salmon, habitat deterioration caused by urban and industrial growth, forest management practices, agricultural practices, municipal, industrial, and agricultural diversions, and hydropower have all contributed to diminishing the abundance and diversity of salmon.

12. Progress on other Environmental Issues Is Positive But Fragile

Air Quality King County's air quality has improved over the last 15 years. Better fuel efficiency, higher emission standards for industry and a large number of educational programs aimed at reducing energy consumption have contributed to better air quality. However, a rising population and an increase in the number of vehicle miles traveled (VMT) could increase the amount of pollutants released to the air.

Total VMT has increased 81% between 1985 and 1997 and is likely to increase further with population growth. The use of larger, less fuel-efficient vehicles may also endanger our current achievement in improving air quality. Infrastructure and land use planning that focuses development within urban growth areas, combined with public transit options for the majority of the population, can play a significant role in helping to reduce the number of VMT and thus reduce impacts on air quality from vehicle emissions.

The preservation of greenbelts and forests in the vicinity of urban areas is another critical aspect of maintaining or improving air quality, because of the capacity of trees to absorb pollutants such as CO₂. In order to achieve further improvements in air quality, measures that help reduce levels of pollution in the transportation, residential, commercial and industrial sectors need to be maintained and improved where appropriate.

Energy Consumption The increase in total energy consumption over the last 12 years raises concerns for the future. While the per capita increase in energy use has been modest, total consumption continues to grow and to slightly outpace population increase. The trend during from 1995 - 1997 was toward an increasing per capita consumption. In 1998 that has leveled off again.

There was a sharp rise in gasoline consumption from 1996 - 1997 (3.6%) after a decline of almost 9% from 1990 - 1996. Lower gas prices undoubtedly contributed to this, but so did the popularity of large family vehicles requiring more gas, and the commuting needs of an expanding suburban population. Fortunately, in 1998 per capita gasoline consumption returned to its relatively low 1996 level. Gasoline represents about 44% of total per capita consumption, and thus has a strong impact on air quality.

King County Lakes and Streams About 2/3 of King County lakes are classified as having very high or moderate water clarity. The other 1/3 exhibit the eutrophication (high algae, lower clarity) typical of aging lakes. Streams in King County appear to be in worse shape than its lakes, with over half of the streams classified as moderately or seriously-degraded in biological integrity. Streams in the Cedar River basin are in the best shape, while streams in the Soos Creek Basin of the Green River are the most degraded. New levels of urbanization in any of these basins could further threaten the water quality in the system's streams, and their value as aquatic habitat.

Water Consumption Total consumption fell from a high of 146 million gallons per day (mgd) in 1990 to 134 mgd in 1997, but rose last year to 139 mgd. Per capita water consumption in King County also rose slightly in 1998, after declining significantly for the previous 12 years. Local and regional education efforts, state and federal policies aimed at reducing per capita and total consumption, and rising water prices have all

had a significant impact on reducing water consumption. However, future population and economic growth could continue to raise consumption levels in the long run. It has been observed in other regions that rising personal incomes, a trend in this region, is sometimes correlated with higher levels of residential water consumption. These trends could counteract the declining per capita rates of consumption that prevailed from 1990 - 1997.

13. Implications of the rapid growth

The economic and residential growth we are now experiencing will have a range of impacts in coming years. The Annual Growth and Benchmark Reports will continue to track data to allow wise decisions in the following areas:

- More people with jobs, more money in the economy. Unemployment is the lowest since the 1960s. Poverty rates are probably down again below 1990 Census levels after rising to ten percent of the County population in 1993. However, some families are not sharing the economic growth.
- Measureable labor shortages. In software, aerospace, construction and retail, rapid growth of jobs is outstripping the availability of skilled workers, requiring training in specialized skills. Welfare reform / Jobs Initiative to provide trained workers for high-demand jobs.
- Housing affordability. The average home price has risen 16 percent in two years, making it extremely difficult for renting households to purchase a house or even a condominium. Apartment vacancies are at their lowest level in nine years, leading to rent increases of 5 to 10%. House and apartment construction numbers are up, but not enough to hold prices stable or meet the growing demand for housing.
- Transportation congestion. Travel data and the public perception agree that traffic congestion is worsening, in both peak and off-peak hours. Data from the Concurrency Management System show that certain roads in unincorporated King County are reaching capacity sooner than expected. Regionwide, the Sound Transit program approved by the voters in 1996 will improve transportation options in the long term.
- Increasing infrastructure needs. The rapid residential and job growth requires investment in capital facilities to serve the growth. In addition to transportation, water supply and sewage treatment need investment. The rapid growth may require a new source of water supply for King County residents after the year 2000. A new sewage treatment facility in north King County or south Snohomish County would serve the growing Eastside population and protect water quality. Designation of new open space and recreational lands may become important before opportunities are foreclosed.
- ESA listing of salmon. One of the biggest issues facing King County residents and businesses in 1999 is addressing the environmental concerns raised by the ESA listing of Chinook salmon as a threatened species. The graphs above, and on page 52 - 53 of the Benchmarks Report demonstrate a real decline in salmon runs. King County and other governments in the Puget Sound region are committed to do everything required to save salmon.
- Emerging issue of further managing growth. The State legislature amended the Growth Management Act in 1997 with a requirement to track "buildable lands" in fast-growing Puget Sound counties. In coming years, the Annual Growth Report and Benchmarks Report will both be geared more and more to measuring our success in growing inline with targeted growth, and retaining a supply of buildable land. This measurement will be complicated by a shift of growth into cities as they annex unincorporated areas.
- Jobs housing balance. King County is garnering a majority of job growth in Washington State, while adjoining counties are taking the largest share of residential growth. This difference in job and housing location requires more commuting and more transportation facilities to handle the commutes.

Definitions

King County Growth Terms

Annexation - Adding or taking more land into a city's jurisdiction.

Growth Target - Policy statement indicating an approved number of new households and jobs to be accommodated in a jurisdiction during the 20-year Growth Management period.

Incorporated - Within a city, or the city's jurisdiction. King County contains 35 whole incorporated cities and parts of two others.

Rural Areas - Unincorporated areas outside the Urban Designated Area on which little residential or job growth is planned.

Rural Cities - Cities in rural areas. There are seven in King County: Black Diamond, Carnation, Duvall, Enumclaw, North Bend, Skykomish, and Snoqualmie.

Subareas - Grouping of King County by geographic areas. See subareas map on page 84.

Suburban Cities - The cities in King County excluding Seattle. Includes rural cities.

Transportation Concurrency - requires that transportation facilities must be available to carry the traffic of a proposed development. A certificate of transportation concurrency is issued when a proposed development meets the county's adopted level of service standards. Concurrency is the first step in the permit process and concurrency approvals are an indicator of future development.

Unincorporated - Outside any city and under King County's jurisdiction.

Urban Centers - Areas located in cities which are meant to accommodate concentrations of housing and employment over the next 20 years.

Urban-Designated Areas - Areas designated for urban use under the Growth Management Act with activities supported by urban services and facilities.

Economic Terms

Affordable Housing - Assumes that no more than 25% of a homeowner's income goes to mortgage payments (exclusive of tax and insurance costs), and that no more than 30% of a renter's income goes to rent payments.

Affordability Gap - The difference between the average home sales price or apartment rental price and the affordable price. See pages 80-81.

Covered Employment - Workers covered by unemployment insurance. They make up approximately 90% of total employment. Covered employment excludes military, railroad, and self-employed persons.

Household - An occupied housing unit; can consist of one person, unrelated persons, or a family.

Income - Wage and salary income; self-employment income (farm or non-farm); interest, dividend, and rental income; Social Security income; public assistance; retirement and disability pensions; and other income.

Mean - Same as average. The sum of observations divided by the total number of those observations.

Median Income - The median divides all households into two equal groups, one half above the median income and the other half below.

Nonagricultural Wage and Salary Employment - Includes all full- or part-time jobs listed by place of work. Excludes self-employed, armed services, private household workers and agricultural workers.

Personal Income - An aggregate measure of income received by all residents of an area. It includes earnings, rents, interest and dividends, benefits, and transfer payments such as Social Security.

Per Capita Personal Income - Personal income divided by the total population of an area.

Real Income - An income figure that has been adjusted to account for inflation to represent dollar value in a given year.

Unemployment rate - The percentage of the civilian labor force that is unemployed and actively seeking employment.

Residential Development Terms

Applications/Recorded Applications - Applications refer to the first step in the subdivision process, and recording is the last step before issuing of building permits.

Formal Plat - A subdivision that creates any number of lots, but typically involves a minimum of five lots (ten in some cities), and requires a public hearing and the approval of the King County Council or city council.

Multifamily - Housing structures with more than one unit. Includes duplexes, apartments, and condominiums.

Redevelopable - Parcels are defined as those that have an assessed improvement value of less than 50% of the total assessed land value.

Short Plat - A subdivision that is limited to four lots (nine in some cities), and is approved administratively by King County's Department of Development and Environmental Services or, when jurisdiction resides in an incorporated area, by cities.

Single Family - Individual housing structures including conventional houses and, unless otherwise indicated, mobile homes.

Subdivision - Land that has been divided into legal lots, or the process of dividing land into lots.

Vacant - Land with no structure, and land with little or no improved value.

Forest Resources (see page 166)

Conversion - Trees are cut and land is converted to some use other than forestry.

Harvest - Trees are cut and then the land is replanted for continued forestry use.

Forest Production District - The King County Comprehensive Plan designated these districts in 1985 as forestry areas with commercial forest production as the predominant land use. Parcels are usually 80 acres or larger and residential development adjacent to the districts is scarce.

Crime (see page 106)

Major Property Crime - Burglary, larceny, motor vehicle theft, and arson.

Violent Crime - Murder, non-negligent (willful) manslaughter, forcible rape, robbery, and aggravated assault. All violent crimes involve force or threat of force.