



2010 BUILDABLE LANDS AND LAND CAPACITY ANALYSIS REPORT

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EXECUTIVE SUMMARY

The City of Mount Vernon is not mandated through the Growth Management Act (GMA) to complete a Buildable Lands Analysis like some jurisdictions are. Even so, the City completed its first Buildable Lands Analysis in 2005 and adopted it as an appendix to the City's Land Use Element of the Comprehensive Plan. This report is an update to the first 2005 report. This report takes into account physical changes that have occurred since 2005, and the implications of new development regulations adopted after 2005. This ensures that the City's decision makers have the most reliable information possible on which to base land use decisions.

The following analysis describes in detail the methodology that staff used to analyze the City's residential, commercial, industrial, and public uses. Staff has taken into account the existing development within the City, and has made conservative assumptions with regard to the location and extent of future street systems, stormwater facilities, critical areas (wetlands, streams, steep slopes, floodways), and future lands that will be developed with public type uses such as municipal facilities, schools, parks, open spaces, and churches.

In 2002/2003 the Growth Management Act Steering Committee (which is comprised of City and County representatives) approved the population allocations that Skagit County and its associated Cities would need to accommodate. For Mount Vernon, this initial allocation was 19,568 people. Additional information regarding this planning process can be found within the Land Use Element of the adopted Comprehensive Plan. Using the average household size for Mount Vernon from the 2000 Census of 2.75 people per dwelling unit, this population can be converted to 7,115 dwelling units. Since the City has already had 2,270 of these dwelling units created; the City only needs to have **4,845 additional units** created out to 2025 to meet its allocation of population.

Simply put, the City will be able to accommodate the number of homes necessary to meet the population that was allocated to the City for the planning timeframe between 2005 and 2025 without any trouble. In fact, all of the homes necessary to house this population could be located within the *existing* City limits. This indicates that the City's residential Urban Growth Areas (UGAs) that were originally established in the 1990s are too big. Specifically, within the *existing* City limits **5,087 additional dwelling units** can be created (see **Table 1.15** on pages 42 and 43).

Also clearly evident from this updated analysis is the lack of commercial and industrial lands available for development within the City. **Table 1.15** (on pages 42 and 43) outlines that there are 168.8 acres of commercial/industrial property available for development that is comprised of parcels/lots between 10,000 s.f. and five (5) acres in size; and only 20.9 acres of this same type of property that is comprised of parcels/lots greater than five (5) acres in size. The City has been very concerned for some time about not having enough commercial/industrial lands to provide jobs and local tax revenue. When residents commute out of the City to work this creates additional demands on both the City's transportation systems and those transportation systems that lead to out-of-City places of employment. Not to mention the additional vehicle emissions that are created, and time that City residents spend traveling when they choose to work outside of the City.

BACKGROUND

There are six (6) counties in Washington State that are mandated to complete buildable lands inventories according to an amendment to the Growth Management Act (GMA) in 1997 (RCW 36.70A.215). However, Skagit County is not one of the six (6) counties required to complete this inventory, which means that the City of Mount Vernon (City) is also not required to complete this work.

Even though there is not a State mandate to do so, the City feels strongly that the only way to plan for the City's growth is to have an accurate account of the existing lands that are developed, and an inventory of the land available for development. In addition, RCW 36.70A.115 states that, "Counties and cities that are required or choose to plan under RCW 36.70A.040 (Growth Management Act, which Mount Vernon is required to plan under) shall ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide *sufficient capacity of land* suitable for development within their jurisdictions to accommodate their *allocated housing and employment growth*, including the accommodation of, as appropriate, the medical, governmental, educational, institutional, commercial, and industrial facilities related to such growth, as adopted in the applicable countywide planning policies and consistent with the twenty-year population forecast from the office of financial management".

To this end, the City made a commitment to complete an in-depth inventory of the available buildable land within the City limits and the urban growth areas (UGAs) during its 2005 Comprehensive Plan update. This 2010 report is an update to the 2005 Buildable Land Analysis.

After looking at the way in which other counties in the State have inventoried their buildable lands, the City devised a methodology and data collection system that is described in the following sections. The methodology utilizes what was deemed as the best available information and from that reasonable methodological assumptions have been made. All information sources are cited and the methodological assumptions are explained within this document.

The 2005 Buildable Lands inventory/analysis provided the City with a coordinated system for collecting and monitoring data with regard to growth and development occurring within the City and the UGAs from 2005 until now. City staff has been updating the 2005 work to provide City officials with the information they need as the basis for sound planning policies.

HOW MANY PEOPLE AND HOMES DOES THE CITY NEED TO ACCOMMODATE?

One of the fundamental issues at hand is whether or not the City can accommodate the number of people who currently live within the City *in addition* to those who are expected to take up residency within the time period that the City is currently planning for.

There are several baseline facts and assumptions needed to start this analysis. These facts and assumptions are as follows:

1. **Planning Period (or Planning Horizon).** RCW 36.70A.130 states that the City, on or before December 1, 2005 and every seven years thereafter review and, if needed, revise its Comprehensive Plan and development regulations to ensure the plan and regulations comply with the requirements of the Growth Management Act (RCW 36.70A).

RCW 36.70A.110 directs the City to use the population projections from the Office of Financial Management (OFM), and to include areas and densities sufficient to permit the urban growth that is projected to occur in the City for the following twenty-year period.

In 2005 the City completed the work necessary to review and revise its Comprehensive Plan and development regulations for the current planning period that is between 2005 and 2025 (20-year planning horizon).

2. **Population Projections from OFM.** After an analysis of the population growth trends and development capacity measures Skagit County and its associated Cities agreed that the countywide target population would be placed at 149,080 people, which is 2% below the midpoint of the Office of Financial Management's (OFM) low and medium forecasts for the year 2025. This population forecasting is documented within the report entitled, "Population & Employment Forecasting & Allocation 2025" written by Berryman & Henigar, Inc. in association with Michael J. McCormick. This report is an adopted part of the Land Use Element of the Comprehensive Plan as Appendix LU-A.

The urban/rural split for this population remained at 80/20, which means that an additional 36,882 people were allocated to the urban areas and 9,220 were allocated to the rural areas.

The City was allocated 19,568 people, which was the majority (53%) of the expected population growth through the year 2025 in the urban areas. This is almost a 70% increase in population from the year 2000 that the City was/is tasked with accommodating.

The planning period for the current Comprehensive Plan is 2005 to 2025; however, the Berryman & Henigar/McCormick report data uses population projections from 2000 to 2025; and the adopted population allocation uses the population from the 2000 census as a benchmark (see Tables 2 & 3 on Pages 6 & 7 of this report). For this reason the population and housing unit discussions within this report also go back to the year 2000.

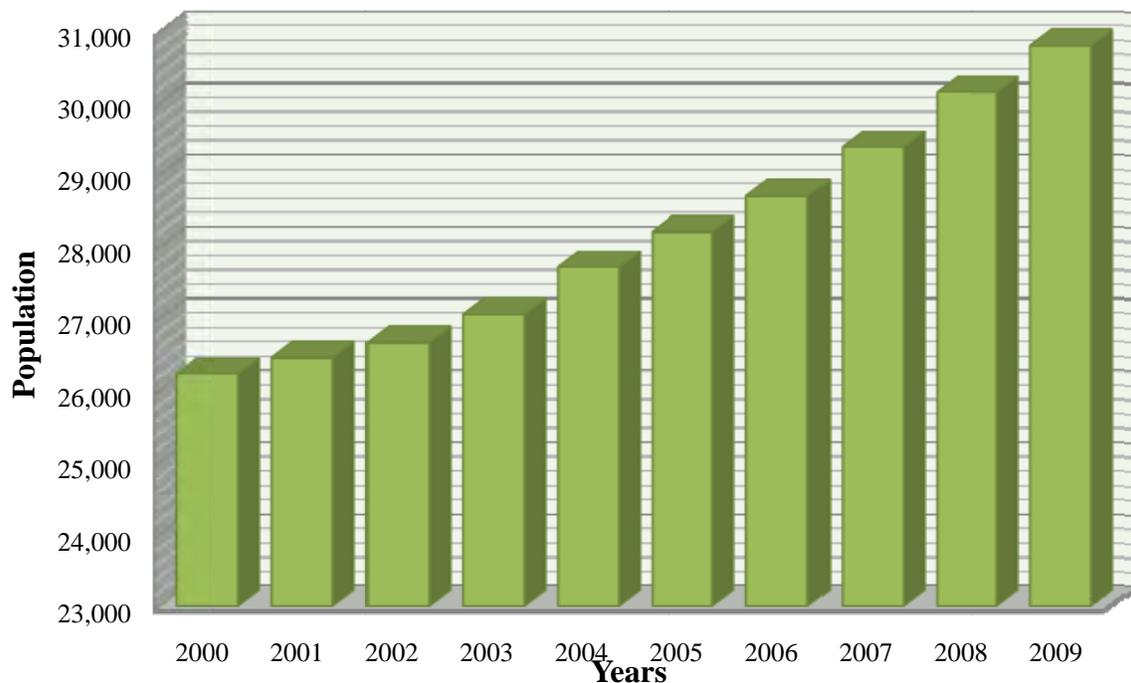
3. **Existing Population.** The City’s data sources for the existing population come from OFM and the U.S. Census Bureau. The U.S. Census counted 26,232 people within the City of Mount Vernon in 2000. OFM provides the City with estimates of the City’s population growth from 2000 to 2009. The 2009 population from OFM is 30,800 people. The increase in population from 2000 to 2009 is shown in the following table and graph.

This data set shows that between the years 2001 and 2009 an additional 4,568 people made Mount Vernon their home. The increases from year to year vary; but in general an increase of 1% to 2% was seen between these years.

Table 1.1 – Population from 2000 to 2009 in Mount Vernon

Year	Population	% Increase in Population from Previous Year
2000	26,232 people – from U.S. Census	N/A
2001	26,460 people – from OFM	+228 people (<1% increase)
2002	26,670 people – from OFM	+210 people (<1% increase)
2003	27,060 people – from OFM	+390 people (1% increase)
2004	27,720 people – from OFM	+660 people (2% increase)
2005	28,210 people – from OFM	+490 people (1% increase)
2006	28,710 people – from OFM	+500 people (1% increase)
2007	29,390 people – from OFM	+680 people (2% increase)
2008	30,150 people – from OFM	+760 people (2% increase)
2009	30,800 people – from OFM	+650 people (2% increase)

Graph 2.1 -- Population Growth from 2000 to 2009

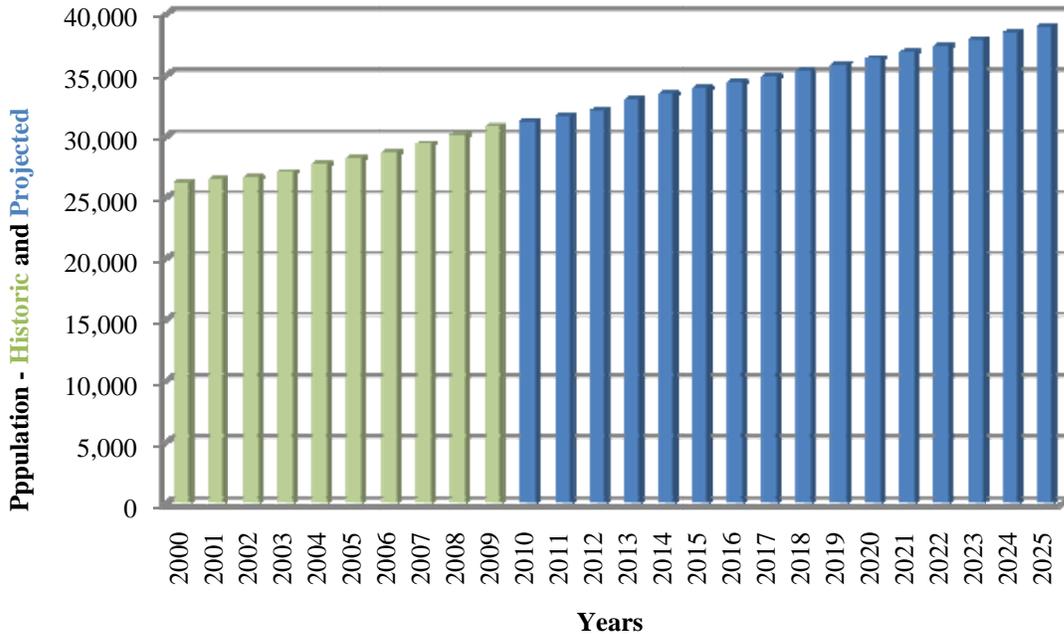


Taking a closer look at the data from **Table 1.1** we can calculate the average growth rate between 2001 and 2009 at 1.4% per year. If this average growth figure is extrapolated out to the year 2025 the expected population in year 2025 would be 38,996 people. This is 6,804 fewer people than what has been allocated to the City [45,800 – 38,996 = 6,804]. This is shown in the following **Table 1.3** and **Graph 2.2**.

Table 1.2 – Projected Population Increases from 2010 to 2025 in Mount Vernon

Year	1.4 % Increase in Population from Previous Year	Projected Population
2009		30,800 people – from OFM
2010	+431 people	31,231
2011	+437 people	31,668
2012	+443 people	32,111
2013	+449 people	33,009
2014	+462 people	33,471
2015	+468 people	33,939
2016	+475 people	34,414
2017	+481 people	34,895
2018	+488 people	35,383
2019	+495 people	35,878
2020	+502 people	36,380
2021	+509 people	36,889
2022	+516 people	37,405
2023	+523 people	37,928
2024	+530 people	38,458
2025	+538 people	38,996

Graph 2.2 - Historic and Projected Population to 2025



This data is significant because it appears likely that all of the people that the City was tasked with accommodating will *not* make Mount Vernon their home in the current planning period (out to 2025). Again, this is not because the City does not have the room available for this population; but looking at the growth pattern over the last 10 years it is unlikely that this many people will take up residency within Mount Vernon.

4. **Existing Housing.** The City’s main data sources for existing housing come from City permit data, OFM, and the U.S. Census Bureau. The City’s permit data is the best available data in the years between the Census data collection since the City actively monitors actual construction and demolitions within the City limits. As such, the 2000 Census data plus the City’s permit data is what is primarily relied upon within this analysis.

In 2000 the U.S. Census Bureau counted 9,686 housing units within the City. The Census Bureau defines a housing unit as a, “a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall”.

Unfortunately, the census bureau does not provide the City with housing data within its UGAs. To determine the number of housing units within the City’s UGA areas in 2000, Skagit County’s Assessor’s data in combination with a site specific survey that the City was required to complete after annexing the South Mount Vernon UGA were relied upon. These two data sources tell us that 845 dwelling units existed within the City’s UGAs in April of the year 2000.

The City tracks all of the building permits issued each year. The following table summarizes the single-family, duplex, and multi-family (three-plus units) building permits issued between 2000 and 2009. This table also identifies the number of existing residential structures that were demolished each year. Each year the City issues building permits for mobile homes within the City; however, these permits are for replacing these housing units, and as such, they are not added into the number of new housing units constructed.

Since the City does not issue or monitor building permits within its Urban Growth Areas (UGAs) Skagit County assisted the City in providing the permit data on the number of dwelling units constructed within these areas.

If a building permit was issued but a home was not eventually built that permit was subtracted out of the overall permit data in **Table 1.3** below. This means that this permit data is an accurate representation of new residential structures constructed within the City after the April 2000 census.

Table 1.3 – Building Permit Data from 2000 to 2009

Year	Single-Family Residential	Duplex Units (2-units only, 4 units = 2 duplexes)	Multi-Family Units (3-plus units only)	Dwelling Units from UGA Areas	Existing Housing Units that were Demolished	Total Net New Housing Units
2000	94	22	86	5	14	193
2001	99	2	25	13	6	133
2002	254	4	38	5	2	299
2003	223	2	160	13	0	398
2004	124	5	37	4	1	169
2005	190	12	26	12	14	226
2006	266	12	39	6	9	214
2007	340	6	0	2	3	345
2008	179	0	15	3	2	195
2009	88	4	5	2	1	98
Totals:	1,857	69	431	65	52	2,270

5. **Vacancy Rate.** The vacancy rate is an important factor to keep in mind because there are homes that have been created within the City but these homes are not yet occupied, and are thus sitting vacant. Information from the 2000 demographic profile of the City prepared by the Census Bureau states that the vacancy rate in the City at this time was estimated at 4.2%. Interestingly, the 3-year estimate that the Census Bureau prepared for the years 2006-2008 states that the vacancy rate in the City had increased during this later time frame to an estimated 6.1%.

6. **Average Household Size.** The average household size in the City seems to be increasing ever so slightly. The 2000 census estimated the average household size at 2.75; however, the Bureau's 2006-2008 survey estimates it at 2.78. A household is defined as a dwelling unit whether it is single-family, multi-family, or other types of housing units such as mobile homes. For the purposes of this analysis the average household size that has been utilized is 2.75 people per household. A household within the context of this report is a housing unit whether it is a single-family unit, duplex, multi-family unit(s), or a mobile home.

7. **How many additional housing units are needed?** The first step in this analysis is to figure out how many additional housing units are needed to accommodate the 19,568 people allocated to Mount Vernon over the 20-year planning horizon. Using the average household size of 2.75 (from the U.S. Census Bureau, discussed above) the total population allocation is converted into 7,115 dwelling units. Again, these units can be single-family, duplex, or multi-family units.

Then the 7,115 units needs to be reduced by the number of units that have been constructed after April of 2000 (when the Census was completed). Between May 2000 and the end of 2009 2,270 units have been constructed in the City and its UGAs (see **Table 1.3**). This leaves the City with needing to create an additional 4,845 dwelling units within the City and UGAs to accommodate its population allocation to 2025.

Table 1.4: Population Allocation and Target

Jurisdiction (City & UGAs)	Population to Accommodate	Population Converted to Dwelling Units (19,568 ÷ 2.75)	Units Created from 2000 to 2009	Number of Additional Units Needed to Meet Future Population Allocation from 2010 to 2025
Mount Vernon	19,568	7,115 units	2,270	4,845 units

Now that that number of additional dwelling units needed through 2025 is known, the section immediately following will describe the methodology used to calculate the number of additional residential units that can be placed within the City and its UGAs.

RESIDENTIALLY ZONED LANDS

The City has six (6) residential zoning districts that provide for a variety of densities and lot sizes. The zones that predominantly provide for single-family residential structures are the Residential Agricultural (R-A), Single-Family Residential Districts (R-1), and Residential-Office (R-O) Districts. The Duplex and Townhouse (R-2), and Multi-Family Residential (R-3 and R-4) districts provide for duplexes and multi-family structures. The Mount Vernon Municipal Code (MVMC) defines a duplex as a two-unit structure and any structure with three (3) or more units is classified as a multi-family structure.

Due to the different housing types, densities, and building configurations the single-family zones and the duplex and multi-family zones are treated differently in the following analysis. The single-family zones will be discussed first, followed by the duplex and multi-family zoning districts.

Regardless of which residential district was being analyzed the same base data was collected for each district. This data consists of a current Skagit County Assessor's parcel map, aerial photography that was taken for the City in April of 2009, and the City's critical area maps (discussed in detail in the 'Critical Areas and Buffers' section that follows). All of this data was and is stored in the City's Geographic Information System (GIS) and analyzed using GIS software. This mapping data was supplemented with other Skagit County Assessor's data; such as whether or not a structure contained a living area, or multiple dwelling units.

For each residentially zoned parcel (again, this is the R-A, R-1, R-2, R-3, R-4 and R-O districts) the following **base data** was collected and tabulated:

- Zoning and Comprehensive Plan designations;
- Maximum density allowed per the parcel's zoning designation;
- Minimum lot size allowed per the parcel's zoning designation (if applicable);
- Parcel size;
- Existence and placement of existing dwelling units; and,
- Approximate square footage of critical areas including wetlands, streams, floodways or areas of geologic hazard, and their associated buffers. Please see the section labeled: *Critical Areas and their Buffers*, for additional information on how these areas were identified and quantified.

Staff started this analysis by taking the overall lot size of the parcels within the R-A¹, R-1, and R-O zones. Then the wetland, stream, floodway, steep slopes and all of their associated buffers were subtracted out according to the methodology outlined within this section of this report (titled, 'Critical Areas and their Buffers').

Staff then determined how many additional lots could be created on each of the parcels. This was completed by taking the overall parcel area minus the critical areas plus their buffers and multiplying this net area by the maximum density allowed by its particular zone. The following table outlines the maximum densities allowed within the residential districts discussed in this section.

Table 1.5 – Residential Zoning District and their Densities

Zoning Designation	Maximum Density Allowed Per Code Dwelling Units per Acre
Residential Agricultural (R-A)	1.24 du/acre – see foot note i for more information on how this zone was treated.
Single-Family Residential 7.0 (R-1, 7.0)	7.26 du/acre
Single-Family Residential 5.0 (R-1, 5.0)	5.73 du/acre
Single-Family Residential 4.0 (R-1, 4.0)	4.54 du/acre
UGA Areas Designated Single-Family Medium Density (SF-MED); the Associated Zoning of Single-Family Residential 4.0 (R-1, 4.0) was Assigned	4.54 du/acre
UGA Areas Designated Single-Family High Density (SF-HI); the Associated Zoning of Single-Family Residential 7.0 (R-1, 7.0) was Assigned	7.26 du/acre
Single-Family Residential 3.0 (R-1, 3.0)	3.23 du/acre
Residential Office (R-O)	9.68 du/acre
Duplex and Townhouse (R-2)	10 du/acre
Multi-Family Residential (R-3)	12 to 15 du/acre – average of 13.5 was used
Multi-Family Residential (R-4)	15 to 20 du/acre – average of 17.5 was used

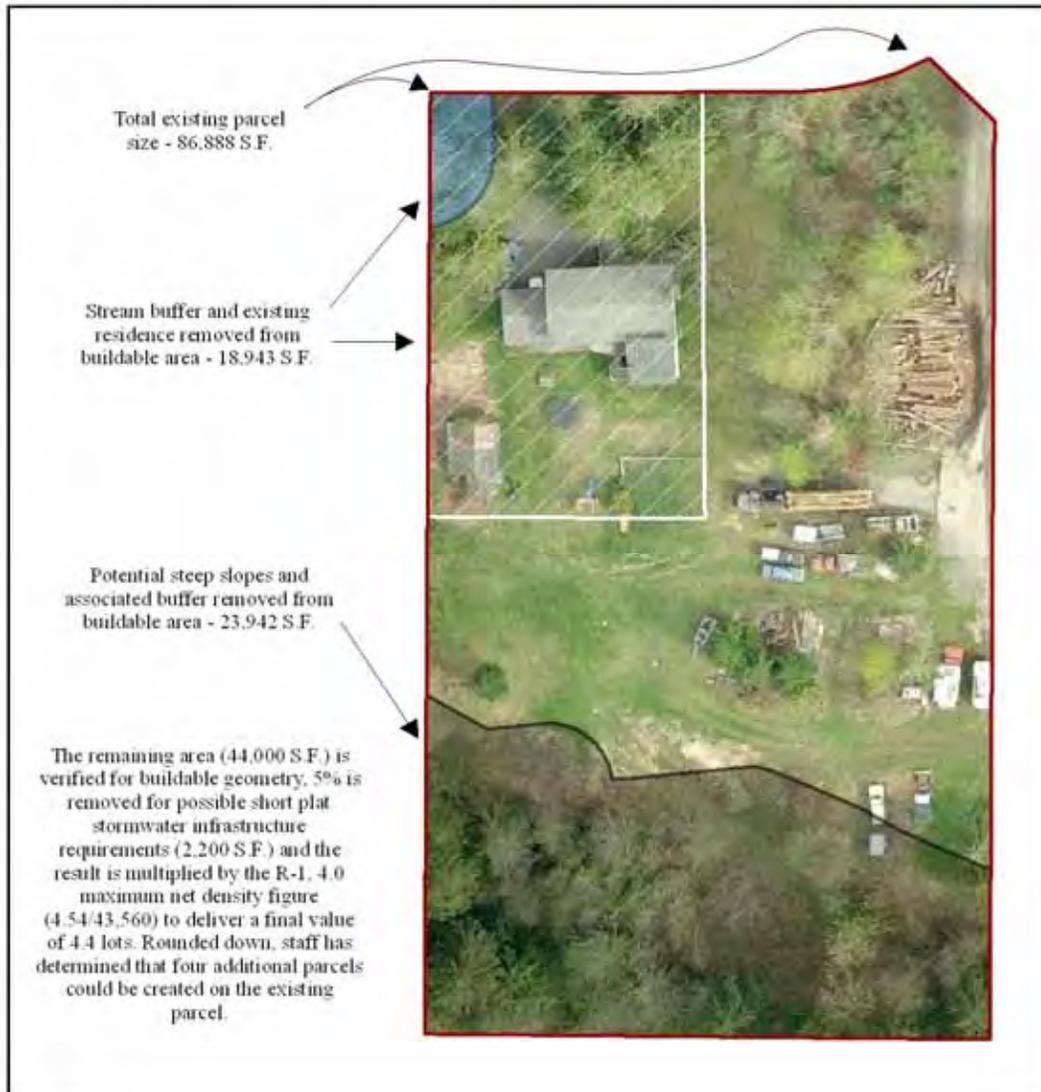
If nine (9) or fewer lots resulted after the base data was deducted, an additional five percent (5%) of the net lot area was also subtracted out to account for stormwater facilities necessary on short plats. If ten (10) or more lots resulted after the base data was deducted, an additional twenty-five percent (25%) of the net site area was subtracted to account for necessary road rights-of-way and stormwater facilities. After either the five percent (5%) or twenty-five percent (25%) were subtracted out the net parcel areas were again multiplied by the densities allowed per their respective zoning designations outlined within **Table 1.5**, above.

The threshold of nine (9) lots was chosen as the City allows short plats up to nine (9) lots and the Mount Vernon Municipal Code (MVMC) Chapter 16.16 allows private streets to serve short plat developments. Private streets are allowed per code to be located within easements and the area of the private street is part of the lot that is created; thus the square footage for the private roadways does not need to be netted out of the developable area of short plats. Attached within **Appendix A** is a list of 17 different short plats that have either received preliminary or final approval between 2005 and 2009. The average percent of these plats that was found to be encumbered with stormwater facilities was .44%. This percentage is so low because most of these plats did not require stormwater facilities at all; or the facilities that they install were underground vaults that did not take up surface square footage within the plat.

The five percent (5%) of the net site area that is being subtracted out of the parcel was arrived at by staff taking into consideration the new 2005 stormwater standards that the City has adopted that have the potential for making open stormwater ponds larger than they had historically been under the old stormwater standards. However, there are many innovative techniques that developers are able to utilize, such as Low Impact Development (LID) that will help keep the size of new stormwater ponds manageable.

As stated above, if ten (10) or more lots could be created after subtracting out the 'base data' listed above, an additional twenty-five percent (25%) of the net site area was subtracted out of the parcel to account for necessary road rights-of-way and stormwater facilities. The twenty-five percent (25%) figure for the roads and stormwater facilities figure was determined by looking at the streets and detention areas needed to serve 20 different plats located throughout the City. The plats that were analyzed are listed within a table found in **Appendix B**. All of these plats have either received preliminary or final approval, or have been deemed technically complete per MVMC Chapter 14.05.

Figure 3.1 Single-Family Residential Zoning Example



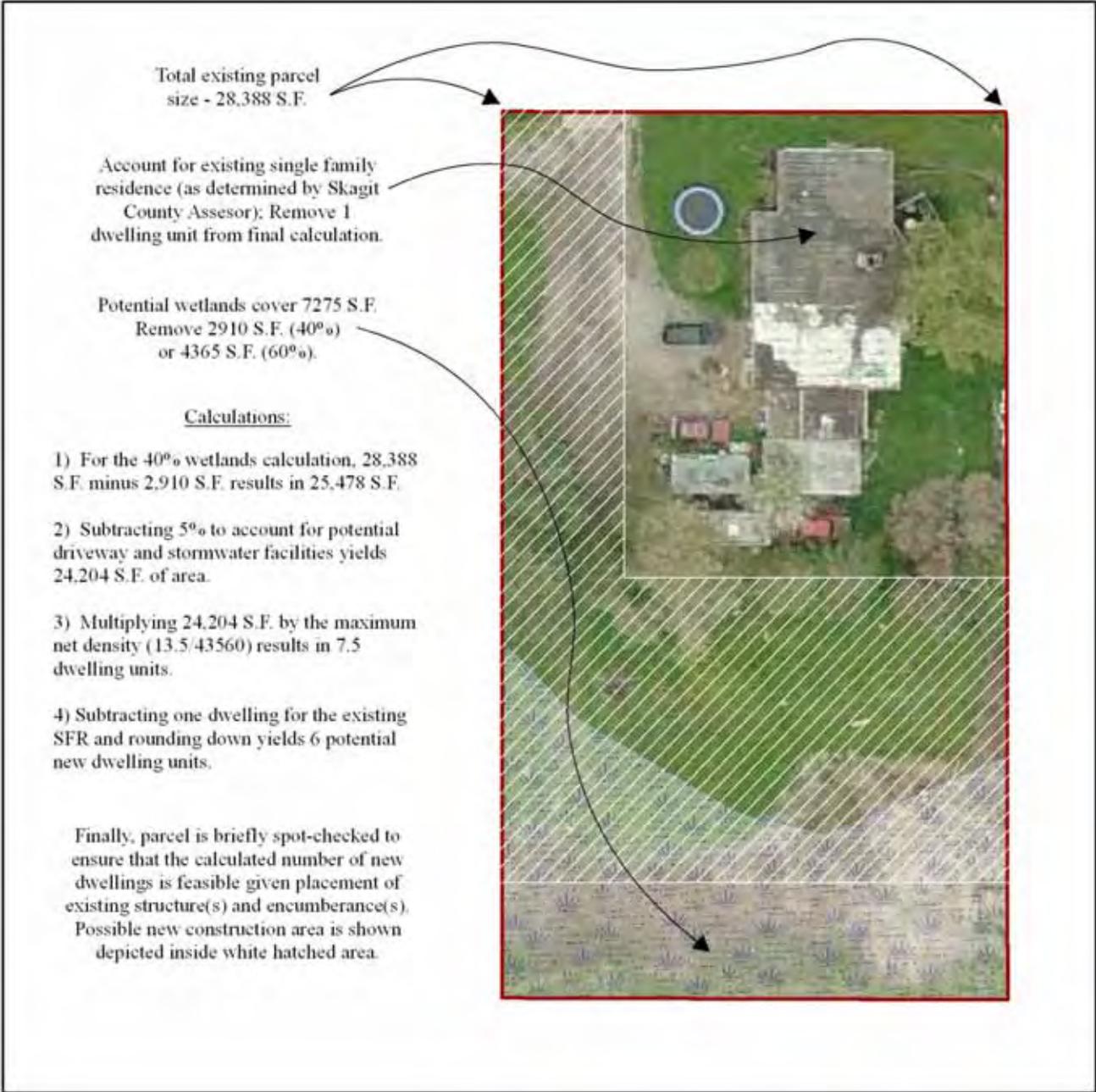
After evaluating these 20 plats staff found that the average road right-of-way was sixteen percent (16%) of the overall plat; and that five percent (5%) of the area within the plats were encumbered with stormwater facilities. Similar to the thought process for the additional land subtracted for the short plats; staff increased the overall average for the future roads and stormwater facilities from the historic average of twenty-one percent (21%) to twenty-five percent (25%) to account for the new stormwater standards that the City is currently administering. Again, staff increased the percent of a plat that will likely be encumbered by stormwater facilities because staff is aware that the size of open stormwater ponds will become larger with the new stormwater code; however, staff did not feel it was necessary to increase this percent any further because staff is confident that new, innovative techniques for handling stormwater will start to become more common as developers are faced with constructing much larger stormwater ponds.

As stated above, the City has three (3) zoning districts that predominately provide for duplexes and multi-family structures. These include the Duplex and Townhouse Residential District (R-2), and the Multi-Family Residential Districts (R-3) and (R-4). For these zoning districts the base data was also collected and tabulated. On parcels without existing dwelling units staff took the overall lot size of these parcels and subtracted out the wetland, stream, floodway, steep slopes and all of their associated buffers and then deducted an additional five percent (5%) of the net site area to account for access ways and stormwater facilities on these sites. Staff then looked at the remaining net lot sizes and multiplied it by the densities listed within **Table 1.5**.

The five percent (5%) figure for the access ways and stormwater facilities was chosen by looking at the different configurations available for multi-family development. Unlike single-family zoning districts, the multi-family districts allow the density available in these zones to be clustered in many different ways by incorporating parking under structures, or by stacking units. For this reason a smaller percent was chosen than what was used for the single-family plats of ten (10) or more lots.

For parcels in the R-2, R-3, and R-4 districts that already had existing structures the number of existing multi-family dwelling units was tabulated, and checked against the densities used in **Table 1.5** to see if additional units could be placed on these parcels. If additional density could be placed on these parcels, the critical areas and their associated buffers, five percent (5%) to account for new access ways and stormwater facilities, along with the square footage needed for the number of existing dwelling units was subtracted out. Then the net parcel square footage was multiplied by the density outlined in **Table 1.5**.

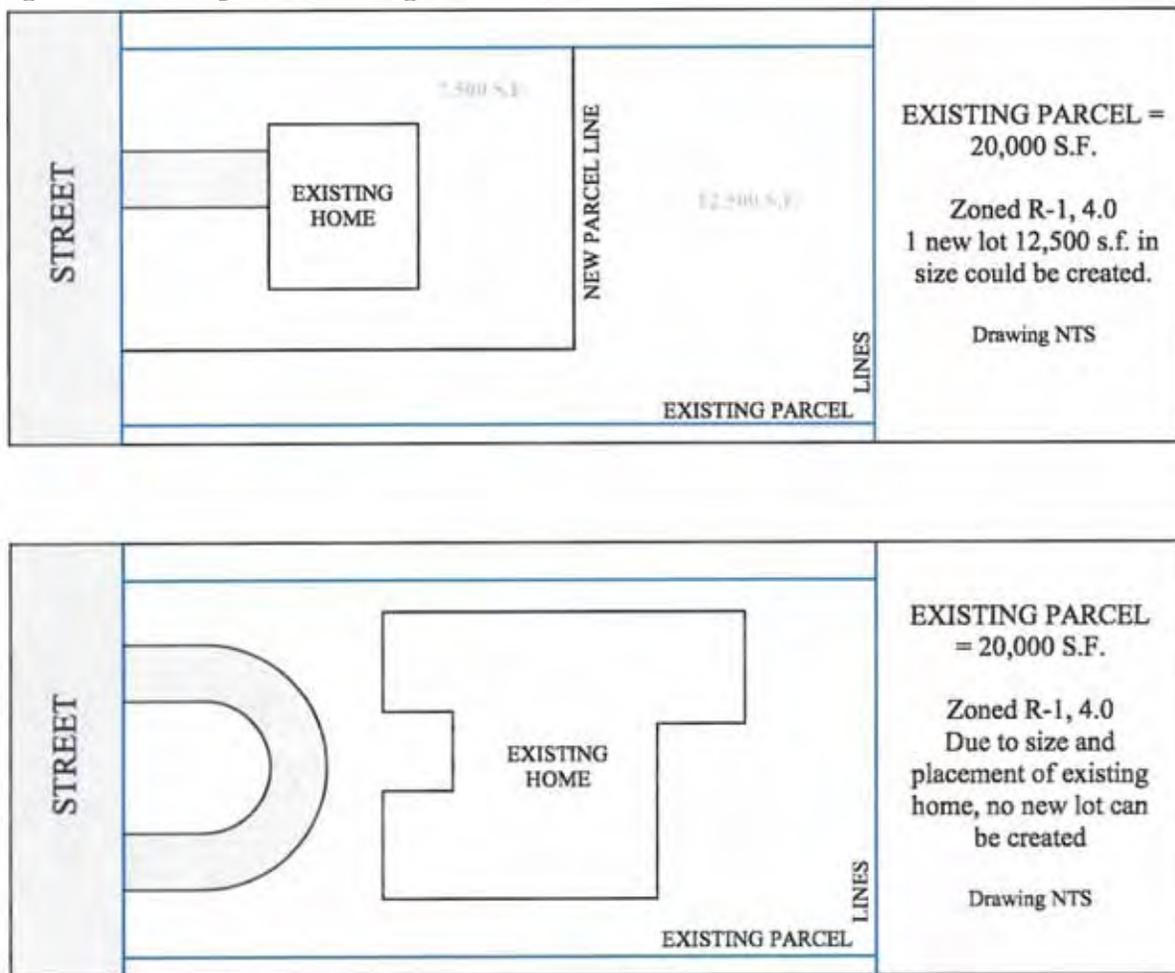
Figure 3.2 Multi-Family Residential Zoning Example



Regardless of how many additional lots could be created on a parcel, all residentially zoned parcels were evaluated to make sure that the placement of the existing structure(s), the parcel geometry, and location of on-site critical areas and their associated buffers did not preclude additional development on the parcel. There were over 300 parcels within the Residential zones where further development was not possible because the existing structure(s) were placed in a way (generally near the middle of the parcel) making it impossible to subdivide and construct another home; or due to the geometry of the parcel or the location of the critical areas and their buffers. In these cases the number of potential lots was adjusted down to reflect the actual, anticipated potential development.

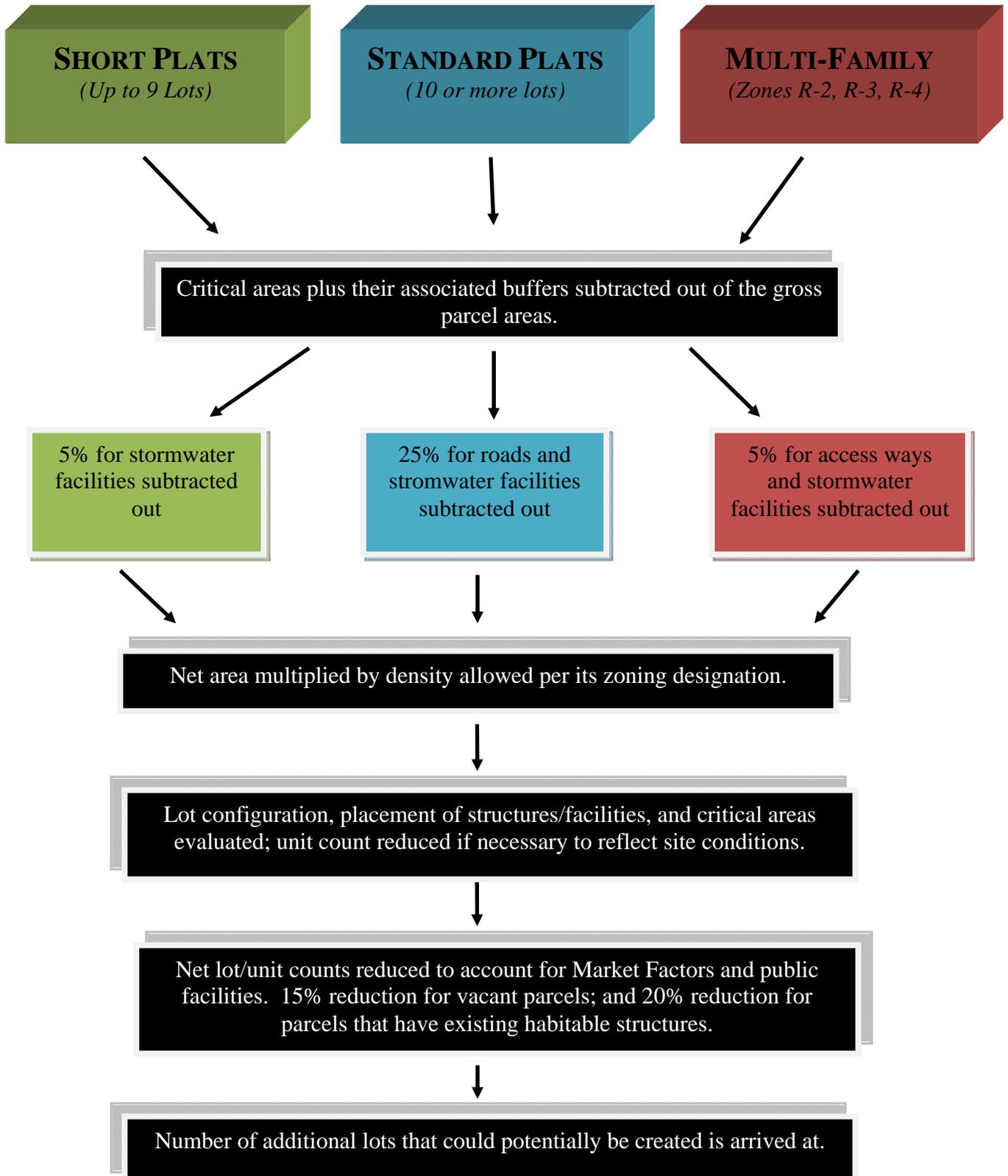
The following two Figures showcase this. Both Figures show parcels that are 20,000 square feet in size, that are zoned R-1, 4.0. The first example has an existing home that is small enough, and is placed in such a way that another lot can be created on this parcel; in contrast, the second example has a much larger existing home that is placed in such a way that it precluded another lot being created.

Figure 3.3 Example of Building Placement and its Effect on Unit Counts



For illustrative purposes, on the following page is a simplified flow chart that identifies the general steps that staff went through in determining the number of potential additional lots and/or units that could be developed in the residential zoning districts.

FIGURE 3.4: RESIDENTIAL ZONING DISTRICTS PROCESS FIGURE



➤ **Existing Developments Where Lot/Unit Counts are Known:**

For developments that have had Master Plans approved by the City Council; such as the Eaglemont and Skagit Highlands P.U.D.s, or developments that have received preliminary or final plat approval; or developments that have received technically complete status and enough is known to ascertain their final lot count, the future development potential was determined by evaluating the number of lots shown within their Master Plans, preliminary or final plat maps, or the mapping that staff has on file.

This was felt to be a more accurate accounting of the number of lots on these sites due to the approvals that had already been secured; and because more detailed, site specific information was available. Some of these developments already have homes constructed on some of the lots that were created with their particular development. In these cases, staff took the number of units that the development was approved with and subtracted out the number of lots with homes already built on them. A list of these developments and their lot counts where new homes can be constructed is provided below.

Table 1.6 – Existing Developments and their Lot Counts

Plat Name and Land Use Number	Number of Lots Remaining Without Existing Homes and/or Units	Status of Project
Big Fir South – LU06-089	33	Preliminary Plat Approved
Broman Short Plat – LU05-058	5	Final Plat Approved
Denham Plat – LU07-060	15	Preliminary Plat Approved
Hanson Heights – LU07-037	18	Preliminary Plat Approved
Harmon Short Plat – LU06-057	1	Preliminary Plat Approved
Highlands West – LU05-024	85 ¹	Preliminary Plat Approved
Hillcrest Landing – LU06-088	33	Preliminary Plat Approved
Hoyt Short Plat – LU06-082	5	Preliminary Plat Approved
Iris Meadows – LU06-090	58	Preliminary Plat Approved
Jacosa Lane Plat – LU06-055	19	Preliminary Plat Approved
Maddox Creek Phase II	9	Preliminary PUD Approved
Maddox Creek Phase IV – LU07-021	19	Preliminary Plat Approved
Monte Vista Short Plat – LU05-076	4	Preliminary Plat Approved
Montreaux – LU05-085	108	Final Plat Approved on Phase I; Preliminary Plat Approved on Phase II
Nordic Landing – LU07-018 and LU08-056	75	Preliminary Plat Approved
Parkwood Creek – LU06-087	16	Preliminary Plat Approved
Summerlynd Plat – LU06-020	11	Preliminary Plat Approved
Trumpeter Place – LU07-023	76	Preliminary Plat Approved

Digby Heights – LU07-013	144	Final Plat Approval on Phase I Preliminary Plat Approved on Rest
Skagit Highlands – LU05-046	413	Master Plan Approved – Several Phases Have Final Plat Approvals
Eaglemont	534	Master Plan Approved – Several Phases Have Final and Preliminary Plat Approvals
Hidden Lakes – LU06-073	365	Technically Complete, EIS in Process
Cedar Heights Phase I PUD – LU05-010	40	Final Plat Approved
Cedar Heights Phase II PUD – LU07-009	197	Preliminary Plat Approved
Big Fir North – LU04-092	2	Final Plat Approved
Highland Greens – LU04-093	199	Final PUD Approved, Final Plat Approved for Some Phases
Swan View – LU06-079	44	Preliminary Plat Approved
Briar Development (Haggen) – MISC 98-4)	20	Master Plan Approved
Caldera Short Plat – LU05-056	13 multi-family units	Final Plat Approved
Falcon Court – LU04-086	59 multi-family units	Site Plan Approved, Infrastructure In
Skagit Meadows – LU07-024	24 multi-family units	Site Plan Approved
Mountain Glen – LU10-016	19 multi-family units	Rezone and Concurrency Approved
Total Units:	2,663 Units	

¹ The previous developer of this plat had indicated that 76 units would be created instead of 85; however, this developer no longer owns this plat and the resolution that approved the plat allowed 85 units.

A map that identifies the location of each of the developments listed above within **Table 1.6** can be found at the end of this report labeled as **Map 1**.

Both the Eaglemont and Skagit Highlands developments have 15 year development agreements that vest them to the development regulations in place when they went through their respective approval processes. City code allows a preliminary plat approval to span five (5) years from the date of that approval with a potential additional one (1) year extension; however, in January of 2010 the Mount Vernon City Council adopted Ordinance 3479 that will extend the preliminary plat approvals for the projects within **Table 1.6** for an additional two (2) years beyond what they were previously approved for. This means that these projects now have a total of eight (8) years in which to complete their preliminary plat process and move on to final plat approval.

➤ **Transfer of Development Rights:**

The City has a Transfer of Development Rights (TDR) program that has a total of 186 development rights. The TDRs can be used in the City's Single-Family Residential Zones that allow for maximum densities of 4.54 and 3.23 dwelling units per acre (R-1, 4.0 and R-1, 3.0, respectively) and the Duplex and Townhouse zone (R-2).

If a developer chooses to use TDRs within their development they are able to increase the net density on their site by one dwelling unit per net acre so long as no lot that is created is smaller than 6,600 square feet. For example, if the net acreage of a site was 36.6 acres; a developer could use 36 TDRs on the site.

The City has five (5) developments that have either received preliminary plat approval; or have been deemed technically complete that contemplate the use of TDRs. These developments include Iris Meadows (LU06-090) that uses 11 TDRs; Digby Heights (LU07-019) that uses 18 TDRs; Trumpeter Place (LU07-023) that uses 14 TDRs; Cedar Heights II (LU07-009) that uses 8 TDRs; and lastly Rockcrest (LU10-019) that uses 28 TDRs. This is a total of 79 TDRs that are currently anticipated to be used in the next several years. That leaves 107 TDRs that can be used in the future by new developments.

The sending site where the TDRs originated is a roughly 93 acre site accessed by Dike Road within portions of Sections 30 and 31, Township 34 North, Range 04 East, W.M. This site was not considered as an area where any new development would be located in accordance with the TDR policy.

Map 2, attached to the end of this report, shows the location of the TDR sending site discussed above.

➤ **Downtown & Waterfront Master Plan:**

Following several years of work, the City adopted a Downtown and Waterfront Master Plan in 2008. This plan was adopted as part of the City's Comprehensive Plan; specifically, it is a sub-area plan that is part of the Land Use Element. The Master Plan states that 400 multi-family dwelling units can be accommodated within the downtown area. As such, these units have been added to this analysis. Please note that the zoning of the downtown area is C-1; which does allow multi-family units without a specified density restriction expect that fire and building codes must be followed.

COMMERCIAL, INDUSTRIAL, HEALTHCARE, AND RETAIL LANDS

The City has ten (10) commercial, industrial, office, healthcare or retail zoning districts that provide for a variety of building intensities and uses. These zones include the Health Care Development District (H-D), the Professional Office District (P-O), the Central Business District (C-1) which is mainly the historic downtown area surrounding 1st Street and areas on the west side of the Division Street bridge, the General Commercial District (C-2) which is the zoning found predominately along College Way and Riverside Drive, the Community and Neighborhood Commercial Districts (C-3 and C-4 respectively), the Commercial-Limited Industrial District (C-L) which South Mount Vernon is mostly comprised of, the Light Manufacturing and Commercial District (M-1), and lastly the Industrial District (M-2).

To quantify the amount of land currently occupied with commercial, industrial, healthcare, and retail structures, and the amount of land available for these types of developments; again a current Skagit County Assessor's parcel map, aerial photography that was taken for the City in April of 2009, and the City's critical area maps (discussed in detail in the 'Critical Areas and Buffers' section that follows) data was collected and stored in the City's Geographic Information System (GIS) and analyzed using GIS software. This mapping data was supplemented with other Skagit County Assessor's data, when necessary.

For each commercial, industrial, office, healthcare, or retail zoned parcel (again, this is the H-D, P-O, LC, C-1, C-2, C-3, C-4, C-L, M-1 and M-2 districts) the following **base data** was collected and tabulated:

- Zoning and Comprehensive Plan designations;
- Minimum lot size allowed per the parcel's zoning designation (if applicable);
- Parcel size;
- Vacant parcels;
- Areas not encumbered by buildings, driveways, parking lots, equipment yards, detention facilities, or other similar type uses used for the subject business were identified using aerial photos; and,
- Approximate square footage of critical areas including wetlands, streams, floodways or areas of geologic hazard, and their associated buffers. Please see the section labeled: *Critical Areas and their Buffers*, for additional information on how these areas were identified and quantified.

Following the collection of the above-referenced "base information" twenty percent (20%) of the square footage was taken out to account for access ways and stormwater facilities. The remaining square footage was then tabulated.

The twenty percent (20%) that is taken out of the square footage for access ways and stormwater facilities was determined by evaluating 11 commercial/industrial developments (within this report when commercial/industrial developments are referenced this means parcels that have zoning designations that allow commercial, industrial, retail, or office uses) within the City that were built or planned between 1997 and 2009. **Appendix C** contains a list of these developments and the area that was used for their particular access way and stormwater facilities. What was found is that an average of seven percent (7%) of these sites was encumbered with public or private roads or driveways; and that an average of eight percent (8%) of these sites was occupied with stormwater facilities. This means that an average of fifteen percent (15%) of these developments was comprised of access ways and stormwater facilities. As with the residentially zoned lands; staff felt it necessary to increase the percentage of future sites that would be taken up with larger stormwater facilities that will be constructed due to the new stormwater regulations that the City had to adopt in 2009. As such, staff increased the future coverage for access ways and stormwater facilities from fifteen percent (15%) to twenty percent (20%).

A 10,000 square foot lot size was chosen as the minimum lot size for a standalone development after looking at 73 commercial/industrial lots within the City and finding that the average lot size of these lots was 1.44 acres. A table of these lots is contained in **Appendix D**. The smallest lot found in these developments was 10,000 square feet in size. Therefore, the assumption was that if a commercial/industrial lot with an existing development had between 2,000 and 10,000 square feet of land not encumbered by the base data, that this area would be utilized by the existing development or a neighboring development for future expansion. However, this would not preclude a property owner from developing a commercial/industrial lot that was smaller than 10,000 square feet in size; this simply explains why the acreages within this report are organized the way they are.

The placement of existing structure(s), the parcel geometry, and location of on-site critical areas and their associated buffers was also evaluated to make sure that these factors did not prevent additional development on these parcels. This was done because there were parcels where even though there appeared to be enough square footage for either an expansion of an existing building or for a new building to be constructed, these factors would prohibit it.

On the following page is **Figure 3.5**; which is an example of how a commercially zoned parcel was evaluated.

Figure 3.5 Commercial Zoning Example

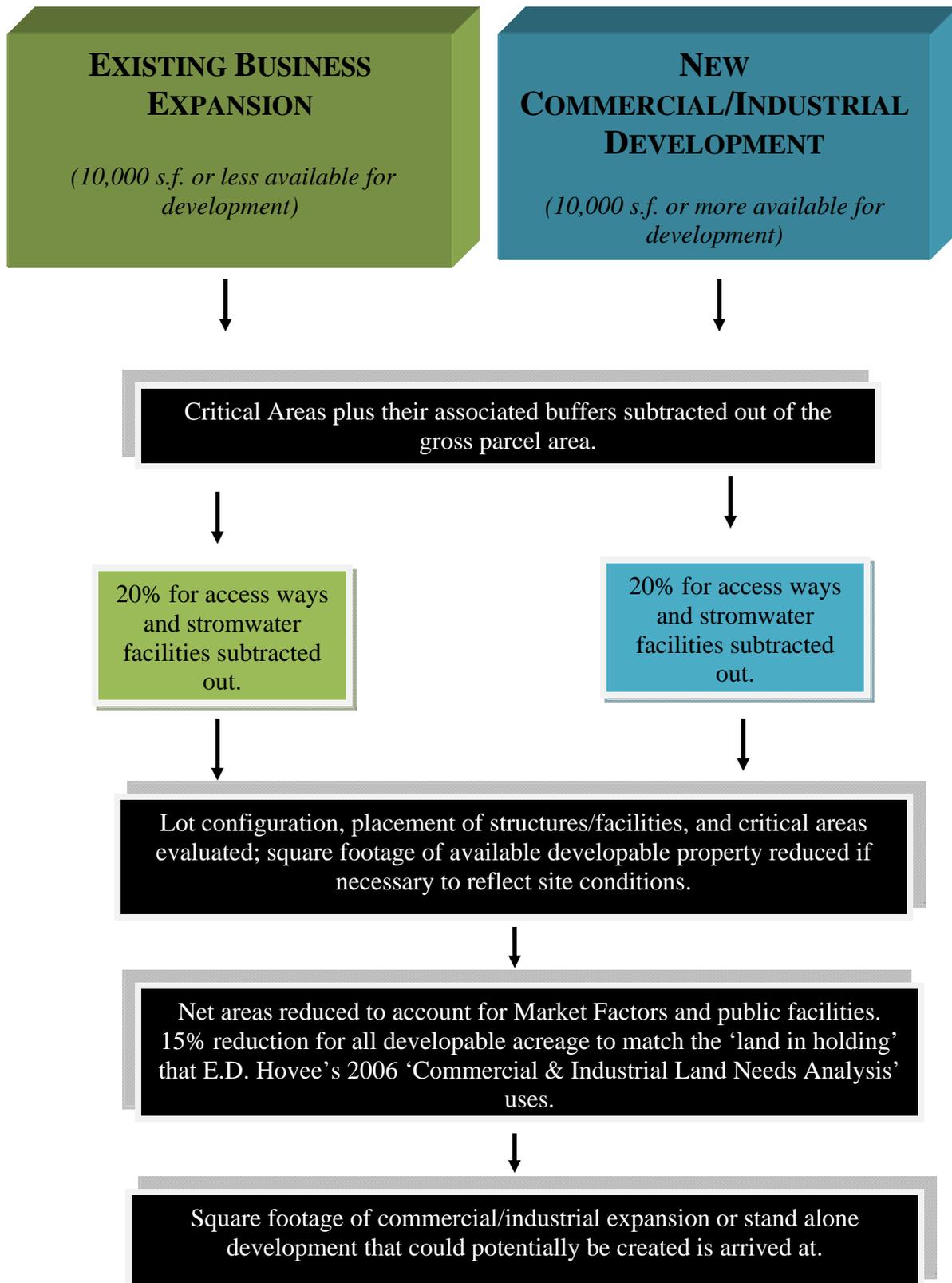


In the Community Commercial (C-3) and Neighborhood Commercial (C-4) districts multi-family residential units can be constructed with the approval of a conditional use permit. These multi-family units are required to comply with the zoning requirements found in the Multi-Family residential zone (R-3), they must be constructed at the same time or after a commercial use, and they must be located above the ground floor of a commercial use. After removing the base data (explained above), and evaluating the placement of existing structure(s), the parcel geometry, and location of on-site critical areas and their associated buffers (using the 40% wetland assumption described on page 35 of this report) staff found that there is 5.55 net acres of property zoned C-3 and C-4 in the City. Consistent with the zoning, staff assumed that this acreage would be developed with both commercial and multi-family uses. This resulted in 69 multi-family units that are listed within the R-3 column of the residential table at the end of this report, since multi-family uses within these zones are required to be developed consistent with the R-3 zoning regulations.

Staff discussed the additional multi-family units that will be created as part of the City's Downtown & Waterfront Master Plan (above on page 22); however, additional commercial property will also be created in this area. A total of 3.2 new acres of commercial property (zoned C-1) will be created as part of this plan. This additional C-1 acreage has been added as part of this analysis.

For illustrative purposes, on the following page is a simplified flow chart that identifies the steps that staff went through in determining the amount of potential additional developable commercial/industrial property. Following this flow chart are sections regarding public lands, critical areas and their buffers, and other future growth considerations.

FIGURE 3.6 COMMERCIAL/INDUSTRIAL ZONING DISTRICTS PROCESS FIGURE



PUBLIC LANDS

In addition to the residential and commercial/industrial uses discussed above, staff also needs to quantify the amount of land currently occupied with public uses. In the City public uses generally have a zoning designation of Public (P) and associated Comprehensive Plan designations of: Government Center (G), Churches, Community College, Schools (CH, CC, S), Community Park, Neighborhood Park (CP) and Open Space/Cemetery (OS). As with the other zoning designations discussed earlier within this report, a current Skagit County Assessor's parcel map, aerial photography that was taken for the City in April of 2009, and the City's critical area maps (discussed in detail in the 'Critical Areas and Buffers' section that follows) data was collected and stored in the City's Geographic Information System (GIS) and was analyzed using GIS software. This mapping data was supplemented with other Skagit County Assessor's data when necessary.

For each publically zoned parcel (again, this is the G, CH, CC, S, CP, OS, and P districts) the following **base data** was collected and tabulated:

- Zoning and Comprehensive Plan designations; and,
- Parcel size.

The publicly zoned areas were inventoried and tabulated; but not analyzed as areas for future development because for existing church and school sites a majority of the parcels analyzed showed that most of the site is currently utilized, or Master Plans have been completed showing that future development is envisioned. In the case of parks, the open space areas are just that, open space, where development will likely not occur. Cemeteries were also not considered as developable areas as it is likely that unused land within existing cemeteries will be used for future burial sites.

➤ **Parks, Open Space and Greenbelts:**

The Growth Management Act (GMA) requires, in part, that the City accommodate the growth allocated to the City and that the areas where this growth is planned must also include greenbelt and open space areas [RCW 36.70A.110(2)]. The City has adopted a Parks, Recreation, and Open Space Element in our Comprehensive Plan (Chapter 4); however, this analysis did quantify the approximate locations and amounts of additional open space and greenbelt areas that will likely be preserved as undeveloped parcels are developed, and did set aside land for future park areas.

Before future open space and greenbelt areas are discussed, it is important to point out that the City has an abundance of existing recreational opportunities. Currently the City is able to boast 786.5 acres of parks, 1,061 acres of resource conservancy areas, five (5) waterfront access site, over five (5) miles of multi-purpose trails, 23 playgrounds, and two (2) swimming pool facilities.

Greenbelt and open spaces areas will be preserved throughout the City where new development occurs due (in part) to the vast amount of wetlands, streams, steep slopes, floodwaysⁱⁱ (plus the buffers that are associated with some of these critical areas) located throughout the City. The following section entitled “Critical Areas and their Buffers” fully explains how staff estimated the location and amount of each of these critical areas. **Map 2** shows the location of the existing City parks and trail systems along with stream locations with their buffers, and the areas where wetlands are potentially located. Looking at just the streams and their associated buffers that were used as part of this analysis, staff found that 648.5 acres will be protected and left undeveloped. The actual location of the wetlands is harder to determine; however, there will be additional wetlands along with their buffers that will also be protected and undeveloped.

The 648.5 acres of stream corridors and their buffers (along with wetland plus buffer areas whose actual location will be determined when these areas are developed, the steep slopes and floodways) will serve as part of the greenbelt and open space areas in the future. Within these areas the City will have ample opportunities to have trail connections made. The City’s Critical Areas Ordinance allows trails to be constructed on the outer portions of buffers. As developments go through the platting process City staff will ensure that trail connections are incorporated.

Additional greenbelt and open space areas will also be created with future developments as the City’s landscaping code (Chapter 17.93) mandates that between seven (7) to 20 percent (7 - 20%) of the gross site area of all new developments be comprised of landscaped areas. The range in the amount of landscaping that is required depends on the zoning of a parcel, where commercial/industrial parcel require less landscaping; and residentially zoned parcel require more landscaping.

Lastly, for the purposes of this analysis an additional 35 gross acres was subtracted out of the developable area in the R-1, 4.0 zone to account for one (1) 30 acre regional park, and one (1) five (5) acre neighborhood park that would be developed in the future. This acreage was taken out of the R-1, 4.0 zone because this is the residential zone that has the most acreage available for development; and thus is the most likely zone where these facilities would be developed.

➤ **Schools:**

Educational facilities in the City are provided by both public and private schools. The public kindergarten through High School education is provided by Mount Vernon School District #320 (District). The district currently has six (6) elementary school sites (kindergarten through eighth grade), two (2) middle school sites (seventh and eighth graders) and one (1) high school site. The district also has four (4) additional facilities that provide operation support functions to the schools in the form of a central office, a special services office, a transportation facility and a maintenance facility.

There are two primary private schools in Mount Vernon including Mount Vernon Christian School and Immaculate Conception Regional School. Mount Vernon Christian School currently has a student population of 330 and provides a kindergarten through high school education. Immaculate Conception Regional School provides kindergarten through eighth grade education and currently has a student population of 249.

The Mount Vernon School District works closely with the City of Mount Vernon in monitoring growth within the City. The District has prepared a Capital Facilities Plan (CFP) that the City has adopted as part of its Comprehensive Plan. Even though the District's CFP is a six (6) year plan it does include projected enrollment out to 2024. Using the District's projections and existing capacity of the District's current facilities staff was able to determine that 1,365 elementary grade children, 63 middle school students, and 749 high school students will need facility space within the panning timeframe (this includes the 100 and 96 student permanent capacity planned to be added at Madison Elementary and the High School, respectively). This means that two (2) new elementary schools will be needed as the planned capacity for these schools has been set at 550 students; and either these new elementary schools will need to increase their capacity for the additional 265 children or the other six (6) existing schools will need to. However, the middle schools and high school would not be at points where new facilities are needed but expansions may be required. The middle schools have a capacity of 1,100 (with a current enrollment of 1,007); and the high school has a capacity of 1,596 (with a current enrollment of 1,929). It is important to point out that the existing capacity figures utilized above do not take into account existing portables; which currently house 825 elementary, 160 middle, and 480 high school students.

The school district has already purchased two (2) ten acre sites (one on the south side of Swan Road and one on the north side of Division Street) that will someday become elementary schools. For the purposes of this analysis these two sites were not considered for any other type of development except for schools. In addition, ten acres was subtracted out of the R-1, 4.0 district to account for the future expansions of the elementary, middle, and high schools. This acreage was taken out of the R-1, 4.0 district as historically this is the zone in which the District purchases properties presumably because the City has such an abundance of property within this zone, because it is where student populations are predominately housed, and because it would be less expensive than higher density zones or commercial property.

Post-secondary education is provided in the City at Skagit Valley College where students can earn numerous different technical or professional certificates or an Associates Degree (2-year degree). The college completed a Master Plan in 2001 that was adopted by the City. This plan shows that the college will be able to accommodate future students within the boundaries of their current campus out to the year 2021 with new buildings and expansions within the campus. However, since the adoption of the College's 2001 Master Plan they purchased an additional neighboring 7.34 acre property in 2007 (located to the east of their existing campus abutting East College Way). Since the timeframe that the College was planning for is relatively close to the planning horizon that this report is analyzing (i.e., 2021 for the College versus 2025 for this report); and with the purchase of additional property not included in the College's 2001 study, staff is satisfied that additional land does not need to be set aside as part of this analysis to accommodate the College's facility needs out to 2025.

➤ **Municipal Facilities:**

A complete description of the City of Mount Vernon's Capital Facilities, Public Services and Utilities can be found in Chapter 7 of the City's adopted Comprehensive Plan. In short, the City's current facilities are housed in the buildings listed within **Table 1.8**. Please note that this table lists the facilities that the City currently provides services within or out of; this is not a list of all of the City's ownership; and the City's park and recreation systems are discussed in detail above.

Table 1.8 – Existing City Facilities

FACILITY:	ADDRESS:
City Hall (Mayor’s Office, City Attorney, Community & Economic Development, Finance, Human Resources, and Information Services)	910 Cleveland Ave.
Fire Station #1	901 South 2 nd Street
Fire Station #2	1901 North LaVenture Road
Fire Station #3	4701 East Division Street
Library	315 Snoqualmie Street
Police and Court Campus (Police, Municipal Court, TV 10)	1805 Continental Street
Parks and Recreation	1717 South 13 th Street
Public Works Administration	1024 Cleveland Ave.
Shops and Storage	405 West Fir Street
Wastewater	1401 Britt Road

The City’s existing facilities and the properties that they are located on can accommodate the increased staffing and expansions that would be necessary to serve the increased development out to 2025. A major renovation to City Hall was completed in 2002, to the Police and Court Campus in 2009, and approximately five (5) years ago additional property was purchased around the existing wastewater treatment plant so that future expansions would be possible.

Skagit County has a number of facilities that they operate that are located within the City of Mount Vernon. Following within **Table 1.9** is a list of these facilities and the addresses of the buildings that that house them.

Table 1.9 – Existing Skagit County Facilities within Mount Vernon

FACILITY:	ADDRESS:
Boundary Review, Budget/Finance, Commissioner’s Office, Farmland Legacy, Hearing Examiner, Human Resources, Office of Land Use Hearings, Planning and Development Services, Public Works Department, and Skagit 21 TV)	1800 Continental Place with parking at 1900 Continental Place
Ada Bean Building	1730 Continental
Human Services ARIS	309 South 3 rd
Assessor, Treasurer, Auditor, GIS Mapping, Health Department, Superior Court, District Court Probation, Clerk and Law Library	700 South 2 nd
Parks and Recreation	315 South 3 rd
Youth and Family Services plus a conference room	611 South 2 nd
District Court, Jail, Sheriff, Coroner	600 South 3 rd
Public Defender	121 West Broadway
Juvenile Detention, Prosecuting Attorney	605 South 3 rd

Parking Surrounding Downtown Buildings	3 lots off of South 2 nd , 1 lot at Gates and SR 536, 1 lot between Gates and Myrtle, and 3 lots off of Kincaid
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To determine possible new land acquisitions within the City, staff reviewed both Skagit County’s Capital Facilities Plan (2008 – 2013) and their Capital Facilities and Essential Public Facilities element of their adopted Comprehensive Plan.

After reviewing these documents staff removed two (2) areas within the City to account for future facilities that Skagit County would be constructing within the planning timeframe of this analysis.

The first area that was removed from this analysis was an approximate 9.5 acre parcel that is located directly to the south and east of Skagit Valley College’s campus abutting East College Way. The County has a planned ‘Indoor Recreation Facility’ that will be sited in this location. The second area that was not counted as developable commercial property is an approximate 10 acre site where staff anticipates the County’s new jail/justice facility to be located. The County is actively planning for the construction of a new jail and associated justice facilities in the next six (6) to eight (8) years. The location of this approximate 10 acre site is currently proposed on the south side of Kincaid Street, west of Interstate-5. This 10 acre site is currently built out with existing commercial development; and there are five (5) existing homes. These five (5) residential structures have been subtracted out of the existing housing supply as it seems unlikely that these homes would be replaced as part of the jail/justice facility development.

➤ **Other Public Type Uses:**

The City created a 27± acre Healthcare Development District (H-D) in 2004. The methodology used for assessing the future development within the H-D zone is described above within the Commercial, Industrial, Healthcare, and Retail lands section. The public hospital district underwent a major expansion and renovation of their facilities starting in 2005. In 2007 a new 220,000 square foot expansion to this public hospital was finished. In addition to the hospital expansion and renovation; a new cancer center was also opened near the hospital in 2006. While the hospital may need smaller scale new facilities between the present and 2025, major expansions have already been completed. For these reasons staff assumed that the property currently within the H-D District would suffice for any needed new expansions out to 2025.

The City has 38 churches that were easy to identify. However, there could be additional churches that staff was not able to recognize. The existing churches that were identified are located in both commercial and residential areas.

To take into account new churches and/or other public type uses that are either unknown or unexpected at this time, staff subtracted five (5) acres from the R-1, 4.0 district (the residential district with the most land available for development); and five (5) acres from the C-2 district (the commercial district with the most land available for development).

CRITICAL AREAS AND THEIR BUFFERS

The City has several mapping resources and tools that identify potential critical areas within the City. For the purposes of this inventory, the critical areas that were evaluated include streams, wetlands, floodways and steep slopes.

The City's critical areas regulations were changed in 2007 to meet the State mandate of including best available science. Staff was aware in 2005 when the Buildable Lands Analysis was first completed that they would need to update these regulations in the near future. With the 2005 update staff used increased stream buffers to account for the upcoming new regulations that everyone was certain would bring much larger buffers.

In 2007 when the new critical areas ordinance was approved a new, innovative approach to critical area buffers was adopted. This new method allows a property owner to choose between two (2) different approaches in complying with the critical areas ordinance. The first approach is what staff will call the 'big buffer' approach. With this approach a large buffer is placed around a critical area on a site and the owner doesn't need to do anything else but make sure that the buffer is left alone. The second approach is what is called the 'ecosystem alternative'. With the ecosystem alternative a property owner is able to buy down the big buffer, in exchange for enhancing the buffer that remains, and making sure that water quality facilities are installed on the site. The City then takes the money that the property owner pays to buy down their buffer and enhances a City restoration site within the same basin that the project site is located within. For the purposes of this analysis, these City restoration sites have not been counted as areas where any type of future development will be located.

Since the adoption of this new ordinance eight (8) developments have chosen to use the ecosystem alternative approach. With these developments the City has/or will be collecting \$170,570.00 that has/or will be used to enhance the City's restoration sites.

Due to the different resource maps and information that the City has in its possession stream, wetland, floodways and steep slope areas and their associated buffers had to be dealt with a little differently. The following sections explain how each of these critical areas were inventoried and analyzed.

➤ Streams:

In 2001 and 2002 the City hired Shannon & Wilson (S&W) to inventory the existing streams within the City and to provide general locations of suspected wetlands. A majority of the stream segments were walked from their confluence to their headwaters by biologists from S&W. There were instances where private property access did not allow a biologist to walk a stretch of stream; however, aerial mapping was used to fill in these areas. As a result of this work, the City has a useful set of maps with the locations of our stream systems shown.

Then in 2008 the City retained WSP Environment & Energy to conduct stream condition and habitat surveys within the City's drainage basins. Of the City's eight drainage basins, WSP identified three priority stream systems that they surveyed. These systems included Trumpeter, Kulshan and Maddox. The scope of this work included 1) characterizing the current stream conditions, 2) identifying potential fish barriers, and 3) collecting stormwater outfall information.

The City then took the 2001 and 2002 S&W maps and added the 2008 WSP information and was able to create enhanced stream maps. This means that the City has current, detailed data on the streams located throughout the City. This stream data is stored in the City’s Geographic Information System (GIS) and for this update was analyzed using GIS software. Specifically, for this analysis GIS data that identified the water type, the sub-basin the stream was located within, whether the stream system was natural or maintained, and whether the stream segment was classified as low or medium to high gradient was all used.

If an applicant choose to use the ‘big buffer’ stream regulations on a site they were developing the following buffers would apply:

Table 1.10 Standard Stream Buffers (aka ‘Big Buffers’)

Water Types	Attributes	Buffer Width Standard
S Freshwater	Freshwater Shorelines of the State	175 feet
F	Fish Habitat Waters	150 feet
Np	Year-Round, Non-fish Habitat	50 feet
Ns	Seasonal, Non-fish Habitat	35 feet

If an applicant choose to use the ‘ecosystem alternative’ on a site they were developing the following minimum buffers could be used depending on which of the listed sub-basins the project site was located within, the type of water was being impacted (i.e., S, F, Np, or Ns), whether the system was natural or maintained, and the gradient of the waterway. **Map 3**, found at the end of this analysis contains a map that identifies the location of each of the sub-basins, along with the location and characteristics of the stream systems within the City and its UGAs.

Table 1.11 Ecosystem Alternative Stream Buffers

STREAM TYPE → SUB-BASIN ↓	F		Np		Ns	
	Natural System	Maintained System	Natural System	Maintained System	Natural System	Maintained System
Kulshan Creek:						
Low Gradient	37.5'	25'	37.5'	25'	25'	25'
Med/High Gradient	25'	25'	37.5'	25'		
Trumpeter Creek:						
Low Gradient	37.5'	25'	37.5'	25'	25'	25'
Med/High Gradient	25'	25'	25'	25'		
Maddox Creek:						
Low Gradient	37.5'	25'	37.5'	25'	25'	25'

Med/High Gradient	25'	25'	25'	25'		
West Mount Vernon:						
	50'	25'	50'	25'	25'	25'
Britt Slough:						
	50'	25'	50'	25'	25'	25'
Skagit River:						
Land side of the existing dike along the river where existing impervious is present: 0' (mainly be the downtown area)						

For the purposes of this analysis, within the residentially zoned areas staff assumed that roughly one-half of the properties within sub-basins where the ‘ecosystem alternative’ could be used (and where future development was possible) would choose to do so; and the remainder would use the ‘big buffer’ approach. However, the Nookachamps Creek, Carpenter Creek, Combined Sewer Area sub-basins all do not allow the use of the ‘ecosystem alternative’. So, within these basins staff assumed that the ‘big buffer’ would be instituted. Within the commercial/industrially zoned areas staff assumed that the ‘ecosystem alternative’ would be used. The rationale for this was that with higher priced commercial/industrial properties applicants would have more of an incentive to utilize as much of their property as possible.

➤ **Wetlands:**

The City had reconnaissance level wetland mapping done by Shannon & Wilson (S&W) in 2000. This information proved to be the most difficult element to factor into the buildable lands analysis. This information was difficult to use because it is far more general than the stream, floodway or steep slope information is. The S&W wetland mapping is a compilation of soil information from the U.S. Soil Conservation Service, the National Wetland Inventory maps, the Department of Natural Resources mapping, a handful of actual delineation reports that had been previously submitted to the City, aerial photography, and windshield surveys by S&W biologists. This report states that, “this inventory is only an approximation of wetlands within the City limits and the UGA boundary” (1).

Comparing the wetlands shown on the S&W mapping and actual wetland reports and delineations that the City has on file, overwhelmingly demonstrates that the S&W maps identify far more wetland areas on a site than what is actually found when the site is evaluated by a biologist.

Since the S&W mapping is such a general tool, when staff had a recent wetland analysis that was readily available for a particular site, this more accurate information was used with regard to the location and extent of wetlands.

Appendix E contains a table of 36 plats, P.U.D.s and developments, that cover 478 acres throughout different geographic parts of the City; and compares the percentage of the site shown as wetlands by the S&W mapping and the known percentage of wetlands that have actually been delineated on each site. Of the 36 developments that are listed within **Appendix E**, the average percent of delineated wetlands was found to be 5%; whereas, the S&W mapping indicated that 61% of these same sites could be encumbered with wetlands. Additionally, the 5% of the developments that were found to have delineated wetlands on them is slightly high as five (5) of the wetland areas listed within these developments also include their associated buffers because staff was not able to accurately separate the two.

Even though a vast majority of the sites evaluated showed more wetlands on the S&W maps than what was actually delineated, there were exceptions. For instance, the area where the Plat of T.J. Townhouses was developed (Section 16, Township 34 North, Range 4 East, W.M.) there was only a 4% difference between what was shown on the S&W map and what was delineated, and the Plat of Big Fir (Section 28, Township 34 North, Range 4 East, W.M.) has 2% more wetlands delineated on the site versus what was shown on the S&W map. However, it is important to point out that on the sites where more wetlands were shown than delineated by a biologist, on average, the S&W mapping showed 59% more wetland areas.

Because of the significantly stronger trend of the S&W maps to identify more wetland areas than actually exist, and because a property owner could go through the necessary steps to obtain approvals from the Corps of Engineers and the Department of Ecology to fill portions of wetlands that may exist on their property, it was assumed that if a wetland was shown as potentially existing on a parcel forty percent (40%) of what was shown was considered undevelopable. This means that the 40% would also account for buffers that would be required according to the City's development regulations.

If the S&W mapping did not indicate that a wetland could be present, it was assumed that there were not wetlands on that site. But, before incorporating this assumption into this buildable lands methodology staff took quite some time looking at aerial photography and existing developments to make sure that the S&W mapping did not miss any areas of the City where wetlands might exist. After an exhaustive search for other potential wetland areas within the City, staff felt confident that this approach was reasoned and supportable. It simply does not make good sense to assume that wetlands might be present where they are clearly not. The areas where the S&W mapping does not indicate potential wetlands are generally areas that have been built out with widespread existing impervious surface areas, such as the City's historic downtown and the residential areas on the hillsides to the east of Interstate-5.

After completing the first run of the buildable lands model assuming that forty percent (40%) of an identified wetland area would be considered un-developable, a second run was completed to ensure that the analysis did not understate the amount of wetlands that could be delineated within the City. The second run of the analysis assumed that sixty percent (60%) of an identified wetland area would be considered un-developable.

At the end of this report a map labeled as **Map 2** can be found that shows the wetland areas identified by S&W described within this section.

Similar to the stream buffer regulations described in the section above, the City’s critical area code also contains a ‘big buffer’ and an ‘ecosystem alternative’ approach to wetland buffers. When determining the buffer that will be applied to a wetland the wetland type has to be determined according to the Washington State Department of Ecology’s "Washington State Wetland Rating System for Western Washington" (Department of Ecology Publication No. 04-06-025). The lower the category of wetland, the higher its functions and values are. In other words, a category I or II wetland is more sensitive, and has higher functions than a category III or IV wetland does. The following tables outline the wetland buffers required with each approach:

Table 1.12 Standard Wetland Buffers (aka ‘Big Buffers')

Wetland Category	Standard Buffer
I	200 ft.
II	100 ft.
III	75 ft.
IV	50 ft.

Table 1.13 Ecosystem Alternative Wetland Buffers

Wetland Category →	II		III		IV	
SUB-BASIN ↓	Natural System	Maintained System	Natural System	Maintained System	Natural System	Maintained System
Kulshan Creek:						
	37.5	25	37.5	25	25	25
Trumpeter Creek:						
	37.5	25	37.5	25	25	25
Maddox Creek:						
	37.5	25	37.5	25	25	25
Nookachamps Creek:						
	37.5	25	37.5	25	25	25
Carpenter Creek:						
	75	37.5	75	37.5	37.5	25
West Mount Vernon:						
	50	25	50	25	25	25
Britt Slough:						
	50	25	50	25	25	25

It is important to mention that the City does have an approved wetland mitigation bank that can be used to mitigate wetland impacts on property within the City. The Nookachamps Mitigation Bank is located on 267± acres (partially in the City and partially in Skagit County).

This means that a developer has four (4) options with regard to how wetland(s) on their property can be treated. A developer could use the City's 'big buffer' program, they could buy the buffer down with the 'ecosystem alternative', they could purchase wetland credits from the Nookachamps Mitigation bank, or they could go through the Federal, State, and local processes to fill all or portions of the wetlands on their site.

Lastly, the portion of this wetland bank that is located within the City limits was not considered as an area where future development would be located.

➤ **Floodways:**

Areas located on the water side of the existing levee system in Mount Vernon were considered by this analysis as floodways; even though they are not officially mapped as such by the Federal Emergency Management Agency (FEMA) on the City's Flood Insurance Rate Maps (FIRM).

Since there is existing development within these areas, this development was inventoried and tabulated; however, it was assumed that no new development would occur.

There is one geographic area on the landward side of the existing levee, which is located to the north of Hoag Road, east of Interstate-5 and west of the Burlington-Northern railroad tracks that was not considered as an area where additional homes would be constructed due to the close proximity of the existing levee system to the Skagit River. The analysis only inventoried and tabulated the existing homes in this area.

The 'floodway' areas that were identified and considered as not developable are shown on **Map 2**.

➤ **Steep Slopes:**

Digital orthophotographic mapping was created for the City in the summer of 2000 by Entranco and Triathlon Mapping. This mapping was then used to create topographic maps for the City. The digital topographic maps were utilized to identify slopes over forty percent (40%) that were then considered undevelopable for this inventory. In addition, consistent with the current Mount Vernon Municipal Code (MVMC) 15.40.070(C)(2)(f)(ii), a 25-foot buffer from the top, toe and sides of any areas with a slope over forty percent (40%) was also deemed undevelopable.

OTHER FUTURE GROWTH CONSIDERATIONS

There are a few other growth considerations that are important when determining the land capacity within the City. Each of these items will be discussed below.

➤ **Market Factor:**

The State has publications entitled “Providing Adequate Urban Area Land Supply” (1992) and the “Buildable Lands Program Guidelines” (2000) that both recommend that methodologies that are used “assume that a certain percentage of vacant, under-utilized, and partially-used lands will always be held out from development”. This assumption about how much land that is held out from development is commonly called a ‘market factor reduction’, or ‘market factor’.

This market factor reduction is intended to address the fact that not all land that could be developed within the planning horizon will be due to landowners not wanting to develop their property because they may be keeping it as an investment, for future expansion, or personal use. Additionally, some landowners may not be interested in developing or subdividing their lots due to factors such as lack of market appeal for the site, or simply lack of interest in the development opportunity.

The Western Washington Growth Management Hearing Board (Board) in *Panesko v. Lewis County*, articulated the purpose of a market factor [with regard to the sizing of UGAs] by explaining:

“A market factor represents the estimated percentage of net developable acres contained within a UGA that, due to fluctuating market forces, is likely to remain undeveloped over the course of the 20-year planning period. The market factor recognizes that not all developable land will be put to its maximum use because of such things as owner preference, cost, stability, quality, and location and, therefore, the GMA permits jurisdictions to include within a UGA not only the area necessary to accommodate projected growth but allows as a – safety factor – the market factor – expressed as a percentage related to total acreage”.

This interpretation of the Board is supported in the Supreme Court’s holding in *Thurston County* (Docket 80115-1, at 31) when the Court stated:

“A market factor represents the estimated percentage of net developable acres contained within a UGA that, due to idiosyncratic market forces, is likely to remain undeveloped over the course of the twenty-year planning cycle”.

Even though the Board and Supreme Court discussions, above, are with regard to the sizing of a UGA, they are important in the context of this discussion because when the City is evaluating its land capacity it is important to take into account a reasonable and defensible market factor. Historically, the Board assumed that a market factor less than twenty-five percent (25%) was acceptable. However, more recently, the Supreme Court has stated, “that the reasonableness of a market factor depends on local circumstances and may therefore vary from jurisdiction to jurisdiction” (*Thurston County*, Docket 80115-1, at 32).

For this analysis staff applied a fifteen percent (15%) market factor reduction for commercial/industrial/retail zoned lands. This market factor was chosen to match the market factor that E.D. Hovee and Associates used within their September 2006 report entitled, “City of Mount Vernon Commercial & Industrial Land Needs Analysis”. The justification for this market factor is fully outlined within this report; and as such, this report is hereby adopted by reference as part of this report as if it were set forth herein in its entirety, and is attached, labeled as **Appendix F**.

Determining a reasonable and justifiable market factor for residentially zoned lands proved to be a more difficult task. Staff evaluated the market factors that a variety of different jurisdictions have used. The following table lists the Counties and the Cities that staff was able to find this information for.

Table 1.14 – Market Factor Information from Other Jurisdictions

Jurisdiction:	Market Factor Reduction Used in their Buildable Lands Analysis Reports for Residential Lands
Clark County	<ul style="list-style-type: none"> • 10%
King County	<ul style="list-style-type: none"> • Overall between 5% to 20% with re-developable land discounted more than vacant • Central jurisdictions were between 5% to 10% • Established suburban jurisdictions were between 10% to 15% • Outlying jurisdictions were between 15% to 20%
Kitsap County	<ul style="list-style-type: none"> • Vacant lands 5% • Underutilized lands 15%
Pierce County	<ul style="list-style-type: none"> • For vacant lands most factors were between 5% and 25% • For underdeveloped lands most factors were between 10% and 30% • For re-developable lands most factors were between 20% and 50% <p>(These factors varied by jurisdiction within this County)</p>
Snohomish County	<ul style="list-style-type: none"> • For vacant lands 15% • For partially-use or re-developable 30%
Thurston County	<ul style="list-style-type: none"> • An average market factor countywide of 24% <p>(These factors varied by jurisdiction within this County)</p>
City of Bellingham	<ul style="list-style-type: none"> • For vacant land 15% • For partially developed land 25%
City of Edmonds	<ul style="list-style-type: none"> • For vacant land 15% • For partially used and re-developable land 30%

After reviewing the market factor explanations for each of these jurisdictions staff found that a variety of different reasons were provided to justify the market factors that each jurisdiction chose.

When evaluating Mount Vernon, the most compelling reason for a mid-to higher market factor, would be the rural setting of Mount Vernon (this is within the context of Skagit County) where some residents enjoy larger lot sizes. This is evidenced within a handful of plats created since the 1960's where lot sizes average over half an acre in size, like Thunderbird, Forest Estates, and Parkwood Estates. Within these plats the City has received very few inquiries about whether or not these lots could be re-developed (i.e., subdivided) even though this possibility exists.

With Mount Vernon's setting, the information about what other Washington State municipalities had used, and the information from the above-referenced State publications, Board and Court decisions in mind, it was decided that a market factor of fifteen percent (15%) for lands that do not have existing habitable structures; and a factor of twenty percent (20%) for lands that in their existing state already have habitable structures would be used. The difference in the market factor between sites that have habitable structures and those that do not, is that staff is assuming that a property owner may be less willing to develop their property if it already has a home on it either because they would not want to disrupt their immediate living environment with new development; or because they are likely accustomed to their larger lot size and would have a difficult time eliminating the open spaces around their existing home.

➤ **Accessory Dwelling Units and Duplexes in Single-Family Residential Zones**

The City's zoning code allows for the construction of both accessory dwelling units (ADUs) and duplexes in single-family residential zones.

ADUs can be constructed so long as they do not exceed 900 square feet in size; they must have no fewer than three (3) parking spaces for both the primary residence and the ADU combined, and only one entrance can be located on the street side of the structures. ADUs can be created by altering the interior space of an existing dwelling unit, converting an attic, basement, garage or other previously uninhabited portion of a dwelling, adding an attached living area onto an existing dwelling, or constructing a detached living area.

Duplexes are allowed in single-family residential zones either through an administrative conditional use permit (CUP) process, or through a platting process. Duplexes that are approved through the administrative CUP process are required to have certain separation requirements from other duplexes that may be approved through a CUP process. Duplexes that are approved through a platting process are limited to ten percent (10%) of the overall density of single-family units in the proposed plat, and they must be separated from another duplex by no less than 300 feet.

From 2000 to 2009 the City has issued approvals for 38 ADUs and duplexes in single-family residential zones. **Appendix G** contains a list of these ADUs and duplexes. That is an average of 3.8 ADUs or duplexes per year, over this 10 year period. It would not be unreasonable to expect that within the remaining planning horizon (2010 to 2025) that this trend would continue, which would result in 60 additional ADUs or duplexes being constructed. Even though these units will likely be constructed they were not counted as new units within this analysis.

➤ **Planned Unit Developments**

Planned Unit Developments (PUDs) are zoning overlays that were historically allowed within the City. However, in 2008 the City instituted a moratorium on PUDs and in the ensuing years staff has been working on possible code amendments that would mitigate the concerns regarding the PUD code that have created issues in the past.

PUDs historically allowed for a twenty percent (20%) increase in the density of a subdivision. They allowed a certain number of dwelling units to be multi-family units within single-family residential zones.

If a PUD ordinance is re-adopted it could provide for increased density in the City's R-1, 7.0, R-1, 5.0, R-1, 4.0 and R-2 zoning districts. Even so, this additional density was also not counted as part of this analysis.

CONCLUSIONS

The following summary table identifies the different zoning designations within the City and the amount of land available for development and/or the number of dwelling units that could be constructed after a number of reductions were made.

What is clear from these tables is that the City is easily able to accommodate its expected additional population over the planning horizon. In fact, all of the needed dwelling units can be housed within the existing City limits. Without a doubt, this indicates that the City’s residential UGAs are too large and are not necessary to meet the City’s projected population growth to 2025.

What is also clear is that the City does not have enough commercial or industrial land to meet future employment growth (per RCW 36.70A.115). In fact, the 2006 E.D. Hovee report, “City of Mount Vernon Commercial & Industrial Land Needs Analysis” (which is **Appendix F**, incorporated and attached to this report) states that the City needs an additional 809 gross acres of commercial/industrial lands. In addition, Skagit County’s Countywide Planning Policies have historically allocated close to 200 net acres of commercial/industrial land to the City; that the City has never mapped. This acreage from the County would need to be converted from net to gross acres before it was mapped, meaning that the actual allocation of commercial/industrial lands from the County to the City is much larger. In short, this means that both the City and Skagit County have historically recognized the shortage of commercial/industrial lands in the City.

There are detailed tables that follow this ‘conclusions’ section; however, the following table is a summary of these more detailed tables; and it is being provided for the sake of the final remarks and recommendations that staff is presenting.

Table 1.15 – Summary of Buildable Lands & Land Capacity Analysis

Zoning	Total Acreage Analyzed with Outlined Methodology in each Zone ¹	Number of New Dwelling Units ²	Acreage ¹ of Net Commercial/Ind./HD Developable Lands ²	
			Parcels Less than 5 acres ³	Parcels More than 5 acres
Existing Developments (see Table 1.6 on pg. 20)	N/A	2,663	N/A	N/A
New Multi-Family Units in Downtown Waterfront Master Plan (see pg. 22)	N/A	400	N/A	N/A
Transfer of Development Rights (see pg. 22)	N/A	107	N/A	N/A
Single-Family Residential 7.0 (R-1, 7.0)	443	302	N/A	N/A
Single-Family Residential 7.0 (R-1, 7.0) in UGA	77	198	N/A	N/A
Single-Family Residential 5.0 (R-1, 5.0)	346	120	N/A	N/A
Single-Family Residential 4.0 (R-1, 4.0)	966	817	N/A	N/A

Single-Family Residential 4.0 (R-1, 4.0) in UGA	2231	4,227	N/A	N/A
Single-Family Residential 3.0 (R-1, 3.0)	455	161	N/A	N/A
Residential Office (R-O)	1	0	0	0
Duplex and Townhouse (R-2)	29	51	N/A	N/A
Multi-Family Residential (R-3)	277	449	N/A	N/A
Multi-Family Residential (R-4)	30	17	N/A	N/A
Health Care Development District (H-D)	27	N/A	0	0
Professional Office (P-O)	33	N/A	4.2	0
Central Business (C-1)	46	N/A	.76	0
Additional C-1 Property Downtown Waterfront Master Plan (see pg. 25)	N/A	N/A	3.2	0
General Commercial (C-2)	505	N/A	34.5	20.9
General Commercial (C-2) in UGA	8	N/A	3.0	0
Community Commercial (C-3)	14	N/A	1.2	0
Neighborhood Commercial (C-4)	15	N/A	1.9	0
Neighborhood Commercial (C-4) in UGA	3	N/A	1.3	0
Commercial-Limited Industrial (C-L)	380	N/A	79.9	0
Commercial-Limited Industrial (C-L) in UGA	97	N/A	26.8	0
Limited Commercial (LC)	.5	N/A	0	0
Light Manufacturing and Commercial (M-1)	40	N/A	2.5	0
Industrial (M-2)	77	N/A	9.5	0
Totals:		City: 5,087 UGA: 4,425 Total: 9,512	168.8	20.9

¹ These acreages have been rounded to the nearest tenth for use within this table; and as such, are slightly different from the totals within Tables 1.16 and 1.17.

² These totals reflect the 40% wetland assumption described on page 35 of this report, with the exception of the existing developments, multi-family units in the downtown area, and the TDRs as the wetland methodology does not apply to these three categories.

³ These totals reflect parcels greater than 10,000 s.f. in size as those smaller than this were not considered as stand alone developments, see page 24 for a full description of this.

Table 1.4 (on page 12 of this report) lists the need for 4,845 new dwelling units to house the future population allocation for the City from 2010 to 2025. The Summary **Table 1.15** (directly above) shows that the City can accommodate 5,087 new dwelling units within the existing City limits; and 4,425 new dwelling units within the existing UGA areas.

The methodology used in determining how many additional dwelling units could be created is explained in depth in the foregoing analysis; however, keep in mind that staff has netted out (where applicable) areas to account for future roads (including arterials, neighborhood, collector, access ways, and private streets), stormwater facilities (including larger facilities to take into account newly adopted regulations), critical areas and their associated buffers, regional and neighborhood parks, schools, municipal facilities, churches (and other public type uses), and market factors. The following list summarizes the areas netted out that were in addition to the roads and stormwater facilities:

- 30-acres for future schools (10-acre site off of Swan Road, 10-acre site off of Division Street, and an additional 10-acres subtracted out of the R-1, 4.0 district);
- 7.34-acres to the east of Skagit Valley College that they (SVC) purchased in 2007;
- 9.5-acres to the east of Skagit Valley College that Skagit County purchased for their proposed “indoor recreation center”.
- 10-acres south of Kincaid Street and west of I-5 for Skagit County’s jail/justice facility (this site is already developed; and as such, was not netted out of the available commercial land supply but its location and future existence is noted);
- 5-acres out of the R-1, 4.0 district for miscellaneous public uses unknown or unidentified as this time;
- 5-acres out of the C-2 district for miscellaneous public uses unknown or unidentified at this time;
- 35-acres out of the R-1, 4.0 district for future City parks (1, 30-acre regional park and 1, 5-acre neighborhood park);
- City’s TDR sending site has been removed as an area for any future development;
- City’s Nookachamps wetland bank site has been removed as an area for any future development;
- The acreage located to the north of Hoag Road, east of the Riverside bridge and west of the railroad tracks, has not been counted as an area where new development will occur;
- All critical areas (includes streams, wetlands, steep slopes, ‘floodways’) and their associated buffers (if buffers applied) have been netted out of possible developable areas; and,
- Reductions for market factors have been accounted for.

What has not been counted as future housing units is the construction of Accessory Dwelling Units (ADUs) or duplexes within single-family residential zones. As discussed above, it is likely that at least 60 of these types of units will be constructed within the planning timeline. In addition, if a PUD ordinance is re-adopted it could allow for up to a twenty percent (20%) increase in densities within certain developments; and this possible increase has also not been counted towards the future housing units that will be constructed.

It is important to point out that if the City’s population continues to grow at the same average growth rate that has been observed from 2000 to 2009 that the City will not need to house all of the people that have been allocated to the City. See pages 9 through 10 of this report for an in-depth discussion on this issue. Even so, the City has still shown that it will be able to accommodate these homes even if they do for some unexpected reason materialize.

The Buildable Lands/Land Capacity Analysis Summary **Table 1.15** (above) shows that the City has a total of 189.7 acres of commercial/industrial/retail lands that are available for development that are 10,000 square feet or larger. However, we see that this acreage is comprised predominately of smaller parcels/lots in the less than five (5) acre range. Noteworthy is that only 20.9 acres are available for development that are comprised of parcels/lots larger than five (5) acres in size. The appended E.D. Hovee report points out that this is a problem because, “Mount Vernon’s existing inventory can accommodate demand for smaller in-fill sites; larger sites are needed to compliment this inventory and significantly impact growth in both jobs and local tax revenue”. Even though someone could purchase several smaller parcels and combine them into one larger development site; the process of assembling properties from different owners, who inevitably have different opinions of what their property is worth, is cumbersome as best. Even so, the possibility of combining some smaller parcels into larger development sites should be kept in mind. See Maps A and B, with their accompanying narrative, that are part of the referenced E.D. Hovee report for a discussion of possible commercial/industrial acreage aggregation within the City.

Staff has attached several maps to the end of this report that map different aspects of the analysis that is presented. With regard to the final conclusions, Maps one (1) and four (4) identify the residentially zoned areas where additional development is and is not possible, and where additional commercial/industrial development is and is not possible.

ⁱ The City has 236 parcels which equal approximately 246 acres of property currently zoned Residential Agricultural (RA) within the current City limits that were analyzed using the methodology outlined within this report. The majority of RA zoned parcels are located within the boundaries of the Eaglemont Master Plan and southwest of the City in the TDR sending site and were not analyzed here. Of the 236 RA zoned properties, 217 have an existing Comprehensive Plan designation of: Medium or High Density Single Family or Low to Medium High Density Multi-family. These parcels were categorized into the zoning designation that is consistent with their Comprehensive Plan designations. For example, parcels that had a Comprehensive Plan designation of Medium Density Single-Family were assumed as having a zoning designation of Single-Family Residential with a maximum density of 4.54 dwelling units per acre. Through the 2005 Comprehensive Plan update process the City put Goals, Policies and Objectives into effect that will encourage the rezoning of these RA properties.

ⁱⁱ Please see the section titled, ‘Critical Areas and their Buffers’ for a discussion about how floodway areas were considered in light that none are actually mapped within the City.

Table 1.16 - Residential Summary

Zoning	Number of Parcels in Study	Parcel Acreage	Total Number of Additional Potential Dwelling Units		Additional Population (2.75 persons / household)		
			40% Wetlands	60% Wetlands	40% Wetlands	60% Wetlands	
UGA	R-1, 4.0	773	2231.4	4,227	3,996	11,623	10,989
	R-1, 7.0	161	76.6	198	183	545	502
	UGA sub-total	934	2,308	4,425	4,178	12,168	11,491
CITY	R-1, 3.0	941	454.9	161	152	443	419
	R-1, 4.0	1994	966.2	817	749	2,247	2,061
	R-1, 5.0	1444	345.5	120	115	330	316
	R-1, 7.0	1948	442.6	302	297	832	815
	R-2	93	29.4	51	38	141	105
	R-3	830	276.7	449	379	1,234	1,042
	R-4	25	29.9	17	17	47	47
	CITY sub-total	7,275	2,545	1,917	1,748	5,274	4,806
OTHER	Downtown			400	400	1,100	1,100
	Preliminary and Final Plats			2,663	2,663	7,323	7,323
	Additional Units from TDRs			107	107	294	294
	OTHER sub-total			3,170	3,170	8,718	8,718
Totals		8,209	4,853	9,512	9,096	26,159	25,014

Table 1.17 - Commercial Summary

Table Assumes 40% Wetland Figure Explained on page 35 of the Report

	Existing Zoning	Total Number of Parcels in Study	Total Area (Acres)	Number of Vacant Parcels	Number and Square Feet of Vacant Standalone Parcels Between 2,000 S.F. and 10,000 S.F.		Number and Square Feet of Developed Parcels Between 2,000 S.F. and 10,000 S.F.		Number and Square Feet of Parcels Between 10,000 S.F. and 43,560 S.F. (1 ac.)		Number and Square Feet of Parcels Between 43,560 S.F. (1 ac.) and 217,800 S.F. (5 ac)		Number and Square Feet of Parcels 217,800 S.F. (5 ac.) and Greater		SUMMARY: Parcels 10,000 S.F. and Larger with Development Potential	
					Number	SF / Acres	Number	SF / Acres	Number	SF / Acres	Number	SF / Acres	Number	SF / Acres	Number	Acres
CITY	Central Business (C-1)	251	45.8	3	-	-	3	13,554	1	33,117	-	-	-	-	1	0.76
	General Commercial (C-2)	567	504.8	64	23	129,346	16	93,431	31	628,170	9	876,792	2	909,400	42	55.43
	Community Commercial (C-3)	11	14.1	3	1	7,243	1	4,047	3	52,831	-	-	-	-	3	1.21
	Neighborhood Commercial (C-4)	18	15.0	3	1	6,000	5	35,000	4	80,770	-	-	-	-	4	1.85
	Commercial / Limited Industrial (C-L)	245	379.5	47	3	23,038	16	112,422	40	950,071	30	2,529,794	-	-	70	79.89
	Hospital District (H-D)	66	27.1	5	5	31,607	-	-	-	-	-	-	-	-	-	-
	Limited Commercial (LC)	1	0.5	0	-	-	-	-	-	-	-	-	-	-	-	-
	Light Manufacturing and Commercial (M-1)	86	39.6	15	7	35,628	5	32,531	6	106,894	-	-	-	-	6	2.45
	Industrial (M-2)	96	77.0	24	9	60,834	2	11,327	8	158,386	3	256,004	-	-	11	9.51
	Professional Office (P-O)	73	32.7	7	1	6,338	-	-	6	139,750	1	44,948	-	-	7	4.24
	Residential Office (R-O)	2	1.1	1	-	-	-	-	-	-	-	-	-	-	-	-
Downtown/Waterfront Master Acreage	-	-	-	-	-	-	-	-	-	-	3.2 acres	-	-	-	3.20	
CITY sub-total	1,416	1137.4	172	50	6.9	48	6.9	99	49.4	43	85.1	2	20.9	144	158.5	
UGA	General Commercial (C-2)	10	7.7	5	2	9,782	1	2,360	2	51,554	1	80,392	-	-	3	3.03
	Neighborhood Commercial (C-4)	2	3.2	0	-	-	-	-	-	1	54,963	-	-	1	1.26	
	Commercial / Limited Industrial (C-L)	74	97.1	18	4	14,140	8	51,014	16	323,541	10	843,643	-	-	26	26.79
	UGA sub-total	86	107.9	23	6	0.5	9	1.2	18	8.6	12	22.5	0	0.0	30	31.1
OVERALL TOTAL	1,502	1245.3	195	56	7.4	57	8.2	117	58.0	55	107.6	2	20.9	174	189.6	

Table Assumes 60% Wetland Figure Explained on page 35 of the Report

	Existing Zoning	Total Number of Parcels in Study	Total Area (Acres)	Number of Vacant Parcels	Number and Square Feet of Vacant Standalone Parcels Between 2,000 S.F. and 10,000 S.F.		Number and Square Feet of Developed Parcels Between 2,000 S.F. and 10,000 S.F.		Number and Square Feet of Parcels Between 10,000 S.F. and 43,560 S.F. (1 ac.)		Number and Square Feet of Parcels Between 43,560 S.F. (1 ac.) and 217,800 S.F. (5 ac)		Number and Square Feet of Parcels 217,800 S.F. (5 ac.) and Greater		SUMMARY: Parcels 10,000 S.F. and Larger with Development Potential	
					Number	SF / Acres	Number	SF / Acres	Number	SF / Acres	Number	SF / Acres	Number	SF / Acres	Number	Acres
CITY	Central Business (C-1)	251	45.8	3	-	-	3	13,554	1	33,117	-	-	-	-	1	0.76
	General Commercial (C-2)	567	504.8	64	25	130,497	16	91,202	29	561,105	9	859,741	2	909,062	40	53.49
	Community Commercial (C-3)	11	14.1	3	1	7,243	1	4,047	3	52,144	-	-	-	-	3	1.20
	Neighborhood Commercial (C-4)	18	15.0	3	1	6,000	5	28,043	4	70,006	-	-	-	-	4	1.61
	Commercial / Limited Industrial (C-L)	245	379.5	47	3	22,685	16	109,903	42	1,025,048	28	2,421,116	-	-	70	79.11
	Hospital District (H-D)	66	27.1	5	5	31,607	-	-	-	-	-	-	-	-	-	-
	Limited Commercial (LC)	1	0.5	0	-	-	-	-	-	-	-	-	-	-	-	-
	Light Manufacturing and Commercial (M-1)	86	39.6	15	7	35,628	5	32,490	6	106,894	-	-	-	-	6	2.45
	Industrial (M-2)	96	77.0	24	9	55,197	2	11,327	8	158,386	3	256,004	-	-	11	9.51
	Professional Office (P-O)	73	32.7	7	1	6,338	1	9,079	5	123,087	1	44,948	-	-	6	3.86
	Residential Office (R-O)	2	1.1	1	-	-	-	-	-	-	-	-	-	-	-	-
Downtown/Waterfront Master Acreage	-	-	-	-	-	-	-	-	-	-	3.2 acres	-	-	-	3.20	
CITY sub-total	1,416	1137.4	172	52	6.8	49	6.9	98	48.9	41	82.2	2	20.9	141	155.2	
UGA	General Commercial (C-2)	10	7.7	5	2	6,973	1	2,359	2	45,106	1	77,200	-	-	3	2.81
	Neighborhood Commercial (C-4)	2	3.2	0	-	-	-	-	-	1	54,963	-	-	1	1.26	
	Commercial / Limited Industrial (C-L)	74	97.1	18	4	12,428	9	58,430	18	385,586	7	554,981	-	-	25	21.59
	UGA sub-total	86	107.9	23	6	0.4	10	1.4	20	9.9	9	15.8	0	0.0	29	25.7
OVERALL TOTAL	1,502	1245.3	195	58	7.2	59	8.3	118	58.8	50	98.0	2	20.9	170	180.9	

Appendix A

Short Plat Residential Summary

APPENDIX A

ROAD RIGHT-OF-WAY AND DETENTION POND PERCENTAGES IN SHORT PLATS ¹

SHORT PLAT APPLICATION NAME	LOCATION SEC/TWP/RGE	SITE AREA	# OF LOTS IN PLAT	DETENTION POND SIZE	% OF SITE TAKEN UP WITH POND
Spiller – LU05-012	16 / 34N / 04E	.42 acres	2	None Required	0%
Broman – LU05-058	20 / 34N / 04E	.79 acres	5	N/A Vault Under Road Constructed	0%
Monte Vista – LU05-076	15 / 34N / 04E	10.28 acres	4	.04 acre	.4%
Woodmansee - LU05-078	22 / 34N / 04E	2 acres	6	None Required	0%
Zylstra – LU05-101	20 / 34N / 04E	.57 acres	4	None Required	0%
B & M – LU05-102	20 / 34N / 04E	.44 acres	2	None Required	0%
Ash – LU06-033	29 / 34N / 04E	.88 acres	2	None Required	0%
Davis/Hansen – LU06-056	15 / 34N / 04E	.65 acres	2	None Required	0%
Hoyt – LU06-082	15 / 34N / 04E	1.66 acres	5	.07 acre	4%
Monte Vista (Eyre) – LU06-084	15 / 34N / 04E	1.28 acres	3	None Required	0%
Murphy – LU07-046	8 / 34N / 04E	5.93 acres	4	None Required	0%
Ash – LU07-049	29 / 34N / 04E	1.34 acres	5	Underground plus .04 acre	3%
Pederson – LU07-051	21 / 34N / 04E	1.44 acres	4	None Required	0%
Wharton – LU07-064	22 / 34N / 04E	.94	3	None Required	0%
Nielsen – LU08-025	20 / 34N / 04E	.29	2	None Required	0%
BYK – LU09-021	20 / 34N / 04E	.37	2	None Required	0%
Skjei – LU09-038	9 / 34N / 04E	9.74	4	None Required	0%
Overall Average:					.44 %

¹ All of the short plats listed are either final, have received preliminary plat approval, or have been reviewed for technical completeness with their density and infrastructure approved in concept.

Appendix B

Long Plat Residential Summary

APPENDIX B

ROAD RIGHT-OF-WAY AND DETENTION POND PERCENTAGES IN STANDARD PLATS (NOT SHORT PLATS)¹

PLAT NAME	LOCATION SECT/TWP/RGE	SITE AREA	# OF LOTS IN PLAT	RIGHT-OF-WAY (ROW)	% OF SITE IN ROW	DETENTION POND SIZE	% OF SITE TAKEN UP WITH POND
Spinnaker Cove Division 2	15 / 34N / 04E	6.47 acres	14	.87 acre	13%	*	*
Gilberts Addition	21 / 34N / 04E	5.29 acres	23	.46 acre	9%	*	*
Kulshan Ridge PUD	17 / 34N / 04E	7.67 acres	33	1.16 acres	15%	.79	10%
Rosewood PUD	9 / 34N / 04E	37.02 acres	248	7.7 acres	21%	1.62	4%
Trumpeter Meadows	16 / 34N / 04E	8.4 acres	34	1.5 acres	18%	.4	5%
Eastgate South	31 / 34N / 04E	7.8 acres	27	1.29 acres	17%	.43	6%
Northwoods Plat	9 / 34N / 04E	9.7 acres	33	1.9 acres	20%	*	*
Big Fir North PUD	28 / 34N / 04E	12.87 acres	48	3.2 acres	25%	.52 acre	4%
Big Fir South PUD	28 / 34N / 04E	9.9 acres	33	1.4 acres	14%	.51 acre	5%
Trumpeter Meadows Phase 2	16 / 34N / 04E	3.9 acres	15	.68 acre	17%	.36	9%
Montreaux PUD	22 / 34N / 04E	33.9 acres	120	3.47 acres	10%	*	*
Iris Meadows TDR Plat	28 / 34N / 04E	12.7 acres	58	2.13 acres	17%	.6	5%

Hanson Heights Plat	21 / 34N / 04E	7.2 acres	18	1.39 acres	19%	*	*
Summerlyn Plat	30 / 34N / 04E	1.66 acres	11	.14 acre	8%	.09	5%
Hillcrest Landing Plat	29 / 34N / 04E	7.56 acres	33	1.09 acres	14%	.20	3%
Cedar Heights West	22 / 34N / 04E	8.2 acres	38	1.17 acres	14%	*	*
Jacosa Lane	16 / 34N / 04E	3.37 acres	19	.75 acre	22%	.15 acre	5%
Pinnacle Resources	09 / 34N / 04E	2.9 acres	12	.45 acre	16%	*	*
Digby Heights TDR Plat	21 / 34N / 04E	32.50 acres	147	4.6 acres	14%	.64 acre	2%
Nordic Landing Phases 1 and 2	16 / 34N / 04E	21.5 acres	73	3.3 acres	15%	.41 acres	2%
Overall Averages:					16 %		5 %

* Drains to combined system, or detention not required, % not accurate representation

† All of the plats listed are either final, have received preliminary plat approval, or have been reviewed for technical completeness with their density and infrastructure approved in concept.

Appendix C

Commercial/Industrial Development Summary

**APPENDIX C
COMMERCIAL/INDUSTRIAL DEVELOPMENTS WITH INFRASTRUCTURE**

BSP Name And Location (Sec/Twp/Rge)	Site Zoning & Entire Site Area	Number of Lots Created	Area of Road R-O-W or Access Easement(s)	% of Site Encumbered by R-O-W	Area of Stormwater Facilities	% of Site Encumbered by Stormwater Facilities
Western Peterbilt BSP L99-0003 32/34N/4E	C-L 21.35 acres	9	1.14 acres	5%	2.35 acres	11%
Anderson Road, LLC PL03-0071 29/34N/4E	C-L 7.5 acres	4	.40 acre	5%	.47 acre	6%
Hilde Commercial Facility 97-0361 29/34N/4E	C-L 24 acres	12	1.27 acres	5%	1.69 acres	7%
Dimensional Communications 32/34N/04E	C-L (rezoned in 2009) 7.65 acres	3	.45 acre	6%	.40 acre (pond plus underground storage)	5%
REO Family Properties LU05-035 34/34N/04E	C-L 24 acres	12	1.11 acres	5%	.79 acre	3%
Smith/Burkland LU06-060 31/34N/04E	C-L 12.8 acres	6	.37 acre	3%	.43 acre	8%
UBSTRD, LLC LU07-039 15/34N/04E	C-4 1.38 acres	2	0 acres	0% (Waugh already built)	.22 acre storm	16%
Peterson LU09-022 31/34N/04E	C-L 6.47	4	.50 acre	8%	.39 acre	6%

WinCo Foods LU09-045 17/34N/04E	C-2 19.8 acres	9	1.4 acres	7%	1.44 acres (using 2005 DOE manual)	7%
Swanson LU09-037 17/34N/04E	C-2 1.46 acres	3	.25 acre	17%	.14	10%
Watson LU09-045 18/34N/04E	C-2 4.25 acres	2	.55 acre	13%	.15 acre	4%
AVERAGES:						
				7%		8%

Appendix D

Commercial/Industrial Lot Size Summary

**APPENDIX D
COMMERCIAL/INDUSTRIAL LOT SIZE SUMMARY**

BSP Name	Site Zoning	Number of Lots Created	Size of Lots Created
M.G. Hollander, etal MV-3-93 18, 34N, 4E	C-2	4	1.5 acres 3.4 acres 2.1 acres 1.9 acres
Alvin R. Aiken MV-2-94 17, 34N, 4E	C-2	2	.23 acre .36 acre
College Way Marketplace MV-1-94 18, 34N, 4E	C-2	14	5.0 acres .40 acre .87 acre .69 acre .77 acre .65 acre 3.9 acres 1.4 acres .74 acre .72 acre 4.3 acres 4.3 acres 4.2 acres 1.0 acre
Dai Sung Enterprise MV-1-99 18, 34N, 4E	C-2	4	1.7 acres .63 acre .52 acre .52 acre
Keith S. Johnson BSP 5-99 17, 34N, 4E	C-2	2	.98 acre 1.2 acres
Olsen College Way Property, LLC MV-3-00 17, 34N, 4E	C-2	2	.84 acre .82 acre
Mount Vernon Elks Lodge MV-4-01 18, 34N, 4E	C-2	3	2.4 acres .86 acre 1.2 acres
Jefferson Land Company, LLC MV-BSP-02-001 17, 34N, 4E	C-2	5	.81 acre 1.43 acres .48 acre .48 acre .48 acre

Scott Wammack MV-01-03BSP 17, 34N, 4E	C-2	2	.57 acre .77 acre
Riverside Business Park – BSP MV-01-01 17, 34N, 4E	C-2	1	.76 acre
BSP MV 1-98 BSP 17, 34N, 4E	C-2	7	.45 acre .40 acre .61 acre .61 acre .61 acre .36 acre .36 acre
Riverside Business Park – BSP MV-01-01 17, 34N, 4E	M-1	2	.84 acre 1.1 acres
Western Peterbilt BSP L99-0003 32, 34N, 4E	C-L	9	1.0 acre 1.0 acre 1.1 acres 1.8 acres 1.0 acre 1.0 acre 1.0 acre 4.5 acres 4.5 acres
Anderson Road LLC PL03-0071 29, 34N, 4E	C-L	4	1.6 acres 1.7 acres 1.3 acres 1.5 acres
Hilde Commercial Facility BSP 97-0361 29, 34N, 4E	C-L	12	.92 .6 1.05 1.24 1.21 1.22 1.26 4.00 1.02 1.84 1.40 5.31
TOTALS:		73	105.29 acres
AVERAGES:			1.44 acres

Appendix E

Comparison of Suspected and Delineated Wetlands Summary

APPENDIX E
COMPARISON OF SUSPECTED & DELINEATED WETLANDS SUMMARY

Plat or Development Name	Gross Site Area	Number of Building Lots Created	Area of Delineated Wetlands	% of Site Encumbered by Wetlands	% of Site Shown Encumbered by Wetlands on the City Indicator Map	Difference between Actual Delineated Wetlands and What is Identified on City Indicator Map
Rosewood P.U.D. 9, 34N, 4E	37.02 acres	152	4.9 acres	13%	100%	87% (↑ = more on indicator map than actually delineated)
Plat of Gilbert's Addition 21, 34N, 4E	5.3 acres	23	.63 acres (includes buffer)	12%	36%	24% ↑
Trumpeter Meadows 16, 34N, 4E	8.4 acres	34	.4 acres (includes buffer)	5%	80%	75% ↑
Trumpeter Meadows, Phase II 16, 34N, 4E	3.9 acres	15	.02	1%	84%	83% ↑
Eastgate South 21, 34N, 4E	7.8 acres	27	.38 acres	5%	97%	92% ↑
Spinnaker Cove, Div. 1 15, 34N, 4E	1.66 acres	7	0 acres	0%	100%	100% ↑
Spinnaker Cove, Div. 2 15, 34N, 4E	6.47 acres	14	2.2 acres (includes buffer)	34%	94%	60%
Highland Greens 9, 34N, 4E	52.04 acres	262	.4 acre	1 %	74%	73% ↑
Kulshan Ridge P.U.D. 17, 34N, 4E	7.67 acres	33	1.18 acres	15%	100%	85% ↑

Security Investors Short Plat 9, 34N, 4E	2.09	2	0 acres	0%	76%	76% ↑
Plat of Northwoods 9, 34N, 4E	9.70 acres	33	0 acres	0%	77%	80% ↑
Big Fir P.U.D. 28, 34N, 4E	12.87 acres	52	.24 acre	2%	0%	2% (more on-site than shown on City indicator map)
Olsen College Way Property, LLC 17, 34N, 4E	1.66 acres	2	.01 acre	1%	45%	44% ↑
Keith S. Johnson BSP 17, 34N, 4E	2.17 acres	2	.19 acre	9%	30%	31% ↑
College Way Pump Station Site 15, 34N, 4E	.37 acre	N/A	0 acres	0%	88%	100% ↑
Short Plat PL01-0915 23, 34N, 4E	9.53 acres	2	1.97	21%	73%	46% ↑
Big Fir South PUD 28, 34N, 04E	9.9	33	.08 acres	0%	16%	16% ↑
Iris Meadows TDR Plat 28, 34N, 04E	12.7	58	.19 acres	1%	48%	47% ↑
Hanson Heights Plat 21, 34N, 04E	7.2	18	1.20 acres	17%	86%	69% ↑
Hillcrest Landing Plat 29, 34N, 04E	7.56	33	.20 acres (includes buffer)	3%	50%	47% ↑
Cedar Heights PUD (Phases I and II)	78.3	374	2.69	3%	23%	20% ↑
Digby Heights 21, 34N, 04E	32.5	147	1.05 acres (includes buffer)	3%	5%	2% ↑
Nordic Landing, Phases 1 and 2 16, 34N, 04E	22.9	75	.05 acres	0%	91%	91% ↑

WalMart 18, 34N, 04E	30 acres	3	0 acres	0%	52%	52% ↑
B & T Short Plat 32,34N,04E	6.34 acres	5	.02 acres	0%	16%	16% ↑
Smith/Burkland 31,34N,04E	12.8 acres	6	.15 acres	1%	22%	21% ↑
White Annexation Area 18, 34N, 04E	26 acres	N/A	0 acres	0%	48%	48% ↑
Woodmansee Swan View 9, 34N, 04E	29.2 acres	98	1.1 acres	4%	62%	58% ↑
Watson 18,34N,04E	4.25 acres	3	0 acres	0%	89%	89% ↑
South Mount Vernon Business Park 30, 34N, 04E	11.75 acres	12	0 acres	0%	66%	66% ↑
Northwest Eye Clinic 17, 34N, 04E	2.63 acres	Commercial Development	.05 acres	2%	47%	45% ↑
Sigmar Lane Development for Skagit Council of Housing 16, 34N, 04E	5.93 acres	Multi-Family Development	.02 acres	0%	27%	27% ↑
Ellis La Venture Property (P26686) 20, 34N, 04E	1.75 acres	Commercial Development	.29 acre	17%	98%	81% ↑
Charlie Ash Short Plat 29, 34N, 04E	1.33	5	0	0%	65%	65% ↑

Kulshan Landing Short Plat 17, 34N, 04E	2.24 acres	9	.16 acre	7%	69%	62% ↑
Echo Six, LLC 18, 34N, 04E	3.74	Commercial Development	0	0%	70%	70% ↑
TOTALS:	477.67 acres		19.77 acres			
AVERAGES:				5%	61%	59% (when more wetlands indicated on a site from resource map)

Appendix F

*E.D. Hovee Report, “City of Mount Vernon Commercial
& Industrial Land Needs Analysis”*

CITY OF MOUNT VERNON COMMERCIAL & INDUSTRIAL LAND NEEDS ANALYSIS

**Prepared for:
City of Mount Vernon**

September 2006

**E. D. Hovee
& Company, LLC**

Economic and Development Services



**City of Mount Vernon
Commercial & Industrial
Land Needs Analysis**

Final Draft

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September 2006

EXECUTIVE SUMMARY

This report provides an updated policy forecast for employment and associated commercial and industrial land needs for the Mount Vernon UGA through 2025. What follows are principal observations and findings detailed in the body of the report.¹

Employment Trends. Between 1995 and 2005, Mount Vernon area employment increased at an average rate of 1.8% annually to total just over 17,000 jobs as of 2005. The UGA's annual job growth rate was below that of Skagit County and the adjacent City of Burlington, which has rapidly increased its commercial jobs base and has captured an increasing share of employment growth within the three nearby UGAs of Mount Vernon, Burlington and Sedro-Woolley. Mount Vernon's employment base is bolstered by the government sector, which comprised roughly one quarter of the City's employment total as of 2005, well above the County average for government employment.

2025 Jobs Forecast. The Mount Vernon *employment policy forecast* provided with this analysis anticipates an increased growth rate to 2025. This policy forecast is based both upon observed trends and target goals for improving the City's jobs/housing balance and in particular its share of commercial employment. These goals reflect the policies and objectives of the City's Comprehensive Plan. The forecast is comprised of three primary elements:

1. Trending commercial and government growth according to the average annual job growth realized over the past ten years;
2. Assuming a midline rate of increase in the manufacturing sector, rather than a continued decline as Mount Vernon experienced between 1995 and 2005; and
3. Then increasing total projected employment so that government jobs represent 21% of the total (the County average) rather than the 25% share it would represent if observed trends were carried forward without adjustment. The resulting increase in total Mount Vernon UGA jobs is assigned to the commercial sector. These adjustments represent policy decisions to target a healthy jobs/housing balance and diversify Mount Vernon's employment base to capture increased commercial employment – key to providing revenue for city services – and decreases reliance on the government employment that has historically bolstered the City's employment base.

Total employment of 31,388 is projected for 2025, an increase of 14,344 jobs over 2005 employment. This job increase is then translated into land demand.

2025 Land Demand. Assumptions that influence the land demand analysis include:

- Employment density by job sector to translate jobs into net land demand;
- 2005 vacant land supply (which is subtracted from 2025 projected land demand); and
- Adjustment of net land demand into gross land demand, including factors such as environmental constraints, infrastructure requirements, land in holding (not made

available for development) and a market factor (ensuring diversity of supply and competitive pricing).

The 2005 available land supply figures are available via the recently completed Mount Vernon 2005 Buildable Lands Analysis, which is attached to this report as Appendix A. For this analysis, only parcels greater than one acre were included as being potentially suitable for industrial development, and only parcels greater than one-quarter acre for commercial development. While market trends strongly favor larger parcel sizes – and new land brought into the UGA is recommended to primarily include larger parcels – smaller parcels within the existing inventory can meet the demand for smaller infill sites that may arise over the next 20 years. In addition, Map 2 identifies parcels within the existing inventory that could be aggregated to create larger parcels, although these aggregations should be considered less ‘market ready’ than single-parcel large lots. The provision of ample, large-size commercial parcels in adjacent jurisdictions (e.g. Burlington) has successfully led to a significant increase in commercial jobs.

The 2005 Buildable Lands Analysis reports a total of 361 net acres currently available within the Mount Vernon UGA within the parcel size range this report considers to be viable for development. This consists of 27 industrial and 334 commercially designated acres. No land zoned for public uses was identified as available. All land within the existing inventory – including those parcels below the size threshold this analysis considers viable – are illustrated in Map 1.

When translated into land demand, projected Mount Vernon UGA job growth by 2025 calls for a total of 827 net acres. Subtracting 2005 net land supply results in an unmet need for 466 net acres by 2025. Adjusted for the factors listed above – and detailed within the report – this unmet demand for net acres translates into an unmet demand for **809 gross acres**. More than half of this demand – 450 gross acres – is for commercially zoned property. Commercially zoned land is expected to accommodate both commercial employment and a portion of government employment (the non school-related portion of government employment, estimated at 60%). To accommodate industrial job growth, an estimated additional 359 gross acres will be needed by 2025.

Existing & Recommended Parcel Size. The Buildable Lands Analysis illustrates that for both industrial and commercial parcels, Mount Vernon’s inventory is slanted towards small parcel sizes.

- For commercial lots considered within this report – which excluded the smallest of lots, under one-quarter acre – 26% average one-half acre in size and another 40% average two acres.
- This report did not consider industrial lots below one acre. Above this size cut-off, 72% of industrial lots average just over two acres in size.

It is recommended that the size distribution for new parcels brought into the UGA focus heavily on larger lots for both commercial and industrial uses to accommodate current market trends – e.g. half of all retail development in 2005 nationwide was classified as either big box or regional

mall – and to encourage the significant development necessary to impact Mount Vernon’s commercial job capture and jobs housing balance. For commercial uses, this recommendation means 93% of newly assigned parcels should be larger than 10 acres; for industrial use, it is recommended that 62% of parcels are in the 5-10 acre range and 21% are larger than 10 acres. Mount Vernon’s existing inventory can accommodate demand for smaller in-fill sites; larger sites are needed to compliment this inventory and significantly impact growth in both jobs and local tax revenue.

The City completed an analysis of sites that can be aggregated to create larger parcels; this is attached with Map B. Nine parcel aggregations were identified that range from around five to 25 net acres, made up of up to five ownerships. The extent of property owner or developer interest in pursuing these aggregations – so that the UGA’s existing land supply better matches the market’s interest in large sites – is yet unknown.

Mount Vernon Land Allocation History. Mount Vernon’s UGA has not been amended since its initial adoption in 1996. Planning processes since 1996 have allocated additional commercial and industrial acreage to the City, but these allocations have not been mapped by the city.

- Between 2000 and 2006, two processes have called for an increase in Mount Vernon’s UGA of 188 (net) acres; these acres were never assigned. These allocations account for market factor but not critical areas or public infrastructure. Translated to gross land area according to the methodology advocated in this study – with appropriate adjustments for holding factor, environmental constraints and infrastructure – the 188 acres previously allocated equate to 279 acres of *gross* acreage required.
- The original 1996 UGA estimate describes 1,260 acres in commercial and industrial zoning (both developed and vacant). The 2005 Buildable Lands Analysis concludes that 1,218 acres are in commercial and industrial zoning, a difference of 43 acres. Together, these discrepancies call for an increase of 322 additional gross acres of commercial and industrial zoned land within Mount Vernon’s UGA (279 acres + 43 acres = 322 acres).

While this report diverges from the methodology of previous county-wide employment forecasts, its results are consistent with this previous work. The percent of county *employment* capture this report recommends (48%) is only slightly higher than the percent of County *population* capture allocated to Mount Vernon through the 2003 Population & Employment Allocation process (42%). The 2003 Population & Employment Allocation, by Berryman & Henigar, Inc. in association with Michael J. McCormick, is attached as Appendix B. The discrepancy in employment versus population capture is justified by Mount Vernon’s need to compensate for past population growth that has outpaced employment growth, eroding its jobs/housing balance and ability to support services for its growing residential base.

This current report represents a fresh look at both supply and demand based on 2005 employment, 2025 employment projections and 2005 land supply via a city-specific analysis. As such, previously allocated acres should not be construed as being *in addition* to the demand for additional acres documented with this updated analysis.

However, Mount Vernon's history of past demonstrated need without any corresponding actual land assignment does provide an important context to understanding the challenge the City has faced in providing the job base needed for local economic vitality. Of particular importance has been the inability to provide land zoned for employment uses in parcels large enough both to meet market demand and to sufficiently increase the community's commercial jobs share. The result has been inadequate growth of jobs and services to support Mount Vernon's rapidly growing residential population.

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I. INTRODUCTION

This report provides an updated policy forecast for employment and associated commercial and industrial land needs for the Mount Vernon Urban Growth Area (UGA) through 2025. This analysis is based on land supply as of 2005 and employment growth projected over the period between 2005 and 2025. It constitutes a fresh approach to the question of Mount Vernon's current and future land needs, and a divergence from the employment allocation approach Skagit County has pursued in the past.

The policy employment forecast this report recommends incorporates both observed growth trends and policy targets to increase the UGA's commercial job capture and its jobs/housing balance. To achieve these important policy goals, Mount Vernon must provide sufficient land both to accelerate its recent job growth rate and to accommodate the market's interest in large parcels (10+ acres at a minimum).

Terminology. Key terms used in this report include the following:

- *Employment Land* – refers to land zoned for both industrial and commercial uses. Less detailed analysis is provided for the forms of public sector employment (such as schools) that typically do not require location on industrially- and commercially-zoned property.
- *Net Acres* – Acreage required to accommodate employment growth, not adjusted to reflect factors that decrease the amount of land actually available for development. Net acres can be thought of as describing a platted landscape in which roads and environmental constraints have been removed from consideration, and all that remains are subdivided, buildable sites. It also does not account for market and holding factors, both of which are adjustment factors intended to better match supply to market demand.
- *Gross Acres* – Acreage required to accommodate employment growth adjusted for factors that decrease the amount of undeveloped land actually available for development. Factors considered in this report include infrastructure, environmental constraints and holding and market factors. Gross acres can be thought of as describing a scenario in which undeveloped land – without roads or other improvements – is first brought into urban usage.
- *Urban Growth Area (UGA)* – defined for purposes of this analysis to include land within the existing city limits *plus* the unincorporated portion of an urban growth area.

Employment Policy Forecast Relation to Population Projection. Mount Vernon's role as a growth center was highlighted through the latest round of population allocations that the City adopted as part of their state mandated 2005 Comprehensive Plan update.

Mount Vernon's population projections derive from a countywide population projection of 149,080; this is 2% below the midpoint of the Office of Financial Management's (OFM) 2025 low and medium forecasts. The County, Cities and Technical Advisory Committee agreed to this countywide population projection after considering a variety of allocation methodologies. This countywide total was then allocated to UGAs as outlined within the *Skagit County Population &*

Employment Allocation Final Report, December 2003, which is attached to this report as Appendix B.

Through the population allocation process, the City of Mount Vernon was allocated 19,568 people, representing a 69% increase in its UGA’s population between 2005 and 2025. This projected growth rate was exceeded only for the Bayview UGA (which is projected to increase its population by 229%, from 1,700 to 5,600). The population base of Sedro-Woolley and Burlington were projected to grow by 45% and 37% respectively. A comparison of projected population growth rates for Skagit County UGAs is provided below.

Figure 1. 2005 – 2025 Population Allocations for Skagit County UGAs

Jurisdiction	2000 Population	2025 Allocation	Net Increase	% Increase from 2000 Population	Increase as % of	
					County Total Increase	Urban Total Increase
Bayview	1,700	5,600	3,900	229%	8%	11%
Mount Vernon	28,332	47,900	19,568	69%	42%	53%
Hamilton	309	450	141	46%	0%	0%
Sedro-Wooley	10,358	15,000	4,642	45%	10%	13%
Concrete	960	1,350	390	41%	1%	1%
Burlington	8,728	12,000	3,272	37%	7%	9%
Swinomish	2,664	3,650	986	37%	2%	3%
Lyman	409	550	141	34%	0%	0%
Anacortes	14,647	18,300	3,653	25%	8%	10%
LaConner	761	950	189	25%	0%	1%
Total Urban	68,868	105,750	36,882	54%	80%	100%
Total Rural	34,110	43,330	9,220	27%	20%	-
Total County	102,978	149,080	46,102	45%	100%	-

Source: City of Mount Vernon 2005 Comprehensive Plan Update, Land Use Element.

Mount Vernon is projected to capture 42% of the county’s total population growth between 2005 and 2025; 53% of the growth within UGAs. Increasing local jobs and particularly commercial employment is key to the city’s ability to support this population growth.

Additional information with regard to the population allocation that the City of Mount Vernon received through the 2005 update to its Comprehensive Plan and how that allocation compares to other cities within Skagit County can be found within the City’s Land Use Element of the Comprehensive Plan which is attached and labeled as Appendix C.

The remainder of this report is organized as follows:

- Employment Trends
- 2025 Jobs Forecast
- 2025 Land Demand & Supply
- Existing and Recommended Parcel Size
- Mount Vernon Land Allocation History

II. EMPLOYMENT TRENDS

As of 2005 there were approximately 17,044 jobs within the Mount Vernon UGA. This equates to an average annual growth rate of 1.8% over the past 10 years, slightly above the state’s average growth of 1.6% but below Skagit County’s average annual growth of 2.5% and Burlington’s rate of 3.0%.

Figure 2. Mount Vernon UGA Vicinity Employment Trends

	Total Jobs			Total
	Commercial	Industrial	Government	
1995	6,399	4,890	3,033	14,322
2000	9,133	4,174	3,419	16,726
2005	9,162	3,651	4,231	17,044

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Employment data for Mount Vernon has been obtained from the Washington Employment Security Department (WES) via a special data run according to three generalized jobs categories that reflect the aggregation of numerous more detail employment sectors. For data from 2000 and 2005, these aggregations are based on the North American Industrial Classification System (NAICS) as follows:

Broad Industrial Aggregation:

- *Agriculture:* Agriculture, forestry, fishing & hunting.
- *Construction & Resources:* Construction; Mining.
- *Manufacturing:* Manufacturing.
- *WTU:* Wholesale Trade; Transportation & warehousing; Utilities.

Broad Commercial Aggregation:

- *Retail trade:* Retail Trade.
- *FIRE:* Finance and insurance; Real estate and rental and leasing.
- *Services:* Information, Professional, scientific and technical services; Management of companies and enterprises; Administrative and support and waste management and remediation services; Health care and social assistance; Art, entertainment and recreation; Accommodation and food services; Education; and Other services.

Broad Government Aggregation:

- *Government:* Local, state and federal employment. Includes public school employment.

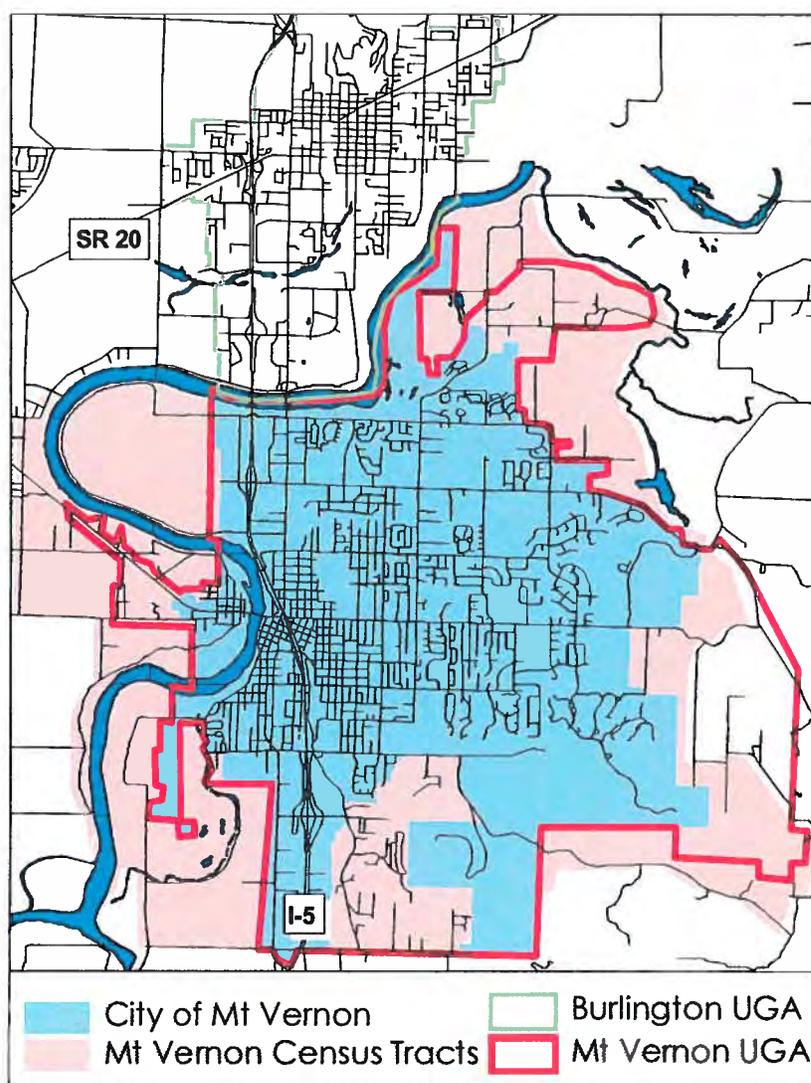
Data from 1995 is based upon the Standard Industrial Classification (SIC) system – replaced by NAICS since about 2000. Comparing data from these two classification systems at any level of aggregation introduces some unknown level of error. However, at this highly aggregated level

the margin of error is considered to be fairly minimal, and this approach provides the only readily available means to compare employment trends pre-2000 to current conditions.

Also noted is that employment data does not correspond to UGA boundaries exactly, but to census tracts that generally approximate UGA boundaries. Census tracts were the best available geography for which WES could provide data.

The following map illustrates the relationship between the census tract geography upon which employment numbers are based and the actual UGA. Given Skagit County's predominately rural nature outside of designated UGAs, it is expected that the impact of this geographic discrepancy on employment allocation is relatively minor.

Figure 3. Map of Employment Geography



Note: Available water coverage (e.g. the Skagit River) is incomplete but is included for reference.

Source: City of Mount Vernon, Skagit County GIS, E.D. Hovee & Company, LLC.

The next charts compare Mount Vernon jobs with adjacent UGAs to illustrate how Mount Vernon's share of the area's jobs base has shifted.

Mount Vernon's employment base has been strongly influenced by its status as the county seat and the county jobs that this designation brings to the City. Government sector jobs comprised 25% of total Mount Vernon UGA jobs in 2005 (Figure 4), as opposed to 21% for the County as a whole. Burlington's government jobs base, in comparison, is only 9%. Sedro-Woolley also reports a relatively high representation of government sector jobs at 33% of its employment total.

From 1995-2005, government increased from 21% to 25% of Mount Vernon's employment. The commercial share of total jobs also increased, while the industrial job share declined.

Figure 4. Adjacent UGA Trends

Year	Burlington UGA Vicinity			Sedro-Woolley UGA Vicinity			Three UGAs					
	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
1995	3,575	3,088	522	7,185	1,533	1,193	720	3,446	11,507	9,171	4,275	24,953
2000	4,528	2,261	702	7,492	1,717	1,154	794	3,665	15,379	7,590	4,915	27,883
2005	6,392	2,451	853	9,696	1,505	1,108	1,312	3,925	17,059	7,210	6,396	30,665

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Figure 5. Sectoral Distribution within UGAs

Year	Mount Vernon UGA Vicinity			Burlington UGA Vicinity			Sedro-Woolley UGA Vicinity					
	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
1995	45%	34%	21%	100%	50%	43%	7%	100%	44%	35%	21%	100%
2000	55%	25%	20%	100%	60%	30%	9%	100%	47%	31%	22%	100%
2005	54%	21%	25%	100%	66%	25%	9%	100%	38%	28%	33%	100%

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Figure 6. Share of Three UGA Employment by UGA

Year	Mount Vernon UGA Vicinity			Burlington UGA Vicinity			Sedro-Woolley UGA Vicinity					
	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
1995	56%	53%	71%	57%	31%	34%	12%	29%	13%	13%	17%	14%
2000	59%	55%	70%	60%	29%	30%	14%	27%	11%	15%	16%	13%
2005	54%	51%	66%	56%	37%	34%	13%	32%	9%	15%	21%	13%

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Mount Vernon’s share of the three UGAs employment total declined very slightly between 1995 and 2005, from 57% to 56%. While Mount Vernon represented 58% of the three UGAs’ job base in 1995, it captured only 48% of the UGAs’ job growth over the following 10 years.

In contrast, Burlington’s share of total three UGA employment increased from 29% to 32%. Burlington represented 28% of the job base in 1995 but captured 44% of the UGAs’ jobs growth over the next ten years. Much of this capture occurred as a result of substantial Burlington area commercial development.

Overall job growth rates tell the same story: Burlington grew at a faster rate than adjacent UGAs and added an average of 251 jobs per year, close to Mount Vernon’s average growth of 272 jobs per year despite its smaller base.

Figure 7. Employment Trends (1995 – 2005)

UGA Vicinity	Average Annual Growth Rate				Average Annual Increase			
	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
Mount Vernon	3.7%	-2.9%	3.4%	1.8%	276	-124	120	272
Sedro-Woolley	-0.2%	-0.7%	6.2%	1.3%	-3	-9	59	48
Burlington	6.0%	-2.3%	5.0%	3.0%	282	-64	33	251
Three UGAs	4.0%	-2.4%	4.1%	2.1%	555	-196	212	571

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

These trends provide a context for developing a jobs forecast for the Mount Vernon UGA that reflects both market trends and appropriate local public policy objectives.

III. 2025 JOBS FORECAST

The forecasting process involves review of alternative methodologies – including trend forecasting and an alternative recommended trend plus policy approach.

Trend Forecasts. Two basic approaches to projecting job growth from observed trends have been utilized for this analysis, as illustrated below. The *straightline* approach continues to add the average number of jobs that were added each year between 1995 and 2005; in contrast, extrapolating an average *annual growth rate* (AAGR) projects compounding growth and often results in a higher future jobs figure.

Figure 8. Employment Trends Extrapolated to 2025

Trend Extrapolation Method	Comm	Indust	Govmnt	Total	Basis
Avg. Annual Growth Rate (AAGR)	18,782	2,035	8,233	29,050	Compounded annual growth rate of 1.8% on 2005 base.
<i>Distribution</i>	65%	7%	28%	100%	
Straightline (Constant increase)	14,688	1,172	6,627	22,487	Annual increase of 272 (total jobs) on 2005 base.
<i>Distribution</i>	65%	5%	29%	100%	

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Neither of these approaches is recommended without adjustment. One disadvantage of both approaches is that they carry forward the significant reduction in manufacturing jobs that Mount Vernon has realized over the past ten years. Both forecasts also continue to increase the dominance of the government sector within Mount Vernon’s jobs mix.

Trend & Policy Approach. The recommended forecast for the Mount Vernon UGA combines observed employment trends with the policy objectives of increasing commercial sector jobs and maintaining the UGA’s jobs-housing ratio. These policy objectives are intended to better serve adopted goals, policies, and objectives of the City’s Comprehensive Plan.

Figure 9. Recommended Mount Vernon UGA Jobs Forecast, 2025

Steps in Forecast Generation	Commercial	Industrial	Government	Total
Project each sector to 2025 based on trend review				
1. Straight line commercial & government sectors	14,688	–	6,627	–
2. Increase industrial by 1.8% annually		5,170		
<i>Employment Totals</i>	14,688	5,170	6,627	26,485
<i>Sectoral distribution</i>	55%	20%	25%	100%
Set government job share equal to countywide share – overall increase allocated to commercial				
3. 2025 Policy Projection	19,591	5,170	6,627	31,388
<i>Increase from step 2</i>	4,903	-	-	4,903
<i>New sectoral distribution</i>	62%	16%	21%	100%
Change from 2005				
Job Increase	10,429	1,519	2,396	14,344
Percent Change	114%	42%	57%	84%
Avg. Annual Growth Rate	3.7%	1.7%	2.2%	3.0%

Job: Housing Balance	Jobs		Observed	Goal
	Year	Estimated Households		
	2000	10,019	1.67	Observed
	2025	17,416	1.80	Goal

Note: Year 2000 Households in Mount Vernon UGA is estimate based on 2000 household size for city and 2000 population reported in *Skagit County Population & Employment Allocation Final Report, December 2003*.

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

As illustrated by the chart above, key steps involved in creating the *Recommended Forecast* are as follows. Numbered paragraphs correspond to numbers in the chart above.

1. A job forecast for each of the three primary job sectors (commercial, industrial and government) was calculated independently. *An initial trend extrapolation through 2025* was applied to the commercial and government sectors independently using a straight line approach, or constant annual increase. This means that for these two job sectors, annual job increase between 2006 and 2025 was assumed to be equal to the job increase (number of new jobs per year) observed between 1995 and 2005.
2. *Rather than projecting a continuing downward trend for industrial jobs, the 2005 industrial job base was increased by the annual average total job growth for Mount Vernon, 1995 – 2005 (1.8%)*. This reflects a policy commitment to maintain and grow the city’s industrial jobs base and to maintain a strong source of higher paying jobs. This commitment is reflected in the Economic Development Element of the City of Mount Vernon’s 2005 Comprehensive Plan Update, which is attached as Appendix D:
 - Objective ED 1.3 Sustain and expand the current industrial and manufacturing employment base.

- Policy ED 1.1.3 Increase the diversity of employment opportunities within the City.

The end result of these two steps is a total 2025 jobs figure of 26,485. However, the total jobs figure generated by this approach results in a jobs-housing balance of 1.52 in 2025, a decline from the estimated 2000 level of 1.67.² A declining jobs-housing balance indicates that households are growing more rapidly than jobs, leading to increased out-commuting, regional traffic congestion and decreased revenue to support the public services the City provides. City policy calls for a healthy jobs housing balance; the Land Use Element of the City of Mount Vernon’s Comprehensive Plan (found in Appendix C) includes the following language:

- Objective LU-25.1 Balance residential, commercial, industrial and public land uses within the City.
- Policy LU-25.1.3 Provide adequate capacity for the City’s projected residential growth and provide enough commercial/industrial areas within the City to balance residential growth.

3. *Finally a policy-based adjustment was made to improve both the UGA’s target jobs-housing balance and its representation of commercial jobs in 2025 – as both variables are important to the City’s economic well-being and ability to fund public services. While industrial jobs are important for wage stability, commercial (particularly retail sector) activity has become of increased importance for local government revenues due to statewide voter-approved property tax limitations. Mount Vernon has been negatively affected by the gravitation of commercial development to Burlington. This is due in large measure to lack of suitable development sites in Mount Vernon. Policies within the City’s Economic Development Element of the Comprehensive Plan (found in Appendix D) seeking to rectify this situation include:*

- Policy ED 1.2.1 Encourage retail business that increases the sales tax base of the City.
- Policy ED 1.2.4 Promote regional office and commercial enterprises in core areas of the City.

The recommended 2025 forecast targets strong commercial job growth to increase job opportunities and services available to city residents, and businesses that will provide sales tax revenue critical to fund local public services. Commercial employment also includes office-related professional, business, and health services – which can be expected to increase as local and county-wide population growth provides more of a *critical mass* necessary to support such services.

Total jobs projected (26,485) was adjusted upwards so that by 2025 government sector jobs would approximate 21% of the new total, as opposed to the 25% this sector would otherwise be anticipated to represent. This adjustment calls for a more balanced economy, and one that provides greater revenue to support local services.

This adjustment increased total Mount Vernon employment in 2025 by 4,900 jobs, to a new total of 31,388. These additional jobs were allocated to the commercial sector, bringing that sector’s share of total 2025 jobs to 62%. The recommended 62%

commercial sector share is well above the original 52% share projected for the commercial sector, but still below Burlington's commercial share of 66% in 2005.

The end result is a projected average annual growth rate for Mount Vernon commercial jobs of 3.7%, equal to that sector's growth rate between 1995 and 2005. The industrial and government sectors, in contrast, are slated to diverge from historic average annual growth rates (industrial is projected to grow more rapidly, government less rapidly).

The resulting jobs/housing balance in 2025 is 1.80, representing a modest but important increase from the city's estimated 2005 level of 1.67. A strong jobs-housing balance should be expected given the countywide employment draw that government jobs represent, due to Mount Vernon's role as the largest incorporated city and service center for all of Skagit County, and due to the population allocation that the city accepted as part of the 2005 update to its Comprehensive Plan as discussed in the Introduction portion of this report.

Job growth anticipated by 2025 pursuant to this recommended forecast methodology is 14,344, which brings the UGA's 2025 employment total to 31,388. Employment growth is comprised primarily of commercial sector jobs (10,429), followed by government sector jobs (2,396) and industrial jobs (1,519).

The next step of this analysis translates projected new job growth into additional land demand by 2025.

IV. 2025 LAND DEMAND & SUPPLY

This section of the analysis converts projected employment growth to demand for commercial and industrial land. This demand is then compared to existing supply based on the existing 2005 Buildable Lands Analysis (found in Appendix A). Key assumptions in the conversion of land to employment, and net acres to gross acres, are outlined below.

Net Land Need. The 2025 land demand table translates jobs into land by combining the job forecast with assumptions about the density of future development. Existing land supply is subtracted from future land needs to determine the *net need* for additional UGA commercial and industry acreage by 2025. This initial calculation of land demand is then adjusted to reflect land constraints and other adjustments (outlined below), resulting in an estimate of *gross land demand*.

Employment Density. The density assumptions this report employs were developed as urban density standards for the 1995 Overall Economic Development Plan for Skagit County completed by E.D. Hovee & Company; which is attached as Appendix E. These assumptions are also reflected in the *2003 Updated Skagit County Employment & Land Demand Forecasts* memo, November 21, 2003; which is also attached as Appendix F.

Environmental Constraints. This report employs assumptions about average percent of land impacted by environmental constraints based upon City of Mount Vernon observed experience in recent citywide development. In its 2005 Buildable Lands Analysis report (found in Appendix A), the City provides a summary of recent single family and multi-family subdivisions and commercial and industrial parcel development. Average percent of land impacted by environmental constraints – including wetlands, streams and buffers – ranged from 10% to 17%. Using this city specific data, this report employs the weighted average of 13%.

Infrastructure. The infrastructure adjustment is also based on observed local experience. Data is available for recent residential subdivisions and commercial and industrial developments; infrastructure allotments ranged from 13% to 23% (again, included in the 2005 Buildable Lands Analysis appendices). This report employs the weighted average of 20%.

Market Factor. This adjustment reflects the fact that even within the pool of properties offered for sale or lease, not all will be equally suited to the needs of businesses looking to site or expand in the area. A market factor provides a cushion to the supply of available land to better assure that prospective users and land owners will find a match and that land pricing competitive with alternative sites regionally and beyond can be maintained.

The importance of providing both adequate holding/market factors and an inventory with a substantial representation of large, well-located sites is illustrated by Burlington's successful capture of large scale commercial development in recent years – just to the north of Mount Vernon. A factor of 25% is employed for both commercial and industrially zoned land – well within the bounds of what has been used by other Washington Counties. (For instance, Clark, Lewis, Kitsap and Mason Counties have all applied a 50% market factor to industrial lands.)

Holding Factor. This adjustment factor reflects the likelihood that a certain portion of landowners whose land is included in a UGA expansion will be uninterested in developing their land in accordance with new zoning. A factor for land in holding is recommended for Mount Vernon in part because the UGA's land supply analysis includes both vacant lots and portions of larger lots on which some development already exists. According to the 2005 Buildable Lands Analysis, 46% of all vacant land within the parcel size range this report considers is located within a remainder parcel, or a parcel on which there is existing development. Development of remainder lots requires either expansion of an existing business located on that lot, development of space for lease by the existing land owner or subdivision and sale of the undeveloped portion of the lot.

Application of a holding factor to the UGA's commercial and industrial land supply accounts for the fact that a portion of landowners will likely not be interested in developing or subdividing their lots due to factors such as an owner holding land for future (long-term) business expansion, lack of market appeal for the site, or simply lack of interest in the development opportunity. In the 2005 Mount Vernon Buildable Lands Report a similar adjustment factor was employed for residential land – of the developed properties that could be subdivided, it was assumed that 30% of property owners would not chose to do so. The Municipal Research and Services Center of Washington provided the City with examples of other jurisdictions that had utilized a similar factor to account for a property owner's unwillingness to develop his property even if zoning allows for further development.

The potential discrepancy between zoning vacant land for development and development interest on the part of landowners also exists for lots that are vacant in their entirety. This discrepancy is difficult to quantify and little empirical research has been done on the topic. This analysis employs a holding factor of 15% applied to all land as a conservative estimate to account for the fact that a portion of the land within the vacant land supply will not actually be offered for sale/development on the market.

The combined effects of these factors are illustrated by the calculations provided with Figure 10 on the following page.

Figure 10. 2025 Mount Vernon Commercial & Industrial Land Demand

	Industrial	Commercial	Government	Total Non-Industrial*	Notes
Assumptions					
Employees/net acre	6.5	20	20		Based on assumptions for urban densities in the Skagit countywide 2003 land need forecast
Land adjustments (net to gross)					
Environmental constraints	13%	13%	13%		Weighted average of documented Mount Vernon developments (Buildable Lands Analysis appendices)
Infrastructure	20%	20%	20%		Weighted average of documented Mount Vernon developments (Buildable Lands Analysis appendices)
Market factor	25%	25%	25%		To account for varying market preferences & user requirements
Land in holding	15%	15%	15%		To account for land not offered for sale
Land Demand by 2025					
Job growth by 2025	1,519	10,429	1,438	11,866	Based on 2025 employment projection. 40% of government increase excluded to approximate for school employment
Net acres needed by 2025	234	521	72	593	Total job growth divided by employees/net acre
2005 net acres supply	27	334	-	334	Existing supply is reported in net acres (2005 Buildable Lands Analysis)
Difference: net acres	207	187	72	259	Net acres needed by 2025 minus 2005 net acre supply
Adjustments to Land Demand by 2025: Net to Gross					
Environmental constraints	234	212	81	293	Adjustment to net acre demand by 2025
Infrastructure	282	255	98	353	Adjustment to net acre demand by 2025
Market factor	352	319	122	442	Adjustment to net acre demand by 2025
Land in holding	405	367	141	508	Adjustment to net acre demand by 2025
Difference: gross acres	359	325	125	450	UGA expansions will be determined in gross acreage

Total acres needed **809**

*Note: Total non-industrial is the sum of the commercial and government columns.

Source: E.D. Hovee & Company, LLC; City of Mount Vernon 2005 Buildable Lands Analysis; *Historic Commercial & Industrial Land Allocation*, EDH memo February 22, 2005.

Future employment growth (and the land it requires) will in part be accommodated by land available for development as of 2005. The 2005 Buildable Lands Analysis indicates that a total of 361 acres are currently available in lots within a potentially usable size range (27 industrial acres in parcels greater than one acre; 334 commercial acres in parcels greater than one-quarter acre). While new development interest is expected to focus on much larger size lots – based on broker and economic development council (EDASC) input as described in the following section – smaller existing lots have been included in the inventory of viable sites as they will accommodate (likely more limited) interest in smaller, infill sites. No available vacant land was identified in the report as being currently available for public (government sector) uses.

In summary, this analysis indicates need for an additional 809 gross acres of commercial and industrially designated land. Net land demand was translated into gross land demand through the adjustments outlined in the preceding text and Figure 10.

More than half of the identified need is for commercial zoning, 450 gross acres. Demand for commercial acres is generated through both commercial and government job growth, as many government sector jobs are sited within typical office buildings developed on commercially zoned land. (60% of total government sector jobs were estimated to locate within commercially zoned land.)

Demand for additional industrial acreage (future need minus existing supply) is estimated at 321 gross acres. Depending on precise zoning categories, it is possible that some industrial acreage may also accommodate a portion of commercial needs. An example would be Mount Vernon's combined Commercial-Limited Industrial (C-L) zone, offering greater flexibility and responsiveness to changing market conditions as they arise.

To satisfy these needs for additional commercial and industrial acreage, Mount Vernon will need to look primarily outside the existing UGA as substantial opportunities for redevelopment or re-zoning within the existing UGA are relatively limited. A particular priority for this analysis is to also address the City's policy priority for larger sites competitive in the regional market. This is based on the recognition that much of the existing inventory – dominated by small parcels – is not suitable for substantial industrial and commercial development. A discussion of parcel size appropriate to accommodate market demand follows.

IV. EXISTING AND RECOMMENDED PARCEL SIZE

A final remaining consideration is the parcel sizes associated with Mount Vernon's existing land supply. In addition to total acres, to attract and accommodate development an urban growth area's land supply should be configured in appropriately sized parcels. 'Appropriate' includes a range of sizes to meet market demand and can vary by specific industrial/commercial land use.

Existing Parcel Size Distribution. The City's existing inventory of vacant commercial and industrial lands is detailed in the following table, classified both by parcel size and whether the parcel is vacant in its entirety or is a portion of a larger parcel on which some development exists – these are referred to as remainder parcels. The table excludes industrially-zoned parcels under one acre and commercially-zoned parcels under one-quarter of an acre.

It is noted that these relatively small parcel size thresholds should not be expected to adequately address that majority of the City's employment growth needs over the 2005-2025 period. While smaller firms can utilize some smaller parcels and there may be some opportunities to assemble contiguous parcel, the majority of the need should be anticipated to be met by substantially larger parcels.

Parcel Size Limitations. Inventory results indicate that for both industrial and commercial parcels, Mount Vernon's inventory is slanted towards small parcel sizes. For commercial lots considered within this report – which excluded the smallest of lots, under one-quarter acre – 26% average one-half acre in size and another 40% average two acres.

As illustrated by the next section to this report, shifting to much larger acreage sites is recommended to be more broadly competitive to meet current commercial center requirements. Recommended is that 85% of the commercial inventory be in 10+-acre sites.

This analysis does not consider industrial lots below one acre in size – due to lack of market viability at this small size for most industrial uses. Above this size cut-off, 72% of industrial lots average just over two acres in size. Even at two acres, the inventory is substantially *out of synch* with current and anticipated market requirements. As illustrated by the next section, greater emphasis is needed in the parcel size ranges of 5-10 acres and 10+ acres.

Of the total inventory of 361 industrial and commercial acres it is noted that:

- Close to one half of the acreage is comprised of remainder rather than stand-alone parcels; these may be less likely to develop, especially for firms not currently in the Mount Vernon area.
- Mount Vernon currently has no industrial parcels of 10+ acres in size and no commercial parcels of 15+ acres in size; lack of larger parcels limits competitiveness for both uses.
- The City has identified and evaluated nine areas in which contiguous parcels with developable land (within the existing UGA) may be aggregated to form bigger parcels ranging from approximately five to 25 *net* acres under up to five ownerships. This evaluation is detailed in the narrative accompanying Map B. Aggregations are another constructive approach to shifting the UGA's vacant land supply to better match market

demands. However, these potential aggregations are not reflected within Figure 11 as aggregating parcels – particularly under separate ownerships – introduces numerous additional hurdles into the development process, and the extent of property owner interest has yet to be ascertained.

The remainder of this section of the report compares the size distribution of the UGA’s existing inventory with market input on parcel sizes that would best match market demand.

Figure 11. Land Supply by Parcel Size (2005)

Type of Lot	10,000 sf - 1 acre		1 - 5 acres		5 - 10 acres		10 - 15 acres		15 - 20 acres		>20 acres		Total	
	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres	Parcels	Acres
Stand Alone Parcels														
Commercial	56	32	27	57	5	30	5	60	-	-	-	-	93	180
Industrial			3	6	1	8	-	-	-	-	-	-	97	193
Total	56	32	30	63	6	38	5	60	-	-	-	-	155	154
Remainder Parcels														
Commercial	117	53	35	76	2	12	1	12	-	-	-	-	155	154
Industrial			6	13	-	-	-	-	-	-	-	-	6	13
Total	117	53	41	89	2	12	1	12	-	-	-	-	161	168
All Parcels														
Commercial	173	85	62	133	7	43	6	72	-	-	-	-	248	334
Industrial			9	15	1	8	-	-	-	-	-	-	10	27
Total	173	85	71	153	8	50	6	72	-	-	-	-	258	361
Per. of acres stand alone*		60%		41%		76%		83%					38%	54%

*Note: Describes percent of existing inventory represented by parcels vacant in their entirety as opposed to remainder parcels.

Source: City of Mount Vernon, E.D. Hovee & Company, LLC.

INDUSTRIAL LAND PARCEL SIZING

Market Input. Key factors in the provision of industrial land are cost and accessibility. Don Wick, Executive Director of the Economic Development Association of Skagit County (EDASC), states that the average cost of Skagit County land is around \$4 per square foot. Prices tend to be well above this range within Mount Vernon, around \$8 per square foot, in part due to the location of many industrial lots along the freeway. Much of this land is along I-5 in South Mount Vernon.

To encourage new industrial investment within Mount Vernon, Wick sees providing lower cost land options as being of fundamental importance. Current development patterns for higher priced Mount Vernon land indicate a relatively slow development pace for this higher cost land. Development that does occur is limited to those industrial or manufacturing companies that most need direct freeway visibility. Land that is not developed is under pressure to transition to commercial zoning.

In terms of access, EDASC does not see Mount Vernon as necessarily better positioned than other areas of Skagit County outside of the city. The biggest need regarding access is for *larger sites* served by rail; Wick describes demand for these sites as on the rise – which corresponds with recent experience generally throughout the Pacific Northwest and U.S.

The most typical request for industrial sites currently is within the five to ten acre range. Anything below three acres is considered ‘very small’ for industrial development, particularly for manufacturing employment (which tends to be higher density and higher income).

EDASC receives inquiries for land above the 10 acre range as well. Although these are less frequent, Mount Vernon has virtually no inventory of these parcels at present. In effect, EDASC is most frequently unable to work with such requests given the historic unavailability of this parcel size.

Existing & Recommended Supply. Mount Vernon’s existing land supply includes only a single parcel of land zoned for industrial use larger than five acres (the parcel is eight acres). An additional nine parcels are available in the one to five acre range; the average size of these parcels is 2.1 acres, below the size range of the bulk of industrial land inquiries.

In light of this mismatch between the city’s existing supply and market demand, it is recommended that industrial lands brought into the City’s UGA consist primarily of larger parcels. The following table illustrates one potential distribution to reach the city’s estimated land need. Total acres are equivalent to 2025 demand for gross industrial acres (359) minus infrastructure (20%). Acreage ranges are intended to describe actual parcel size, deducting for roads but not for environmental constraints.

Figure 12. Recommended Industrial Parcel Size Distribution

	# of Parcels	Avg Size (acres)	Total Acres	% of Total
3-5 acres	12	4	48	17%
5-10 acres	22	8	176	62%
10+ acres	4	15	60	21%
	38	7	284	100%

Source: E.D. Hovee & Company, LLC.

COMMERCIAL LAND PARCEL SIZING

Market Input. The appropriate range for commercial sites is more difficult to generalize, as it varies by retail type. Commercial real estate brokerage firms describe numerous types of retail currently missing from not only the Skagit County market, but the entire region north of Seattle. These retail types could be targets for growth, and include hard goods – automobiles, boats, motorcycles – and retailers that target disposable income, such as higher quality home furnishings, clothing and electronics.

Mount Vernon is geographically well-positioned to serve as a retail hub for a multi-county region, and retailers have yet to catch up with the changing demographics of northwest Washington State. The key question is whether area incomes will continue to increase on their current trajectory to attract retailers that have previously by-passed the Skagit County and in some cases the entire northern Puget Sound market.

In terms of the form that new retail development would take, one commercial realtor stated that the largest need for Mount Vernon retail space is for a large format lifestyle center. This center type is currently the dominant forms of retail development, comprising 43% of new retail construction nationwide in 2005. A power center and/or lifestyle center would require around 20 – 40 acres (corresponding to a building size range of 250,000 to 450,000 square feet at a 0.30 lot coverage ratio). One commercial realtor stated that retailers tend to follow one another and lifestyle centers are the current trend. Mount Vernon currently has no parcels available in this size range.

Urban retail is another prominent development type at 30% of nationwide construction (Shopping Centers Today, January 2006). Urban retail development has clustered in regions in which the urban core is supported by strong housing growth and demographics. In less densely developed areas, larger format retailers tend to dominate local commercial construction trends.

Smaller retail centers have become less successful over the past few years, largely due to the financial struggles of their traditional anchor – the neighborhood grocery store. For example, large format grocers (Wal-Mart, Costco) have exerted pressure on mid-size and mid-priced grocers such as Safeway and Albertsons, evidenced in their recent quarterly losses (last two quarters of 2005), struggles to maintain market share, closure of weaker stores and lack of new store expansion.

Neighborhood centers comprised just 8% of retail construction in 2005. Even these smaller neighborhood centers generally require anywhere from 10 – 25 acres. While Mount Vernon does have commercial sites in the 10-15 acre range, none are available at 15+ acres.

In terms of capturing new retailers and significantly impacting Mount Vernon’s retail sales tax base, targeting larger format retailers and centers that will house higher-end retailers may be the City’s best bet.

Reinvestment in existing commercial space is another important component of accommodating commercial growth and ensuring responsible land use. Downtown Mount Vernon was described as having sufficient and appropriately sized leasing opportunities but as in need of investment (including flood protection and parking improvements) to help it serve more effectively as a more substantial retail destination. Additional housing units, parking and the completing of the on-going waterfront revitalization effort were also cited as keys to supporting downtown commercial space.

The other commercial hub cited as in need of additional investment was the Riverside Drive and East College Way area, where buildings have not been upgraded in 20 years and at this point are behind current retail trends. The aging character of this corridor coupled with lack of consistent reinvestment will draw tenants away from the commercial corridor and towards newer space opportunities.

Existing & Recommended Supply. The City’s supply of commercial space, like its industrial land inventory, is dominated by small lots – one-quarter average 0.5 acres, another 40% average two acres. For commercial use, lots smaller than one acre have not been omitted given the in-fill potential they represent.

A recommended distribution of new land focuses exclusively on parcels larger than five acres, and includes several very large parcels (three at 40 acres) to accommodate and provide market selection for a possible regional lifestyle or other format retail center.

Figure 13. Recommended Commercial Parcel Size Distribution

Parcel Size	# of Parcels	Avg Size (acres)	Total Acres	% of Total
5 acres	5	5	25	7%
10 acres	11	10	110	31%
20 acres	5	20	100	28%
40 acres	3	40	120	34%
Total	24	15	355	100%

Source: E.D. Hovee & Company, LLC.

Use of larger parcels is not limited only to retail use. In particular, parcels in the 20-40 acre range can be appropriate candidates for office and business parks. The target total commercial square footage is equal to the 2025 gross demand for commercial land (450 acres including government jobs in commercial settings) minus a 20% deduction for roads and infrastructure. Again,

recommended size distribution is intended to describe actual parcel size, deducting for roads but not for environmental constraints.

COMMERCIAL & INDUSTRIAL PARCEL LOCATION

While evaluating the suitability of unincorporated land surrounding Mount Vernon's existing UGA is beyond the scope of this report, realtors interviewed did express opinions about what locations are most viable from a market perspective.

For commercial development, highway access and highway visibility were consistently cited as key criteria. These characteristics are especially important to large format retailers and larger retail centers (e.g. lifestyle centers). Mount Vernon's ability to attract these retail types is in part dependent on the provision of sufficiently large commercial lots with easy arterial/highway access and highway visibility.

In contrast, for many industrial businesses highway visibility is not as important. More important is land that is priced right – within the \$4 per square foot range. Second to this may be access, the ability for materials to move in and out of the site with ease. Access via arterials and highways is important. Parcels with rail access are especially hard to come by; rail access should be a criteria considered in allocating future industrial land.

Evaluating the accompanying Map A and taking the above-referenced factors into account (i.e., highway visibility, availability of large lots and easy access), it appears that the City will be need to look outside of the existing UGA to site the needed commercial and industrial acreage. Areas to the east of Interstate 5 are largely zoned for residential uses needed to accommodate the population that the City is slated to receive through the year 2025. While the City's Buildable Lands Analysis does indicate that the City has a supply of residentially zoned land slightly in excess of what may be needed, the location of the undeveloped residentially zoned land – generally in the eastern portion of the City – is undesirable for siting commercial or industrial developments given its indirect access and for commercial uses, lack of visibility.

VII. MOUNT VERNON LAND ALLOCATION HISTORY

This needs analysis concludes with a review of land allocation for industrial and commercial use dating to the inception of planning pursuant to the 1994 statewide Growth Management Act. This section summarizes that history to provide a context for understanding and documenting Mount Vernon's continued shortage of commercial and industrial land. Attachment G is a 2005 E.D. Hovee & Company memo analyzing the City's historic commercial and industrial land allocations.

Initial GMA Plan. Mount Vernon's UGA boundary has not been amended since its initial adoption in 1996. Upon adoption in compliance with the Growth Management Act (GMA), Mount Vernon's UGA was understood to include 771 acres of vacant commercial and industrial land and 489 acres of developed commercial and industrial land. In the past 10 years, numerous studies have been completed with the intent to better define the City's available land supply and to demonstrate the need for additional commercial/industrial land allocations.

2000 Update. In 2000, Mount Vernon was allocated 98 acres of commercial/industrial land via the Countywide Planning Policies adoption. However, this allocation was never actually assigned (the actual UGA boundary was never changed). Translated to gross acres – meaning increasing the allocation to account for environmental constraints, infrastructure and a holding factor – this equates to roughly 146 acres. The 98 acre figure already incorporated a market factor.

Current Update Process. A second Mount Vernon UGA allocation process is currently underway. With this process, 90 acres are proposed to be allocated to Mount Vernon as part of the county's 2005 Comprehensive Plan update. The anticipated completion date for that project is August 2006. These acres are not associated with actual parcels at this stage; the assignment of specific parcels would be a second step. As proposed, the allocation also describes net acres (but including market factor); it corresponds to roughly 134 gross acres according to the methodology employed in this report.

Figure 14. Discrepancies in Mount Vernon UGA Land Assumptions

Acres	Notes
489	Original UGA estimate, for <i>developed</i> commercial and industrial land as of UGA adoption
771	Original UGA estimate, <i>vacant</i> for commercial and industrial land as of UGA adoption
1,260	Original UGA estimate, <i>total</i> for commercial and industrial land
146	Gross acre equivalent of recommended 98 net acre increase for vacant commercial and industrial land via Countywide Planning Policies 1.1 (adopted in 2000). Acreage recommended was never assigned.
134	Gross acre equivalent of anticipated 90 acre allocation for vacant commercial and industrial land via the 2005 Skagit County Comprehensive Plan update. Represents net rather than gross acres. Update anticipated complete in August 2006; acreage not yet assigned.
1,5390	Theoretical UGA total for commercial and industrial land, 2006
1,218	Actual UBG total for commercial and industrial land, 2006
322	Difference between planning documents and actual land inventory.

Source: *Historic Commercial & Industrial Land Allocations, February 22, 2005*, E.D. Hovee & Company; interview with Skagit County planning department staff; City of Mount Vernon; City of Mt Vernon 2005 Buildable Lands Analysis.

Report's Relation to Previous Work. While this report diverges from the methodology of previous county-wide employment forecasts, its results are consistent with previous work. The percent of County *employment* capture this report recommends is only slightly higher than the percent of County *population* capture allocated to Mount Vernon through the 2003 Population & Employment Allocation process, detailed in the report attached as Appendix B.

County planning staff has described the on-going 90 acre allocation as derived from a countywide employment and land demand forecast completed by E.D. Hovee & Company in 2003 (Appendix F). That report called for a total of 65,100 countywide jobs (excluding self-employed residents) by 2025, a population-driven projection that increased labor force participation slightly according to state trends but otherwise held the jobs to population ratio constant. A portion of countywide projected employment growth and associated land needs (the majority) was then allocated to Mount Vernon as follow-up to that study.

This report contrasts with the 2003 Countywide Employment Forecast in that it provides a policy-driven, city-specific employment projection incorporating both observed job growth trends and policy objectives to increase the City's jobs/housing ratio and its share of the region's commercial employment. It calls for 31,388 jobs within the Mount Vernon UGA by 2025, or 48% of the 2025 countywide employment total projected through the 2003 E.D. Hovee & Company study.

With the recommended allocation, Mount Vernon's 2025 share of countywide employment (projected in 2003) is thus only slightly higher than Mount Vernon's share of 2025 countywide population growth as allocated through the 2005 Skagit County population allocation process (see Figure 1). The 2005 Skagit County population allocation process called for Mount Vernon to capture 42% of countywide population growth by 2025.

The discrepancy between these capture rates – 48% of countywide job growth and 42% of countywide population growth – is justified by Mount Vernon's need to compensate for past

population growth that has outpaced employment growth, eroding its jobs housing balance and ability to support services for its growing residential base.

Summary Notes. This updated 2006 *Commercial & Industrial Land Needs Analysis* represents a fresh look at both supply and demand based on 2005 employment, 2025 employment projections and 2005 land supply via a city-specific perspective. As such, previously allocated acres should not be construed as being *in addition* to the need for additional acres by 2025 documented with this updated analysis.

However, Mount Vernon's history of past demonstrated need without any corresponding actual land assignment does provide an important context to understanding the challenge the City has faced in providing the job base needed for local economic vitality. Of particular importance has been the inability to provide land zoned for employment uses in parcels large enough both to meet market demand and to sufficiently increase the community's commercial jobs share. The result has been inadequate growth of jobs and services to support Mount Vernon's rapidly growing residential population.

ENDNOTES

- ¹ Information for this report has been compiled from sources that are specifically cited within the body of this report. E.D. Hovee & Company, LLC does not guarantee the accuracy of information from third party sources. The findings and conclusions contained in this report are those of the author. They should not be construed as representing the opinion of any other party prior to their express approval – whether in whole or in part.
- ² The 2000 Mount Vernon UGA jobs-housing figure was derived from the 2000 UGA population estimate as reported by Berryman & Henigar and the 2000 UGA job count as reported by Washington State Employment Security. The average City of Mount Vernon household size (Census) was applied to the UGA population to determine households within the UGA geography.

**CITY OF MOUNT VERNON
COMMERCIAL AND INDUSTRIAL
LAND NEEDS ANALYSIS
E.D. HOVEE & COMPANY, LLC**

Attachments/Appendices

Map A: Copied and attached to Report

Map B: Copied and attached to Report

Appendix A: 2005 Buildable Land Analysis, not copied as it is currently part of the City's adopted Comprehensive Plan as Appendix LU-B.

Appendix B: Population & Employment Forecasting & Allocation 2025; not copied as it is currently part of the City's adopted Comprehensive Plan as Appendix LU-A.

Appendix C: City of Mount Vernon Comprehensive Plan, Land Use Element; not copied as it is currently part of the City's adopted Comprehensive Plan as Chapter 2.

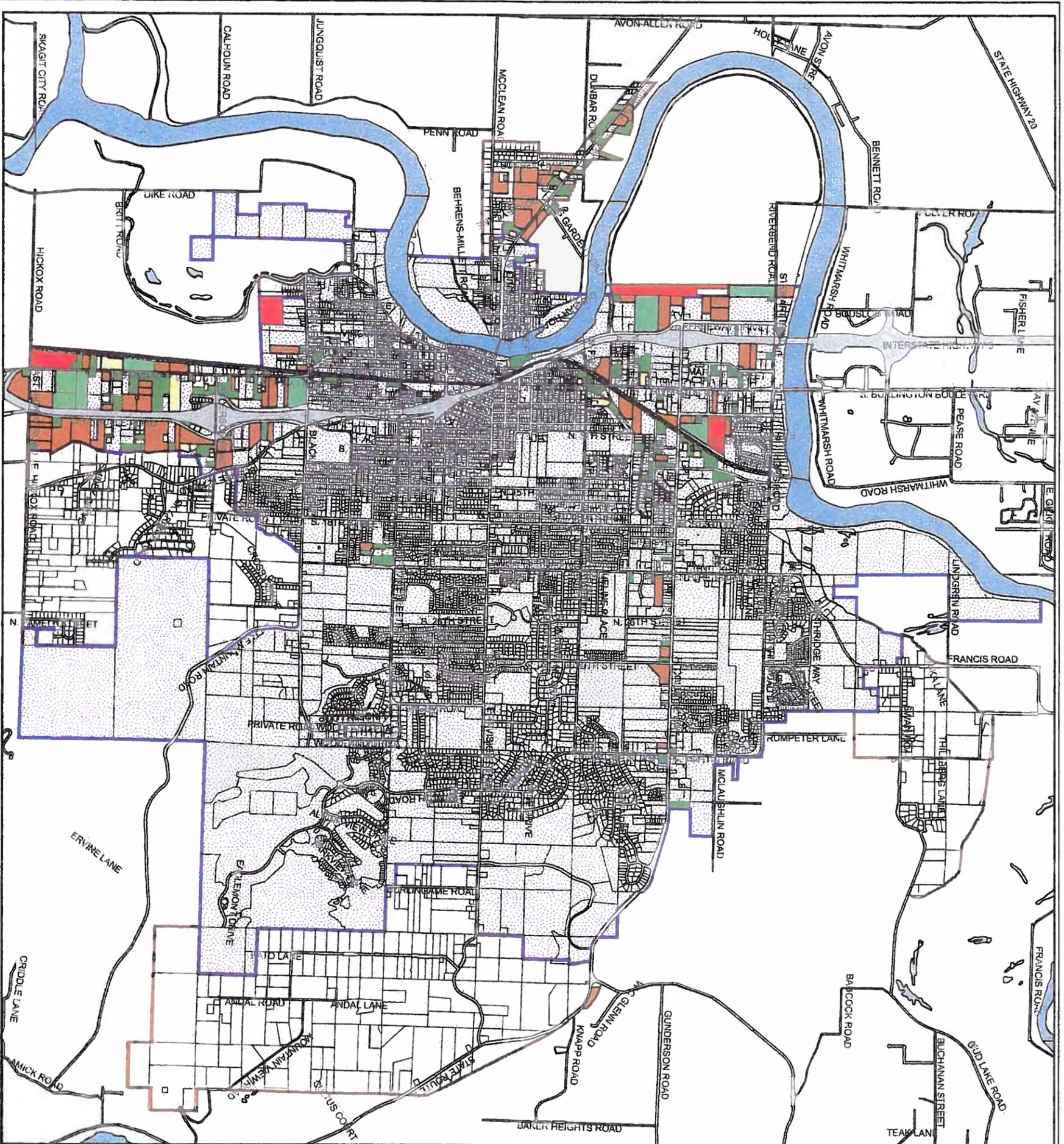
Appendix D: City of Mount Vernon Comprehensive Plan, Economic Development Element; not copied as it is currently part of the City's adopted Comprehensive Plan as Chapter 5.

Appendix E: Copied and attached to report.

Appendix F: Copied and attached to report.

Appendix G: Copied and attached to report.

Maps A and B & Associated Narrative



LEGEND

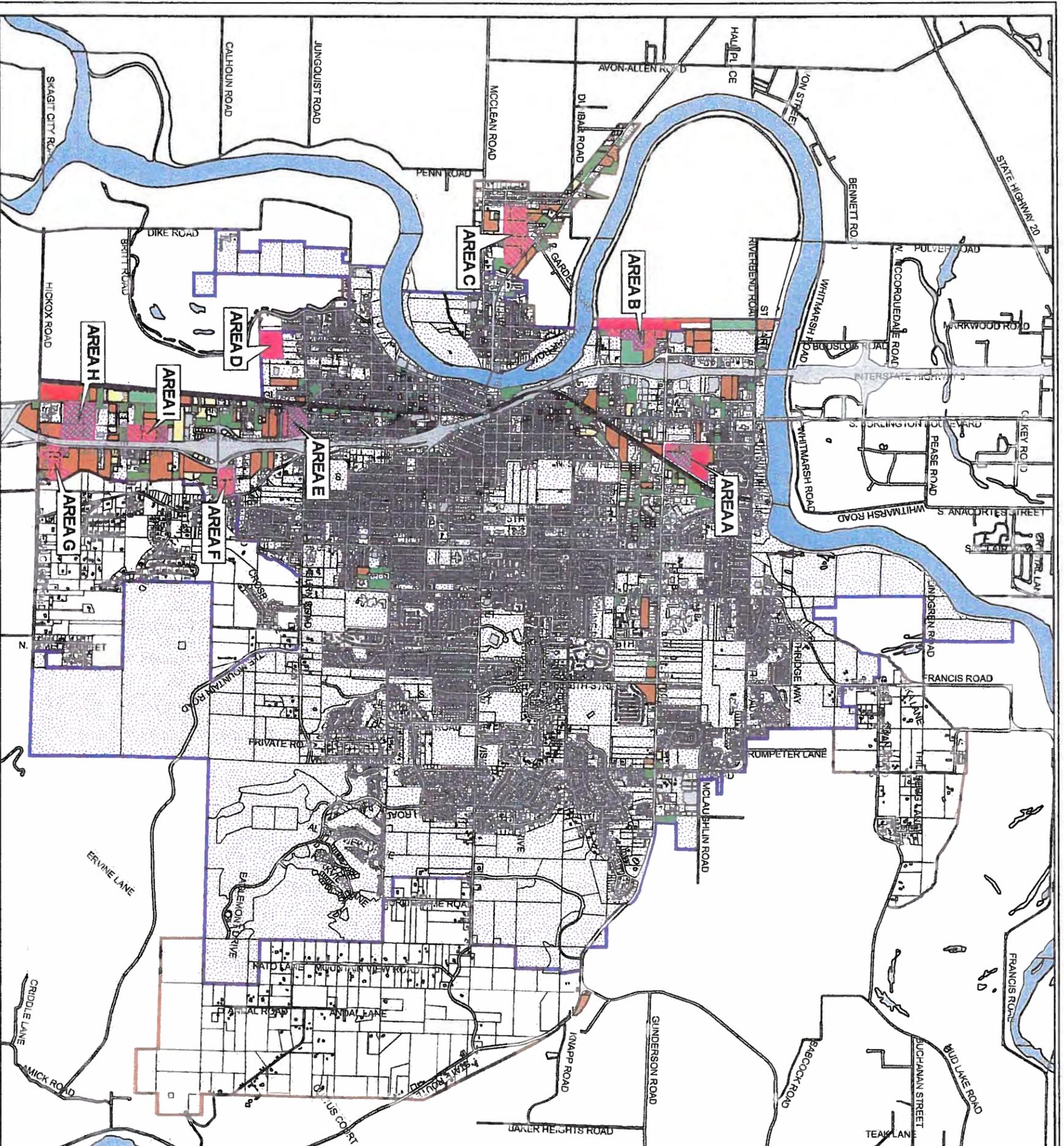
-  Incorporated City Limits
-  Urban Growth Areas
- *Parcels with Development Potential by SQFT**
-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP A



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas
- *Parcels with Development Potential by SAFT**
-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)
-  Areas of Potential Parcel Aggregation

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL

NARRATIVE TO ACCOMPANY MAP B

INTRODUCTION:

Using the methodology found within the Buildable Lands Analysis, which the City completed in 2005 and adopted through the Comprehensive Plan update process in 2006 (attached as Appendix A) commercial and industrially zoned areas within the City were re-evaluated for the purposes of this Commercial & Industrial Land Needs Analysis completed by E.D. Hovee & Company, LLC.

The reason areas were re-evaluated was to look at development potential of commercial and industrial zoned parcels located in the same geographic areas that might possibly be aggregated by a developer to cite a larger development.

2005 BUILDABLE LANDS ANALYSIS:

In quantifying the amount of land currently occupied with commercial, industrial and retail structures in the City's Buildable Lands Analysis, a current Skagit County Assessor's parcel map with an aerial photograph overlay was downloaded into the City's Geographic Information System (GIS). For each parcel zoned Professional Office (P-O), Limited Commercial (LC), Central Business (C-1), General Commercial (C-2), Community Commercial (C-3), Neighborhood Commercial (C-4), Commercial/Limited Industrial (C-L), Light Manufacturing and Commercial (M-1) and Industrial (M-2) the following base information was tabulated:

- Lot size.
- Approximate square footage of any structures including any accessory structures such as garages or storage buildings greater than 200 square feet in size. Structures 200 square feet in size or less were not quantified as they are not regulated by the City building code and they are generally movable.
- Approximate square footage of discernable impervious surfaces such as driveways or parking lots.
- Approximate square footage of any detention or water quality facilities on the site.
- Approximate square footage of critical areas including wetlands, streams, floodways or areas of geologic hazard and their associated buffers.

Following the collection of the above-referenced "base information" each parcel was then evaluated to see if there was at least 10,000 square feet of contiguous land available on the same parcel that was not encumbered by the base data. If there was more than 10,000 square feet of land not encumbered by the base data, ten percent (10%) of the square footage was taken out to account for roads and utilities. The remaining square footage was then tabulated.

The ten percent (10%) that is taken out of the square footage for roads and utilities was determined by evaluating three (3) commercial/industrial developments within the City's

UGA that were created between 1997 and 2003. These developments were utilized instead of developments within the City because Skagit County (who had jurisdiction over the development standards on these parcels) required that stormwater facilities for all of the proposed lots within the development be constructed prior to the subdivision of the sites. The City of Mount Vernon does not require this when a site is developed; instead the City requires stormwater facilities on a site by site basis following the subdivision of a parcel. The road and infrastructure requirements are comparable between the City and Skagit County as both jurisdictions mandate the use of the 1992 Department of Ecology's, Stormwater Manual for the Puget Sound Basin, and the commercial/industrial road standards are similar. **Appendix C**, within the Buildable Lands Analysis, contains a table of the three (3) above-referenced developments.

The configuration of the commercial, industrial and retail lands available for development was also taken into consideration, because there were parcels where even though there appeared to be enough square footage for either an expansion of an existing building or for a new building to be constructed, the shape of the individual lot would prohibit it.

The City had reconnaissance level wetland mapping done by Shannon & Wilson (S&W) in 2000. This information proved to be the most difficult element to factor into the buildable lands analysis. This information was difficult to use because it is far more general than the stream, floodway or steep slope information is. The S&W wetland mapping is a compilation of soil information from the U.S. Soil Conservation Service, the National Wetland Inventory maps, the Department of Natural Resources mapping, a handful of actual delineation reports that had been previously submitted to the City, aerial photography, and windshield surveys by S&W biologists. This report states that, "this inventory is only an approximation of wetlands within the City limits and the UGA boundary" (1).

Comparing the wetlands shown on the S&W mapping and actual wetland reports and delineations generally shows that the S&W maps identify more wetland areas on a site than what is actually found when the site is evaluated by a biologist. **Appendix E**, within the Buildable Lands Analysis, contains a table of 17 plats, P.U.D.s and developments and compares the approximate percentage of the site shown as wetlands by the S&W mapping and the known percentage of wetlands plus their buffers that have actually been delineated on each site. On the sites where more wetlands were shown than delineated by a biologist, on average, the S&W mapping showed 68% more wetland areas.

Even though a majority of the sites evaluated showed more wetlands on the S&W maps than what was actually delineated, there were exceptions. For instance, the area where the Plat of T.J. Townhouses was developed (Section 16, Township 34 North, Range 4 East, W.M.) there was only a 4% difference between what was shown on the S&W map and what was delineated, and the Plat of Big Fir (Section 28, Township 34 North, Range 4 East, W.M.) has 2% more wetlands delineated on the site versus what was shown on the S&W map.

Because of the significantly stronger trend of the S&W map to identify more wetland areas than actually exist, and because a property owner could go through the necessary steps to obtain approvals from the Corps of Engineers and the Department of Ecology to fill portions of wetlands that may exist on their property, it was assumed that if a wetland was shown on a parcel forty percent (40%) of what was shown was considered undevelopable.

RE-EVALUATION FOR COMMERCIAL & INDUSTRIAL LAND NEEDS ANALYSIS:

As stated above, for the purposes of the Commercial & Industrial Land Need Analysis, the commercial and industrially zoned areas within the City were re-evaluated to take into account properties, which if aggregated, may have the potential of making a larger development site than looking at the parcels separately.

The attached Map B (and Maps B-1 through B-6) take a closer look at nine (9) areas throughout the City where the aggregation of parcels *may* be possible. Each of these nine (9) areas is described below.

Area A (Map B-1):

Area A is comprised of four (4) parcels with four (4) different ownerships. Using the Buildable Lands Analysis methodology, approximately 21.8 acres of this site could be developed for commercial or industrial uses.

This site seems to be an ideal location of a commercial use due to its location at the intersection of two (2) arterial streets in the City. In addition, the City is working with the Washington State Department of Transportation for the permitting of a traffic signal at the intersection of East College Way and Urban Ave.

Area B (Map B-2):

Area B is comprised of five (5) parcels with five (5) different ownerships. Using the Buildable Lands Analysis methodology, approximately 25.01 acres of this site could be developed for commercial or industrial uses.

This site could present difficulties in citing a larger development due to its linear shape. Designing a road network to serve the site while maintaining adequate areas for buildings and parking areas would be difficult. As is evident from Map B-2 this area could be heavily impacted by wetlands. The Skagit Public Utility District #1 owns a portion of the southern parcels and utilizes it as playfields for local sports teams.

Area C (Map B-3):

Area C is comprised of five (5) parcels with three (3) different ownerships. Using the Buildable Lands Analysis methodology, approximately 13.9 acres of this site could be developed for commercial or industrial uses.

This site is located in an area off of Memorial Highway and would not have Interstate-5 visibility. As is evident from Map B-2 this area could be heavily impacted by wetlands.

Area D (Map B-4):

Area D is comprised of one (1) parcel owned by the Mount Vernon Christian School. Using the Buildable Lands Analysis methodology, approximately 11.7 acres of this site could be developed for commercial or industrial uses; however, the Mount Vernon Christian School completed a Master Plan for their entire ownership that was processed and approved by the City of Mount Vernon in 2001. The school intends on utilizing this area as a playfield.

Area E (Map B-5):

Area E is comprised of two (2) parcels with one (1) ownership. Using the Buildable Lands Analysis methodology, approximately 11.8 acres of this site could be developed for commercial or industrial uses.

The owner of these sites is currently going through the Binding Site Plan (BSP) process with the City of Mount Vernon. The BSP identifies 12 commercial/industrial lots being created. At least two (2) of the lots being created will be developed in the very near future.

Area F (Map B-6):

Area F is comprised of three (3) parcels with one (1) ownership. Using the Buildable Lands Analysis methodology, approximately 5.1 acres of this site could be developed for commercial or industrial uses.

This site is owned by the Skagit Valley Publishing Company. The Skagit Valley Publishing Company has recently been meeting with the City in preparing their detailed development plans for this area. It is likely that this site will be developed in 2006 or 2007.

Area G (Map B-7):

Area G is comprised of six (6) parcels under four (4) different ownerships. Using the Buildable Lands Analysis methodology, approximately 10.9 acres of this site could be developed for commercial or industrial uses.

Area H (Map B-8):

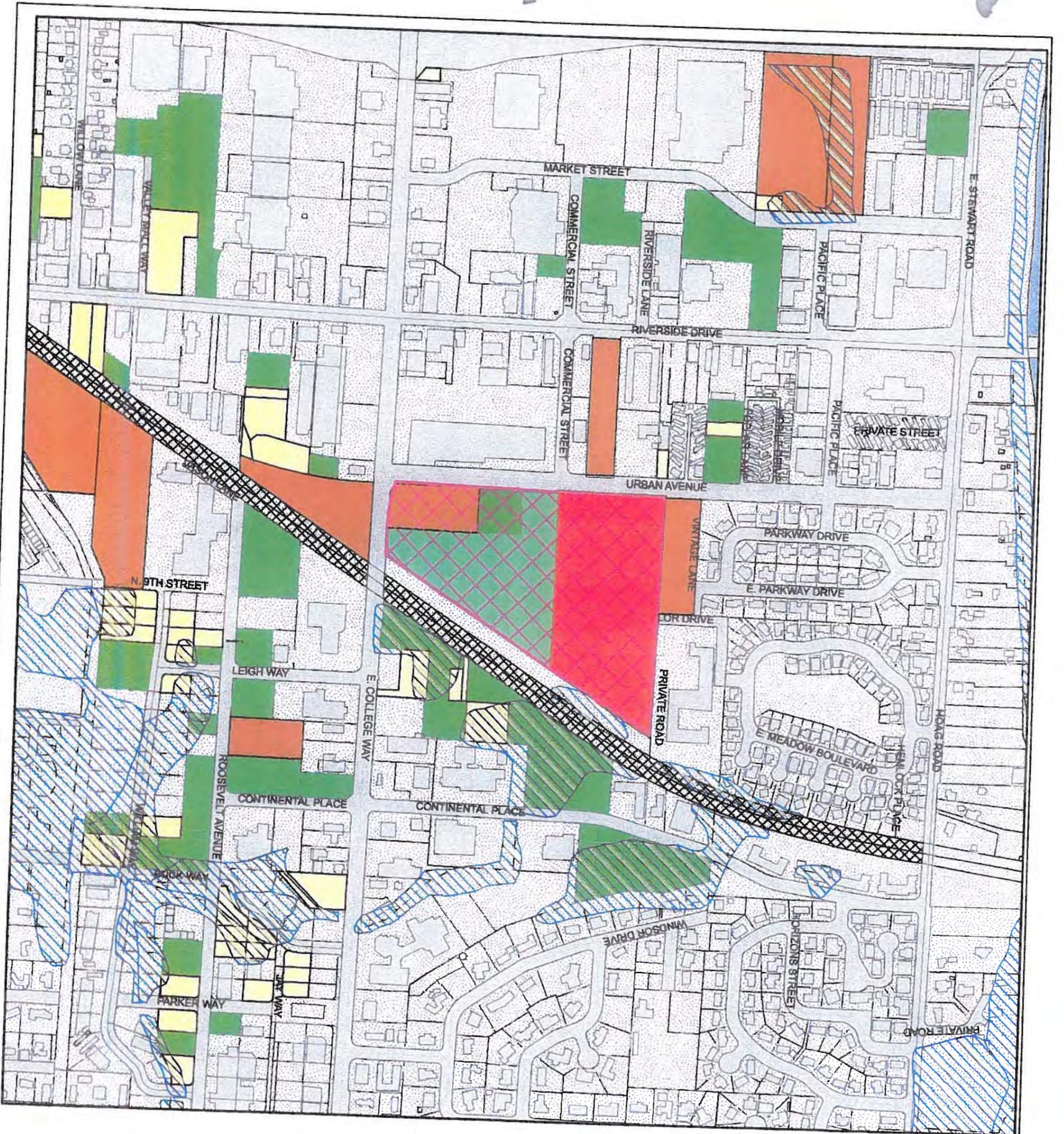
Area H is comprised of one (1) parcel under one (1) ownership. Using the Buildable Lands Analysis methodology, approximately 24 acres of this site could be developed for commercial or industrial uses.

The developer of this site has preliminary plat approval for a 13 lot development. This plat is scheduled to be completed in June of 2006. At least four (4) of the lots being created will be developed in the very near future.

Area I (Map B-8):

Area I is comprised of three (3) parcels under three (3) different ownerships. Using the Buildable Lands Analysis methodology, approximately 7.3 acres of this site could be developed for commercial or industrial uses.

This site has great visibility from Interstate-5; however, the parcel to the north will require a substantial amount of debris removal before it could be developed.



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas

*Parcels with Development Potential by SQFT

-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

 AREA A

 City Wetlands

Area A = 4 parcels with a total of 947,920 sqft or 21.76 acres of development potential.

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-1



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas

*Parcels with Development Potential by SQFT

-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

-  AREA B
-  City Wetlands

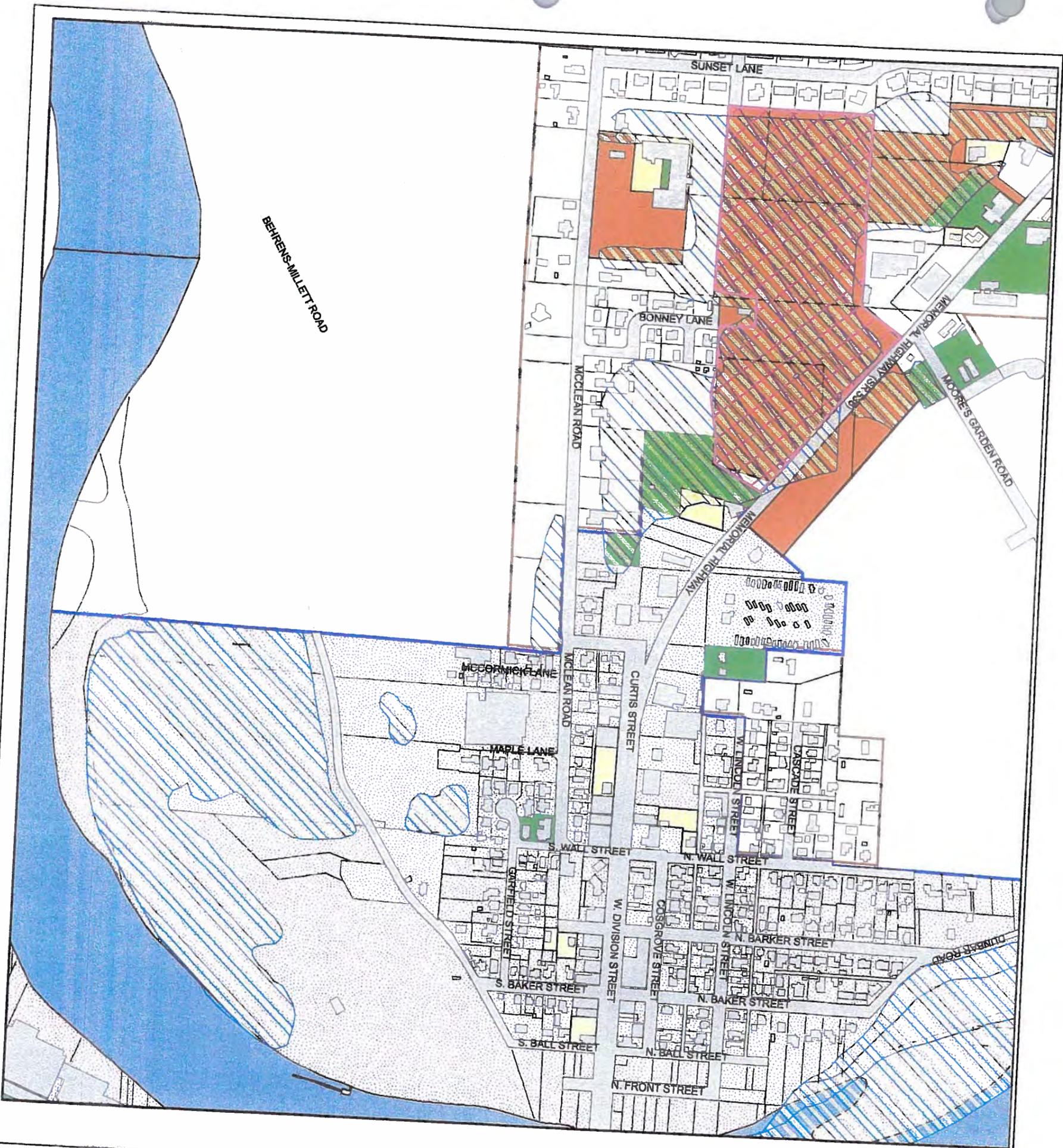
Area B = 5 parcels with a total of 1,092,899 sqft or 25.09 acres of development potential.

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-2



**CITY OF MOUNT VERNON
COMMERCIAL PARCELS WITH
DEVELOPMENT POTENTIAL**



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas

*Parcels with Development Potential by SQFT

-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

-  AREA C
-  City Wetlands

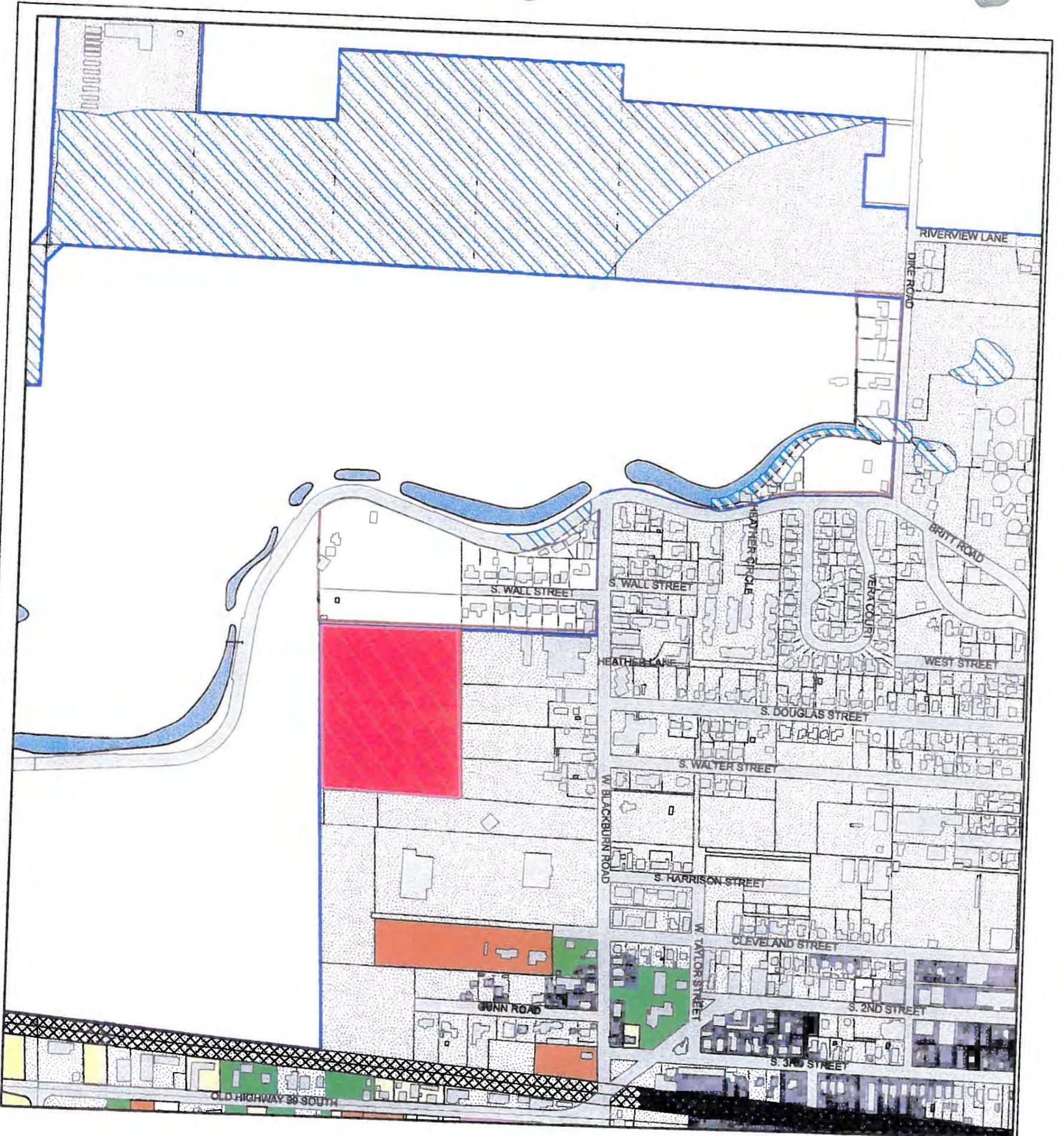
Area C = 5 parcels with a total of 606,705 sqft or 13.93 acres of development potential.

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-3



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

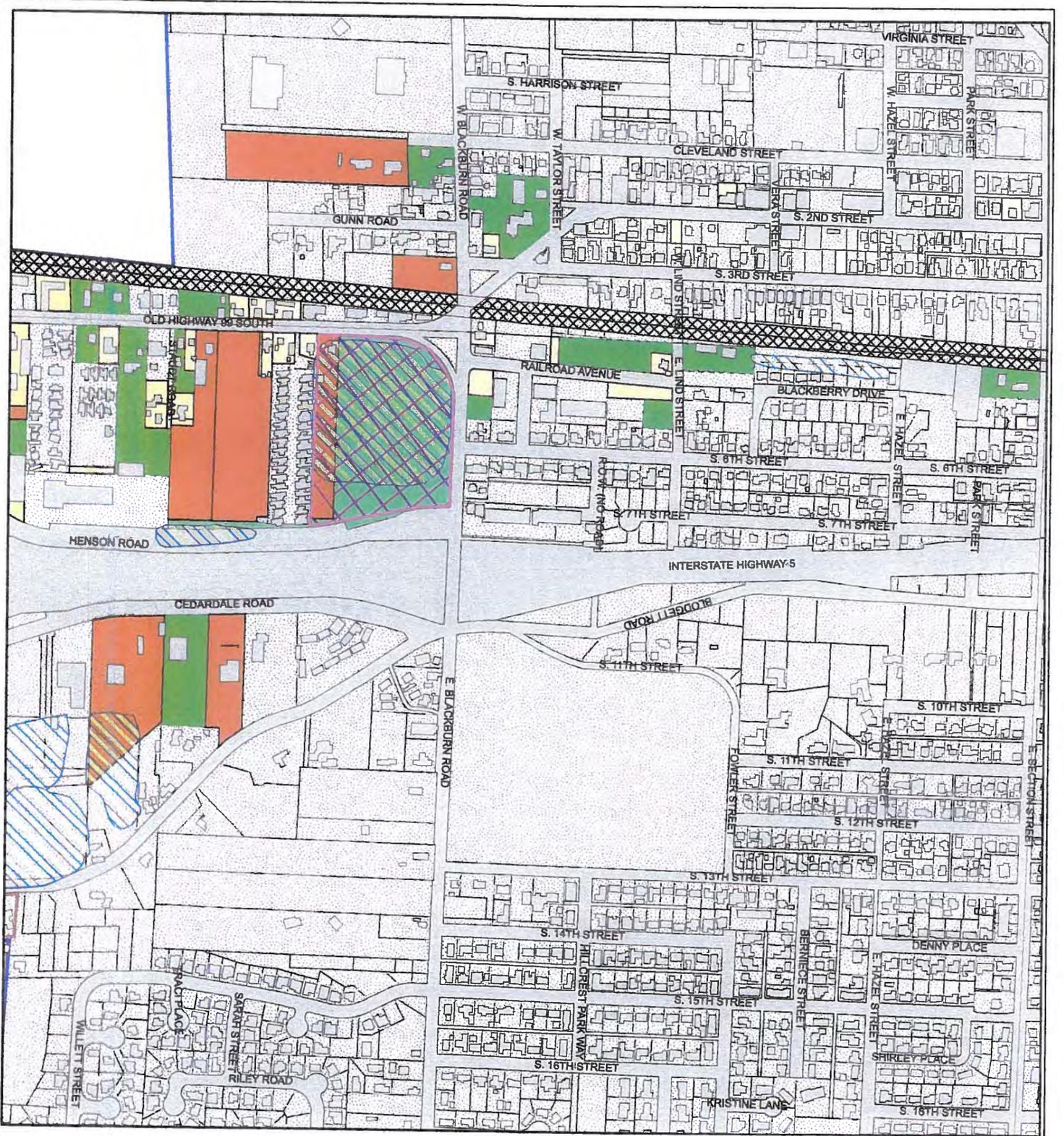
-  Incorporated City Limits
 -  Urban Growth Areas
- *Parcels with Development Potential by SQFT**
-  2,000-10,000
 -  10,001-43560
 -  43,561-217,800 (1-5 Acres)
 -  217,801-435,600 (5-10 Acres)
 -  435,601-653,400 (10-15 Acres)
 -  AREA D
 -  City Wetlands
- Area D = Mount Vernon Christian School Future Development 1 Parcel 11.65 Acres in Size.**

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-4



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas

*Parcels with Development Potential by SQFT

-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

-  AREA E
-  City Wetlands

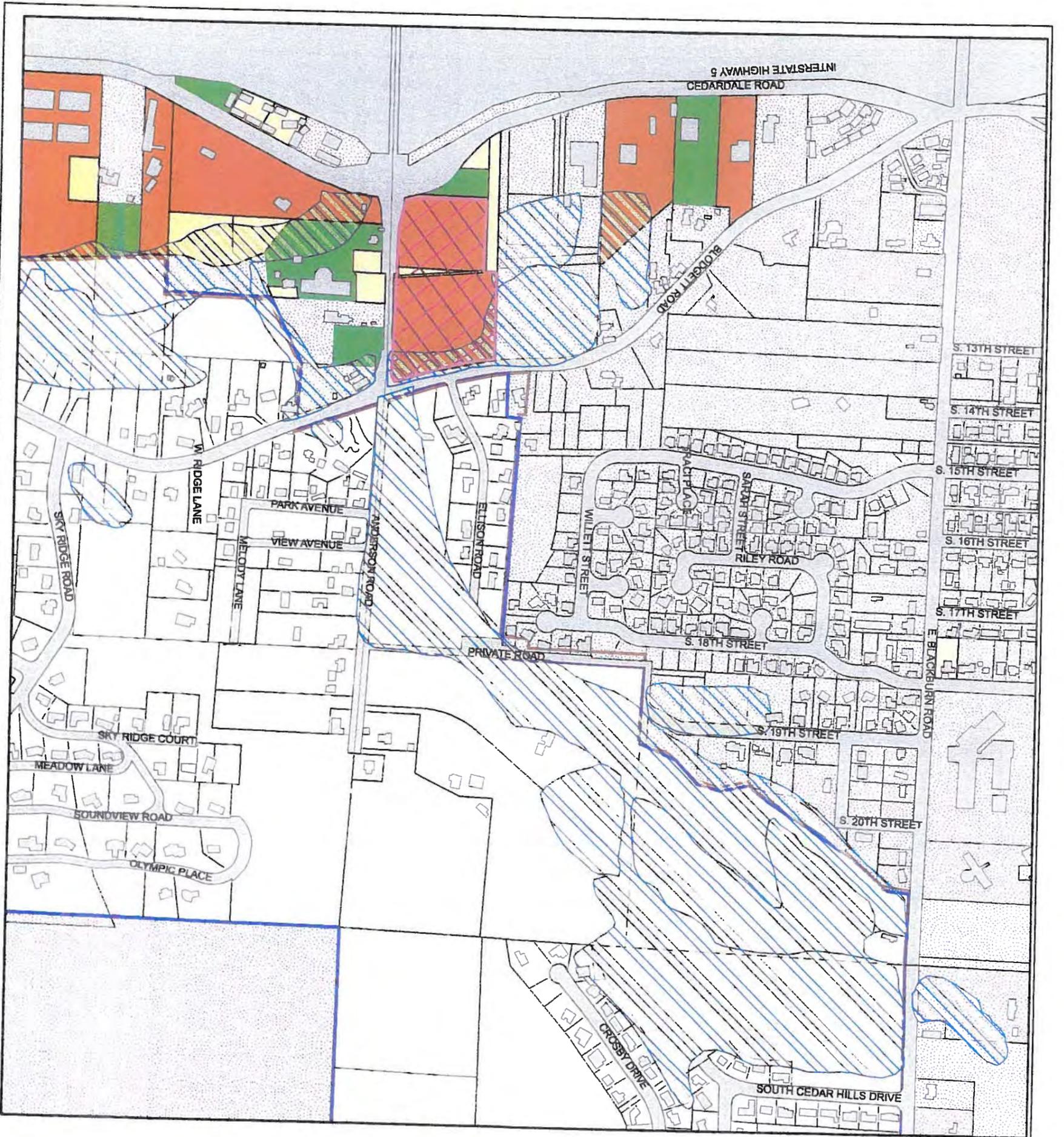
Area E = 2 Parcels with a total area of 11.75 acres currently being developed as a 12 Lot Commercial Binding Site Plan.

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-5



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas

*Parcels with Development Potential by SAFT

-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

-  AREA F
-  City Wetlands

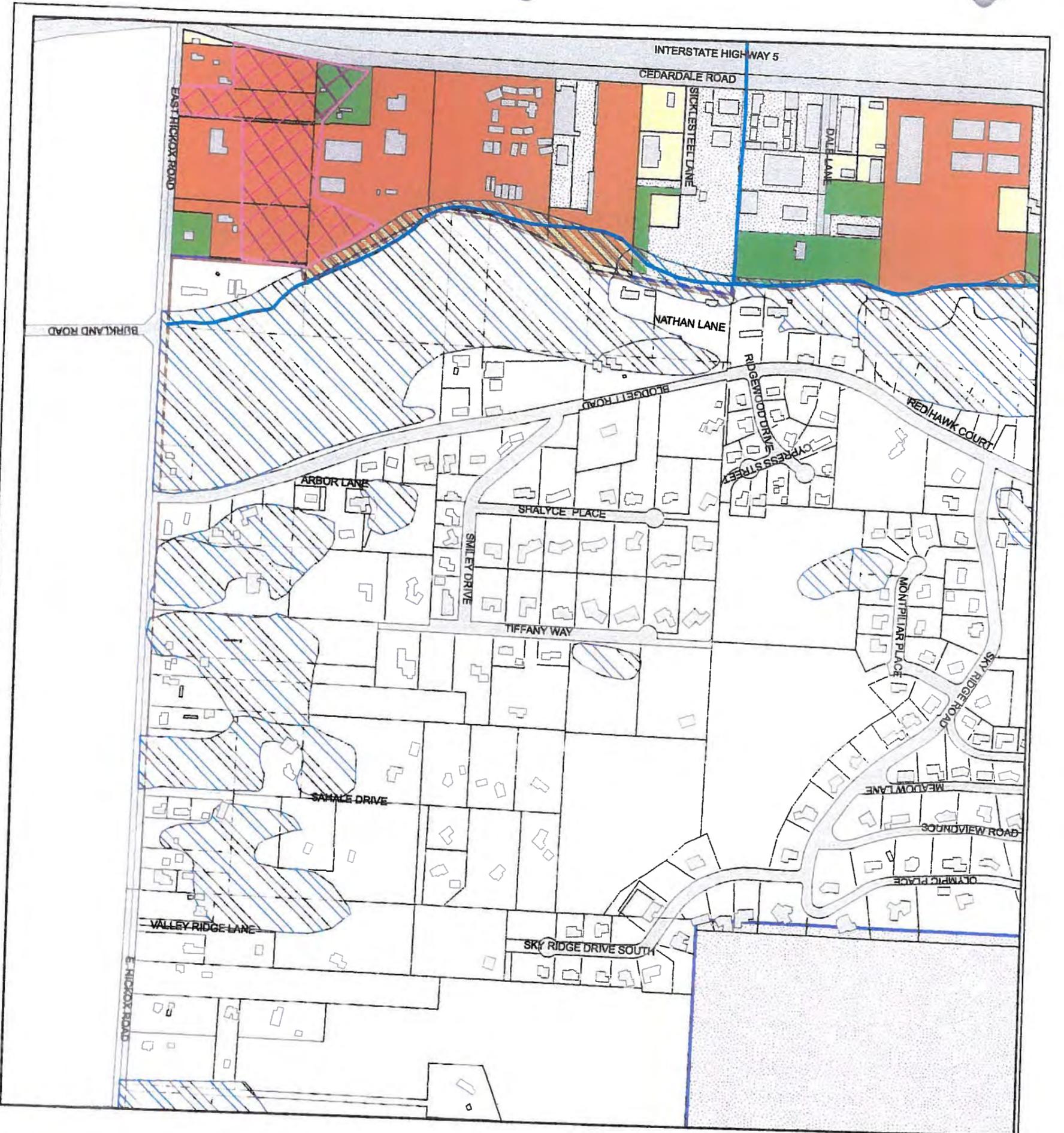
Area F = Skagit Valley Publishing Property Future Development 3 parcels with a total area of 5.13 acres.

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-6



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

-  Incorporated City Limits
-  Urban Growth Areas

*Parcels with Development Potential by SQFT

-  2,000-10,000
-  10,001-43560
-  43,561-217,800 (1-5 Acres)
-  217,801-435,600 (5-10 Acres)
-  435,601-653,400 (10-15 Acres)

 AREA G

 City Wetlands

 City Streams

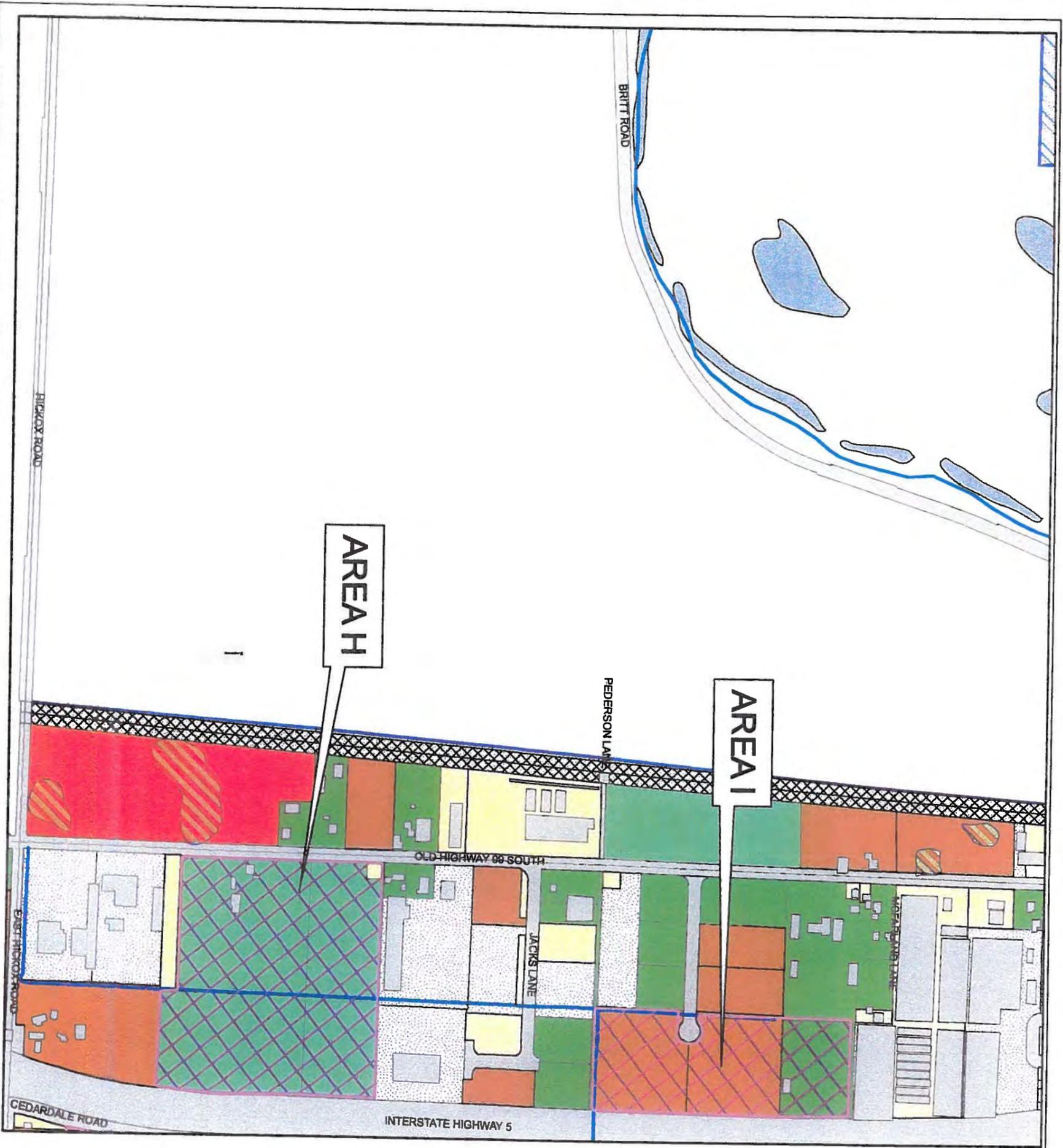
Area G = 6 parcels with a total area of 475,950 sqft or 10.92 acres

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-7



CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL



LEGEND

- Incorporated City Limits
- Urban Growth Areas

*Parcels with Development Potential by SQFT

- 2,000-10,000
- 10,001-43560
- 43,561-217,800 (1-5 Acres)
- 217,801-435,600 (5-10 Acres)
- 435,601-653,400 (10-15 Acres)

AREA H & AREA I

City Wetlands

City Streams

Area H = 24 Acres currently being developed as a 13 Lot Commercial Subdivision.
 Area I = 3 Parcels with a total area of 319,840 sqft or 7.34 acres

*Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the siting of another structure were included in the summary information.

MAP B-8

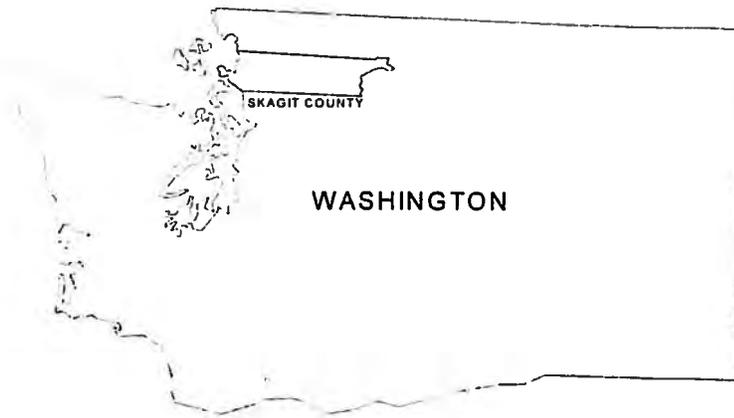


CITY OF MOUNT VERNON COMMERCIAL PARCELS WITH DEVELOPMENT POTENTIAL

Appendix E

**OVERALL ECONOMIC DEVELOPMENT PLAN (OEDP)
FOR SKAGIT COUNTY:**

1995 UPDATE



Prepared for:

Skagit Council of Governments
Citizens Advisory Committee
204 Montgomery
Mount Vernon, Washington 98273
(206) 428-1299

December 1995

PREFACE

This document constitutes the 1995 update of the *Overall Economic Development Plan (OEDP)* for Skagit County, Washington. The OEDP serves as a comprehensive statement of local government and economic development organization plans for Skagit County's economic growth and development over the short term as well as providing a planning framework for linking economic development with growth management over the next 20 years.

The Skagit County OEDP has been intended to: a) meet requirements of the U.S. Department of Commerce Economic Development Administration; and b) serve as the economic development element of Skagit County's comprehensive plan.

This 1995 report represents an update of an extensive OEDP analysis and report prepared and submitted to the U.S. Economic Development Administration (EDA) in 1994. Information regarding population growth and economic conditions has been updated; and refinements have been made to industrial and commercial land analyses in cooperation with local jurisdictions, consistent with the process for local comprehensive plans in compliance with the state of Washington Growth Management Act (GMA).

Contents of this 1995 OEDP update are organized into seven major sections:

- I. OEDP Organization & Management
- II. Development Accomplishments
- III. Significant Changes in the Skagit Economy
- IV. Changes in Environmental Conditions
- V. OEDP Goals & Objectives
- VI. Development Strategies
- VII. Plan for Implementation

As with the 1994 OEDP, this 1995 update has been prepared under the direction of a Citizens Advisory Committee (CAC) that also serves as the OEDP Committee. An OEDP Technical Committee comprised of representatives of Skagit County area economic development and planning organizations has provided technical support, including documentation of recommended 1995 implementation plan projects. Staffing support is provided through the Skagit Council of Governments, Skagit County Department of Planning & Community Development and the consulting firm E.D. Hovee & Company.

This OEDP document has been approved for submittal to the U.S. Economic Development Administration by the Skagit Council of Governments.

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I. OEDP ORGANIZATION & MANAGEMENT

Skagit County's *Overall Economic Development Plan* (OEDP) is intended to serve as a comprehensive statement of plans for countywide economic growth and development over the next twenty years. This 1995 OEDP update has been organized to address requirements of the U.S. Economic Development Administration (EDA) and the economic development element of Skagit County's growth management (or comprehensive) plan.

The OEDP is prepared as a cooperative venture involving Skagit County, the Skagit Council of Governments, local jurisdictions, the Economic Development Association of Skagit County (EDASC) and a Citizens Advisory Committee (CAC). The economic and development consulting firm E.D. Hovee & Company has assisted in compiling background research and in preparing plan documentation.

A. Significant Changes to the 1994 OEDP

The *Overall Economic Development Plan (OEDP) for Skagit County* prepared in July 1994 was intended as an initial comprehensive assessment of the Skagit County economy together with a complete statement of economic development goals and objectives, development strategy and implementation plan consistent with guidelines of the U.S. Economic Development Administration (EDA). EDA provides a more streamlined format for subsequent annual updates, with particular focus on *changes* since the prior comprehensive OEDP.

Because of the unique role that the Skagit County OEDP plays both as a framework for local comprehensive planning and as a means for identifying economic development projects, this update of the 1994 OEDP is more extensive than is typical for many local jurisdictions. Significant changes to the 1994 OEDP reflected by this update are severalfold:

- An extensive listing of development accomplishments is provided, consistent with continued active efforts for economic development planning and implementation by multiple entities in Skagit County.
- Numerous updates are made as part of the review of significant changes in the area's economy. Particular attention is given to deliberations of the Western Washington Growth Management Hearings Board, new population forecasts issued for Skagit County by the State of Washington Office of Financial Management, and updated statewide employment projections by the Employment Security Department.
- These revised projections together with further evaluation of commercial-industrial land needs by local jurisdiction planners have resulted in important refinements to the industrial and commercial land analysis, consistent with recommendations of the State of Washington Department of Community, Trade and Economic Development.
- As a result of Skagit County and local jurisdiction growth management planning as well as cooperative efforts involving environmental and economic development interests, important and positive changes in environmental conditions are also noted.

- ♦ During the process of GMA comprehensive plan adoption, minor revisions have been made as refinements to the goals and objectives first articulated in the 1994 OEDP.
- ♦ The 1995 OEDP plan for implementation has been revised to account for project completions or changes and to reflect broadened participation from both economic development organizations and local jurisdictions.

With these overall changes in mind, this 1995 OEDP update is organized to follow the format established by EDA for updated OEDP documents.

B. Relationship of OEDP to GMA

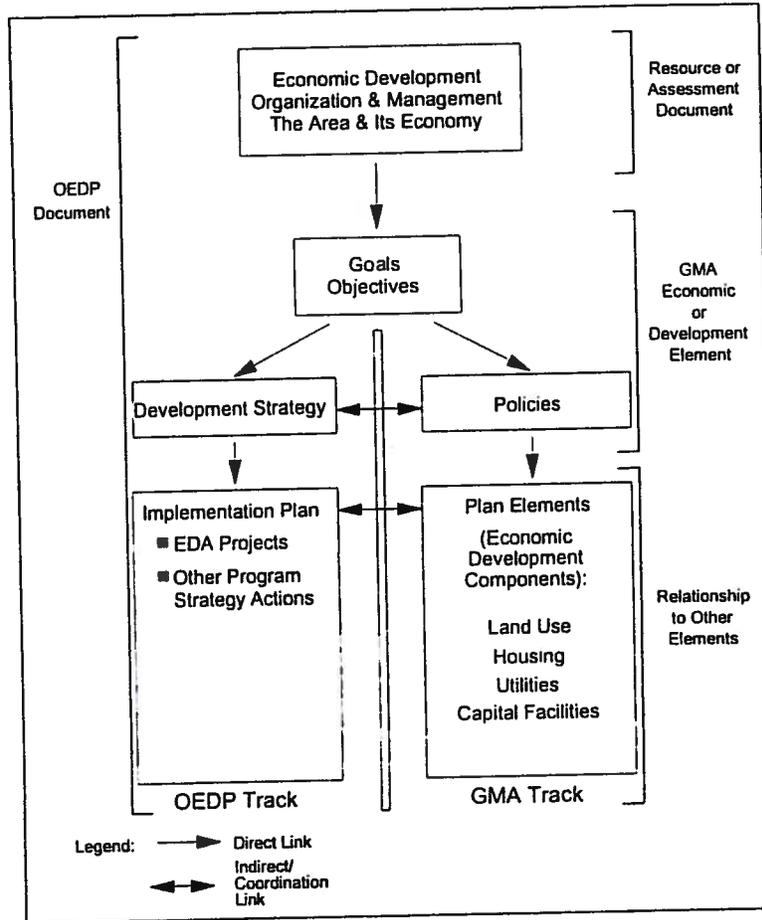
A distinctive feature of economic development planning in Skagit County is the linkage of the OEDP to growth management planning. The process for integrating the federal OEDP process with comprehensive planning consistent with the state Growth Management Act (GMA) was integral to the initial 1994 plan and is again reflected in this 1995 update by Figure 1.

The OEDP/GMA planning process is intended to involve both Skagit County and incorporated cities throughout the county -- establishing a common framework for the economic development element of local plans. Each local jurisdiction has also identified other individualized goals, objectives and policies that are uniquely tailored to specific needs or interests of respective local jurisdictions.

During the past year, the Skagit County Department of Planning and Community Development has incorporated the 1994 OEDP report's recommended Economic Development Goals & Objectives (with minor revisions) within the economic development element of the County's comprehensive plan.

Skagit County's Comprehensive Plan is expected to be completed in the near future. With completion and implementation of the plan, the Department of Planning and Community Development will begin community specific (or subarea) plans to generate interest in projects that may be submitted as part of future OEDP plans. Specific projects that may be formalized include infrastructure improvements for industrial and commercial development.

Figure 1. Relationship of Skagit County OEDP to GMA



C. The OEDP Committee

The Citizens Advisory Committee (CAC) was formed in 1993 to serve both as the OEDP Committee and to prepare the economic development element of Skagit County's comprehensive plan. CAC/OEDP Committee membership has not changed since the 1994 OEDP report was submitted to the U.S. Economic Development Administration.

Figure 2. 1995 CAC/OEDP Committee

Member	Affiliation
Dave Hedlin	Agriculture
John Piazza	Piazza Construction, Inc.
Bill Taylor	Community
Dan Davis	Community
Donald A. Fero	Community
Don Wick	Economic Development Association of Skagit County
Bert Williamson,	Skagit Valley College
Danielle Mullen	U.S. Bank
Bob Vozar	Shell Oil Company
Ernie Bennett	Central Labor Council
Ian Munce	City of Anacortes
Patsy Martin	Port of Skagit County
Stewart Jones	Swinomish Indian Tribal Community
Harry Ota	Windermere Real Estate/Best Realty
Pat Pearce	Skagit County
Peter John Avondo	GTE
Ruth Aven	Women

A Technical Advisory Committee (TAC) was also formed in 1993 to support the Citizens Advisory Committee and staff. Membership of the TAC has changed somewhat since the completion of the 1994 OEDP report, based on new responsibilities for staffing within each of the participating organizations. Current Technical Advisory Committee (TAC) members and their affiliations are identified by the following chart.

Figure 3. 1995 OEDP Technical Advisory Committee

Member	Affiliation
Dave Hough	Skagit County Department of Planning & Community Development
Brian Shortt	Port of Anacortes
Don Wick	Economic Development Association of Skagit County
Ian Munce	City of Anacortes
Jerry Heller	Port of Skagit County
Kelley Moldstad	Skagit Council of Governments

Finally, this 1995 update process has benefited from active involvement of a working group of planning staff representing Skagit County, port districts and cities. This working group has been responsible for reviewing refinements to the employment forecast and ensuing commercial-industrial land needs analysis.

D. Working Partnership for Economic Development

As detailed by the 1994 OEDP, Skagit County has a variety of public and non-profit organizations who are actively involved in economic development. Key participants in countywide and/or local economic development planning and implementation activities include:

- Economic Development Association of Skagit County (EDASC)
- Ports of Anacortes and Skagit County
- Skagit County and eight incorporated cities (Anacortes, Burlington, Concrete, Hamilton, La Conner, Lyman, Mount Vernon, and Sedro-Woolley)
- Recognized tribal governments (Swinomish Indian Tribal Community, the Sauk-Seattle, and the Upper Skagit Indian Tribe)
- Skagit Valley College
- Northwest Washington Private Industry Council
- State of Washington Employment Security Department
- Major private utilities (including Puget Power & Light Company and GTE Northwest)
- Washington Department of Community, Trade & Economic Development
- Skagit Council of Governments (SCOG)

Over the past year, those involved in economic development have forged working partnerships in several key areas, notably: cooperative infrastructure planning for economic development, growth management planning with particular focus on industrial and commercial lands and regional transportation improvements. These and other activities are documented more fully in the review of development accomplishments which now follows.

II. DEVELOPMENT ACCOMPLISHMENTS

Significant development accomplishments over the past year (1995-1995) are noted throughout Skagit County. The following review of specific project-by-project accomplishments is organized to cover activities of local jurisdictions and public-private organizations who have been extensively involved in economic development.

A. Economic Development Association of Skagit County

The Economic Development Association of Skagit County (EDASC) has been actively working on several projects during this past year. Major priorities of EDASC have been on efforts to: transition and diversify the wood products industry toward secondary value-added products, support the county's agricultural economy, and facilitate environmental industries ranging from recycling to recycled product manufacturing.

Feasibility Study – Business Incubator: A study was completed to evaluate the feasibility of establishing a wood products incubator facility in East Skagit County. The incubator is intended to create opportunity for existing value-added wood products firms in the area to expand, as well as create incentives for new value-added wood products firms to be created.

Woodcraft Network – Business Development: The woodcraft network has assisted over 50 wood products businesses in marketing, diversification, finance, product development, distribution, and purchasing during the last year. In addition, a series of seminars have been developed and attended covering a wide range of business topics. A wood products show was also sponsored by the woodcraft network as part of the Skagit County Flower and Garden Show.

Skagit County Roundtable of Agricultural Processors: EDASC provided a series of workshops to agricultural processors and provided technical advice and information about new technology to manage waste. A manual based upon workshop results also was prepared.

Environmental Industrial Park Feasibility Study: An EDA-funded study was completed over the summer of 1995 to evaluate the feasibility of developing an environmental industrial park in Skagit County. The environmental industrial park would provide industrial sites dedicated to recyclable material processing and recycled product manufacturing in Skagit County.

Environmental Industrial Program – Waste Evaluation, Business Development & Recycling: EDASC has continued to develop industries in the county that use wood waste, organic waste and recycled plastics for conversion into new products. In addition, EDASC continues to offer companies information on recycled products and ways to reduce waste.

Strategic Plan – Wetlands Mitigation Banking & Job Creation: A strategic plan was created to provide a framework for local governments and agencies to use as part of their watershed planning efforts. The plan identifies funding sources, non-regulatory incentives to protect wetlands, policy recommendations on the creation of wetlands ordinances, guidelines for mitigation plans, and a standard protocol for monitoring and maintenance.

B. City of Anacortes

With a 1995 population of 12,820, Anacortes is the second largest incorporated city in Skagit County. A major focus of city planning over the past year has involved expansion of the city's urban growth area to accommodate adequate lands for employment related development, and planning of appropriate infrastructure to serve this future employment base.

Fidalgo Bay Conservation and Development Plan: In cooperation with the Port of Anacortes and Skagit County, the City of Anacortes is working on the planning program for Fidalgo Bay designed to stimulate further investment and job creation along the City's existing, urban Fidalgo Bay waterfront. Federal and state regulatory agencies are working with the local jurisdictions in this conservation and economic development effort.

Sewer Service to Marches Point Industrial Area: The City of Anacortes commissioned a \$50,000 sewer feasibility study to further detail the sewer project identified in the 1995 OEDP.

C. Town of La Conner

With 737 residents as of 1995, La Conner is one of the smaller jurisdictions in Skagit County from the perspective of year-round residential population. However, La Conner is a significant regional tourism destination, thereby creating need for attention for continued improvements to the community's economic, physical and social infrastructure.

Sewer Plant Improvements: Engineering design has begun on the Sewer Plant Improvement referenced in this 1995 OEDP and will proceed as scheduled.

Morris Street Reconstruction: The Town of La Conner has received notice of a grant offer for reconstruction of the Morris Street through the Washington State Department of Transportation STP Competitive Program; additional funding is required before street reconstruction work can begin.

Southfield Affordable Housing Infrastructure: A State Community Development Block Grant (CDBG) was received in 1995 to construct the infrastructure necessary to serve a new 32 unit affordable housing project.

Tourism: Although revenue from tourism has been down this past year, it is expected to improve in 1996. The Chamber of Commerce launched an advertising campaign that yielded nearly 11,000 inquiries from July 1994 through July 1995 -- nearly ten times the number of inquiries received in preceding years. Tourism activity overall is expected to increase in 1996.

Construction: Most large scale construction in La Conner has been completed during the past year (e.g. School District #311 Middle School). However, a 58 unit retirement facility and a 32 unit affordable housing project is pending.

Transit Service: Skagit Transit (SKAT) extended service to La Conner during the past year. Transit service has made it easier for workers in the SKAT service area to commute into La Conner to work.

Manufacturing: With a 3.2 acre waterfront site lying vacant (former Moore-Clark fish feed plant), the Town has a good potential for attracting a water-related industry or a number of small manufacturers to this fully zoned and serviced facility.

D. City of Mount Vernon

With 21,500 residents as of 1995, Mount Vernon is Skagit County's largest incorporated city and the county seat. With its I-5 corridor location, Mount Vernon also is continuing to receive significant development interest together with need for expanded community services.

Skagit Multimodal Complex (Road/Utility Improvements): During the past year, plans, specifications, and bid documents have been completed for the Skagit Multimodal Complex. The plans include a detailed site plan which also provides for a park-n-ride lot. Temporary improvements completed this year on the site include a shelter, parking lot, lighting, and accessory features. Total cost of temporary improvements was \$35,000.

Acquisition of approximately two acres adjacent to the site is under consideration by Skagit Transit (SKAT). Successful acquisition of the property will support the City's grant application in terms of local matching funds.

In addition, the extension of Commercial Avenue from Riverside Drive to Urban Avenue under the railroad right-of-way which will provide access to the multimodal complex is currently under design. The city also is appraising the necessary property for potential acquisition.

The scope of the Skagit Multimodal Complex has broadened to include the extension of Commercial Avenue east to Continental Avenue. This extension will involve a below grade crossing, estimated to cost approximately \$2,250,000.

Storm Drainage: A drainage study for the area north of college is currently being conducted by the City of Mount Vernon Engineering Department to determine the extent and cost of necessary improvements. The City Council supports the study and subsequent project funding to improve storm water drainage.

E. City of Sedro-Woolley

As of 1995, Sedro-Woolley has 7,340 residents, making it the third largest city in Skagit County. Population growth has accelerated dramatically since 1990; however, the city's economic base continues its restructuring away from its historical dependence on the forest products industry.

Skagit Manufacturing Infrastructure: Activity at the site of the former 38 acre Skagit Manufacturing Plant has increased over the past year with four new businesses locating on the

premises with the possibility of generating a total of over 150 jobs. Capital funding is required to improve off-site infrastructure needed to serve full redevelopment of the property.

Skagit Transit: Skagit Transit (SKAT) began service to the City of Sedro-Woolley in the summer of 1995. Extended service to upriver communities may occur within the next year. SKAT service has allowed residents to more easily commute to employment activities, and has allowed individuals residing outside the City to commute into Sedro-Woolley for employment opportunities and shopping.

Harrah's Casino: A source of new employment for the area is expected to occur with the opening of the Harrah's casino on Bow Hill. The casino headquarters is presently located in the former Skagit Manufacturing Plant site where early employee training will occur.

Industrial Park Expansion: The Skagit Manufacturing Plant and the Sunset Industrial Park both are in the process of expanding. Three prospective customers are looking at the Skagit Manufacturing Plant and it can be assumed that the Sunset Industrial Park will experience further development in the coming year.

Other Projects: The road and railroad crossing at Rhodes Road was completed allowing better ingress/egress to the Sunset Development Park. Also, funding for engineering of the City of Sedro-Woolley's portion of the SR-20 bike path that will eventually tie a trail network from Burlington to the upriver communities was approved.

F. Port of Anacortes

Formed in 1926, the Port of Anacortes district currently encompasses a geographic area of approximately 110 square miles. The Port operates a deep water Marine Terminal, the Cap Sante Boat Haven marina, and a general aviation airport. The Port is continuing to improve these properties as well as pursue opportunities for industrial development and diversification.

South Basin Development: The South Basin development site has been preloaded, and in-water work is underway for the park. The project is currently at 50% completion, with full project completion anticipated for February 1996. Future industrial site development will occur on an as needed basis predicated on anticipated update to the Skagit County Comprehensive Plan.

South Basin Boatyard: Signage has been installed to solicit business and development interest in the site. Current tenants are in negotiation with the Port to potentially operate the facility. Development is expected to commence in August of 1996.

Depot Property Development: The Anacortes City Council has approved development permits for this site to allow an existing boatyard to undertake a major expansion. The proposed project would create approximately 50 jobs.

Airport Industrial Park: Site zoning is being negotiated with the City of Anacortes to allow this usage at the Airport. If zoning is approved, the project is expected to commence in July of 1996.

G. Port of Skagit County

The Skagit Regional/Bayview Airport, Bayview Business & Industrial Park, and the La Conner Marina are operated by the Port of Skagit County. Major activities of 1995 have included cooperative planning to address environmental issues at Bayview and preliminary planning for the Riverbend Industrial Park in Burlington. The Port has 254 acres currently available at Bayview Business and Industrial Park.

Skagit Wetlands and Industry Negotiations (WIN): In cooperation with EDASC, a Wetland Conservation Plan and supporting policy documents have been created for the Port of Skagit County's Bayveiw Business & Industrial Park. Skagit WIN has involved individuals and representatives from local government, state and federal agencies, tribes, environmental groups, and business and development communities.

H. Skagit County

Skagit County played a lead role in 1994 as a catalyst for countywide economic development and growth management planning in cooperation with local jurisdictions. In addition to cooperative relationships with eight incorporated communities, Skagit County has direct planning and jurisdictional responsibilities for unincorporated areas accounting for 43,940 residents or 47% of population countywide as of 1995. A particular focus of countywide planning and public investment this past year has been with public transit.

Skagit Transit: Public transit service has been the focus of considerable public investment and operational activity in the past two years. Since 1993, Skagit Transit (SKAT) has been serving the public transportation needs of the greater Burlington/Mount Vernon area. In 1994, voters in Anacortes, Sedro-Woolley, La Conner, and the Swinomish Reservation voted to have service extended to their communities. SKAT currently operates ten fixed routes, a Paratransit Program, and a Vanpool Program.

Annual ridership figures for SKAT services include 490,000 fixed route boardings and 34,000 paratransit boardings. SKAT expected ridership to increase by 350,000 with the additional services voted in during 1994.

Supplementing the SKAT system are WSDOT park & pool lots across Skagit County. These lots are located in: Mount Vernon at Kincaid Street and the I-5 Interchange; Sedro-Woolley on SR-9 at State Street and at the intersection of SR-20 and F&S Grade Road; on SR-9 south of the Skagit River; and on Old Highway 99 at Cook Road. In addition, there is a satellite parking lot located at 4th and R Avenue in Anacortes which serves the WSDOT Anacortes Ferry Terminal.

Additional park & ride lots are planned for the Mount Vernon Multimodal Transportation Center, George Hopper Interchange with I-5, and at Sharpes Corner as part of a planned SKAT Transit Center.

III. SIGNIFICANT CHANGES IN THE SKAGIT ECONOMY

This section of the 1995 OEDP update describes significant changes in Skagit County's economy since completion of the 1994 OEDP in July 1994. Important changes to review include: population growth, changes in employment including further declines in the local natural resource based industries, housing cost increases associated with continuing growth pressures, major economic development investments, revised employment forecasts using new information available from state agencies, and refinements to the industrial and commercial lands analysis.

A. Population Growth

Changes in population are of note for their current and potential future effects on the Skagit County economy. Population growth brings demands for an expanded job base, retail and service business, residential development and essential community services.

As of 1995, Skagit County has a population of approximately 93,100 residents. The County has experienced an average annual rate of population growth of approximately 3.2% since 1990. This reflects a significant increase over the rate of growth in the decade of the 1980s (of 2.2% average annual growth).

The largest incorporated city in Skagit County is Mount Vernon (with nearly 21,600 residents) followed by Anacortes (12,800 residents) and Sedro-Woolley (7,300 residents). As of 1995, the unincorporated portion of the County has nearly 44,000 residents.

Over the last five years, the most rapid population growth in the County has occurred in the City of Burlington (with a 4.4% annualized growth rate), followed closely by the City of Mount Vernon (at a 4.1% average annual growth rate). The unincorporated areas of the County have averaged a 3.0% annual population growth rate from 1990 through 1995.

Overall, the pace of population growth in the County has significantly increased during the last five years compared to the decade of the 1980s. However, it is noted that the rate of growth has subsided somewhat in the past two years from the earlier experience of 1990-1993. The 1994 OEDP indicated that Skagit County had a 1993 population of 88,500. Between 1993 and 1995, the County has added another 4,600 residents, for a two year (1993-1995) average annual growth rate of 2.6%.¹

Projections of future population also have changed in response to the continued pace of relatively rapid population growth in Skagit County. The 1994 OEDP referenced a state of Washington Office of Financial Management (OFM) forecast of over 122,000 residents expected by 2014. As part of its comprehensive planning process, Skagit County utilized a higher growth projection of 137,600 residents forecast for 2014.

Figure 4. Skagit County Population Trends (1980-1995)

Jurisdiction	1980	1990	1995	Average Annual Population Growth	
				1980-1990	1990-1995
<i>Cities:</i>					
Anacortes	9,013	11,451	12,820	2.4%	2.3%
Burlington	3,894	4,349	5,385	1.1%	4.4%
Concrete	592	735	740	2.2%	0.1%
Hamilton	283	228	250	-2.1%	1.9%
La Conner	660	686	737	0.4%	1.4%
Lyman	285	275	312	-0.4%	2.6%
Mount Vernon	13,009	17,647	21,580	3.1%	4.1%
Sedro-Woolley	6,110	6,333	7,340	0.4%	3.0%
<i>Unincorporated Area</i>	30,292	37,841	43,936	2.3%	3.0%
Skagit County	64,138	79,545	93,100	2.2%	3.2%

Source: U.S. Census Bureau and State of Washington Office of Financial Management.

Subsequently on August 30, 1995, the Western Washington Growth Management Hearings Board directed Skagit County to use a population projection consistent with the OFM forecast. However, as of November 1995, OFM has issued updated preliminary population forecasts for use by counties in growth management planning.

Updated OFM forecasts cover the 20 year period from 1995 to 2020, resulting in a revised forecast for 2015 Skagit County population of 137,700. This updated 2015 forecast is reflected in subsequent revisions to employment projections as well as determinations of industrial and commercial land demand (as part of this 1995 OEDP update).

B. Employment Trends

The 1994 OEDP utilized 1990 and 1992 covered employment data to illustrate overall growth occurring in Skagit County despite downsizing and restructuring of natural resource based industries. Employment data for two additional years (through 1994) is now available for this update report.

Skagit County Employment

This more recent employment data indicates that job growth in Skagit County continues at a relatively rapid rate. Between 1990 and 1994, nearly 4,800 net new jobs have been generated in the County (a gain of over 15%). The fastest growing employment sector has been government (+1,250 jobs), followed by retail trade (+1,110 jobs), services (+920 jobs), and construction (+600 jobs). Taken together, employment growth in these four sectors has accounted for over 80% of total net job creation in the County from 1990 through 1994.

Positive employment growth also is noted for agriculture (more than 350 added jobs) and manufacturing (with close to 400 net new jobs). As agricultural and manufacturing employment

is stagnant or declining in many counties of the Pacific Northwest, these Skagit County gains reflect the benefits of placing local priority on continued local development of these basic economic activities.

Figure 5. Skagit County Covered Employment Trends by Industry

Employment Sector	1980	1990	1994	Employment Change 1990-1994
Agriculture *	2,132	2,817	3,175	358
Mining **	17	28	23	-5
Construction	1,406	2,302	2,897	595
Manufacturing	3,777	4,081	4,454	373
TCPU ***	1,044	1,427	1,394	-33
Wholesale Trade **	751	1,092	1,224	132
Retail Trade	4,462	7,129	8,239	1,110
FIRE ***	661	945	1,003	58
Services	3,218	5,408	6,328	920
Government	4,536	5,782	7,035	1,253
Total Employment	22,004	31,011	35,772	4,761

- Notes: * A significant part of the increase in agricultural employment may be attributable to extension of unemployment insurance to cover a higher portion of agricultural workers. Covered employment data encompasses only workers covered by unemployment insurance.
- ** Mining and wholesale employment numbers have been estimated based on their respective 1992 shares of total employment.
- *** TCPU denotes transportation, communications, and public utilities; FIRE is an abbreviation for finance, insurance, and real estate.
- Source: State of Washington Employment Security Department. Data is for employees covered by federal and state unemployment insurance.

It is important to note that covered employment data excludes workers not covered by unemployment insurance, such as sole proprietors. The only readily available source of information for self-employed individuals is the decennial U.S. Census.

Figure 6. Self-Employment in Skagit County (1990)

Type of Employment	# of Workers
Self-Employed	
-- Urban Area	1,579
-- Rural Areas *	2,186
-- Subtotal Self-Employed	3,765
Total Employment (by Place of Residence)	34,121
-- Self-Employed as % of Total Employment	11.0%

- * Note: Includes 127 self-employed residents of Swinomish Reservation.
- Source: 1990 U.S. Census.

As of 1990, self-employed accounted for approximately 11% of the employed labor force in Skagit County. Of the self-employed, approximately 58% reside in a rural unincorporated area, while 42% live within an incorporated city. Self-employed individuals often work out of their homes or adjoining industrial and commercial buildings, particularly in rural Skagit County.

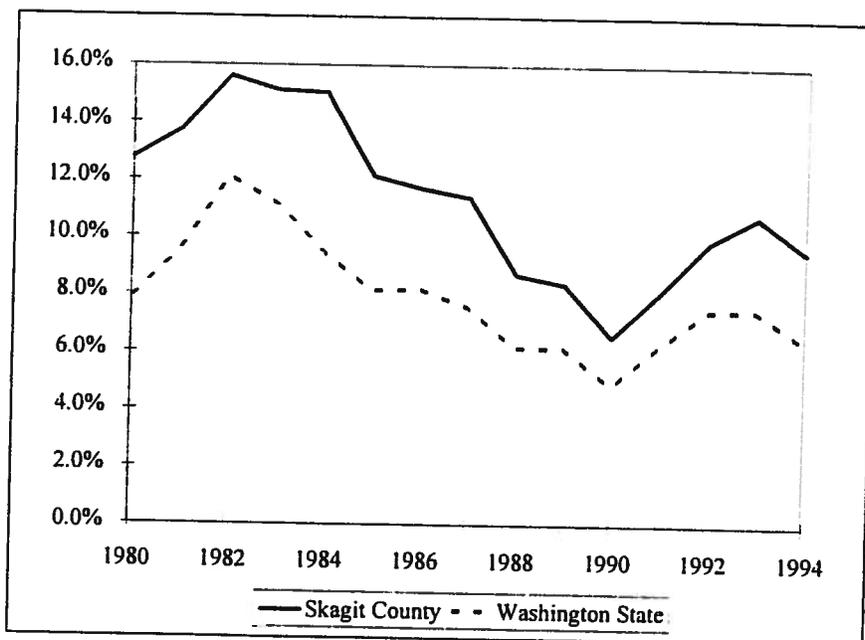
It also is noteworthy that self-employed increased from 3% of employed residents in 1980 to 11% of the employed workforce. This is consistent with statewide trends toward more self-employment activity.

From 1990-1994, employment in Skagit County has increased by over 15%, while population countywide has increased by 14%. Employment growth in Skagit County continues at a more rapid rate than comparable rates of net new job creation experience statewide (which experienced a 7% gain in covered employment between 1990 and 1994).

Unemployment Trends

The 1994 Skagit County unemployment rate was 9.6% -- down from 10.8% in 1993. However, the County's unemployment rate continues to be significantly above statewide averages.

Figure 7. Unemployment Rate Comparisons (1980-1994)

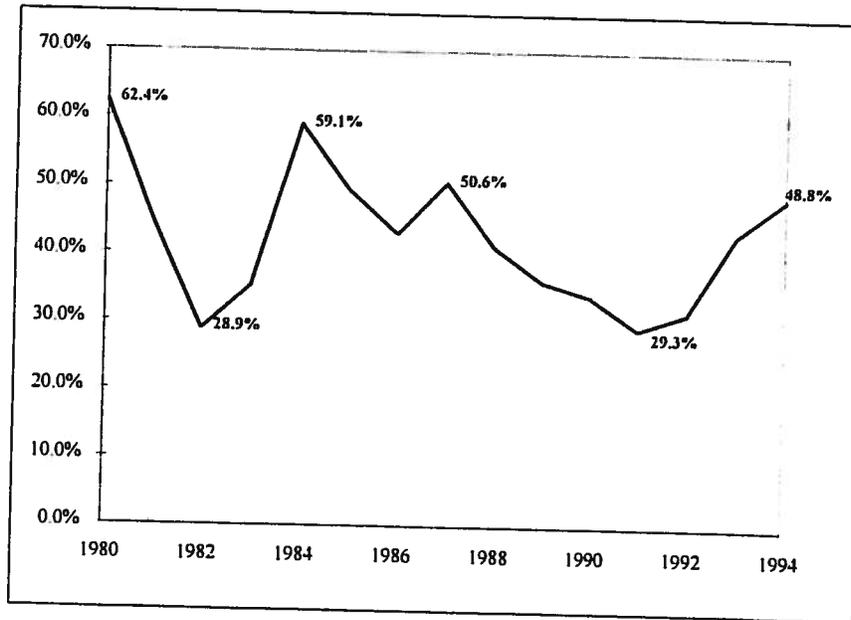


Source: State of Washington Employment Security Department.

From the mid 1980s through about 1991, the gap between Skagit County's rate of unemployment and the statewide rate narrowed. However, since 1991, Skagit County unemployment has climbed from a level that was 29% to a rate that is 49% above the statewide rate.



Figure 8. Percentage of Skagit County Unemployment Rate Above Washington State Average



Source: State of Washington Employment Security Department.

Local & Regional Labor Force

As of the 1990 Census, Skagit County had a resident labor force of 36,000, with an average unemployment rate of 5.8%. More recent Washington State Employment Security Department data comparing labor force and unemployment for 1994 indicates that Skagit County has a resident labor force of 44,670 with an unemployment rate of 9.6%.

Due to driving proximity, industries in Skagit County are centrally located to tap into a three-county northern Puget Sound labor force of over 391,000 (as of 1994). However, the unemployment rate in Skagit County (at 9.6%) is still well above comparable rates of unemployment for northern Puget Sound (6.7%) or the entire state (6.4%).

This relatively high rate of unemployment is attributable to the continued shift from dependence on natural resource industries to a more diversified economic base. The process of transition has resulted in unemployment for persons displaced from firms that have laid workers off or closed permanently. However, this situation does give Skagit County an existing available labor pool that could be readily absorbed by a variety of employers. It also points to a continued need for worker retraining and economic development of industries with jobs suitable for displaced workers.

Figure 9. Comparative Labor Force and Unemployment Data

Geographic Area	Labor Force (1994)	% Annual Change (1980-1994)	Unemployment Rate	
			1980	1994
Skagit County	44,670	2.5%	12.8%	9.6%
Northern Puget Sound	391,470	2.9%	8.4%	6.7%
Puget Sound/I-5 Corridor	1,681,270	2.6%	7.0%	6.0%
State of Washington	2,708,000	2.2%	7.9%	6.4%

Note: The Northern Puget Sound consists of Skagit, Snohomish and Whatcom Counties; the entire Puget Sound/I-5 Corridor also includes King, Pierce and Thurston Counties.

Source: State of Washington Employment Security Department, *Commissioners Newsletter*.

C. Natural Resource Industries

As documented by the 1994 OEDP, natural resource based industries are integral to Skagit County's economy and way of life. Agriculture, forestry and fishing have long been the traditional mainstays of Skagit County's natural resource based economy.

However, all three of these natural resource based industry sectors are experiencing significant change potentially affecting their long-term viability in Skagit County. The fragility of these sectors is reinforced by additional information developed over the past 1½ years for this OEDP update.

Agricultural Resources

The 1994 OEDP described agricultural resources as an important part of Skagit County's economy and community character since early settlement in the 1800s. The Skagit Valley is viewed by many as one of the most fertile and productive valleys in the world, for example:

- Skagit County is a major producer of spinach, cabbage, and table beet seeds for the world. There are four vegetable seed companies in the county which market their products worldwide.
- Small fruits such as raspberries, blueberries and strawberries are noted regionally for their superior quality.
- Skagit County is one of the world leaders in tulip and daffodil production.
- Skagit County ranks fifth in dairy production in the state of Washington.

The 1994 OEDP used data from the 1987 *U.S. Census of Agriculture* to highlight key economic indicators of importance to Skagit County. Within the past year, results of the updated 1992 *Census of Agriculture* have been released. This more recent data serves to confirm concerns previously identified for the long-term economic viability of Skagit County agriculture.

Figure 10. Skagit County & Statewide Agricultural Trends

Agricultural Indicator	Skagit County		State of Washington	
	1987	1992	1987	1992
<i>Total Number of Farms</i>	806	754	33,559	30,264
<i>Total Acres in Farms</i>	95,357	92,074	16,115,568	15,726,007
Average Farm Size (acres)	118	122	480	520
<i>Estimated Average Market Value:</i>				
Land & Buildings (per farm)	\$290,692	\$435,274	\$355,976	\$468,482
Land & Buildings (per acre)	\$2,427	\$3,618	\$739	\$892
Machinery & Equipment (per farm)	\$45,784	\$68,180	\$45,905	\$61,053
<i>Market Value of Agricultural Sales:</i>				
Crops including Greenhouse Crops (\$1,000)	\$47,672	\$63,849	\$1,688,656	\$2,451,605
Livestock, Poultry & their Products (\$1,000)	\$54,860	\$74,621	\$1,230,978	\$1,369,617
All Agricultural Products (\$1,000)	\$102,532	\$138,470	\$2,919,634	\$3,821,222
Average Sales per Farm	\$127,211	\$183,647	\$87,000	\$126,263
<i>Total Farm Production Expenses:</i>				
Total Expenses (\$1,000)	\$76,048	\$121,418	\$2,425,028	\$3,122,970
Average Expense per Farm	\$94,352	\$161,032	\$72,262	\$103,191
<i>Net Cash Return from Agricultural Sales:</i>				
Total Net Cash Return (\$1,000) *	\$22,240	\$18,134	\$478,484	\$689,113
Average Net Cash Return per Farm *	\$27,593	\$24,019	\$14,256	\$22,771
Average Age of Farm Operators	50.6	52.6	51.6	53.1

* Note: Net cash return is defined as gross value of agricultural products sold less operating expenses (which do not include depreciation or changes in inventory values). Net cash return is that of the farm unit rather than net farm income of the operator.

Source: 1987 and 1992 Censuses of Agriculture.

From this statistical data, the following observations are of particular note:

- ♦ From 1987-1992, the number of farms and total acreage in farms countywide have declined. Average size of farms has increased, though farms in Skagit County are smaller (at an average of 122 acres per farm) than is the case statewide (520 acres).
- ♦ Estimated market value of Skagit County farms (both land and buildings) is relatively high at over \$3,600 per acre, well above the statewide average of \$900 per acre. And the reported market value of local farms increased by 49% from 1987-1992, well above the statewide increase of 21%.
- ♦ Market value of both crops and livestock have increased dramatically (by 34% and 36% respectively); however, farm expenses have increased even more rapidly leading to reduced net cash returns or profitability for Skagit County agriculture.

- ♦ As is true statewide, average age of farm operators is increasing as prospects of declining business opportunities deter new entrants.

Forest Resources

Changes in forest products related activity are of significance because of: (a) the historical importance of this industry to Skagit County; (b) severity of employment loss in recent years; and (c) impacts of harvest and employment reductions, particularly for timber dependent communities in east Skagit County.

Recent data indicates that the timber harvest in Skagit County has continued to decline from a 1986 peak of 319 million board feet. The 1994 harvest was just over 150 million board feet -- a decline of over 53% from 1986 levels.

Skagit County's loss in timber harvest has been *more severe* than that experienced statewide. From 1986-1994, statewide harvest declined from 6.6 to 4.1 billion board feet -- a decline of only 38%.

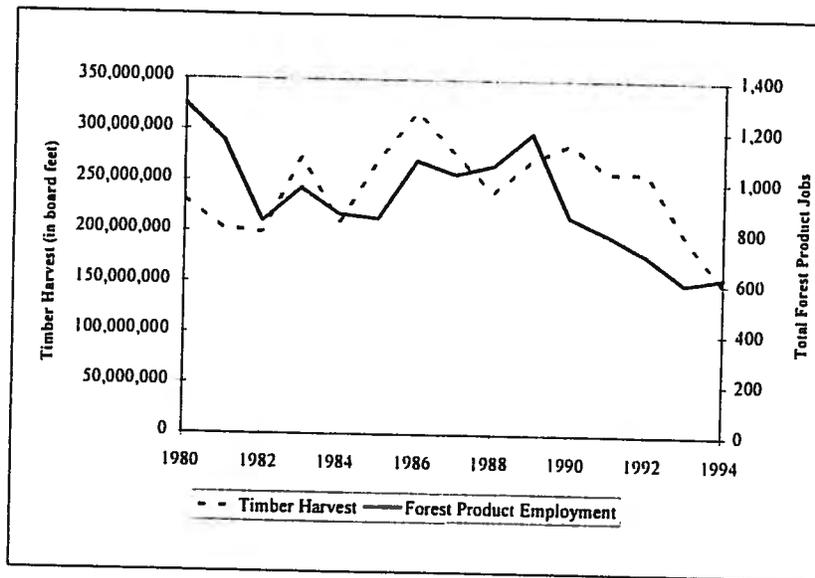
Figure 11. Timber Harvest Trend (in board feet)

Year	Skagit County	Washington State	% Share of State
1980	231,386,000	5,719,552,000	4.0%
1981	203,649,000	4,890,898,000	4.2%
1982	199,208,000	5,079,064,000	3.9%
1983	273,560,000	6,088,273,000	4.5%
1984	209,298,000	5,801,972,000	3.6%
1985	271,389,000	5,963,543,000	4.6%
1986	318,907,000	6,555,957,000	4.9%
1987	277,027,000	7,035,509,000	3.9%
1988	240,456,000	7,045,372,000	3.4%
1989	271,423,000	6,850,946,000	4.0%
1990	287,697,000	5,849,227,000	4.9%
1991	259,358,000	5,103,920,000	5.1%
1992	260,098,000	5,017,676,000	5.2%
1993	197,372,000	4,329,979,000	4.6%
1994	150,202,000	4,111,356,000	3.7%

Source: State of Washington Department of Natural Resources, 1995.

As timber harvest levels in the County have continued to fall since 1986 highs, forest products related employment also has experienced continued decline. Employment has declined from a peak of 1,193 jobs in 1989 to 632 jobs in 1994 -- a loss of over 560 jobs (or 47% of the 1989 employment level).

Figure 12. Timber Harvest & Forest Products Related Employment



Fishing

Commercial and recreational fishing has represented a third integral natural resource related industry that has influenced Skagit County economically and culturally. Commercial fisheries activity includes both anadromous species (notably salmon) and shell fish.

However, as is true elsewhere throughout Puget Sound and the state, some of the commercial fisheries activity has declined in recent years. This is the result of a variety of factors including overfishing, degradation of fisheries habitat (both ocean and freshwater) and catch restrictions.

For example, from 1989 to 1993, commercial net catches of Puget Sound fall and summer Chinook have declined by 82%. Coho net catches have declined 87% and pink catches have dropped (through 1991) by 73%.²

D. Housing Market

Housing data is useful to depict a community's desirability as a place to live. Conversely, housing cost information may raise concerns of affordability that also affects future economic development prospects.

The most recent data on home values (for single family residences only) indicates that the average sales price of a home in Skagit County was over \$150,000 as of the January-September 1995 period. The 1994 OEDP had identified an average home sales price of just under \$119,000 as of January-April 1992.

Home prices have increased by close to 27% over the last three years -- a clear indication of continued strong housing demand in Skagit County. However, average days on market have increased from 90 to 107 days, perhaps indicating some resistance to pricing and suggesting a

potential future slowdown in housing activity. Part of the resistance to pricing may be related to the growing mismatch between local household incomes and resulting cost of housing that can be afforded.

Average reported sales price is highest in Anacortes (at close to \$190,000), followed by La Conner. The lowest reported average sales prices are in the east Skagit County area (including Concrete and Rockport). During a nine month period in 1995, 646 homes were sold countywide. The largest number of homes were sold in the Mount Vernon area (219 homes), followed by the Anacortes area.

The average selling time of homes is lowest in La Conner (72 days), followed by Concrete and east county. The longest average selling time reported is for Anacortes (131 days).

Figure 13. Average Selling Price of Homes in Skagit County (January-September 1995)

Area *	Average Price Sold	# Sold	Average Days on Market
Skagit County	\$150,472	646	107
Anacortes	\$189,550	148	131
La Conner	\$174,600	22	72
Burlington	\$139,750	108	112
Sedro-Woolley	\$125,000	92	86
Mount Vernon	\$144,850	219	107
Lyman/Hamilton	\$116,200	7	123
Concrete/East	\$96,650	17	97

* Note: Areas indicated extend beyond incorporated cities to include vicinity unincorporated residential sales; and are generally consistent with school district boundaries.³

Source: Skagit County MLS Sold Reports. Data compiled by Andy Hokanson, Jim Scott, Windermere Real Estate/James Scott & Associates, September 13, 1995.

E. Income Trends

As of the 1990 census, median household income in Skagit County was just under \$28,400. Median income countywide was 91% of the statewide median figure of \$31,200. However, incomes countywide increased more rapidly from 1980-1990 in Skagit County than statewide.

More recent Bureau of Economic Analysis data is useful to consider because it also illustrates changing sources of income. This Bureau of Economic Analysis data also indicates that Skagit County is at about 90% of statewide median household income as of 1993. In effect, Skagit County households are not gaining, but may be losing ground relative to the entire state from an income perspective.

Figure 14. Comparative Sources of Personal Income

Source of Income	As a % of Total Income			
	Skagit County		State of Washington	
	1986	1993	1986	1993
Wages & Salaries	45%	48%	60%	60%
Proprietors Income	13%	13%	8%	10%
Dividends, Interest & Rent	22%	19%	17%	15%
Transfer Payments	19%	20%	15%	16%
All Sources	100%	100%	100%	100%
Average Per Capita Income	\$13,620	\$19,415	\$15,124	\$21,774
Median Household Income		\$33,592		\$37,316

Note: Numbers may not add to 100% due to rounding.

Source: U.S. Bureau of Economic Analysis.

In Skagit County, there also has been some shifting in sources of income over the 1986-1993 period. The proportion of total income attributable to wages and salaries has increased, while the share attributable to dividends has declined somewhat.

Compared with the state, Skagit County residents continue to receive a disproportionately low share of their personal income from wages and salary earnings. Above average proportions of local income are received from proprietors income; dividends, interest and rent; and transfer payments.

F. Major Economic Development Investments

Since the 1994 OEDP, at least 15 major industrial investment projects have been announced in Skagit County. Taken together, these 15 projects represent over \$233 million in planned investment and more than 1,100 added jobs. These investments are indicative of the type of continuing economic development impetus critical to address local needs for employment and a stronger wage and salary income base for Skagit County.

Figure 15. Major Skagit County Industrial Investments (mid 1994 - September 1995)

Name of Project	Description	Year of Completion	Amount Invested (in \$ millions)	Added # of Jobs
Shell Oil	Upgrade of oil refinery	1997	\$200.00	24
Glass Ply	Fiberglass boat builder	1995	\$0.50	20
ABC Blinds	Window blind manufacturer	1995	\$0.20	5
Ligno Tech USA Inc.	Extraction of lignin from wood pulp	1994	\$14.00	18
Pacific Circuits	Circuit board manufacturer	1995	\$10.00	500
Plantation Solar Shutters	Wooden window shutter manufacturer	1995	\$0.40	20
Frameworks	Futon furniture manufacturer	1994	\$0.30	67
Jansport	Recreational equipment manufacturer	1994	\$4.00	200
Northwest Farm Food Co-op	Pet food manufacturer	1994	\$0.30	25
Samish Manufacturing	Fiberglass truck components	1994	\$0.20	15
Skagit Pacific Corporation	Manufactured/modular buildings	1994	\$0.40	75
Timberline Forest Products	Wood door & window components	1994	\$3.00	130
Skagit River Woodworks	Wood furniture & specialty components	1995	N/A	4
Northwest Forest Fiber Products	Wood chipping plant	1995	N/A	N/A
Northwest Transitions	Wood moldings manufacturer	1995	N/A	10
Total			233.3	1,113

Source: E.D. Hovee & Company, based on data provided by EDASC and other sources. Updated as of September 1995.

G. Employment Forecasts

Both in 1994 and again in 1995 for this OEDP update, E.D. Hovee & Company has prepared two alternative forecast scenarios for overall and industrial employment growth in Skagit County:

Scenario A: A population-driven forecast based on the increase in employment needed to serve forecast Skagit County population growth.

Scenario B: An employment-driven forecast based on utilization of Washington projections made by Employment Security Department and extrapolation of Skagit County's changing share of regional employment forward over a 20 year period.

With this 1995 update, these forecast scenarios have been updated and refined to reflect new State of Washington Office of Financial Management (OFM) population projections and revised statewide employment projections from the Employment Security Department. Estimates and projections of self-employment are provided to augment data for covered employment. The forecast period also has been extended one year to 2015.

Scenario A: Population-Driven Forecast

The methodology used in making calculations for a *population-driven* employment forecast is provided by the chart on the following page. Calculations are *calibrated* using historical population and labor force data for 1980 and 1990, with subsequent projections forward to 2015.

This methodology illustrates the number of jobs that need to be created to support anticipated population growth, not further increase the 1990 proportion of employees commuting to work outside of Skagit County and achieve a year 2015 target unemployment rate for Skagit County of approximately 6.8%.⁴

While Skagit County historically has experienced unemployment rates well above 6.8%, achieving this goal by 2015 is not an unreasonable assumption for Skagit County for two reasons. First, Skagit County already has somewhat narrowed the gap between its unemployment rate and the state's rate since 1980. Secondly, the 6.8% target unemployment rate is tied to the Washington state unemployment rate which has been forecast by Washington Employment Security to converge at 6.6% -- even though the state's unemployment rate historically has averaged more than 6.6%.

Using this *population-driven* methodology as indicated, countywide covered employment is projected to increase from 31,200 in 1990 to 60,700 by 2015 -- a gain of almost 29,500 jobs. Over the shorter 20 year GMA time horizon of 1995-2015, the net job gain is estimated at approximately 23,700.

Total employment including covered *plus* self-employed could increase by a larger number, from just under 35,000 in 1990 to 68,000 in 2015. This equates to a total increase of 33,000+ jobs (a gain of 94% above 1990 conditions) or an increase of 26,500 over the shorter 20 year period of 1995-2015.

Figure 16. Population-Driven Employment Projection Methodology

Mathematical Computation	1980	1990	2015	Comments
Countywide Population	64,100	79,500	137,700	2015 figure reflects revised OFM population projections, November 1995.
<i>Multiply:</i>				
% age 16 and older	76.1%	76.5%	78.6%	2015 figure reflects percent distribution from prior OFM but extrapolated from 2010 to 2015.
<i>Equals:</i>				
Population age 16 and older	48,800	60,800	108,200	
<i>Multiply:</i>				
Labor force participation rate	57.3%	59.9%	66.4%	2015 figure reflects extrapolation of 1980 and 1990 figures. The 2010 state figure is 70.5%.
<i>Equals:</i>				
Skagit County labor force	28,000	36,400	71,800	
<i>Multiply by 1 (minus) the:</i>				
Skagit County unemployment rate	10.9%	5.8%	6.8%	2000-2015 figure reflects the 1990 relationship of Skagit County to Washington State and applied to Washington State Long Run figure of 6.6%. The 1994 average for Skagit County is 9.6%.
<i>Equals:</i>				
Number of residents employed	24,900	34,300	66,900	
<i>Less:</i>				
Self-employed	830	3,770	7,300	2015 figure assumes constant 1990 ratio of self-employed to employed residents.
Private household employment	90	80	160	2015 figure assumes constant 1990 ratio of private household employment to employed residents.
<i>Equals: Total Resident</i>				
Wage & salary workers	24,000	30,500	59,400	
<i>Less:</i>				
Out-commuters	2,600	5,700	11,100	2015 figure assumes constant 1990 ratio of out-commuters to wage and salary workers.
<i>Equals: Total W&S Workers</i>				
Working in Skagit County	21,400	24,800	48,300	
<i>Plus:</i>				
In-commuters	N/A	4,800	9,300	2015 figure assumes constant 1990 ratio of in-commuters to wage and salary workers.
Multiple job holders *	500	1,600	3,100	2015 figure assumes constant 1990 ratio of multiple job holders to wage and salary workers.
<i>Equals:</i>				
Total covered jobs	21,900	31,200	60,700	1994 covered employment equals 35,772. Estimated change from 1995-2105 is therefore estimated to be 23,700.
Total with self-employed	22,730	34,970	68,000	

* Note: 1980 multiple job holders are assumed to consist of persons holding two or more jobs and those commuting into Skagit County for work.

Source: E.D. Hovee & Company, November 1995.

Scenario B: Employment-Driven Forecast

An alternative approach is to forecast employment independent of expected population growth, based on Skagit County's changing competitive position within the Washington state economy. This methodology consists of the following steps:

- ♦ Start with expected statewide employment growth (based on a forecast recently updated by the State of Washington Employment Security Department).
- ♦ Evaluate Skagit County shares of employment statewide and forecast future employment shares based on extrapolation of past trends (on a sector by sector basis).
- ♦ Multiply Skagit County's expected shares of employment by the statewide employment forecast (by sector) to arrive at a projected year 2015 employment total for Skagit County.

The statewide employment forecast is summarized by the following chart for major employment sector and land use types.

The updated Employment Security Department forecast (to 2010 and trended forward to 2015) indicates that statewide employment currently is projected to increase by over 870,500 jobs over the 20 year 1995-2015 time horizon.⁵ When evaluated based on *major employment sector*, services are projected to account for 49% of total job growth. Retail trade jobs account for 17% of job growth and government for 14%. Together these three sectors are expected to represent over 80% of the net new jobs in the state of Washington.

By comparison, sectors of agriculture, mining, construction, manufacturing, TCPU, wholesale trade, and FIRE are expected to account for a combined total of less than 20% of statewide employment growth.

This analysis involves a delineation between commercial (C), industrial (I), natural resource (NR), agricultural (AG) and public/non-profit (P) uses. These classifications are made on the basis of typical employment related zoning codes and conventional application.

When measured by *land use type*, about 15% of net job growth is expected to involve industrial designated land. By comparison, 45% of job growth will consist of primarily commercial and as much as 39% for public/non-profit (or institutional) uses.

Figure 17. State of Washington Employment Forecast

Employment Category	Land Use Type	1994 Employment	Forecast Employment Growth (1995-2015)
<i>Employment by Sector:</i>			
Agriculture (including services)	AG/NR	103,040	7,991
Mining	NR	3,292	604
Construction	I	122,792	26,301
Manufacturing	NR/I	335,532	47,703
TCPU *	I/C	116,282	13,203
Wholesale Trade	I	137,890	29,294
Retail Trade	C	423,681	146,597
FIRE *	C	125,787	46,395
Services	C/P	593,472	427,315
Government	P	438,894	125,099
Total Wage & Salary Employment		2,400,662	870,502
<i>Employment by Land Use Type:</i>			
<i>Allocated Land Uses:</i>			
Commercial	C	879,414	389,761
Industrial	I	603,338	128,571
Natural Resource	NR	116,478	20,170
<i>Unallocated Land Use:</i>			
Agriculture (excluding services)	AG	75,042	-8,674
Public/Non-Profit	P	726,390	340,674
Total Wage & Salary Employment		2,400,662	870,502

* Note: TCPU is an abbreviation for Transportation, Communications, Public Utilities; FIRE denotes Finance, Insurance, Real Estate.

Source: State of Washington Employment Security Department, extrapolated from 2010 to 2015 by E.D. Hovee & Company.⁶

The next step in the employment-driven forecast process involves an evaluation of Skagit County's changing shares of statewide employment, by industry sector. This data is provided in chart form by Figure 18 and is illustrated graphically by Figure 19, with more detailed employment sector data contained in Appendix A of this OEDP update. The chart and graph also depict projections of Skagit County shares of statewide employment (by sector) forward to the years 2015.

Figure 18. Changing Skagit County Shares of Statewide Employment

Employment Category	Land Use Type	Skagit County Share of Statewide Jobs		
		1980	1994	2015 Projection
<i>Employment by Sector:</i>				
Agriculture (including services)	AG/NR	5.5%	3.1%	2.8%
Mining	NR	0.5%	0.7%	1.1%
Construction	I	1.5%	2.4%	3.8%
Manufacturing	NR/I	1.2%	1.3%	2.0%
TCPU *	I/C	1.3%	1.2%	1.3%
Wholesale Trade	I	0.7%	0.9%	1.0%
Retail Trade	C	1.6%	1.9%	2.7%
FIRE *	C	0.7%	0.8%	1.0%
Services	C/P	1.1%	1.1%	1.3%
Government	P	1.5%	1.6%	1.9%
Total Covered Employment		1.4%	1.5%	1.9%
<i>Employment by Land Use Type:</i>				
<i>Allocated Land Uses:</i>				
Commercial	C	1.3%	1.4%	1.7%
Industrial	I	1.0%	1.3%	1.9%
Natural Resource	NR	2.2%	2.2%	3.0%
<i>Unallocated Land Use:</i>				
Agriculture (excluding services)	AG	6.8%	3.6%	4.0%
Public/Non-Profit	P	1.4%	1.5%	1.7%
Total Wage & Salary Employment		1.4%	1.5%	1.9%

* Note: TCPU is an abbreviation for Transportation, Communications, Public Utilities; FIRE denotes Finance, Insurance, Real Estate.

Source: E.D. Hovee & Company, based on 1980 and 1994 employment data from the State of Washington Employment Security Department.

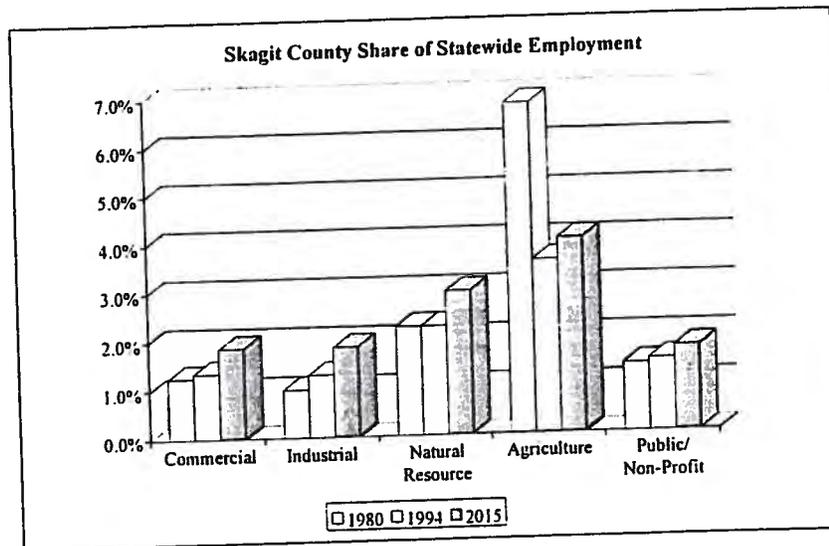
Between 1980 and 1994, Skagit County's share of statewide covered employment increased from 1.4% to 1.5%. Particularly strong gains in the county's competitive position have been experienced in construction and retail trade.

Skagit County also increased its share of the statewide job base in mining, manufacturing, wholesale trade, government, and in finance, insurance and real estate. During this same 1980-1994 time period, Skagit County lost competitive share in agriculture, and in transportation, communications and public utilities.

Based on extrapolation of 1980 and 1994 local shares of statewide employment forward to 2015, it could be expected that Skagit County will further increase its share of statewide employment. Increased shares of statewide employment are projected for all land use categories.

Achieving an increased share of agriculture's statewide share of crop and livestock production will require a reversal of trends experienced from 1980-1994. However, strengthening Skagit County's agricultural base is consistent with county planning policy and this OEDP.

Figure 19. Changing Skagit County Shares of Statewide Employment



Source: State of Washington Employment Security Department.

By applying expected Skagit shares of statewide employment to the State of Washington job forecast, it is possible to project future Skagit County employment potentials by sector and land use type. Potential *additions* to the existing job base are illustrated for the 1995-2015 time period.

Using this *employment-driven* methodology, Skagit County's covered employment base could be expected to increase by over 24,800 jobs between 1995-2015 to a year 2015 job total of approximately 61,800.

Total employment including self-employed would increase by over 27,600 jobs for a year 2015 combined job base of 69,100. The employment projection resulting from this methodology is very similar to that resulting from the *population-driven* methodology. Total year 2015 employment with the population-driven methodology (including self-employed) is 68,000, versus 69,100 for the employment-driven approach, for a difference of 1,100 (or 2%).⁷

In other words, future job growth based on extrapolating past trends in Skagit County's competitive position forward 20 years to the year 2015 could be expected to create at least the number of jobs needed to serve the demands of a growing population base and labor force without increasing the rate of out-commuting. This rate of job growth would also be supportive of reduced unemployment levels.

Because the *employment-driven* scenario would generate somewhat more jobs than are needed to support projected population growth, there also would be greater opportunity to reduce the

current high level of out-commuting now occurring in Skagit County. As of the 1990 census, 16.6% of the employed labor force residing in Skagit County commuted out of the county for work. Reducing the rate of out-commuting would support statewide goals for trip reduction by curtailing vehicle miles traveled for those who now must commute out of Skagit County for employment.

Figure 20. Skagit County Employment-Driven Forecast Scenario (1995-2015)

Employment Category	Job Type	1994 Employment	Forecast Employment Growth 1995-2015
<i>Employment by Sector:</i>			
Agriculture (including services)	AG/NR	3,175	-5
Mining	NR	23	20
Construction	HI/LI	2,897	2,679
Manufacturing	NR/HI/LI	4,454	3,176
TCPU	HI/LI/C	1,394	343
Wholesale Trade	LI	1,224	384
Retail Trade	C	8,239	6,837
FIRE	C	1,003	724
Services	C/P	6,328	7,152
Government	P	7,035	3,501
Total Covered Employment		35,772	24,812
Self-Employment	SE	3,770	2,824
Total Employment		39,542	27,636
<i>Employment by Land Use Type:</i>			
<i>Allocated Land Uses:</i>			
Commercial	C	11,900	10,108
Heavy Industrial	I	7,788	5,615
Natural Resource	NR	2,620	1,335
<i>Unallocated Land Use:</i>			
Agriculture (excluding services)	AG	2,672	-25
Public/Non-Profit	P	10,792	7,779
Total Covered Employment		35,772	24,812
Self-Employment		3,770	2,824
Total Employment		39,542	27,636

Note: Self-employment for 1994 and 1995 to 2015 growth was straight lined from 1990 and 2015 estimates assuming continuation of the 1990 ratio of self-employed to covered employment. Total year 2015 employment with this approach is 69,124.

Source: E.D. Hovee & Company. December 1995.

However, assumptions of a continued strong competitive position for Skagit County is by no means assured. To generate the jobs needed, increased attention will be needed to address issues that have been identified in the OEDP and growth management process.

Critical to the ability to generate added employment for local residents are such factors as: identification of suitable industrial and commercial sites, maintenance of the county's agricultural base, provision of infrastructure in a timely manner, and resolution of significant environmental issues such as wetlands that otherwise create uncertainty and impede development. Other important pre-requisites to a healthy economy include a trained labor force, a full range of human and social services, maintaining Skagit's quality of life, and public-private cooperative partnerships.

As is the case statewide, the majority of Skagit County's job growth is anticipated to be in the service related activities. The combination of retail trade, personal and business services, and government is projected to represent 70% of total forecast covered employment growth countywide.

When evaluated by *land use type*, industrial uses are forecast to account for 23% of countywide employment growth, natural resource related uses for 5%, commercial for 41%, and public/non-profit (or institutional) for 31%. Self-employed (SE) represent an additional 11% add-on to the covered employment figure, assuming continuation of 1990 U.S. Census ratios.⁸

H. Commercial and Industrial Land Analysis

The final step in the forecast process is to derive estimates of currently vacant or underdeveloped land needed to accommodate anticipated job growth. Forecasts of land demand are then compared with supply based on an assessment of Skagit County's industrial and commercial land inventory.

The commercial and industrial land demand forecast scenarios have been updated by inserting empirical employment density information for the more generalized references previously used. Finally, land demand calculations are limited to commercial, industrial and natural resource related uses. Land demand calculations are not made for agriculture, public/non-profit and self-employment uses due to circumstances uniquely affecting land requirements for each of these employment categories.

The combination of these refinements, together with a market factor of 25% rather than 20%, significantly affects calculations of future commercial and industrial land demand. Information regarding the supply of developable sites also has been significantly updated based on data generated by County, City and Port district planning departments during 1995.

Employment related uses for which land demand is estimated are:

Commercial (C) -- covering both retail and office related services (except for public and non-profit uses).

Industrial (I) -- encompassing a range of light and heavy industrial uses including manufacturing, wholesale trade, contractors, and portions of service and transportation, communications and public utilities activities (but excluding natural resource based industries which are considered separately).

Natural Resource (NR) -- covering natural resource based industries that could occur in either an urban or rural setting. Examples are agricultural, forestry and fishery services, food processing, lumber and wood products manufacturing, and production of stone, clay, glass and concrete products.

Land demand has not been estimated in this OEDP update for the following employment related uses for reasons as noted below:

Agriculture (AG) -- for such activities as crop and livestock production. Land demand for agricultural production cannot be easily correlated to employment but rather is related to a multiplicity of other factors such as type of agricultural enterprise, land availability, current market conditions, and access to supportive food processing and agricultural services.

Public/Institutional (P) -- for employment related activities of local, state and federal agencies (including school districts) together with non-profit organizations providing health, education, social and cultural services. While some public/institutional uses use commercial and industrial land, many (such as schools) typically do not. Many of the local jurisdictions in Skagit County have a separate public facilities land use zoning designation. And public facilities needs are planned for separately as part of the capital facilities element of local comprehensive or growth management plans.

Self-Employment (SE) -- consists of sole proprietors and others who are not covered by unemployment insurance. A significant (though undetermined) proportion of self-employed may work out of their own residence (as a home occupation) and therefore do not require use of industrial or commercial zoned property. While self-employed represent a growing share of the Skagit County and national job base, there is no data currently available to indicate the distribution of self-employment by land use type.

Forecasts of future natural resource, industrial and commercial employment are converted to land demand estimates using employment density factors which are believed to be appropriate to Skagit County based on available empirical as well as local jurisdiction planning data.⁹ The land demand projections should be viewed as *conservative* estimates of future commercial and industrial land needs -- because additional demands from some portions of agricultural, public/non-profit and self-employment activities that use commercial and/or industrial lands have not been directly quantified.

Consistent with the employment forecast process, alternative computations of population and employment-driven land demand are both provided.

Population-Driven Commercial-industrial Land Demands

Based on the *population-driven* forecast used and assumed employment densities, total demand for natural resources, industrial, and commercial land would approximate 1,820 acres over the 20 year planning horizon.

Figure 21. Land Demand Projections for Skagit County (Population-Driven)

Employment Type	Forecast Employment Growth (1995-2015)	Assumed Employment Density (Employees per Acre)	1995-2015 Land Demand (in acres)	Land Demand with 25% Market Factor
<i>Allocated Land Uses:</i>				
Commercial (C)	9,703	20.0	485	606
Industrial (I)	5,369	6.5	826	1,033
Natural Resource (NR)	1,263	2.5	505	631
Total Land Demand	16,335	9.0	1,816	2,270
<i>Unallocated Land Uses:</i>				
Agriculture (AG)	-73			
Public/Institutional (P)	7,438			
Covered Employment	23,700			
Self-Employment (SE)	2,824			
Total Employment	26,524			

Sources: State of Washington Employment Security and E.D. Hovee & Company, based on population-driven employment forecast provided by Figure 16.

With a 25% market factor, commercial-industrial (including natural resource related) land demand increases to 2,270 acres. This land demand would be distributed approximately 27% to commercial, 45% to industrial, and 28% to natural resource related industry.

Employment-Driven Commercial-industrial Land Demand

Based on the *employment-driven* forecast used and assumed employment densities, total demand for industrial, commercial and natural resource land would exceed 1,900 acres over the 20 year planning horizon.

Figure 22. Land Demand Projections for Skagit County (Employment-Driven)

Employment Type	Forecast Employment Growth (1995-2015)	Assumed Employment Density (Employees per Acre)	1995-2015 Land Demand (in acres)	Land Demand with 25% Market Factor
<i>Allocated Land Uses:</i>				
Commercial (C)	10,108	20.0	505	631
Industrial (I)	5,615	6.5	864	1,080
Natural Resource (NR)	1,335	2.5	534	668
Total Land Demand	17,058	9.0	1,903	2,379
<i>Unallocated Land Uses:</i>				
Agriculture (AG)	-25			
Public/Institutional (P)	7,779			
Covered Employment	24,812			
Self-Employment (SE)	2,824			
Total Employment	27,636			

Sources: State of Washington Employment Security and E.D. Hovee & Company, based on employment-driven forecast provided by Figure 20.

With a market factor of 25%, commercial-industrial land demand comes to approximately 2,380 acres.¹⁰ As with the population-driven demand scenario, demand with this employment-driven approach would be distributed approximately 27% to commercial, 45% to industrial, and 28% to natural resource related industry

Factors Affecting Commercial-Industrial Land Demand

Actual land demand could be altered from what is indicated by these forecast scenarios by a variety of factors including: (a) changes in population growth above or below updated OFM projections; (b) development at higher or lower densities than assumed; (c) business recruitment or retention programs focused on particular employment sectors; and/or (d) changes in the competitive position of Skagit County vis-a-vis the rest of the Puget Sound area and Pacific Northwest.

As noted by the tables, designation of more land than is actually needed for commercial and industrial use for the employment categories noted is warranted to assure that suitable sites are actually available on the market when needed at competitive prices. This *market factor* represents additional land for commercial and industrial activities above and beyond the actual projected need of employers as end users.

A market factor also is important to accommodate likely demands for added commercial and/or industrial land from some agricultural, public/non-profit and self-employment uses that have not been directly quantified in this analysis. It is possible that the market factor might be varied by jurisdiction depending on local needs and priorities. For example, areas in east Skagit County

may need a somewhat higher market factor to provide better opportunity to recapture employment lost with decline of the forest products industry.

In 1994, the Citizens Advisory Committee (CAC) recommended an overall countywide market factor of 20%. With this 1995 update, the market factor has been increased to 25% consistent with other jurisdictions statewide and common planning practice.¹¹ With this adjusted market factor, an estimated 2,270-2,380 acres of land would be required for commercial, industrial and natural resource related employment uses over the 20-year comprehensive plan time period.

Developable Industrial and Commercial Lands Inventory

A business development objective referenced by the 1994 OEDP, by this update and by the Skagit County Comprehensive Plan is to: "Provide a diversity of *ready-to-build* sites with sufficient support infrastructure and services needed to meet demand for industrial land through the duration of the comprehensive plan." A similar policy objective is noted for commercial development. The term *ready-to-build* means sites that are truly developable based on: accessibility (current or prospective) to appropriate water, sewer, transportation, electrical, natural gas and telecommunications infrastructure; and lack of significant environmental constraints (such as wetlands).

Two sources of data on industrial sites were used as part of the 1994 OEDP: (a) Skagit County assessor's data; and (b) information compiled for the GMA planning process on a preliminary basis by local jurisdictions.¹² This 1995 updated commercial-industrial lands section represents a significant refinement to the 1994 OEDP based on the deletion of incomplete assessor's information and the substitution of updated information as provided by pertinent City, County and Port district planning departments.

Figure 23. Skagit County Net UGA Commercial & Industrial Developable Acreage

<u>Jurisdiction</u>	<u>Total Commercial + Industrial Acreage</u>
<i>Cities (incorporated plus unincorporated portions of urban growth areas):</i>	
Anacortes	525
Burlington	300
Concrete	18
Hamilton	0
La Conner	2
Lyman	0
Mount Vernon	771
Sedro-Woolley	143
<i>Other Urban Growth Areas*</i>	
Burlington/County (Bay View)	497
Total	2,256

* Note: Urban growth area noted has designated commercial-industrial land as proposed by Skagit County, with possible revision to Countywide Planning Policies required.

Source: Skagit County Department of Planning & Community Development, based on information provided by local jurisdictions, as of December 13, 1995.

These updated acreage figures indicate current estimates of 2,256 acres of currently or prospectively developable land available within existing urban growth areas of Skagit County for commercial, industrial and natural resource related industrial use.

Comparison of Land Demand & Supply

This updated 1995 OEDP analysis indicates that there is a rough balance between anticipated demand and supply for developable commercial and industrial (including natural resource related) property over the next 20 years within the context of Skagit County and local jurisdiction comprehensive planning. Combined commercial-industrial (including natural resource related industrial) land demand estimated at 2,270-2,379 acres equates to between 101%-105% of combined commercial and industrial land supply of 2,256 acres identified for future urban growth area (UGA) development potential (with the range depending on use of a population versus employment-driven projection).¹³

I. Summary of Countywide Economic Changes

In summary, local countywide economic changes identified by the Economic Development Association of Skagit County (EDASC) and this 1995 OEDP update are noted as follows:

- ♦ The number of jobs in the fishing and timber industries has continued to decline during the past year.

- ♦ Significant economic development investment has been announced; however, the gap between local and statewide unemployment rates has increased.
- ♦ Population growth pressures are straining housing affordability -- a concern that could affect future economic development activity.
- ♦ Watershed and water quality issues have strongly impacted the shellfish and aquaculture industries.
- ♦ Local employers have indicated that additional training of the local workforce would be useful.
- ♦ The entire amount of County's solid waste is now trucked to eastern Washington for disposal with closure of the county incinerator; opportunities for local materials recovery and recycling may be enhanced in the future as the concept for an Environmental Industrial Park moves forward.
- ♦ Updated OFM population projections for Skagit County taken together with efforts by Skagit County and local jurisdictions for growth management compliance and with local jurisdiction review of commercial and industrial (including natural resource related) land needs have led to substantive refinements to the commercial-industrial land analysis -- with resulting increases in estimated land demand for commercial and industrial uses, together with refined estimates for anticipated land demand in balance with the expected supply of developable sites.

IV. CHANGES IN ENVIRONMENTAL CONDITIONS

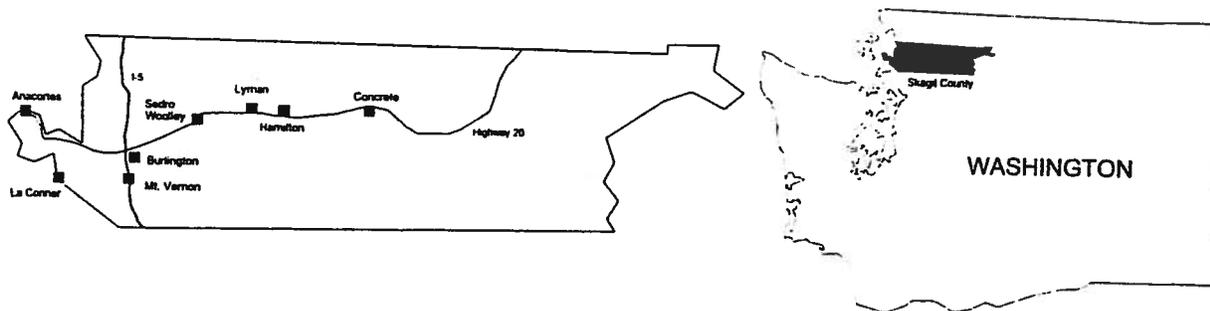
Balancing environmental and economic objectives has become increasingly important both nationally and in the state of Washington. Skagit County's location, topography and climate make achieving an appropriate balance more challenging than for many other counties and communities in western Washington. This section summarizes current conditions with special focus on pertinent changes in environmental conditions reported since the 1994 OEDP.

A. Current Conditions

Current environmental features are covered in summary form, including a description of the region, political geography, land usage, public services, wetlands and critical areas, endangered species and pertinent countywide policies.¹⁴

Description of Region: As noted by the 1994 OEDP, Skagit County encompasses 1,735 square miles and ranks 21st in geographic size among Washington State counties. The basic topography of the county can be described as western islands, valleys, and mountains, ranging from sea level to 8,966 feet at Mt. Logan at the eastern edge of the county.

Figure 24. Skagit County Location



A fertile alluvial plain nurtured by the flood plain of the Skagit River offers some of the richest farm soil regionally and nationally. The forests of the Cascades dominate two-thirds of Skagit County. The county has a marine climate affected by Pacific Ocean air currents. Mild wet winters and comfortably warm, drier summers are the result of these air currents.

Political Geography: Skagit County has eight incorporated communities. Taken together, the incorporated communities account for over 49,000 residents or 53% of the county's population. Incorporated cities encompass approximately 19,160 acres, encompassing approximately 3% of Skagit County's zoned land area.

The Swinomish, Upper Skagit and Sauk-Seattle Tribes have reservations on the County. The Swinomish reservation occupies approximately 7,200 acres of uplands and 2,890 acres of tidelands.

A variety of other governmental jurisdictional responsibilities are noted. Skagit County has two port districts, two large water utility districts and a total of 174 identified public and community water providers, and three public sewer districts (excluding community systems). In addition, various parts of the county are served by other special districts such as fire and diking districts.

Land Usage: Zoning ordinances are used to designate permissible land uses and restrictions within defined geographic areas of local cities and the unincorporated area. In addition to zoning controls, comprehensive land use plans provide additional tools for controlling the type of development within local jurisdictions. Other land use regulations include The Skagit County Environmental Policy Ordinance, Subdivision Ordinance and Shoreline Management Master Program.

The Pacific Northwest EPA Region 10 identified no designated superfund sites in Skagit County as of January 18, 1994.

The U.S. Department of Agriculture, Soil Conservation Service has identified areas within the county with prime and unique farmland. Of the County's approximate one million acres 108,000 acres or 10% are defined as prime farmland. Skagit County has made a clear policy commitment to preserving agricultural land. Programs already in place include agricultural zoning, agricultural reserve zoning, open space taxation, and a right-to-farm ordinance.

Approximately 30% of the County's total land base is zoned as a Forestry District. Another 30% of the county's land base is in federal ownership, including U.S. Forest Service managed land and National Park and Wilderness Areas.

One hundred fifty eight miles of the Skagit River system has been designated as a Wild and Scenic River since 1978. The state Department of Transportation has designated several highways in Skagit County as Scenic and Recreation Highways.

Skagit County has two properties that are listed as National Historic Landmarks. There are twenty six sites listed on the National Register of Historic Places, with two additional sites determined eligible. On the State Register there are four sites.

Public Services: Six cities, three communities and three sewer districts operate sewage collection and treatment facilities. Most of the larger sewage treatment facilities have the capacity to serve future growth.

Rivers, aquifers, and reservoirs supply water in Skagit County. Most of the water supply comes from two main sources: the Anacortes Water Utility and Skagit County PUD. In addition to the two largest suppliers there are a couple of dozen large community water systems (with the term large defined as comprising 50-100 customers each), with a total of approximately 174 countable systems countywide.

Groundwater quality in Skagit is generally good. Some areas of the County have groundwater quality problems experienced from high-impact uses along with vulnerable aquifers and naturally occurring contaminants.

Wetlands & Critical Areas: Based on a wetlands inventory conducted in 1991, there are approximately 76,188 acres of potential wetlands in Skagit County. This acreage represents 15% of the county (excluding federal lands).

Major floods have been recorded in Skagit County as early as 1815 and as recently as November 1995. Areas that are exposed to flooding are generally located on the Skagit River downstream from Sedro-Woolley, including Mt. Vernon, Burlington and Fir Island. However, upriver communities such as Lyman and Hamilton also experience periodic flooding.

Endangered Species of Plants or Animals: A total of 17 plant species have been identified as endangered, threatened and sensitive vascular plant species. Of these, the Golden Indian Paintbrush is considered a candidate for federal status; the others are noted as state sensitive or threatened species.

The list of endangered, threatened, sensitive, candidate, monitor and priority wildlife covers 39 different species. The peregrine falcon, grey wolf and grizzly bear are identified as endangered species (federal and state). The marbled murrelet and northern spotted owl are identified as federal threatened species.

Pertinent Countywide Policies: As part of their planning programs, Skagit County and local jurisdictions have taken steps to address environmental issues on a comprehensive basis. Skagit Countywide Regional Comprehensive Plan Policies, adopted as of July 1, 1992, specifically address wetlands, forestry, fisheries, and other environmental standards. Additional policies may be considered for adoption as part of countywide and local jurisdiction comprehensive plans for growth management.

B. Changes in Environmental Conditions

As noted, current environmental conditions previously reported in the 1994 OEDP remain largely unchanged with this 1995 update. However, several other activities recently underway do suggest changes that are of special note:

- ♦ The state of Washington Growth Management Hearing Board has directed substantiation of population forecasts for Skagit County, interim urban growth areas outside of incorporated city boundaries, and open space/greenbelt areas outside of designated urban growth areas. Skagit County is proceeding with revisions to its proposed comprehensive plans to address these objectives. These revisions will be tempered by adjustments to population forecasts issued by the state Office of Financial Management (OFM). The Skagit County OFM projection has been upgraded from a 1992 forecast of 122,183 (for year 2014) to an updated November 1995 preliminary medium scenario projection of 137,714 (for year 2015).
- ♦ Transit service has been expanded to provide alternatives to automobile transportation with associated benefits of reducing pollution and need for added highway/roadway capacity.

- The Economic Development Association of Skagit County (EDASC) has moved forward with a variety of projects (with EDA funding participation) to address combined objectives of environmental quality and economic development. Project activities include wetland mitigation banking, an environmental industrial program, and recently completed feasibility study for an environmental industrial park.

V. OEDP GOALS & OBJECTIVES

The OEDP recommends goals, objectives and policies for economic development in Skagit County. Economic policies have been developed jointly with the Skagit Council of Governments and a Citizens Advisory Committee for inclusion in the OEDP and the economic element of Skagit County's Comprehensive Plan. These goals, objectives and policies also entail a definition of economic development applicable to both the GMA and OEDP planning process.

A. Defining Economic Development

For purposes of the 1994 OEDP and this 1995 update, the term "economic development" is defined as: *encouraging commercial and business activities that: (a) meet the diverse employment and investment needs and interests of Skagit County residents; (b) locate in areas which can be served by public infrastructure; and (c) maintain Skagit County's quality of life.*

B. Countywide Goals, Objectives & Policies

The Economic Development element of Skagit County's comprehensive plan contains goals, objectives and policies which identify and integrate with countywide planning policies. These goals, objectives and policies are the most important part of the comprehensive plan for subsequent land use decision making.

While only goals and objectives are required for the OEDP, policies have also been included for two reasons: a) in recognition of the vital importance of growth management and land use planning for economic development; and b) to provide consistency between the OEDP and comprehensive plan.

The development of goals, objectives and policies is highly dependent upon conditions specific to Skagit County, the vision and desires of the community, standard operating procedures, and the ordinances and policies already in place. These statements are intended to guide public and private land use decisions with regard to growth and development and assure resource and open space conservation in the rural areas of Skagit County.

A **goal** is a direction-setter. It is an ideal future end, condition or state related to the public health, safety or general welfare toward which planning and implementation measures are directed. A goal is a general expression of values and, therefore, is abstract in nature. Consequently, a goal is generally not quantifiable, time-dependent or suggestive of specific actions for its achievement.

An **objective** is a specific end, condition or state that is an intermediate step toward attaining a goal. It should be achievable and, when possible, measurable and time-specific. An objective may only pertain to one particular aspect of a goal or it may be one of several successive steps toward goal achievement. Consequently, there may be more than one objective for each goal.

A **policy** is a specific statement that guides decision making. It indicates a clear commitment of the local legislative body. A policy is based on a comprehensive plan's goals and objectives as

well as the analysis of data. A policy is effectuated by implementation measures (such as: zoning, land division, and environmental ordinances).

Wherever the term **countywide** is used, the goal, objective or policy statement is intended to apply both to Skagit County and the incorporated cities in the county. Otherwise, goals, objectives and policies apply to Skagit County only.

Seven overall topics are covered by this set of adopted economic development goals, objectives and policies for Skagit County:

- Employment
- Business Development
- Commercial Activity
- Visitor Services
- Human Services
- Conservation & Economic Development
- Business & Investment Climate

With minor revisions, the economic development goals, objectives and policies identified in the 1994 OEDP have been incorporated into Skagit County's Draft Comprehensive Plan. Current statements of goals, objectives and policies for economic development in Skagit County are summarized as follows:¹⁵

Figure 25. Economic Development Goals, Objectives & Policies for Skagit County

Goal Statement	Objectives & Policies
<p>Employment: <i>Create and maintain diverse employment opportunities that meet the changing income needs of Skagit County residents.</i></p>	<p>Objectives:</p> <ul style="list-style-type: none"> • Facilitate the creation and retention of family wage jobs to meet the needs and demands of Skagit County households. • Encourage diverse job options and entrepreneurial opportunities for persons interested in full-time and part-time employment or desiring to own their own business. • Encourage educational opportunities for residents of all ages to develop and upgrade skills required for employment, advancement and entrepreneurship. <p>Policies:</p> <ul style="list-style-type: none"> • Skagit County shall actively encourage business investments that provide economic and employment opportunities to meet the employment needs of all county residents. • Skagit County should work cooperatively with local jurisdictions and EDASC to address employment needs consistent with countywide regional policies. • Home occupations that are consistent with the character of adjoining properties and neighborhoods will be accommodated. • Skagit County will cooperate with education providers and employer interests in developing facilities and programs meeting a continuum of needs at the K-12, college and continuing education levels.
<p>Business Development: <i>Sustain the economic utilization of Skagit County's natural resources and attract a more diversified base of non-resource industries consistent with local quality of life and environmental values.</i></p>	<p>Objectives:</p> <ul style="list-style-type: none"> • Encourage value-added resource based products (particularly with agriculture, fisheries and forestry activities). • Provide a diversity of ready-to-build sites with sufficient support infrastructure and services needed to meet demand for industrial land through the duration of the comprehensive plan. • Encourage, where feasible, the re-use and redevelopment of existing industrial sites which are no longer viable for their original or previous use. • Encourage low cost, easily accessible, state of the art telecommunications services throughout the county with linkages to nearby counties that are economically tied to Skagit County. • Focus business recruitment and development on firms which will diversify the local economy and can effectively serve Puget Sound, national, Pacific Rim and other global markets from a Skagit County location. • Facilitate the retention, expansion and start-up of existing local business, particularly those providing family wage job opportunities and operating in compliance with applicable regulatory requirements. <p>Policies:</p> <ul style="list-style-type: none"> • Skagit County's comprehensive plan shall accommodate multiple and sustainable economic uses including agriculture, fisheries and forest products industries that require proximity to rural area resources in a manner consistent with open space preservation and environmental protection. • Long term commercially significant natural resource lands shall be protected from encroachment from conflicting uses. • In cooperation with local jurisdictions, Skagit County shall maintain a minimum five year inventory of <i>ready-to-build</i> industrial sites at all times through the duration of the Comprehensive Plan. • Sites for industrial use shall be designated at locations that can be readily accessed, served with utilities, and free of major environmental constraints that preclude a timely

Goal Statement

Objectives & Policies

- permit process and development as consistent with applicable laws.
- Local jurisdictions and Skagit County should consider establishing a standard wetland definition applied countywide in order to facilitate consistency of the permitting process.
- Industrial properties shall be designated so as to accommodate a mix of business and industrial parks, light and heavy uses, public and private owners consistent with market requirements and trends.
- Land use policies in rural areas, incorporated cities and towns and their urban growth areas shall accommodate the retention and expansion of existing local businesses that provide family wage jobs which are in compliance with applicable federal, state and local regulatory requirements.
- Skagit County will maintain cooperative working relationships with local, tribal, regional, statewide, federal and international organizations that pursue economic development activities consistent with the goals and objectives of this economic development element.

Commercial
Activity: Encourage a range of commercial retail and service businesses to meet local resident needs and serve visitors to Skagit County at appropriate locations.

Objectives:

- Encourage convenience oriented retail within rural villages or urban growth areas that are convenient to residential neighborhoods and major employment centers.
- Cluster major comparison and destination retailing.

Policies:

- In cooperation with local jurisdictions, Skagit County shall identify an inventory of suitable and potentially suitable commercial sites adequate to meet anticipated demand plus a market factor of 25%.
- Convenience oriented retail that is proximate to residential neighborhoods and major employment centers shall be allowed within rural villages and urban growth areas.
- Commercial developments shall be designed to encourage pedestrian activity with provisions for sidewalks and streetscape amenities, and for pedestrian access to other nearby shopping facilities and residential areas.

Visitor Services:
Support Skagit County as a visitor destination by preserving and enhancing the unique qualities of both rural areas and urban communities.

Objectives:

- Promote visitor opportunities that complement the long-term commercial significance of natural resource and critical areas or rural lifestyles of Skagit County residents.
- Offer opportunities for both isolated and more active visitor experiences.
- Build on the county's locational advantages for visitor services by encouraging lodging, retail and transportation services at clustered locations.
- Develop major attractions (such as a convention center or resort) which would enable Skagit County to capture destination as well as pass-through visitor traffic.
- Consider creating a countywide visitor bureau.

Policies:

- Skagit County shall support efforts to develop, refurbish and maintain scenic open space, cultural and heritage resources that are attractive to both local residents and visitors.
- Skagit County shall support local jurisdiction efforts to improve and market visitor services.
- Visitor facilities shall be sited at locations that can be served with necessary public infrastructure and which are compatible with neighboring uses.
- Plans for rural area visitor facilities and services shall be coordinated with applicable local, state and federal agencies.

Goal Statement**Objectives & Policies**

Human Services:
Support a full range of human and social services necessary to encourage a strong local economy.

Objectives:

- Encourage development of human and social service facilities that create job opportunities, meet community needs and maintain Skagit County's quality of life.
- Improve access to social services for local communities in Skagit County.
- Provide sufficient sites to meet demand for human and social services through the duration of the comprehensive plan.

Policies:

- Support development and maintenance of human and social service facilities including but not limited to health care, education, transportation and other services for special needs populations.
- In cooperation with local jurisdictions, Skagit County shall plan for suitable and potentially suitable public use and other sites sufficient to meet demand for human and social service facilities through the duration of the comprehensive plan.
- In cooperation with local jurisdictions and pertinent state and federal agencies, Skagit County shall encourage improved access to social services at locations proximate to populations being served and to adequate transportation services including public transit.

Conservation & Economic Development:
Encourage economic development that conserves natural resources and open spaces, protects environmental quality and enhances Skagit County's overall quality of life.

Objectives:

- Identify land use policies that conserve resource lands utilizing innovative techniques including mitigation and enhancement of critical areas such as wetlands.
- Protect as feasible major existing development from flood threats, and limit future development in designated floodplain areas.
- Encourage development of commercially and environmentally viable recycling businesses.
- Use created wetland resources for stormwater and wastewater treatment, if environmentally acceptable and financially feasible.
- Establish criteria and checklists to address development/environmental conflicts by consulting participants who represent diverse interests and viewpoints.

Policies:

- Skagit County shall encourage commercial and industrial developments which utilize innovative and experimental applications and demonstrate an ability to conserve natural resources and protect or enhance environmental quality.
- Skagit County should encourage clean-up, re-use and redevelopment of vacant or underutilized industrial sites. Where continued industrial use is no longer viable, redesignation to another land use shall be made.
- In cooperation with applicable state and federal agencies, Skagit County shall develop and implement flood protection programs, particularly to protect existing developed uses. Future development in designated floodplain areas shall be limited if flood protection programs are not available.
- Skagit County shall establish mediation and problem solving programs to address project-related or area-wide conflicts between development and environmental objectives. These programs shall involve participants representing a diversity of affected interests and viewpoints. *Common Ground: A Center for Conflict Resolution* shall be used as a Dispute Resolution Center as is appropriate.

Goal Statement**Objectives & Policies**

Transportation & Economic Development:
Provide, maintain and encourage a transportation system that is adequate to attract and accommodate economic growth.

Objectives:

- Work with the Port of Skagit County to encourage installation of a rail spur to the Bayview Airport industrial complex.
- Encourage the Washington State Ferry System to maintain ferry services to the San Juan Islands in order to increase commerce and tourist trades in and through Skagit County.
- Support and encourage enhancements of the Deception Pass Bridge in order to continue encouraging commerce with and from Whidbey Island, at the same time encouraging tourism activity in Skagit County.
- Support the Port of Anacortes in its efforts to more fully utilize the Port's deep draft marine terminal for trade, commerce and related economic development.
- Encourage an economic study on the marine based economy of Skagit County in the Overall Economic Development Plan.
- Strive to keep Highway 20 open to eastern Washington throughout the year in order to stimulate the economy of the economically distressed upper Skagit Basin.
- Support the Port of Skagit County in securing regularly scheduled commercial air service into Bayview.

Policies:

- Skagit County shall develop and coordinate programs and implement projects to effect combined objectives of transportation and economic development.

Source: Skagit Council of Governments Citizens Advisory Committee, *Overall Economic Development Plan for Skagit County*, July 1994. This 1995 OEDP update reflects consistency with the draft *Skagit County Comprehensive Plan*.

VI. DEVELOPMENT STRATEGIES

Skagit County's *development strategy* serves to link the assessment of local economic potentials, goals and objectives with resulting programs, activities and projects described by the *implementation plan*. The development strategy also is intended as an overall guide to future actions, recognizing that specific projects in the implementation plan may change on an annual basis in response to changing needs or opportunities.

A. Countywide Development Strategy

This development strategy represents a multi-year course of action for economic development and diversification activities in Skagit County. This *countywide* development strategy also reflects a continuing planning process which reflects a balance of governmental jurisdiction, private business and citizen interests.

The following five assumptions have served to shape the recommended development strategy for the 1994 OEDP and this current update:

1. Growth management (GMA) significantly restructures the environment in which future growth and development will occur.
2. Balancing economic and environmental values represents a major challenge for Skagit County.
3. Similarly, population and employment growth poses major infrastructure requirements which are an important focus for project implementation.
4. Business development adequate to provide family-wage jobs for Skagit County residents historically and currently represents a continuing priority.
5. Building and maintaining working partnerships between public, private and community interests has been and remains a cornerstone of Skagit County's economic development plan.

In the past year, local jurisdictions and the Economic Development Association of Skagit County have taken steps to prepare or refine their strategies for economic development within the context of a countywide OEDP. These more targeted or localized development strategies are summarized as follows:

The City of Sedro-Woolley: Development strategies anticipated for the City of Sedro-Woolley over the next few years are as follows:

- In conjunction with the Sedro-Woolley Chamber of Commerce, the City plans to prepare an economic development plan, especially as it relates to needs of a timber-depressed community. The City intends that the plan will be all-encompassing

However, as with the 1994 OEDP, the Committee again recommends the recapitalization of Revolving Loan Fund as a priority project for funding consideration by EDA. This is for four key reasons:

- ♦ The loan fund has proven to be instrumental as a tool for business retention and expansion in Skagit County.
- ♦ Further lending is currently constrained as funds have been depleted, pending gradual repayment over a multi-year period. Meanwhile loan demand for viable projects remains strong.
- ♦ Loans are made throughout the county, so that benefits extend well beyond any single community.
- ♦ Currently 16 industries are being financed from the Revolving Loan Fund, however demand for these funds is greater than supply.

This listing on the following pages provides a compilation of suggested projects received. The OEDP Committee is prepared to work in cooperation with EDA, local jurisdictions, and other funding entities in providing further information to further the following recommended implementation plan projects:

Figure 26. 1995 Update Skagit County Overall Economic Development Plan (OEDP) Implementation Plan

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Skagit Council of Governments (SCOG)/Economic Development Association of Skagit County (EDASC):					
Recapitalize Revolving Loan Fund (Priority Project)	Countywide application	Funds to loan industrial business tied to job retention and creation	Immediate	\$1,000,000	EDA
Environmental Industry Industrial Park	Industrial zoned property adjacent to the county incinerator	Planning and implementation of an environmental industry industrial park. Benefits include both job creation and recycling.	Mid-term	\$5,000,000	Federal/State/Local
Business Incubators	To be determined	Incubators in wood products, food processing and environmental industry areas. Benefits include job creation and business development.	Mid-term	\$750,000	EDA/CERB/Local/Private
Rail Spur	Bayview	Extend rail to industrial park. Benefits include job creation and business development.	Mid-term	\$1,000,000	EDA/CERB/Local Match
Wetlands Mitigation Plan	Countywide or site specific	To address wetlands issues affecting development of industrial lands, mitigation and implementation.	Immediate	\$2-5 million	Federal/State/Local
City of Anacortes:					
Sewer Service to Marches Point Industrial Area/City of Anacortes Urban Growth Area	Fidalgo Island adjacent to city limits	Stimulate employment generation on approximately 600 acres of industrially zoned property that has city water but not city sewer service.	Immediate	\$3 million	EDA/CERB/DOE/UGA (general fund and utility revenue)
City of Burlington:					
Westside Surface Water Project	Peterson Road to Goldenrod & Gages Slough	Install storm drainage trunk system to enable interim controls to be lifted.	Immediate	\$2-3 million	Water Quality Account, City of Burlington Storm Drainage Funds

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Downtown Improvement	Fairhaven Business District	Upgrading the infrastructure, underground utilities, replace street and beautify area to encourage business retention in older commercial area.	Mid-term	\$850,000	Street Department Funds, DOT Grant Application
Cascade Mall to Gages Lake Trail System - Phase I	Cascade Mall to Gages Lake	Connect mall parking area to trail and path to lake; interpretive nature walk as part of Comprehensive Park Plan.	Mid-term	\$150,000	IAC Grant, City of Burlington Park Capital funds
Construct Burlington Hill Lookout	Burlington Hill	Construct a public viewing area on the hill as part of Park Plan.	Long-term	\$100,000	IAC Grant, City of Burlington Park Capital Funds
Interconnect Traffic Signals	Burlington Boulevard	Time the signals to improve capacity and business circulation.	Mid-term	\$100,000	City Street Department Funds, Mitigation Fees
Signalize Spruce & Fairhaven	Fairhaven & Spruce Street	Construct a traffic signal at the intersection	Immediate	\$100,000	City Street Department Funds, DOT Grant
Treatment Plant Expansion	Burlington	Phase I expansion from 1.6 million gallons/day to 3.79 MGD to serve current and future development in the city limits and urban growth area	Mid-term	\$6,000,000	Connection fees, rates, grants, low interest loans
Town of Concrete:					Grant/Loan
Seidel Street Water Reservoir	Seidel Street	300,000 gallon water tank/tank is mandatory in order to provide for economic growth in Concrete: without added water; further growth cannot occur.	Immediate	\$300,000	
Central Business District & Utility Corridor Improvements	Downtown Concrete	1) Re-pave 2.5 miles of existing deteriorating sidewalk. 2) Underground wiring. 3) Lighting to improve community & business services, promote tourism, instill community pride, improve appearance.	Immediate	\$464,800	Grant/Loan/LID

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Superior Avenue Water Main	Superior Avenue	Extension of 2,800 feet of waterline to schools, commercial & industrial area. Provides water service to commercial and light industrial areas to enhance and promote economic development.	Mid-term	\$135,000	Grant/Loan
Redwood Tank Rehabilitation	--	Repairs to existing 100,000 gallon tank. Repair enhances economic growth by providing adequate services.	Immediate	\$15,000	Grant/Loan
Town of Hamilton:					
Sand & Gravel Operation	Centennial Annexation 260 acres north of Highway 20 in town limits	Sand and gravel extraction, crushing and hauling. Benefits: jobs, tax revenue, level land for future residential development.	Long-term	\$600,000-\$800,000 purchase land	Timber Impact Assistance Loan, Local Development Match Fund Grant, State Development Loan
RV Park	Vacant public property on Maple Street of south of Water Street next to Skagit R.	RV park with full hook-up and dump station, rest rooms, showers, tent sites, information center, boat launch. Benefits: jobs, revenue and increased potential for development of other tourist related business.	Immediate	\$100,000	Outdoor Recreation Grant-in-Aid Funding, local funding if available
Industrial/Business Park	Crown Pacific property (approximately 50 acres vacant) located adjacent to Highway 20 in Hamilton	Purchase and incubate industrial and commercial development on this property. Benefits: jobs, economic diversity, revenue.	Mid-term	\$2,000,000	Timber Impact Assistance Loan, Local Development Match Fund Grant, State Development Loan, local funding if available

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Recreational Facility to Serve Non-Motorized Trails	Centennial Annexation, Crown Pacific Property	Construction and maintenance of trails for non-motorized uses. Facility that offers rest rooms, picnic areas, corrals, loading ramps, and guide services. Benefits: jobs, establish Hamilton as a recreational destination.	Mid-term	\$100,000	Outdoor Recreation Grant-in-Aid Funding
Sewage Treatment Plant	Outside of the floodway	Essential in developing higher density commercial, industrial and residential uses in Hamilton. Benefits: increased potential for all types of economic development, protection of domestic wells and water quality by reducing the potential for contamination from on-site septic systems.	Long-term	\$5,000,000	Public Works Trust Fund, Community Development Block Grant, Centennial Clean Water Fund, Water Pollution Control Loan
Town of La Conner:					
Water System Fire Flow	La Conner Hill area	Fire protection for residents and Skagit County Museum.	Urgent	\$250,000	Federal/State/Local Match
Sewer Plant Improvements	Chilberg Road, La Conner Sewer Treatment Plant	Upgrade, add oxidation ditch to provide sewer service to facilitate growth and maintain current levels of service.	Urgent	\$1,915,577	Federal/State/Local Match
Morris Street Reconstruction	Morris Street	Reconstruct, widen with turn lanes, provide sidewalks, drainage and parking to improve access, traffic flow for vehicles, pedestrians and handicapped.	Immediate	\$1,278,000	Federal/State/Local Match
Stormwater Drainage	La Conner, excluding Skagit County Port Marina area	Provide storm drainage system for town streets in all zones and allow clean water discharge.	Mid-term	\$2,700,000	Federal/State/Local Match
Southfield Affordable Housing Infrastructure	Southfield, La Conner	Provide infrastructure for 32 unit affordable housing project	Urgent	\$320,000	Federal/State/Local Match

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
City of Mt. Vernon:					
Road/Utility Improvements	Mt. Vernon	Provide Roadway access and utility services for the Skagit Multimodal complex combining the new Amtrak Rail Depot, 200 car park and ride lot, and the Burlington Northern railroad office/maintenance facility.	Immediate	Roadway/Utilities: \$1,451,000 Park-n-Ride: \$225,000 Rail Depot: \$2,000,000 Total: \$3,676,000	Federal/State/Local Match
Storm Drainage	Freeway Drive from Stewart Road south to the Skagit River.	Storm drainage for area north of college. Expansion of storm drainage collection system and pump stations will provide for the development of approximately 48 acres of commercial-industrial property.	Urgent	\$1,700,000	Local Improvement District (LID) Storm Water Utility
Sewer Line	Blackburn Road	Construct sewer line from Blackburn Road south to Hickox Road to provide for development of approximately 255 Acres of commercial-industrial property.	Mid-term	\$1,350,000	Local Improvement District (LID)
Construct Overpass	From Riverside Avenue east to the Parker Business Center.	Construct Roosevelt Avenue overpass across Burlington Northern Railroad from Riverside Avenue east to the Parker Business Center. Overpass will provide direct access to 35 acres of commercial-industrial property.	Immediate	\$3,000,000	Federal/State/Local
City of Sedro-Woolley:					
Skagit Manufacturing Infrastructure	Sedro-Woolley	Infrastructure surrounding the Skagit Manufacturing property in Sedro-Woolley. Will provide access and stimulate re-use of 38± acres of industrial property.	Immediate	\$2-5 million	EDA/CERB/ PWTF/CDBG Local and/or Private Match

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Sedro-Woolley SR-20 Road Improvement	Collins Road to SR-9	Widen to 5 lanes; add traffic signals; to better serve commercial and light industrial properties.	Mid-term	\$7,500,000	EDA/Other Federal/ State/ Local
CBD Improvements	Central Business District	Road improvements including sidewalks	Mid-term	\$200,000	EDA, CERB State and Local match
Upgrade Sewer Treatment Plan	Alexander and 4th Street	Upgrade capacity	Immediate	\$2,900,000	Connection fees, collection fees PWTF, FHA grant, municipal bonds
State Street Sewer Lines	State Street between Rita and Metcalf	Upgrade capacity in CBD Zone	Immediate	\$58,000	Connection and collection fees
Highway 20/Moore Street	Borseth to Metcalf	Upgrade capacity in Industrial and Commercial Zones	Immediate	\$100,000	Connection and collection fees, CERB
State Street Pump Station	Highway 20 and State Street	Upgrade capacity in station serving Commercial and Industrial zones	Immediate	\$310,000	Connection and collection fees, CDBG
Port of Anacortes:					
South Basin Development	Port of Anacortes	20 acres industrial waterfront land development project requires basic infrastructure to induce retention/expansion of 75-150 jobs.	Immediate	\$3,000,000	Port, CERB, EDA Private
South Basin Boat Yard	Port of Anacortes	5 acre boat yard complex designed for retention/expansion of marine businesses, employment and training facility for 50 to 75 employees and vocational students.	Immediate	\$1,500,000	Port, CERB, EDA, Private
Depot Property Development	Port of Anacortes	6 acre commercial site development requiring basic infrastructure. Road, power, sewer, buildings site preparation. Employment of 25-75.	Mid-term	\$1,100,000	Port, Private, EDA

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Airport Industrial Park	Port of Anacortes	10 acre commercial aviation development site. Site preparation will accommodate 5 ready companies with 19 employees plus expansion and other long-term demand.	Mid-term	\$2,200,000	Port, FAA, EDA, Private
Warehouse #4 Dock Rehabilitation	Port of Anacortes Pier 1	Stimulate employment generation through expansion of trade and/or shipyard expansion opportunities.	Mid-term	\$1,400,000	Port, CERB, EDA, Private
Rail right-of-way	Marches Point Rd.	To develop rail spur which will provide service for marine terminal bulk cargo customers	Immediate	\$200,000	Federal, Port, Private
Port Trans-Loading facility and Infrastructure	Marches Point Rd.	Develop bulk cargo storage facility to allow job retention and creation in the marine terminal	Immediate	\$1,000,000	CERB, Port, Private
Shipyard expansion	Port of Anacortes	Gain a Conditional Use Permit for building a 50 foot high structure to allow a port tenant to diversify it's business	Urgent	\$600,000	Federal, Port, Private
Port of Skagit County:					
Port Drive Extension	Riverbend Industrial Park, Burlington	Extend Port Drive and connect with George Hopper.	Mid-term	\$1,000,000	EDA/CERB/PWTF
Stormwater/Drainage System	Riverbend Industrial Park	Design and construct stormwater drainage system serving commercial-industrial properties bordering Pease Road, Riverside Drive and Whitmarsh Road.	Mid-term	\$1,200,000	EDA/CERB/PWTF/ULID
Binding Site Plan	Riverbend Industrial Park	Develop binding site plan (and possible EIS) identifying future roads, lot sites, layout and utilities.	Mid-term	\$150,000	Port
Upgrade/Extension of Rail Siding	Riverbend Industrial Park	Extend rail siding south approx. 1,000 feet to serve new lots created adjacent to B & N main line	Long-term	\$300,000	EDA/CERB/Port

Name of Project	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Cook Road Reconstruction and Widening	Old 99 to Sedro-Woolley city limits	This project would benefit the timber dependent up river communities as well as the general public by providing an adequate direct highway link between Sedro-Woolley and I-5, bypassing the increasingly congested Burlington area	Mid-term	Construction Phase \$2,400,000	EDA/STP/Local/ CERB
Cascade River Road Paving Project	The unpaved portion of Cascade River Road east of Marblemount	This project would enhance tourism in the Marblemount area by providing a paved roadway link to areas the primary tourist attraction. Marblemount is located in the timber dependent up river part of the County.	Mid-term	\$1,000,000	EDA/Local/CERB
March's Point Road Spot Reconstruction	March's Point Industrial Area	This road serves the County's largest industrial area. Making the needed improvements will better accommodate the current truck traffic and provide for future development of vacant industrial land on the north end of March's Point.	Mid-term	\$625,000	EDA/STP/Local/ CERB
Swinomish Tribal Community:					
Road Improvements	Swinomish Reservation/ Highway 20	Elimination of at grade crossings with improvements to March Point Road, Padilla Heights Road and a new access road at grade below the SR-20 overpass. Would serve a new casino facility plus future potential development including marina and complementary retail.	Mid-term	\$610,000	Preplanning has been completed in cooperation with WSDOT, Federal Lands Highway Office, Skagit County Public Works, Skagit Sub-Regional Planning Organization, BIA and others. Potential ISTEPA funding with Tribal match.

APPENDIX A. DETAILED EMPLOYMENT DRIVEN FORECAST DATA

Starting with the following chart, this appendix provides a detailed listing of Skagit County's changing shares of employment in the state of Washington, by employment (or industry) sector. Historical shares are provided for 1980 and 1994, with trends in 1980-1994 conditions projected forward to 2015, using forecast methods as noted.

The following techniques have been applied to forecasting future Skagit County shares of statewide employment, by sector:

- ♦ For most sectors, trends in Skagit shares for each year from 1980-1994 have been *trended forward* in linear fashion to 2015 (using a linear regression technique).
- ♦ For two categories with declining shares (crop production and fishing, hunting and trapping), a *curvilinear* technique has been used (assuming stabilization of Skagit County shares at levels below current shares).
- ♦ For a number of sectors in which Skagit County has experienced a declining share of statewide employment, it is assumed that local policy and business development initiatives will be aimed to *recapture* lost competitive share. Examples of sectors affected are lumber and wood products, paper products, primary metals, fabricated metals, industrial and computer equipment, TCPU, and the commercial use component of services. This recapture strategy also is referenced in the 1994 OEDP.
- ♦ For one sector in which Skagit County has dramatically increased its share of statewide employment (textile products), the Skagit share is *capped* at the 1994 rate. For three sectors (agricultural production, paper, and the industrial portion of TCPU), year 2015 share is set equal to the *historic share* experienced by averaging Skagit shares of statewide employment for each of the years over either the previous 5 or 15 years.

Figure 27. Skagit County Share of Statewide Employment (1980-2015)

Employment Sector	Land Use Type *	Skagit County Employment as % of State of Washington			Forecast Method
		1980	1994	2015	
Agriculture					
01/2 Agricultural Production -- Crops/Livestock	AG	6.82%	3.56%	4.00%	Historic share
07 Agricultural Services	NR	2.20%	1.66%	1.29%	Trend extrapolation
08 Forestry	NR	0.88%	0.88%	0.57%	Trend extrapolation
09 Fishing, Hunting, Trapping	NR	5.16%	2.76%	0.90%	Curvilinear trend
Mining	NR	0.54%	0.71%	1.12%	Trend extrapolation
Construction					
15 Building Construction -- General	I	1.36%	1.95%	2.09%	Trend extrapolation
16 Heavy Construction	I	2.92%	4.87%	10.52%	Trend extrapolation
17 Construction -- Special Trade	I	0.79%	1.94%	3.14%	Trend extrapolation
Manufacturing					
20 Food & Kindred Products	NR	1.78%	3.23%	5.22%	Trend extrapolation
22 Textile Mill Products	I	0.00%	6.36%	6.36%	Current share
23 Apparel & Other Finished Products	I	0.00%	0.46%	1.79%	Trend extrapolation
24 Lumber & Wood Products	NR	2.73%	1.65%	2.29%	Recapture
25 Furniture & Fixtures	I	0.00%	2.09%	3.33%	Trend extrapolation
26 Paper & Allied Products	I	0.01%	0.00%	0.00%	Historic share
27 Printing, Publishing & Allied Products	I	0.75%	1.03%	1.53%	Trend extrapolation
28 Chemicals & Allied Products	I	0.72%	1.93%	3.72%	Trend extrapolation
29 Petroleum Refining & Related Products	I	34.32%	33.06%	37.73%	Trend extrapolation
30 Rubber & Miscellaneous Products	I	0.05%	0.82%	1.86%	Trend extrapolation
31 Leather & Leather Products	I	0.00%	0.00%	0.00%	Historic share
32 Stone, Clay, Glass & Concrete Products	NR	1.56%	2.32%	3.66%	Trend extrapolation
33 Primary Metal Industries	I	0.01%	0.00%	0.25%	Recapture
34 Fabricated Metal Products	I	0.22%	0.71%	0.71%	Recapture
35 Industrial & Commercial Machinery	I	4.09%	0.83%	2.61%	Recapture
36 Electronic/Other Electrical Equipment & Components	I	0.51%	0.31%	0.40%	Recapture
37 Transportation Equipment	I	0.18%	0.47%	0.85%	Trend extrapolation
38 Measuring, Analyzing & Controlling Instruments	I	0.32%	0.62%	0.67%	Trend extrapolation
39 Miscellaneous Manufacturing Industries	I	0.28%	1.53%	2.58%	Trend extrapolation
TCPU					
I Railroad, Water, Air Transportation, Motor Freight Transportation, Warehousing	I	1.60%	1.70%	1.61%	Historic share
C Transportation Services, Communications, Public Utilities	C	1.00%	0.77%	1.08%	Recapture
Wholesale Trade	I	0.75%	0.89%	0.96%	Trend extrapolation
Retail Trade	C	1.60%	1.94%	2.55%	Trend extrapolation
FIRE	C	0.73%	0.80%	1.02%	Trend extrapolation
Services					

Employment Sector	Land Use Type *	Skagit County Employment as % of State of Washington			Forecast Method
		1980	1994	2015	
I Repair, Automotive Servicing, Automotive Parking	I	0.85%	1.10%	1.81%	Trend extrapolation
C Lodging, Business & Personal Services, Recreation, Legal Services, Engineering & Management Services, Private Households, Specialty Services	C	0.98%	0.81%	0.98%	Recapture
P Health, Education & Social Services, Museums, Membership Organizations	P	1.25%	1.31%	1.60%	Trend extrapolation
Government	P	1.47%	1.60%	1.86%	Trend extrapolation
Total Covered Employment		1.38%	1.49%	1.86%	
Employment by Land Use Type:					
<i>Allocated Land Uses:</i>					
Commercial	C	1.26%	1.35%	1.74%	
Industrial	I	0.99%	1.29%	1.86%	
Natural Resource	NR	2.25%	2.25%	2.96%	
<i>Unallocated Land Uses:</i>					
Agriculture	AG	6.82%	3.56%	4.00%	
Public/Non-Profit	P	1.40%	1.49%	1.74%	
Total Covered Employment		1.38%	1.49%	1.86%	

* Note: C refers to commercial; I to industrial; NR to natural resources; AG to agricultural; and P to public or non-profit related institutional use.

Source: State of Washington Employment Security Department, *Employment and Payrolls in Washington State by County and Industry, 1980-1994 Annual Averages*.

The second chart in this appendix provides a detailed Skagit County employment forecast to 2015, by employment sector.

Figure 28. Skagit County Employment Forecast (1994-2015)

Employment Sector	Land Use Type *	Covered Employment as of 1994	Added Employment	
			1994-1995	1995-2015
Agriculture				
01/2 Agricultural Production -- Crops/Livestock	AG	2,672	-1	-25
07 Agricultural Services	NR	325	6	116
08 Forestry	NR	26	0	9
09 Fishing, Hunting, Trapping	NR	152	-5	-104
	NR	23	1	20
Mining				
Construction				
15 Building Construction -- General	I	698	10	201
16 Heavy Construction	I	848	62	1,234
17 Construction -- Special Trade	I	1,351	62	1,245
Manufacturing				
20 Food & Kindred Products	NR	1,284	51	1,029
22 Textile Mill Products	I	80	0	4
23 Apparel & Other Finished Products	I	35	6	111
24 Lumber & Wood Products	NR	606	4	90
25 Furniture & Fixtures	I	75	4	74
26 Paper & Allied Products	I	0	0	0
27 Printing, Publishing & Allied Products	I	242	11	218
28 Chemicals & Allied Products	I	110	8	151
29 Petroleum Refining & Related Products	I	767	-8	-151
30 Rubber & Miscellaneous Products	I	68	9	173
31 Leather & Leather Products	I	0	0	0
32 Stone, Clay, Glass & Concrete Products	NR	204	9	175
33 Primary Metal Industries	I	0	1	21
34 Fabricated Metal Products	I	87	1	30
35 Industrial & Commercial Machinery	I	172	33	656
36 Electronic/Other Electrical Equipment & Components	I	37	2	35
37 Transportation Equipment	I	495	22	436
38 Measuring, Analyzing & Controlling Instruments	I	82	0	3
39 Miscellaneous Manufacturing Industries	I	110	6	121
TCPU				
I Railroad, Water, Air Transportation, Motor Freight Transportation, Warehousing	I	984	7	148
C Transportation Services, Communications, Public Utilities	C	410	10	195
Wholesale Trade	I	1,224	19	384
Retail Trade	C	8,239	342	6,837
FIRE	C	1,003	36	724
Services				
I Repair, Automotive Servicing, Automotive Parking	I	323	26	522
C Lodging, Business & Personal Services, Recreation, Legal Services, Engineering & Management Services, Private Households, Specialty Services	C	2,248	118	2,352

Employment Sector	Land Use Type *	Covered Employment as of 1994	Added Employment	
			1994-1995	1995-2015
P Health, Education & Social Services, Museums, Membership Organizations	P	3,757	214	4,278
Government	P	7,035	175	3,501
Total Covered Employment		35,772	1,241	24,812
Self-Employment	SE	3,770	706	2,824
Total Employment		39,542	1,947	27,636
Employment by Land Use Type:				
<i>Allocated Land Uses:</i>				
Commercial	C	11,900	505	10,108
Heavy Industrial	I	7,788	281	5,615
Natural Resource	NR	2,620	67	1,335
<i>Unallocated Land Uses:</i>				
Agriculture	AG	2,672	-1	-25
Public/Non-Profit	P	10,792	389	7,779
Total Covered Employment		35,772	1,241	24,812
Self-Employment	SE	3,770	706	2,824
Total Employment		39,542	1,947	27,636

* Note: C refers to commercial; I to industrial; NR to natural resources; AG to agricultural; and P to public or non-profit related institutional use.

Source: E.D. Hovee & Company, updated December 1995.

APPENDIX B. RETAIL TRADE ANALYSIS

At the request of the Citizens Advisory Committee (CAC), a detailed analysis and forecast of retail sales potentials for Skagit County was prepared for the 1994 OEDP. This appendix provides the results of an updated 1995 sales analysis. This updated analysis is used as a basis for forecasting retail related commercial land demand and employment.

Four alternative sources of relatively current tax data can be used for this analysis:

- A. Sales & Marketing Management (SMM) -- retail sales information which is provided on an annual basis for every county in the United States.
- B. Taxable Retail Sales -- based on sales subject to state of Washington retail sales tax. A major deficiency of this data source is that grocery and pharmacy items are not subject to retail sales tax and therefore are not included within the estimated sales figures.
- C. State of Washington Gross Business Sales -- covering all retail items, but only on a statewide rather than county specific basis.
- D. U.S. Census of Retail Trade -- published every five years. The 1992 Census was published in late 1994. Data for 1992 was not available at the time the 1994 OEDP was prepared, but has now been reviewed as part of this update.

For purposes of this analysis, Sales & Marketing Management (SMM) is the primary source of retail sales data used. This is for several reasons:

- ♦ SMM data is available for 1994, while Census of Retail Trade is for 1992 and therefore does not include effects of some major recent retail investment in Skagit County.
- ♦ SMM data is readily available for comparison across all counties in the U.S.
- ♦ SMM data is available on a county as well as statewide basis.
- ♦ SMM estimates sales for items not subject to retail sales tax.
- ♦ Estimates of sales throughout Washington state correspond closely using either SMM or Department of Revenue data in 1992, but with higher SMM estimates in 1994. However, SMM's 1994 Skagit County estimates correspond well with DOR data using the statewide relationship between gross sales and taxable sales.

In 1994, Skagit County had an estimated \$1.1 billion in total retail sales according to SMM. This is a 60% increase over SMM sales estimates indicated for 1992. However, a part of the increase may be due to SMM re-benchmarking its data to the *1992 Census of Retail Trade*. SMM's 1994 sales estimate is 32% above 1992 sales data as provided by the U.S. Census Bureau.

Figure 29. Retail Sales Comparisons by Published Source

	Sales Estimates for Retail Stores	
	Skagit County	Washington
A. SMM (1994)	\$1,091,096,000	\$48,468,374,000
B. SMM (1992)	\$680,529,000	\$40,691,371,000
C. Census of Retail Trade (1992)	\$825,906,000	\$40,909,824,000
D. State DOR Gross Sales (1994)	N/A	\$45,222,847,070
E. State DOR Gross Sales (1992)	N/A	\$40,285,192,662
F. State DOR Taxable Sales (1994)	\$638,380,297	\$30,256,882,319
G. State DOR Taxable Sales (1992)	\$547,816,847	\$27,141,177,976

As of 1994, major components of retailing countywide (by store type) are auto dealers/gas stations (at \$348 million) and food/grocery (at \$186 million). Other major retail categories with more than \$100 million each in sales are building materials/hardware, eating/drinking places and miscellaneous/specialty retail stores.

Figure 30. 1994 Estimated Retail Sales Comparisons

Store Type	Skagit County	State of Washington
Building Materials/Hardware	\$110,700,000	\$3,623,300,000
General Merchandise	\$75,300,000	\$6,344,800,000
Food	\$185,700,000	\$9,065,000,000
Auto Dealers/Gas Stations	\$348,400,000	\$11,467,300,000
Apparel/Accessories	\$52,700,000	\$2,763,000,000
Furniture/Furnishings/Equipment	\$53,400,000	\$3,008,200,000
Eating/Drinking Places	\$103,800,000	\$4,461,200,000
Drug	\$34,900,000	\$1,527,400,000
Miscellaneous/Specialty	\$126,200,000	\$6,208,200,000
All Retail Sales	\$1,091,100,000	\$48,468,400,000

Source: Sales & Marketing Management with sale estimates for apparel, building/materials/hardware, service stations, and miscellaneous (specialty) based on their shares of remaining SMM retail using taxable sales information from the Washington State Department of Revenue.

By comparing retail sales to effective buying income (EBI) in Skagit County with similar *capture rates* statewide, it is possible to estimate *net retail sales leakage*. Leakage occurs as the result of local residents traveling outside Skagit County to shop. Net leakage means that the sales out-flow exceeds purchases by visitors to Skagit County.

As of 1994, Skagit County had an estimated \$26.3 million in net retail sales leakage. Calculated sales leakage was concentrated exclusively in general merchandise (including department stores and discount retailers).

For all other retail store categories, Skagit County experienced a higher volume of retail sales than would generally be expected based on the purchasing power of local residents alone. These are retail categories for which Skagit County may be receiving net benefit from visitor spending -- either as tourists or as residents of nearby Island and San Juan Counties who view Skagit as their primary shopping area.

Figure 31. Skagit County 1994 Retail Sales Leakage Estimates

Store Type	Retail Sales as % of EBI			Net Retail Sales Leakage Estimate
	Skagit County	State of Washington	Net Leakage	
Building Materials/Hardware	7.2%	3.8%	-3.4%	\$0
General Merchandise	4.9%	6.6%	1.7%	\$26,300,000
Food	12.0%	9.4%	-2.6%	\$0
Auto Dealers/Gas Stations	22.5%	11.9%	-10.7%	\$0
Apparel/Accessories	3.4%	2.9%	-0.5%	\$0
Furniture/Furnishings/Equipment	3.5%	3.1%	-0.3%	\$0
Eating/Drinking Places	6.7%	4.6%	-2.1%	\$0
Drug	2.3%	1.6%	-0.7%	\$0
Miscellaneous/Specialty	8.2%	6.4%	-1.7%	\$0
All Retail Sales	70.6%	50.2%		\$26,300,000

Source: E.D. Hovee & Company, using DOR and SMM data for 1994.

Future retail sales potentials are based on the combination of: (a) recapturing existing leakage in general merchandise; and (b) increased local population and income growth. Total estimated added sales potential (in 1994 dollars) over the 20 year period from 1995-2015 is \$574 million. This translates into land demand of 344 acres using typical measures of expected retail sales per square foot and building site coverage ratios.

Figure 32. Skagit County Retail Sales Forecast (to 2015)

Store Type	Current Leakage	Sales Supported By Pop Growth (to 2015)	Added Total Retail Sales Potential by 2015	Typical Sales per Square Foot	Retail Square Footage Supported	Floor Area Ratio	Land Demand (in acres)
Building Materials/ Hardware	\$0	\$54,300,000	\$54,300,000	\$100	543,000	20.0%	62.33
General Merchandise	\$26,300,000	\$49,800,000	\$76,100,000	\$120	634,000	20.0%	72.77
Food	\$0	\$91,000,000	\$91,000,000	\$275	331,000	20.0%	37.99
Auto Dealers/Gas Stations	\$0	\$170,800,000	\$170,800,000	\$350	488,000	20.0%	56.01
Apparel/Accessories	\$0	\$25,800,000	\$25,800,000	\$150	172,000	20.0%	19.74
Furniture/Furnishings/ Equipment	\$0	\$26,200,000	\$26,200,000	\$200	131,000	20.0%	15.04
Eating/Drinking Places	\$0	\$50,900,000	\$50,900,000	\$175	291,000	20.0%	33.40
Drug	\$0	\$17,100,000	\$17,100,000	\$175	98,000	20.0%	11.25
Miscellaneous Retail Stores	\$0	\$61,900,000	\$61,900,000	\$200	310,000	20.0%	35.58
All Retail Sales	\$26,300,000	\$547,800,000	\$574,100,000	\$191	2,998,000	20.0%	344.12

Source: E.D. Hovee & Company based on SMM/DOR data. Updated as of December 1995.

Figure 33. Total Potential Retail Sales from Skagit County Population Growth

	Skagit County
1992 per capita sales	\$11,990
1992 leakage per capita	\$289
Total potential sales per capita	\$12,279
x Population Growth (1995-2015)	44,600
Total potential sales from population growth	\$548,000,000

Note: Population growth for 1995 to 2015 was estimated using the preliminary OFM population projection of 137,700 for year 2015. Figures above exclude added sales from recapture of existing sales leakage.

End Notes

- 1 In the 1994 OEDP, it was indicated that the actual 1990-1993 population growth experience of Skagit County suggests that the state OFM population projections had underestimated realistic countywide population growth potentials. As a result, Skagit County initially prepared a revised high growth population forecast for countywide growth management purposes. Extrapolating the current 2012 OFM projection to 2014 suggested that population could increase to 122,000. The higher growth scenario that was being used for planning purposes by Skagit County would lead to a 2014 population of over 137,600 -- 15,600 above the 1992 OFM projection. As of November 1995, OFM has revised the baseline forecast estimate to 137,700 by year 2015.
- 2 Source is the Pacific Fishery Management County, February 1995.
- 3 The in-city portion of a Skagit County residential submarket may have different sale price characteristics than the unincorporated vicinity area. For example, 22 transactions averaging \$174,600 are noted for the La Conner area which includes Shelter Bay. Based on data provided by the Town of La Conner, there were five sales recorded from January 1 through September 30, 1995, in town, for an average sales price of \$191,640.
- 4 The definition of unemployment that has been applied in the *population driven* employment forecast is the definition used by the U.S. Census rather than the definition used by Washington Employment Security. The major difference between the two is that the census includes those who are unemployed and not actively seeking a job because they have become discouraged. Therefore, the U.S. Census definition is viewed as a more complete representation of the number of individuals who are unemployed.
- 5 It is noted that this updated 20 year (1995-2015) statewide forecast of an added 870,500 jobs is below the prior 1994 OEDP forecast of an added 956,500 jobs over a 1994-2014 time period. This lower job growth is primarily due to actual 1994 job estimate of 2.4 million employees statewide exceeding the prior forecast 1994 job estimate of 2.3 million.
- 6 The breakout of forecast public sector employment growth statewide is shown by the following chart. As this chart indicates, approximately 60% of the public sector employment growth projection is associated with state and local education.

<u>Government Sector</u>	<u>1994 Washington State Employment</u>	<u>Forecast Added Jobs (1995-2015)</u>
Federal	71,500	300
State & Local	367,394	124,799
State & Local Education	<u>188,149</u>	<u>74,540</u>
Total Government	438,894	125,099

Source: Washington State Employment Security Department.

- 7 The updated *employment-driven* projection of an added 24,800+ covered jobs from 1995-2015 compares with a prior projection of an added 26,200+ jobs previously estimated for the 1994 OEDP. This reduction is due primarily to a downward adjustment in the statewide employment growth forecast.
- 8 Applying a 1990 self-employment ratio to a 2015 forecast represents a conservative assumption, since the ratio of self-employed to total employment increased three-fold from 1980-1990. However, there is little current data (post-1990 Census) to indicate whether self-employment in Skagit County is continuing at the rate of increase experienced in the 1980s.
- 9 Employment density factors applied to the industrial and commercial land demand projections have been derived from a variety of local and regional sources with widely varying estimates. This degree of variation is

not surprising since densities of employment can differ significantly even between companies in the same industry, depending on factors such as setbacks and buffering, on-site storage or distribution functions, and land banking for future expansion.

For industrial land, Skagit County specific density factors cited are: 0.5 -- Anacortes oil refineries and associated chemical plants; 8.1 -- City of Anacortes Industrial Park; 11.1 -- Port of Skagit Industrial Park. An inventory of 109 major end-user industrial investments in Washington and Oregon indicates a composite density average of 6.3 employees per acre. A somewhat higher composite average of 6.5 employees per acre is applied to this Skagit County forecast -- covering both light and heavy industrial uses.

A reduced density figure of 2.5 employees per acre is applied to natural resource based industries. A survey of 29 Washington-Oregon investments suggests densities actually experienced typically average even less than this figure, more in the range of 1.5 employees per acre.

A commercial employment density factor of 20 employees per acre is consistent with the planning target being used for non-governmental retail and office functions in Mount Vernon. Burlington is applying an average of 14.4 employees per acre for industrial and commercial uses combined.

- ¹⁰ The 1995 OEDP figure of 2,379 acres of industrial, commercial and natural resource land demand using an *employment-driven* approach (excluding self-employment) compares with an estimate of close to 1,900 acres of land demand estimated with the 1994 OEDP.
- ¹¹ A 25% market factor is consistent with recommendations of the State of Washington Department of Community, Trade & Economic Development.
- ¹² Based on *local jurisdiction* estimates as of 1994, the acreage of industrial and commercial land with infrastructure was considerably higher than estimated with Assessor's data. The range of industrial land with all services is 212 acres (Assessor's data) versus 528 (local jurisdiction data). The range of commercial acreage with all infrastructure available is 205 acres (Assessor's) versus 410 acres (local jurisdictions).

An effort also was made in the 1994 OEDP to estimate industrial and commercial acreage associated with identified environmental characteristics (hydric soils, wetlands and floodplains) that affect development potential (including cost of development). These estimates were derived from map and overlay information on hydric soils, wetlands and floodplains available from Skagit County Planning and Community Development in combination with parcel data available from the Skagit County Assessor's Office.

These estimates also resulted from visual inspection of quarter-section maps (a quarter-section equals approximately 160 acres). During the visual inspection, each parcel was given the characteristics of the quarter-section (in some cases only the section was known) in which it is located. For example, if the quarter-section in which a parcel is located had some hydric soil and was partially within a floodplain, these characteristics would be unknown for the particular parcel. However, if the entire quarter-section was hydric soil and in the floodplain, the individual parcel was given those characteristics.

Of particular interest to members of the Citizens Advisory Committee (CAC) for the 1994 OEDP was the amount of industrial and commercial land that definitely is not constrained by environmental characteristics or lack of services. Such land would constitute *ready-to-build* acreage in the county. Analysis of the data indicated that the county has very few parcels that definitely are fully serviced and also definitely unconstrained by environmental characteristics. Therefore, several other criteria were developed to demonstrate the degree to which parcels may be constrained.

It is important to note that estimates developed for the 1994 OEDP were, in part, based on visual inspection of section maps for Skagit County and are only approximate in nature. These estimates were also in part based on Assessor's data which proved to be incomplete and inconsistent. Furthermore, several simplifying assumptions

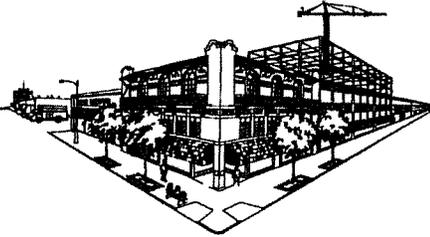
were made to expedite the research process, including elimination of smaller parcels under certain threshold sizes of less than 1 and 5 acres for commercial and industrial respectively. Due to these and other related data problems, the Assessor based commercial-industrial land inventory is not used for purposes of this 1995 OEDP update.

- ¹³ An assessment of combined rather than separated commercial-industrial land needs is important because: (a) some jurisdictions in Skagit County allow some forms of commercial use in industrial zones such as business park or some industrial uses (such as light assembly or wholesale-distribution) in commercial zones; and (b) it can be expected that some portion of added demand from agriculture, public/non-profit and self-employment also will be experienced for a mix of both industrial and commercial sites.
- ¹⁴ More detailed information and description of environmental conditions in Skagit County is available in the *1994 Overall Economic Development Plan, Environmental Considerations (Chapter V)*.
- ¹⁵ All of the goal statements listed in the 1994 OEDP were incorporated into the County's Comprehensive Plan with the exception of a 1994 OEDP Committee recommendation related to an objective for master planned resorts. The Comprehensive Plan did include one additional more detailed objective concerning transportation and economic development to encourage an economic study on the marine based economy of Skagit County in the OEDP. Other objectives and policies detailed by the 1994 OEDP also have been incorporated into the County's proposed Comprehensive Plan with minor editing revisions.

Appendix F

E. D. Hovee & Company

Economic and Development Services



PROJECT MEMORANDUM

To: Kelley Moldstad, Skagit County Council of Governments
From: Eric Hovee & Denise Whitney
Subject: 2003 Updated Skagit County Employment & Land Demand Forecasts
Date: November 21, 2003

The following memorandum provides an update of the *population driven* employment forecast and land demand model for Skagit County. This update builds upon and is consistent with the prior methodology applied in preparation of the 1995 and 2000 *Overall Economic Development Plans (OEDP)* and subsequent 2001 forecast update.

The adopted Skagit County population projection for the year 2025 is currently 149,080 compared to the previous 2001 forecasts assumption of 167,900. As a result of the lower adopted figure, the 2015 and 2020 population projections have also been adjusted down. In the prior 1995 and 2001 population driven employment forecasts, population projections for the year 2015 were 137,700 residents. In this 2003 forecast a lower population projection – of 128,570 – is applied.

POPULATION DRIVEN EMPLOYMENT FORECAST

This forecast methodology estimates the number of jobs required to support and anticipated population growth over the forecast period. The population forecasts used are based on and include the Skagit County GMA Steering Committee adopted 2025 population forecast. The forecasts for years 2015 and 2020 assume a constant compound annual growth rate between 2000 and 2025.

Other major assumptions of the population based employment model include no net change from 2000 commute patterns, an unemployment rate targeted at a constant year 2000 ratio to statewide unemployment rate projections, and a constant ratio of self-employed workers.

Due to the lower population projections for the years 2015, 2020, and 2025 than used previously, total wage and salary jobs projected have also declined compared to previous estimates. Under the revised population driven employment projection wage and salary jobs in the county are forecast to be 65,100 jobs by 2025 – down from 72,300 in the 2001 forecast. When self-employed workers are added back into the employment mix, the employment projection increases to 71,400 by year 2025, reduced from the previously estimated 81,210 jobs.

Figure I. 2003 Population Driven Employment Forecast Methodology

Mathematical Computation	Estimated			Forecast			Comments
	1980	1990	2000	2015	2020	2025	
Countywide Population	64,138	79,545	102,978	128,573	138,448	149,080	Forecast figures reflect adopted Skagit County 2025 forecast and assumes a constant compound annual growth rate (of 1.49%) between 2000 and 2025.
<i>Multiply:</i>							
% Age 16 and Older	76.1%	76.5%	77.1%	78.0%	77.5%	77.6%	Forecast figures reflect percent distribution interpolated from OFM age distribution forecasts (January 2002).
<i>Equals:</i>							
Population Age 16 and Older	48,800	60,800	79,400	100,300	107,300	115,700	
<i>Multiply:</i>							
Labor Force Participation Rate	57.3%	59.9%	61.9%	64.8%	64.2%	64.2%	Forecast figures reflect extrapolation of 1990 and 2000 figures. The 2020 state figure is 66.9%.
<i>Equals:</i>							
Skagit County Labor Force	28,000	36,400	49,100	65,000	68,900	74,300	
<i>Multiply BY One Minus The:</i>							
Skagit County Unemployment Rate	10.9%	5.8%	6.9%	6.9%	6.1%	6.1%	Forecast figures reflect the 2000 relationship of Skagit County to Washington State and applied to Washington State Long Run figures.
<i>Equals:</i>							
Number of Residents Employed	24,900	34,300	45,700	60,500	64,700	69,800	
<i>Less:</i>							
Self Employed	830	3,770	4,120	5,450	5,830	6,290	Forecast figures assume constant 2000 ratio of self employed to employed residents.
Private Household Employment	90	80	220	290	310	340	Forecast figures assume constant 2000 ratio of private household employment to employed residents.
<i>Equals: Total Resident</i>							
Wage & Salary Workers	23,980	30,450	41,360	547,60	58,560	63,170	
<i>Less:</i>							
Out-Commuters	2,600	5,700	9,900	13,100	14,000	15,100	Forecast figures assume constant 2000 ratio of out-commuters to wage and salary workers.
<i>Equals: Total W&S Workers</i>							
Working in Skagit County	21,380	24,750	31,460	41,660	44,560	48,070	
<i>Plus:</i>							
In-Commuters	N/A	4,800	8,900	11,800	12,600	13,600	Forecast figures assume constant 2000 ratio of in-commuters to wage and salary workers.
Multiple Job Holders *	520	1,650	2,240	2,970	3,170	3,420	Forecast figures assume constant 1990 ratio of multiple job holders to wage and salary workers.
<i>Equals:</i>							
Total Wage & Salary Jobs	21,900	31,200	42,600	56,400	60,300	65,100	

Note: 1980 Multiple Job Holders is assumed to consist of persons holding two or more jobs.

Source: E.D. Hovee & Company, September 2003.

The revised population driven employment forecasts are distributed into the ten major employment sectors based on the percent distributions derived from the 2000 *Skagit Overall Economic Development Plan* (OEDP) and subsequently updated again with a 2001 Shift-Share employment analysis.

Figure 2. 2003 Population Driven Employment Forecast by Employment Sector

Employment Sector	Actual Conditions			Forecast Conditions			Average Annual Growth Rate				
	1980	1990	2000	2015	2020	2025	1980-90	1990-00	2000-15	2015-20	2020-25
Agriculture	2,132	2,817	3,622	3,352	3,310	3,305	+2.8%	+2.5%	-0.5%	-0.3%	-0.0%
Mining	17	28	35	33	36	39	+5.1%	+2.3%	-0.4%	+1.6%	+1.6%
Construction	1,373	2,302	3,105	4,512	4,982	5,515	+5.3%	+3.0%	+2.5%	+2.0%	+2.1%
Manufacturing	3,777	4,290	5,757	7,419	7,953	8,588	+1.3%	+3.0%	+1.7%	+1.4%	+1.5%
TCPU	1,044	1,427	1,740	1,927	1,967	2,030	+3.2%	+2.0%	+0.7%	+0.4%	+0.6%
Wholesale Trade	751	1,092	1,496	1,869	1,989	2,150	+3.8%	+3.2%	+1.5%	+1.2%	+1.6%
Retail Trade	4,462	7,129	9,325	13,645	15,072	16,811	+4.8%	+2.7%	+2.6%	+2.0%	+2.2%
FIRE	661	945	1,239	1,317	1,377	1,445	+3.6%	+2.7%	+0.4%	+0.9%	+1.0%
Services	3,218	5,408	9,182	11,771	12,414	13,253	+5.3%	+5.4%	+1.7%	+1.1%	+1.3%
Government	4,536	5,782	8,258	10,555	11,200	11,965	+2.5%	+3.6%	+1.6%	+1.2%	+1.3%
All Sectors	21,971	31,220	43,759	56,400	60,300	65,100	+3.6%	+3.4%	+1.7%	+1.3%	+1.5%
Self-Employment		3,770	4,121	5,450	5,830	6,290		+0.9%	+1.9%	+1.4%	+1.5%
Total Employment	21,971	34,990	47,880	61,850	66,130	71,390	+4.8%	+3.2%	+1.7%	+1.3%	+1.5%

Note: TCPU is abbreviation for Transportation, Communications, and Public Utilities. FIRE denotes, Finance, Insurance, and Real Estate.

Source: E.D. Hovee & Company, September 2003.

Population driven employment forecasts are then distributed into the five major land use categories based on the percent distributions derived from the 2001 shift-share analysis. This leads to consistent results, with commercial, public/institutional, and industrial lands projected to experience the greatest job growth.

Figure 3. 2003 Population Driven Employment Forecast by Major Land Use Category

Land Use Type	Actual	Forecast Conditions				Forecast Added Jobs			
	2000	2015	2020	2025	2000-15	2015-20	2020-25	2000-25	
Commercial (C)	15,310	20,948	22,742	24,952	5,638	1,794	2,209	9,642	
Industrial (I)	10,159	13,326	14,333	15,540	3,167	1,008	1,207	5,381	
Natural Resource (NR)	2,832	3,361	3,544	3,770	529	183	227	938	
Agriculture (AG)	2,861	2,648	2,614	2,610	(213)	(33)	(4)	(251)	
Public/Institutional (P)	12,597	16,117	17,066	18,227	3,520	949	1,161	5,630	
Covered Employment	43,759	56,400	60,300	65,100	12,641	3,900	4,800	21,341	
Self-Employment (SE)	4,121	5,450	5,830	6,290	1,329	380	460	2,169	
Total Employment	47,880	61,850	66,130	71,390	13,970	4,280	5,260	23,510	

Source: E.D. Hovee & Company, September 2003.

LAND DEMAND

With this update, E.D. Hovee & Company has analyzed projected employment growth (by land use) to estimate total land demand for *commercial and industrial lands* over 25 years. These land uses include commercial, industrial, natural resource, and public/institutional (except education).¹

Educational uses generally occur on lands designated for residential use and, therefore, were not considered as part of this commercial/industrial land demand analysis. Other land uses excluded from the land demand analysis include agriculture and self-employment. Agriculture includes the raising of crops and livestock, practices that generally do not occur on industrial and commercial lands. Self-employment also has been excluded from the analysis because little reliable research is available on the amount of self-employment on urban commercial and industrial lands, as compared with home occupations occurring in residentially-zoned areas.

In 1999, the Skagit County Council of Governments retained BST Associates to geo code 1998 employment by detailed sector. Results were summarized by land use designation to derive allocation ratios between urban (city *plus* UGA) versus rural areas by land use.

According to BST, urban areas account for an estimated 94% of commercial, 87% of industrial, 90% of natural resource, and 92% of public/institutional employment in Skagit County. Rural areas account for remaining employment, with the exception of public/institutional. Within rural areas, public/institutional employment is not calculated as part of the commercial/industrial land demand because these uses typically occur on rural lands without commercial/industrial zoning.²

Projected employment growth estimates are allocated to urban versus rural areas using the allocation ratios. Based on these allocation ratios, nearly 19,800 jobs are anticipated to be created within Skagit County urban areas. Rural areas are estimated to capture nearly 1,400 added jobs between 2000 and 2025.

¹ Natural resource employment is included in this analysis because the majority of such activities closely relate to industrial uses. Public/institutional employment is included because these activities tend to be developed on commercial and industrial lands. Based on input received from local jurisdiction planners in 1998/1999, the land typically is rezoned to institutional from a commercial/industrial designation once a public/institutional entity has purchased the land.

² Per discussion with Skagit County planning staff.

Figure 4. Urban vs. Rural Employment by Land Use Allocations (2000-2025)

Land Use	Employment Growth	% Allocation		Employment Growth	
	2000-2025	Urban	Rural	Urban	Rural
Commercial (C)	9,642	94%	6%	9,063	579
Industrial (I)	5,381	87%	13%	4,682	700
Natural Resource (NR)	938	90%	10%	844	94
Public/Institutional (P)	5,630	92%	–	5,180	–
Total Com'l & Ind'l Employment	21,592	–	–	19,769	1,372

Source: E.D. Hovee & Company, based on BST Associates geocoded employment database, consistent with 2000 OEDP update methodology.

Using the employment growth projections, an estimate of land demand for urban and rural areas is derived from land use employment density ratios. Density ratios are a calculation of jobs per net developable acre. This updated analysis applies the same employment density factors as were used with the 2000 OEDP update.

The revised land demand analysis results in an estimated land demand or need for almost 1,940 acres of commercial and industrial land in urban areas and over 410 acres in rural areas. Altogether, Skagit County would need 2,360 acres of commercial and industrial land to support the creation of 21,600 added jobs as projected over the 25 year period. This allocation of industrial and commercial land is important to Skagit County's local economic base to keep pace with anticipated local population and statewide growth.

Figure 5. Commercial/Industrial Land Demand by Land Use (2000-2025)

Land Use	Employment Growth		Density (jobs/net acre)		Land Demand (net acres)		
	Urban	Rural	Urban	Rural	Urban	Rural	Total
Commercial (C)	9,063	579	20.0	6.0	453	96	550
Industrial (I)	4,682	–	6.5	–	720	–	720
Natural Resource (NR)	844	–	2.5	–	338	–	338
Rural Industrial/Natural Resource	–	793	–	2.5	–	317	317
Public/Institutional	5,180	–	12.0	–	432	–	432
Total Com'l & Ind'l Land Demand	19,769	1,372	–	–	1,943	414	2,357
Total without Public/Institutional	14,589	1,372	–	–	1,511	414	1,925

Source: E.D. Hovee & Company September 2003, based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

With prior OEDPs (including the 2000 update), a 25% market factor was applied as a basis to assure a competitively priced land inventory and account for properties that may not be marketed for development within the forecast time period. Application of the market factor to this 2003 updated analysis would increase the total industrial/commercial need for urban and rural lands from approximately 2,360 acres to 2,950 acres.

In comparison, the 1995 OEDP projected the need for 2,270 acres including market factor for the 20 year period from 1995 to 2015. It is noted that the 1995 OEDP covered a 20-year time period, while this updated analysis extends for 25 years. Also noted is that the 1995 OEDP did not allocate land

for public/institutional employment growth, while this update does estimate land needs to accommodate this use.

In order to address the differing years in land demand provided by this analysis and the county's previously generated land supply data (from year 1995), a *catch-up table* identifying likely employment and land demand from 1995-2000 has been created using the same methodology.

Figure 6. Catch Up Land Demand by Land Use (1995-2000)

Land Use	Employment Growth		Density (jobs/net acre)		Land Demand (net acres)		
	Urban	Rural	Urban	Rural	Urban	Rural	Total
Commercial	1,217	78	20.0	6.0	61	13	74
Industrial	747	-	6.5	—	115	-	115
Natural Resource	215	-	2.5	—	86	-	86
Rural Industrial/Natural Resource	-	136	-	2.5	-	54	54
Public/Institutional	980	-	12.0	-	82	-	82
Total Com'l & Ind'l Land Demand	3,160	213	-	-	344	67	411
Total without Public/Institutional	2,180	213			262	67	329

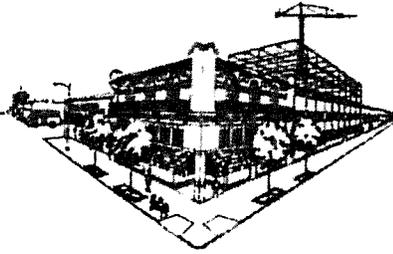
Source: E.D. Hovee & Company November 2003, based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

The catch-up land demand estimate indicates land demand or need between 1995 and 2000 for approximately 411 acres of commercial and industrial land without market factor to support the creation of 3,370 added jobs over the 5 year period. Application of the market factor to this estimate would increase the total industrial/commercial need for urban and rural lands from approximately 411 acres to 514 acres.

Appendix G

E. D. Hovee & Company, LLC

Economic and Development Services



MEMORANDUM

To: Rebecca Bradley, Leonard, Boudinot & Skodje, Inc.
From: Paul Dennis, AICP
Subject: Historic Commercial & Industrial Land Allocations
Date: February 22, 2005

Leonard, Boudinot & Skodje, Inc. hired E.D. Hovee & Company to assist with reviewing the city of Mount Vernon's historic commercial and industrial land allocations. More specifically, to evaluation consistency with past demand estimates developed by E.D. Hovee & Company, including incorporation of market factors, critical areas, and public infrastructure. The following documents were reviewed for this analysis:

- E.D. Hovee & Company, *Skagit County Overall Economic Development Plan*. Skagit County Overall Economic Development Plan Update. 1995.
- E.D. Hovee & Company, *Skagit County Urban Growth Area Analysis: Population, Employment & UGA Land Allocations by Jurisdiction*. Skagit County Administrative Services. July 1996.
- E.D. Hovee & Company, *Mount Vernon Overall Economic Development Plan (OEDP)*. City of Mount Vernon, Mount Vernon Chamber of Commerce, and OEDP Committee. August 1996.
- E.D. Hovee & Company, *Skagit County Urban Growth Area Analysis Update: Population, Employment & UGA Land Allocations by Jurisdiction*. Skagit County Administrative Services. March 1997.
- E.D. Hovee & Company, *Skagit County Overall Economic Development Plan*. Skagit County Overall Economic Development Plan Update. 1998-2000.
- Countywide Planning Policies Committee, *1999 Proposed Amendments to Countywide Planning Policies (CPP)*. Skagit County. October 20, 1999.
- E.D. Hovee & Company, *Mount Vernon Overall Economic Development Plan (OEDP)*. City of Mount Vernon, Mount Vernon Chamber of Commerce, and OEDP Committee. October 1999.
- Skagit County, *Skagit County Countywide Planning Policies*. June 15, 2000.
- E.D. Hovee & Company, *Updated Skagit County Employment Forecasts to Year 2025*. Skagit County Council of Governments. May 4, 2001.

- E.D. Hovee & Company, *Skagit County Comprehensive Economic Development Strategy (CEDS)*. Skagit County Council of Governments. July 2003.
- E.D. Hovee & Company, *2003 Updated Skagit County Employment & Land Demand Forecasts*. Skagit County Council of Governments. November 21, 2003.
- Berryman & Henigar, Inc. and Michael J. McCormick, *Population & Employment Forecasting & Allocation 2025*. Skagit County. December 2003.
- Rebecca Bradley, city of Mount Vernon, *Summary of Coordinated Commercial/Industrial Allocation Work*. Memorandum. July 15, 2004.

EMPLOYMENT & LAND DEMAND FORECASTS

The commercial and industrial land demand projections are derived from employment forecasts. Forecasts were prepared for the 1995 Skagit County Overall Economic Development Plan Update (OEDP), Mount Vernon 1996 OEDP, Skagit County OEDP (1998-2000), Mount Vernon 1999 OEDP, Updated Skagit County Employment Forecasts to Year 2025 (completed 2001), and 2003 Updated Skagit County Employment & Land Demand Forecasts.

Countywide Employment Forecasts

1995 Skagit OEDP. The original 1995 forecast provided two alternative employment forecasts: a) *Population-Driven* – estimates the number of jobs needed to support projected residential growth; and b) *Employment-Driven* – estimates job growth based upon Skagit County's historic changing share of statewide job growth by major employment sector (i.e. manufacturing, retail, services, etc.). The population-driven methodology projected a growth of 26,500+ jobs between 1995 and 2015. Sixty-two percent (or 16,335) of these jobs are forecasts to occur on commercial and industrial lands. Job growth on commercial and industrial lands is projected to occur at an average rate of 817 jobs per year.

The employment-driven alternative forecasted a growth of 27,600+ over the same 20-year planning horizon. Annual job growth on commercial and industrial lands is forecasted at an average rate of 853 jobs, or 17,058 for the entire 20-year planning horizon. These 1995 forecasts were later used in examining the 1996 and 1997 commercial and industrial land allocations for each of the proposed Skagit County UGAs.

1998-2000 Skagit OEDP. The population-driven employment forecast was updated (also commonly referred to as the *1999 employment forecast*) during the 1998-2000 Skagit County OEDP Update process. The 1999 forecast estimated a need for almost 28,000 jobs between 1995 and 2015. Based upon an employment geo-coding analysis conducted by BST Associates in 1998, 84% (or 23,511) of job growth was predicted to occur on commercial and industrial lands. This equates to an annual average growth of 840 jobs on commercial and industrial lands, growth similar to the 1995 forecast. This forecast was used to set the final commercial/industrial land allocations in the 2000 Countywide Planning Policies (CPP 1.1).

2001 SCCOG Employment Forecast. In 2001, the Skagit County Council of Governments hired E.D. Hovee & Company to update the countywide employment forecast for their *long-range* transportation planning. Both the population- and employment-driven forecasts were updated. The population-driven methodology projected a growth of 37,700 jobs between 1997 and 2025. The employment-driven methodology forecasted job growth of 39,283 over the same 28-year planning horizon. Neither forecast allocated job growth specifically to commercial or industrial lands.

2003 SCCOG Employment & Land Forecast. The Skagit County Council of Governments retained E.D. Hovee & Company to assist with the Countywide Comprehensive Plan update; more specifically, to update the *long-term* countywide employment and land demand forecast. The 2003 forecast only updated the population-driven methodology. The resulting forecast estimates a need for 23,500+ jobs between 2000 and 2025. Approximately 90% (or 21,142) of job growth is expected to occur on commercial and industrial lands. The average annual job growth on commercial and industrial lands is 846, comparable to the 1995 and 1999 forecasts.

Figure 1. Comparative Countywide Commercial & Industrial Job Forecasts

Forecast Document	Forecast Period	Pop Driven	Emp Driven	Allocated to		
				Com'l & Ind'l Land	Jobs on C & I Land	Pop
1995 Skagit OEDP: 1995-2015						
Commercial (C)		9,703	10,108	100%	9,703	10,108
Industrial (I)		5,369	5,615	100%	5,369	5,615
Natural Resource (NR)		1,263	1,335	100%	1,263	1,335
Public/Institutional (P)		7,438	7,779	0%	0	0
Agriculture (AG)		-73	-25	0%	0	0
Self-Employment (SE)		2,824	2,824	0%	0	0
Total Employment		26,524	27,636	62%	16,335	17,058
1998-2000 Skagit OEDP: 1995-2015						
Commercial (C)		10,145	-	100%	10,145	-
Industrial (I)		6,270	-	100%	6,270	-
Natural Resource (NR)		1,171	-	99%	1,158	-
Public/Institutional (P)		7,069	-	84%	5,938	-
Agriculture (AG)		309	-	0%	0	-
Self-Employment (SE)		3,030	-	0%	0	-
Total Employment		27,994	-	84%	23,511	-
2001 SCCOG Forecast: 1997-2025						
Commercial (C)		13,595	14,189	-	-	-
Industrial (I)		8,373	8,739	-	-	-
Natural Resource (NR)		1,981	2,082	-	-	-
Public/Institutional (P)		9,276	9,732	-	-	-
Agriculture (AG)		275	341	-	-	-
Self-Employment (SE)		4,200	4,200	-	-	-
Total Employment		37,700	39,283	-	-	-
2003 SCCOG Forecasts: 2000-2025						
Commercial (C)		9,642	-	100%	9,642	-
Industrial (I)		5,381	-	100%	5,382	-
Natural Resource (NR)		938	-	100%	938	-
Public/Institutional (P)		5,630	-	92%	5,180	-
Agriculture (AG)		-251	-	0%	0	-
Self-Employment (SE)		2,169	-	0%	0	-
Total Employment		23,509	-	90%	21,142	-

Source: E.D. Hovee & Company.

Urban vs. Rural Jobs

As identified earlier, the Skagit County Council of Governments retained BST Associates to geocode 1998 employment by detailed sector. Results were summarized by city, urban growth area (UGA), and rural area. These results were further summarized by land use designation to derive allocation ratios between urban (city plus UGA) versus rural areas by land use. The BST results

were utilized by E.D. Hovee & Company to allocate their 1999 and 2003 employment forecasts to urban (i.e. city and UGAs) versus rural areas. *Note:* In 1995, similar data was not available; therefore, no distinction between urban and rural was made with the 1995 employment forecast. Urban and rural allocations were not made with the 2001 forecast, as the Skagit County Council of Governments decided to use their own modeling to allocate the countywide job growth by Transportation Analysis Zone (TAZ).

The 1999 forecast allocated nearly 21,500 commercial and industrial jobs to urban areas, with the remaining 1,540 jobs allocated to rural areas. The 2003 forecast allocated 19,770 commercial and industrial jobs for urban areas and 1,370 to rural.

Figure 2. Commercial & Industrial Employment Allocations by Urban vs. Rural

Land Use	Forecast Period	C/L Land		C/L Land Job Growth		
		Employment Growth	% Allocated Urban	% Allocated Rural	Urban	Rural
1999 Forecast:		1995-2015				
Commercial (C)		10,145	94%	6%	9,536	609
Industrial (I)		6,270	87%	13%	5,455	815
Natural Resource (NR)		1,158	90%	10%	1,042	116
Public/Institutional (P)		5,938	92%	–	5,463	–
Job Growth on C/I Land		23,511	91%	9%	21,496	1,540
2003 Forecast:		2000-2025				
Commercial (C)		9,642	94%	6%	9,063	579
Industrial (I)		5,382	87%	13%	4,682	700
Natural Resource (NR)		938	90%	10%	844	94
Public/Institutional (P) ¹		5,180	100%	–	5,180	–
Job Growth on C/I Land		21,142	94%	6%	19,769	1,373

Note: 1) The 2003 analysis did not separately allocate employment growth to commercial and industrial lands prior to the urban vs. rural allocations. To be consistent with prior forecasts, the 2003 urban allocation ratio of 92% for Public/Institutional employment growth was used to allocate to commercial and industrial lands and then the urban allocation is held to 100%. This modification produces the same end results as documented in the 2003 analysis.

Source: E.D. Hovee & Company.

Commercial & Industrial Land Demand Forecasts

Using the employment growth projections, an estimate of land demand is derived from land use density ratios. Density ratios are a calculation of jobs per *net developable* acre (or i.e. exclusive of areas set aside for market factors, critical areas, public infrastructure, etc.). *Urban* density ratios were derived by reviewing past development within City of Anacortes, Port of Anacortes, Port of Skagit County, City of Mount Vernon, and City of Burlington in Skagit County, as well as inventorying 109 major end-user industrial investments in Washington and Oregon.¹

As part of this revised land use analysis, a review of past *rural* developments was conducted, resulting in density estimates perceived to be well below acceptable development standards for future commercial development.² After discussion with Skagit County jurisdictions, somewhat

higher density estimates were used in the land demand analysis to reflect future development standards. The effect is the reduction of calculated land need below what might be projected with lower densities.³

1995 Forecast. Between 1,800 and 1,900 acres of net developable commercial and industrial land (i.e. excluding market factor, critical areas, public infrastructure, etc.) was estimated to fulfill job growth projections between 1995 and 2015.

1999 Forecast. Just under 2,700 net developable acres of commercial and industrial land is needed countywide between 1995 and 2015 to fulfill job growth forecasts. Approximately 2,200 net developable acres are needed within urban areas and just under 500 acres in rural areas.

Figure 3. Commercial & Industrial Land Demand (Net Developable Acres)

Land Use	Employment Growth			Density (jobs/net acre)			Land Demand (In acres)		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
1995 Forecast:									
Commercial (C)	-	-	9,703-10,108	-	-	20.0	-	-	485-505
Industrial (I)	-	-	5,369-5,615	-	-	6.5	-	-	826-864
Natural Resource (NR)	-	-	1,263-1,335	-	-	2.5	-	-	505-534
Public/Institutional (P)	-	-	0-0	-	-	0.0	-	-	0-0
Job Growth on C/I Land	-	-	16,335-17,058	-	-	9.0	-	-	1,816-1,903
1999 Forecast:									
Commercial (C)	9,536	609	10,145	20.0	6.0	17.5	477	102	579
Industrial (I)	5,455	815	6,270	6.5	2.5	5.4	839	326	1,165
Natural Resource (NR)	1,042	116	1,158	2.5	2.5	2.5	417	46	463
Public/Institutional (P)	5,463	-	5,463	12.0	-	12.0	455	-	455
Job Growth on C/I Land	21,496	1,540	23,036	9.8	3.2	8.7	2,188	474	2,662
2003 Forecast:									
Commercial (C)	9,063	579	9,642	20.0	6.0	17.5	453	97	550
Industrial (I)	4,682	700	5,382	6.5	2.5	5.4	720	280	1,000
Natural Resource (NR)	844	94	938	2.5	2.5	2.5	338	38	376
Public/Institutional (P)	5,180	-	5,180	12.0	-	12.0	432	-	432
Job Growth on C/I Land	19,769	1,373	21,142	10.2	3.3	9.0	1,943	415	2,358

Note: No land demand forecast was completed as part of the 2001 employment forecast.

Source: E.D. Hovee & Company.

2003 Forecast. Almost 2,360 of net developable commercial and industrial acres is required to meet the projected job growth between 2000 and 2025. Urban areas will need 1,940 net developable acres and rural areas need 415 acres.

In order to address the differing years in land demand provided by the 2003 analysis and the county's previously generated land supply data (from year 1995), a *catch-up table* identifying likely employment and land demand from 1995-2000 has been created using the same methodology. The catch-up land demand estimate indicates land demand or need between 1995 and 2000 for approximately 411 net developable acres of commercial and industrial land before market factor or other considerations to support the creation of 3,370 added jobs over the 5 year period.

Figure 4. Catch Up Land Demand by Land Use (1995-2000 – 2003 Forecast)

Land Use	Employment Growth		Jobs/Net Acre		Land Demand (net acres)		
	Urban	Rural	Urban	Rural	Urban	Rural	Total
Commercial (C)	1,217	78	20.0	6.0	61	13	74
Industrial (I)	747	–	6.5	–	115	–	115
Natural Resource (NR)	215	–	2.5	–	86	–	86
Rural Industrial/Natural Resource	–	136	–	2.5	–	54	54
Public/Institutional (P)	980	–	12.0	–	82	–	82
Total Com'l & Ind'l Land Demand	3,160	213	–	–	344	67	411

Source: E.D. Hovee & Company (November 2003), based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

Market Factor

Few forecasts of future conditions turn out precisely as predicted. In the case of industrial and commercial land demand, important factors that may vary from forecast conditions include expected total employment, mix of employment by sector, and employment density. Application of a market factor provides a margin of error (or *cushion*) to account for changes that may not be foreseen at present.

Given the uncertainty of future development patterns and the potential for actual conditions to vary from the forecast, a market factor is recommended to ensure that an adequate supply of commercial/industrial land is available for future development. Conservative assumptions have been used to project future commercial/ industrial land demand. If future patterns of development occur in a manner outside the forecast parameters, Skagit County could fall short of its growth management targets for jobs to support population growth. Finally, it is noted that a market factor is important to ensure that commercial and industrial land in Skagit County stays competitive with nearby markets in terms of both supply and price.

With the exception of the 1995 forecast, all of the prior employment and land demand forecasts have applied a market factor directly to the land demand projections. In 1995, the market factor was deducted from the net developable acreage. To draw directly comparable results, this analysis applies the market factors used in each of the previous forecasts directly to the land demand estimates.

With the inclusion of the 20% market factor, the 1995 forecast estimated a total land demand of 2,179-2,284 acres of commercial and industrial land to meet projected job growth between 1995 and 2015. Once again, the 1995 forecast did not directly distinguish between urban and rural areas. Also, these estimates are net of critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development.

The 1999 and 2003 forecasts assumed a slightly higher market factor of 25%, reflecting empirical research conducted with the 1998-2000 Skagit County OEDP. The 1999 forecast estimated a need for 3,328 acres of commercial and industrial land, with the inclusion of the 25% market factor; urban areas were estimated to need 2,735 acres and 593 acres for rural areas. Once again, this acreage demand is before critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development are considered.

The 2003 forecast estimated a need for 2,948 acres (including acreage for market factor) of commercial and industrial land to meet employment growth forecasts between 2000 and 2025. An additional 514 acres are needed to account for assumed demand between 1995 and 2000, for a total demand of 3,462 acres over the entire 1995-2025 planning period. Urban areas need 2,859 acres of commercial and industrial land and rural areas require 603 acres over the same 30-year planning horizon. As previously noted (as well as in the figure below), these acreage estimates are before critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development are considered.

Figure 5. Land Demand with Market Factor (in acres)

Forecast	Forecast Period	Demand w/out Market Factor			Market Factor	Demand w/ Market Factor		
		Urban	Rural	Total		Urban	Rural	Total
1995 Forecast	1995-2015	-	-	1,816-1,903	20%	-	-	2,179-2,284
1999 Forecast	1995-2015	2,188	474	2,662	25%	2,735	593	3,328
2003 Forecast:								
Without Catch Up	2000-2025	1,943	415	2,358	25%	2,429	519	2,948
Catch Up Demand	1995-2000	344	67	411	25%	430	84	514
Total Demand	1995-2025	2,287	482	2,769	25%	2,859	603	3,462

Note: Land demand estimates do not include critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development.

Source: E.D. Hovee & Company.

Mount Vernon Employment & Land Forecasts

E.D. Hovee & Company completed an Overall Economic Development Plan (OEDP) for the city of Mount Vernon in 1996 and subsequent update in 1999. Each of these OEDP studies provided employment and land demand forecasts. Both OEDPs utilized the same forecasts, as the 1999 Countywide forecast had not been completed prior to the finalization of the 1999 Mount Vernon OEDP Update.

Employment Forecast. A *population-driven* employment forecast was completed for Mount Vernon Comprehensive Plan in 1995. The 1996 OEDP utilized this same methodology, but revised the forecast estimates to reflect changes in population estimates for Skagit County and the city.⁴ Projected growth in employment was based on keeping employment growth proportional to population growth, except for government, which is not expected to increase as quickly in the city.⁵

Mount Vernon's employment base was expected to increase by over 8,500 jobs between 1995-2015, to a job total in the year 2015 of nearly 20,300 – an increase of approximately 72%. This forecast illustrated the number of jobs that needed to be created to support anticipated population growth, to stabilize the rate of out-commuting or unemployment at 1996 levels, and to retain existing labor force participation rates. *Note:* the city of Mount Vernon's 1995 Comprehensive Plan projected employment growth of 8,765 jobs between 1995 and 2015, 3% higher than the OEDP projections.

Figure 6. Mount Vernon Existing & Projected Jobs by Category (1995-2015)

Category	Existing Totals	Forecast	Forecast	% Employment Growth
	1995 (City & UGA)	Totals 2015	Employment Growth	
Retail	3,280	6,081	2,801	85%
Manufacturing, Construction, Agriculture	2,097	3,371	1,274	61%
TCPU	644	1,066	422	66%
Office/Services	1,886	3,314	1,428	76%
Health	1,754	3,323	1,569	89%
Total (excluding Government)	9,661	17,155	7,494	78%
Government	2,096	3,112	1,016	48%
Total	11,757	20,267	8,510	72%

Source: E.D. Hovee & Company.

Commercial & Industrial Allocation. The city of Mount Vernon's 1995 Comprehensive Plan allocated 80% of the anticipated job growth to commercial uses and the remaining 20% to industrial. The following table illustrates the breakout between commercial and industrial for the 1996 and 1999 OEDP forecasts as well as the projections in the 1995 Comprehensive Plan.

Figure 7. Mount Vernon Job Growth Allocations (1995-2015)

Forecast Document	Employment Growth	% Allocated		Employment Growth		
		Com'l	Ind'l	Com'l	Ind'l	Total
1996 & 1999 OEDP	8,510	80%	20%	6,808	1,702	8,510
1995 Comprehensive Plan	8,765	80%	20%	6,992	1,773	8,765

Source: E.D. Hovee & Company and city of Mount Vernon.

Commercial & Industrial Land Demand. Neither OEDP document converted the employment growth forecasts into land demand estimates, rather relied upon the analysis conducted in the city's 1995 Comprehensive Plan. However, land demand estimates can be derived for the 1996 and 1999 OEDP job growth forecasts by applying the 1995 Comprehensive Plan density and market factor assumptions. Total need for commercial and industrial land between 1995 and 2015, including market factor, is estimated at 680-703 net developable acres. *Note:* to be consistent with the portrayal of the countywide land demand estimates, the market factor is applied to these land demand estimates as well. Also, these estimates exclude considerations for critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development.

Figure 8. Mount Vernon Commercial & Industrial Land Demand (1995-2015)

Forecast	Employment Growth	Jobs/ Net Acre	Land Demand		Land Demand w/ Market Factor
			Before Market Factor	Market Factor	
1996 & 1999 OEDP:					
Commercial	6,808	20.0	340	20%	408
Industrial	1,702	7.5	227	20%	272
Total	8,510	15.0	567	20%	680
1995 Comprehensive Plan:					
Commercial	6,992	20.0	350	20%	420
Industrial	1,773	7.5	236	20%	283
Total	8,765	15.0	586	20%	703

Source: E.D. Hovee & Company and city of Mount Vernon.

COMMERCIAL & INDUSTRIAL LAND ALLOCATIONS

A variety of commercial and industrial land inventory and allocations have been made since 1995. All allocations include incorporation of a market fact, but exclude considerations for critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development. Therefore, the land inventory/allocations are meant to be consistent with land demand projections.

Countywide Allocations

Inventory and allocation of net developable commercial and industrial land has occurred with the adoption of the 1995 Skagit County Comprehensive Plan, 1996 and 1997 Urban Growth Area analyses in response to remand orders from the Western Washington Growth Management Hearings Board (WWGMHB), 1999 Draft Countywide Planning Policies, 2000 Adopted Countywide Planning Policies, 2003 allocations for the proposed 2005 Comprehensive Plan.

1995-2000 Allocations. The 1995 Countywide Planning Polices (CPP), adopted in conjunction with the 1995 Skagit County Comprehensive Plan, allocated 2,256 net developable acres (including market factor) to all Skagit County UGAs; 1,759 acres were allocated to urban areas and 497 acres to rural areas. An updated inventory using Skagit County Assessor records was conducted as part of the 1995 Skagit County OEDP. This analysis found that urban areas had 1,870 acres of net developable commercial and industrial land and rural areas had 497 acres, for a combined total of 2,367 acres.

In 1996 and 1997, each of the cities and Skagit County assisted E.D. Hovee & Company in analyzing the amount of developable commercial and industrial land in effort to more precisely estimate the amount of available land to meet projected employment growth. The 1996 effort found a substantial reduction of available commercial and industrial lands. The reductions were identified in the Anacortes, Burlington, Mount Vernon, Sedro-Woolley, and Bayview UGAs.

The 1997 study refined the 1996 results by taking a close look at the previous inventories and clarifying the underlying assumptions to be more consistent across each of the UGAs. The refined analysis resulted in an identification of 2,344 acres of net developable commercial and industrial land, 1,847 acres in urban UGAs and 497 in Rural UGAs.

With the projected increase in land demand associated with the 1999 forecast, additional 1,080 acres of net developable commercial and industrial land was added to the designated UGAs with the draft 1999 Countywide Planning Policies, and later adopted in 2000. Urban UGAs received an increase allocation of 243 acres and 837 acres was added to rural areas; total commercial and industrial land allocation is 3,336 net developable acres (including market factor).

2002 Inventory. In 2002, Skagit County and all of the cities estimated their amount of commercial and industrial land currently available. The analysis found that just over 1,900 acres of net developable commercial and industrial land was available countywide to meet land demand projections through 2025, with 1,333 acres in Urban UGAs and 583 in rural UGAs.

2003 Study. In an effort to ensure adequate land supply is available for projected commercial and industrial land demand, three alternative land allocation schemes were proposed in the Berryman & Henigar study. Each allocation schemes provides an alternative means for allocating 3,000 net developable commercial and industrial acres (including market factor, but excluding critical areas, public infrastructure, or other factors that may limit developable acreage). Urban UGAs are allocated 2,100 acres, Bayview and Swinomish are allocated 400 acres, and other rural areas are allocated 500 acres.

- **Supply-Based** – allocation distributes commercial and industrial land based upon proportionate increases to the 2002 supply estimates. The Concrete allocation is based upon the 2000 CPP 1.1 allocation, since the city has no current available supply.
- **Demand-Based** – allocation is based on the relationships identified in the 1996 and 1997 studies, which in part resulted in the 2000 CPP 1.1 allocation.
- **Cluster** – allocation starts with an initial distribution to cities and groups of cities based upon geography. This method leaves Anacortes and La Conner as individual units, while the Burlington/Mount Vernon/Sedro-Woolley and Concrete/Hamilton/Lyman clusters are characterized by their locations and relationships to each other. The initial cluster allocations start with ranges using professional judgment, and then subsequently breakdown the cluster allocations into the individual city portions.

Figure 9. Countywide Commercial & Industrial Land Allocations by UGA

Urban Growth Areas	1995 Adopted		1996 UGA Analysis		1997 UGA Update		1999 Draft		2000 Adopted		2002 Inventory		2003 Berryman & Henigar Study	
	CPP 1.1 (1995-2015)	1995 OEDP (1995-2015)	(1995-2015)	(1995-2015)	(1995-2015)	CPP 1.1 (1995-2015)	CPP 1.1 (1995-2015)	CPP 1.1 (1995-2015)	CPP 1.1 (1995-2015)	(1995-2015)	(1995-2015)	Supply	Demand	Cluster
Urban UGAs:														
Anacortes	525	525	420	502	558	558	558	558	558	420	420	625	240	546
Burlington	300	322	240	322	242	242	242	242	242	189	189	281	210	309
Concrete	18	18	14	NA	28	28	28	28	28	0	0	42	30	20
Hamilton	0	16	16	33	60	60	60	60	60	26	26	89	34	60
La Conner	2	2	2	2	2	2	2	2	2	2	2	3	12	3
Lyman	0	0	0	0	0	0	0	0	0	0	0	25	30	25
Mount Vernon	771	771	617	771	869	869	869	869	869	587	587	873	1,253	959
Sedro-Woolley	143	216	162	217	243	243	243	243	243	109	109	162	291	178
Urban UGAs	1,759	1,870	1,471	1,847	2,002	2,002	2,002	2,002	2,002	1,333	1,333	2,100	2,100	2,100
Rural UGAs:														
Bayview	497	497	398	497	750	750	750	750	750	373	373	400	400	400
Big Lake	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Swinomish	0	0	NA	NA	0	0	0	0	0	NA	NA	0	0	0
Other Rural Areas	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rural UGAs	497	497	398	497	584	584	584	584	584	210	210	500	500	500
All UGAs	2,256	2,367	1,869	2,344	3,336	3,336	3,336	3,336	3,336	1,916	1,916	3,000	3,000	3,000

Source: E.D. Hovee & Company, Skagit County, and Berryman & Henigar in association with Michael McCormick.

Mount Vernon Allocations

The city of Mount Vernon has received two commercial and industrial land allocations, with a series of proposed allocations for the proposed 2005 Skagit County Comprehensive Plan. Each of these allocations include consideration of market factors; however, they are intended to be exclusive of critical areas, public infrastructure, and any other factors that may reduce the net developable acreage.

With the adoption of 1995 Skagit County Comprehensive Plan, Mount Vernon was allocated 771 net developable commercial and industrial acres. Coupled with the 1996/1997 UGA analyses and revised countywide land demand estimates, Mount Vernon's commercial and industrial land allocation was increased by 98 acres to a total of 869 net developable acres.

With the updated 2003 land demand estimates, new commercial and industrial land allocations are being proposed. These lands are intended to service forecasted demands between 2000 and 2025. Mount Vernon would be allocated an additional 4-384 net developable commercial and industrial acres, depending on the allocation scheme selected.

Figure 10. Mount Vernon Commercial & Industrial Land Allocations

Allocation	1995	2000	2003 B&H Study		
			Supply	Demand	Cluster
Land (in acres)	771	869	873	1,253	959
- Net Added Acres		98	4	384	90

Source: E.D. Hovee & Company, Skagit County, and Berryman & Henigar in association with Michael McCormick.

SUMMARY RESULTS

Each of the land allocations to UGAs for commercial and industrial land have been consistent with recognized employment forecasts. In 1995, UGAs were allocated 2,256 acres of net developable commercial and industrial acres (including market factor), which is comparable to an estimated countywide demand of 2,179-2,284 net developable acres. The allocations were increased to 3,336 net developable acres in 2000 to reflect the 1999 land demand estimates of 3,328 net developable acres (including market factor).

The more recent 2003 forecast estimates a need for 2,948 net developable acres (including market factor) to service commercial and industrial market demands between 2000 and 2025. An additional 514 net developable acres are assumed to be needed to service the demand from 1995 to 2000. The 2003 Berryman & Henigar study proposes allocating 3,000 net developable commercial and industrial acres to UGAs and rural areas. While this allocation will meet the forecasted demand between 2000 and 2025, it is unclear whether or not it is intended to account for market demands between 1995 and 2000. If these allocations are to meet demands over the entire 1995-2025 planning horizon, then another 462 acres will need to be designated (accounts for market factor) to meet the project market demand over the same time period.

Mount Vernon was allocated 771 net developable commercial and industrial acres in 1995; this allocation was sufficient to meet land demands estimated in the 1996 and 1999 OEDPs. With the increase in the 1999 countywide land demand forecasts, an additional 98 net developable acres was allocated to Mount Vernon. The current proposed allocation schemes for the 2005 Skagit County Comprehensive Plan, propose to allocate another 4-384 net developable acres. To date, the City has been allocated a total of 869 acres of commercial and industrial acres which is in addition to the 489 acres of already developed commercial and industrial property within the City. In addition, when the 2005 Comprehensive Plan update is adopted by Skagit County, it is anticipated that the City will receive another allocation of 90 acres of commercial and industrial property which will bring the City wide total of commercial and industrial lands to 1,448 acres.

No updated employment (or subsequent land demand) forecasts have been completed for the city; therefore, it is unclear whether or not these additional allocations are sufficient to meet long-term commercial and industrial market demands in Mount Vernon.

It should also be reiterated, that all allocations are intended to compensate for adopted market factors; however, they were exclusive of critical areas, public infrastructure, and any other factors that could reduce the available net developable acreage. Therefore, local jurisdictions should examine their areas designated for commercial and industrial development to ensure that the gross acreage designated for commercial and industrial development will accommodate the forecasted net acreage demand. Furthermore, as Skagit County and the cities adopt new Critical Area Ordinances (CAO), local authorities should examine the effects on net developable acreage and allocate/designated additional lands to offset any reduction in net developable area.

END NOTES

- ¹ With this updated analysis, densities for urban areas are maintained at ratios consistent with the prior 1995 OEDP analysis.
- ² The employment densities derived from the rural land development analysis based on actual employment/land use data resulted in an estimate of 1.4 employees per acre for commercial. Using this density estimate would have resulted in the need for over 810 acres of rural commercial and industrial land versus the 475 acres indicated in Table 6. However, this density may be unduly low as it reflects employment spread across a land parcel even in situations where employers are using only a portion of a rural site.
- ³ Continued patterns of rural development at densities well below urban standards should be expected because of factors including: a) dedication of large portions of site area for septic drain fields not otherwise developable; and b) more land extensive nature of many rural industries including need for outdoor storage.
- ⁴ As noted in the Comprehensive Plan, current levels of employment were obtained from Washington State Employment Security Department. Employment levels were distributed across six employment categories by census tract and traffic analysis zone.
- ⁵ Additional discussion of the employment projection methodology and results is available in the *Mount Vernon Comprehensive Plan, 1995*.

Appendix G

ADU and Duplex Summary

APPENDIX G
PERMITS FOR ADUs AND DUPLEX CUPs FROM 2000 TO 2009

APPLICATION NAME & LAND USE NUMBER	ADDRESS	TYPE OF PERMIT ISSUED ADU OR CUP FOR DUPLEX
00-01	2917 Timothy Place	ADU
01-01	1011 Digby Road	ADU
01-02	412 Jefferson	ADU
02-03	2405 Kulshan	Duplex
01-005	Spruce & 15 th	Duplex
03-040	1801 Windsor	ADU
03-006	2321 Alison Ave.	Duplex
03-055	1621 Douglas	ADU
03-060	1011 Digby Road	Duplex
04-002	911 S. 27 th	ADU
04-006	821 S. 25 th	ADU
04-009	1219 N. 18 th	Duplex
04-032	122 S. Baker	ADU
04-072	1505 E. Fir	ADU
05-012	3517 East College Way	Duplex
05-014	4220 Montgomery	ADU
05-045	227 N. LaVenture	Duplex
05-054	2227 North LaVenture	Duplex
05-059	2100 S. 19 th	ADU
05-063	1910 Forest Drive	ADU
05-068	2418 South 18 th	Duplex
05-075	2021 Bel Air Drive	ADU
05-080	1323 Waugh Road	Duplex
05-091	1507 Hillcrest Parkway	ADU
06-002	910 S. 11 th	ADU
06-006	227 N LaVenture	Duplex

06-008	3480 Rosewood	ADU
06-043	2104 15 th	Duplex
06-046	1620 Forest Drive	ADU
06-054	808 N. LaVenture	ADU
06-063	822 W. Lincoln	Duplex
06-088	1716 and 1704 South 18 th Street	2 Duplexes
07-041	4121 Seneca Drive	ADU
08-050	804 Digby Lane	ADU
09-030	227 N. LaVenture	Duplex
09-043	2410 Francis Road	ADU
09-049	1600 Britt Road	ADU
38 ADU and Duplex Units in R-1 Zoning Districts Between 2000 and 2009		

Appendix H

*Differences Between the 2005 and 2010 Buildable
Lands/Land Capacity Reports*



CITY OF MOUNT VERNON

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MEMO

TO: Planning Commission

FROM: Rebecca Lowell, CEDD

DATE: September 21, 2010

REGARDING: Differences between 2005 and 2010 Buildable Lands/Land Capacity Analysis Reports

BACKGROUND: The City of Mount Vernon is not mandated through the Growth Management Act (GMA) to complete a Buildable Lands Analysis like some jurisdictions are. Even so, the City completed its first Buildable Lands Analysis in 2005 and adopted it as an appendix to the City's Land Use Element of the Comprehensive Plan. The 2010 report is an update to the first 2005 report. This updated report takes into account physical changes that have occurred since 2005, and the implications of new development regulations adopted after 2005. This ensures that the City's decision makers have the most reliable information possible on which to base land use decisions.

The bulk of the work for the 2005 Buildable Lands Analysis was completed in 2004 and 2005; and this document was adopted as part of the City's Comprehensive Plan in January 11, 2006. Even though this document is dated 2005; the building permit data that was used as part of this analysis was cut off in 2003. This means that the building permits (that equate to new dwelling units) that were issued in 2004 and 2005 were not subtracted from the overall population/dwelling units base line that the City needed to accommodate. Please see page 1 of this report where this is discussed.

For the 2010 report, the bulk of the work was completed in 2008 and 2009, but similar to the earlier report, this report is dated 2010. The building permit data that was used as part of this analysis was cut off at the end of 2009. This means that the building permits issued to-date in 2010 have not been subtracted out of base line allocation that the City needs to accommodate.

FINDINGS: The methodologies used for the 2005 and 2010 Buildable Land/Land Capacity Analysis Reports do differ. Following is an outline of the major differences. The major differences are broken up into the residentially zoned land differences; and the commercial/industrial zoned land differences.

Table 1.1: Residential Dwelling Unit Methodology Differences

METHODOLOGY	2005 REPORT	2010 REPORT
Short Plats (9 or fewer additional lots could be created)	0% taken out for roads and stormwater facilities.	5% taken out for roads and stormwater facilities.
Long Plats (10 or more additional lots could be created)	20% taken out for roads and stormwater facilities.	25% taken out for roads and stormwater facilities.
Multi-Family Zones	<p>0% taken out for roads and stormwater facilities.</p> <p>Density of 13 dwelling/units per acre was used after evaluating the average density of 5 developments built between 1998 and 2004</p>	<p>5% taken out for access ways and stormwater facilities.</p> <p>Density of 10 du/acre was used for the R-2 district (what the zoning allows).</p> <p>Density of 13.5 d/u acre was used for R-3 zone (an average of what the zoning code allows for, which is 12 to 15 du/acre.</p> <p>Density of 17.2 du/acre was used for the R-4 zone (an average of what the zoning code allows for, which is 15 to 20 du/acre.</p>
Market Factor	30% reduction made for all residential zones	15% reduction made for parcels that are vacant; and 20% reduction made for parcels that have an existing living structure.
Critical Areas	<p>40% and 60% of gross area of wetlands shown netted out.</p> <p>Stream Buffers as Follows: Fish Bearing = 75' each side Perennial = 50' each side Intermittent = 35' each side</p>	<p>40% and 60% of gross area of wetlands shown netted out.</p> <p>Assumed that roughly one-half of the properties within sub-basins where the 'ecosystem alternative' could be used (and where future development was possible) would choose to do so.</p>

		<p>The ecosystem alternative is an option within the Kulshan, Trumpeter and Maddox Creek basins. The ecosystem buffers are as follows:</p> <p>Fish Bearing = varied between 25 to 37.5' (gradient specific) Perennial = varied between 25 to 37.5' (gradient specific) Intermittent = 25'</p> <p>These buffers were applied to both sides of the streams.</p> <p>The parcels where the ecosystem alternative was not assumed used the big buffers as follows: Fish Bearing = 150' each side Perennial = 50' each side Intermittent = 35' each side</p> <p>Where staff had a recent wetland analysis that was available the wetlands indicated in the site specific report were used instead of the 40% and 60% as indicated on the S&W mapping.</p>
<p>Public Land Reductions</p>	<p>Total of 155 acres subtracted:</p> <ul style="list-style-type: none"> • 55-acres for future schools subtracted out. • 50-acres for future public uses subtracted out (police/fire/municipal or other public uses) • 50-acres for other public uses like parks and churches. 	<p>Total of 79.5 acres subtracted:</p> <ul style="list-style-type: none"> • 30-acres for future schools subtracted out. • 9.5-acres east of Skagit Valley College subtracted out, planned as indoor recreation center. • 5 acres for future miscellaneous public uses subtracted out. • 35-acres for future parks subtracted out.

Existing Developments	Eaglemont and Skagit Highlands unit counts from their Master Plans used.	32 developments where planning process was complete enough to quantify an accurate unit count were used; this also included Eaglemont and Skagit Highlands. 400 units in downtown counted as the City has adopted a Master Plan for this area and the C-1 zone does not have a density limitation.
TDRs	Not counted	93 TDRs that are currently available are counted
Multi-family Units in Mixed Use Commercial Zones	Not counted	The 69 units that could be created are counted within the C-3 and C-4 zoning designation.
ADUs, Duplexes in Single-family Zones and PUD Development	Not counted.	Not counted.

Table 1.2: Commercial/Industrial Areas Available for Development Methodology Differences

METHODOLOGY	2005 REPORT	2010 REPORT
Existing Business Expansion (10,000 s.f. or less available for development)	0% taken out for access ways and stormwater facilities.	20% taken out for access ways and stormwater facilities.
New Development (10,000 s.f. or more available for development)	10% taken out for access ways and stormwater facilities.	20% taken out for access ways and stormwater facilities.
Market Factor	0% reduction made	15% reduction made for all commercial/industrial parcels. This matches the correlating factor that the 2006 E.D. Hovee, Commercial and Industrial Land Needs Analysis, used.
Critical Areas	<p>40% and 60% of gross area of wetlands shown netted out.</p> <p>Stream Buffers as Follows: Fish Bearing = 75' each side Perennial = 50' each side Intermittent = 35' each side</p>	<p>40% and 60% of gross area of wetlands shown netted out.</p> <p>Assumed that the ecosystem buffers for streams would be used as follows:</p> <p>Fish Bearing = varied between 25 to 37.5' (gradient specific) Perennial = varied between 25 to 37.5' (gradient specific) Intermittent = 25' These buffers were applied to both sides of the streams.</p> <p>Where staff had a recent wetland analysis that was available the wetlands indicated in the site specific report were used instead of the 40% and 60% as indicated on the S&W mapping.</p>

Public Land Reductions	0 acres reduced.	Total of 5-acres subtracted. <ul style="list-style-type: none"> • 5-acres for miscellaneous public uses. • 10-acres for jail/justice facility (this was not netted out as this site is currently developed).
Acreage from Downtown Master Plan	Not counted	3.2 acres counted.
Existing Building Footprints and Impervious Surfaces	The area of existing building footprint(s) and other impervious surfaces was netted out; then 10% for access ways and stormwater facilities was subtracted (if applicable) along with critical areas plus their buffers.	Areas where additional commercial/industrial development could be placed were identified and quantified; then 20% for access ways and stormwater facilities was netted out along with critical areas plus their buffers. This approach ensured that strips of property where future development were unlikely were not counted as developable.

CONCLUSIONS: The 2010 Buildable Lands/Land Capacity Analysis shows that the City (City limits plus UGAs) will be able to accommodate 1,658 more dwelling units than the previous 2005 report did (using the 40% wetland figure from both reports with the market factors discussed in each report, $9,502 - 7,844 = 1,658$).

This is attributable to the differences in the methodology that were used in these respective reports. The items that yielded the largest difference in lot counts between the two reports (i.e., the 2010 report versus the 2005 report) include the 400 multi-family dwelling units to be located in the downtown, the 93 TDRs, the 75.5 fewer acres subtracted for future public lands, utilizing smaller (ecosystem alternative) stream buffers for approximately half of the properties where applicable, and using a smaller market factor.

With regard to the commercial/industrial lands, the 2010 Buildable Lands/Land Capacity Analysis shows that the City has 144 fewer acres of commercial/industrial land available for development (parcels 10,000 s.f. or larger) than the 2005 report did ($333.9 - 189.7 = 144$). Approximately 78 of these acres can be attributed to development that occurred in the intervening years; and the 66 remaining acres that have been reduced are primarily from the market factor that was not applied at all to the 2005 report, from properties where future additional development is not likely (such as the Dairy Valley property that is located within the floodway), the increased infrastructure reductions, and the 5-acres of public land reductions that were made.

City of Mount Vernon 2010 Buildable Lands Analysis

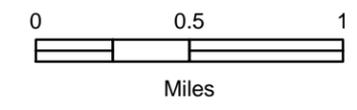
Map 1 Current Development Projects and Development Potential of Residentially Zoned Parcels

ID	Development
1	Falcon Court Townhomes
2	Broman Short Plat
3	Cedar Heights PUD 2
4	Montreaux PUD, Phase 2
5	Eaglemont
6	Swan View
7	Jocasa Lane Plat
8	Caldera Short Plat
9	Highlands West
10	Skagit Highlands
11	Harmon Short Plat
12	Nordic Landing
13	Hoyt Short Plat
14	Hanson Heights
15	Trumpeter Place
16	Skagit Meadows Apartments
17	Parkwood Creek
18	Hillcrest Landing
19	Summerlynd Plat
20	Denham Plat
21	Highland Greens
22	Montreaux PUD, Phase 1
23	Digby Heights
24	Big Fir South PUD
25	Big Fir North
26	Iris Meadows
27	Maddox Creek Phase IV
28	Monte Vista SP
29	Mountain Glen
30	Cedar Heights PUD
31	Briar Development
32	Hidden Lakes
33	Maddox Creek Phase II

- City
- UGA
- Future School Site
- Current Development Project Site
- Residentially Zoned Parcel**
- No Development Potential
- Development Potential

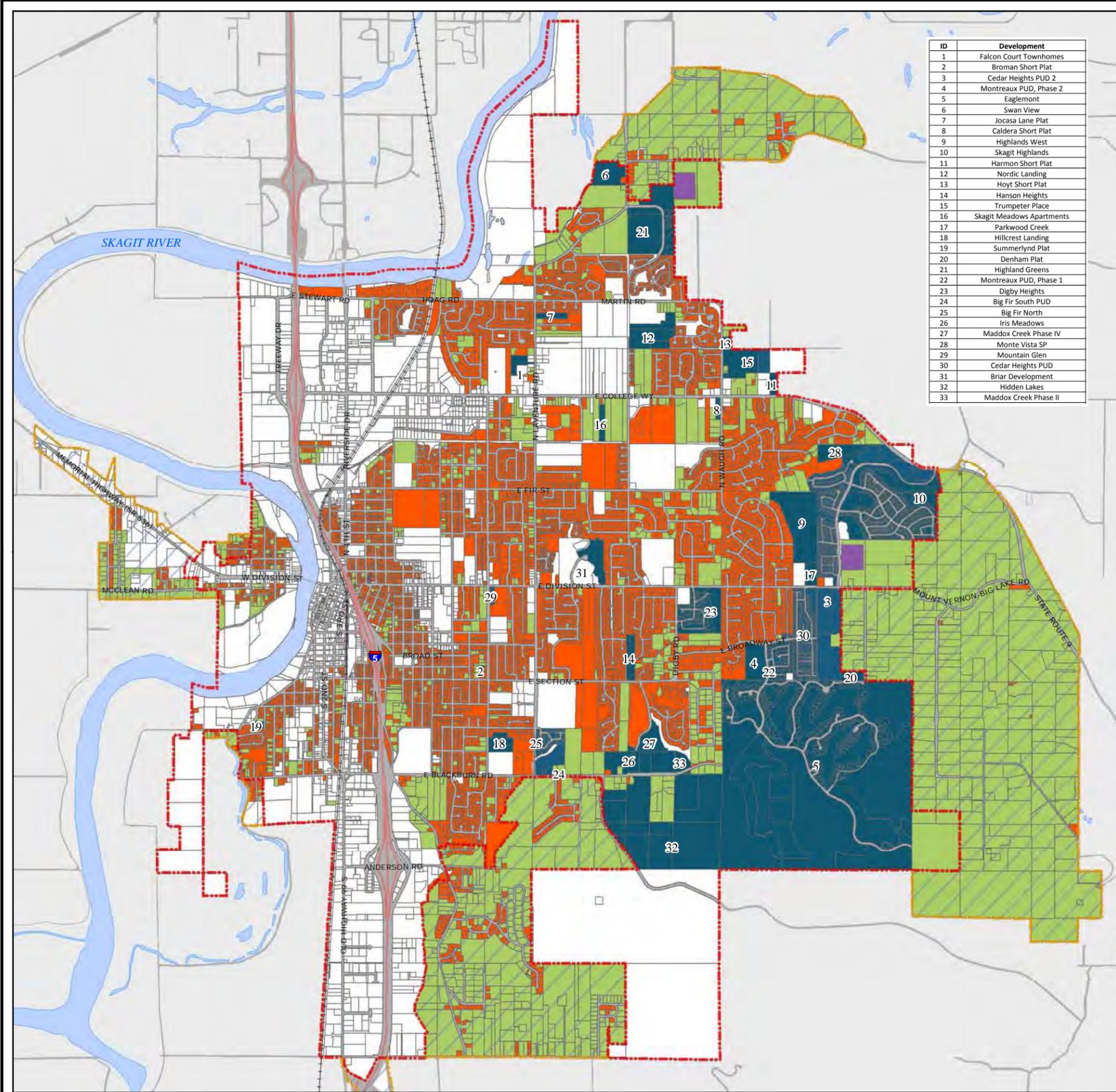
Map data based on 2009 Buildable Lands Analysis model using 40% wetlands figure. Only residentially zoned parcels are identified.

Parcels shown on this map were identified as buildable or non-buildable based on analysis explained within the 2010 Buildable Lands Analysis Report. This map does not account for an additional 15% to 20% overall reduction for Market Factor, as explained in the report and reflected in Table 1.16.



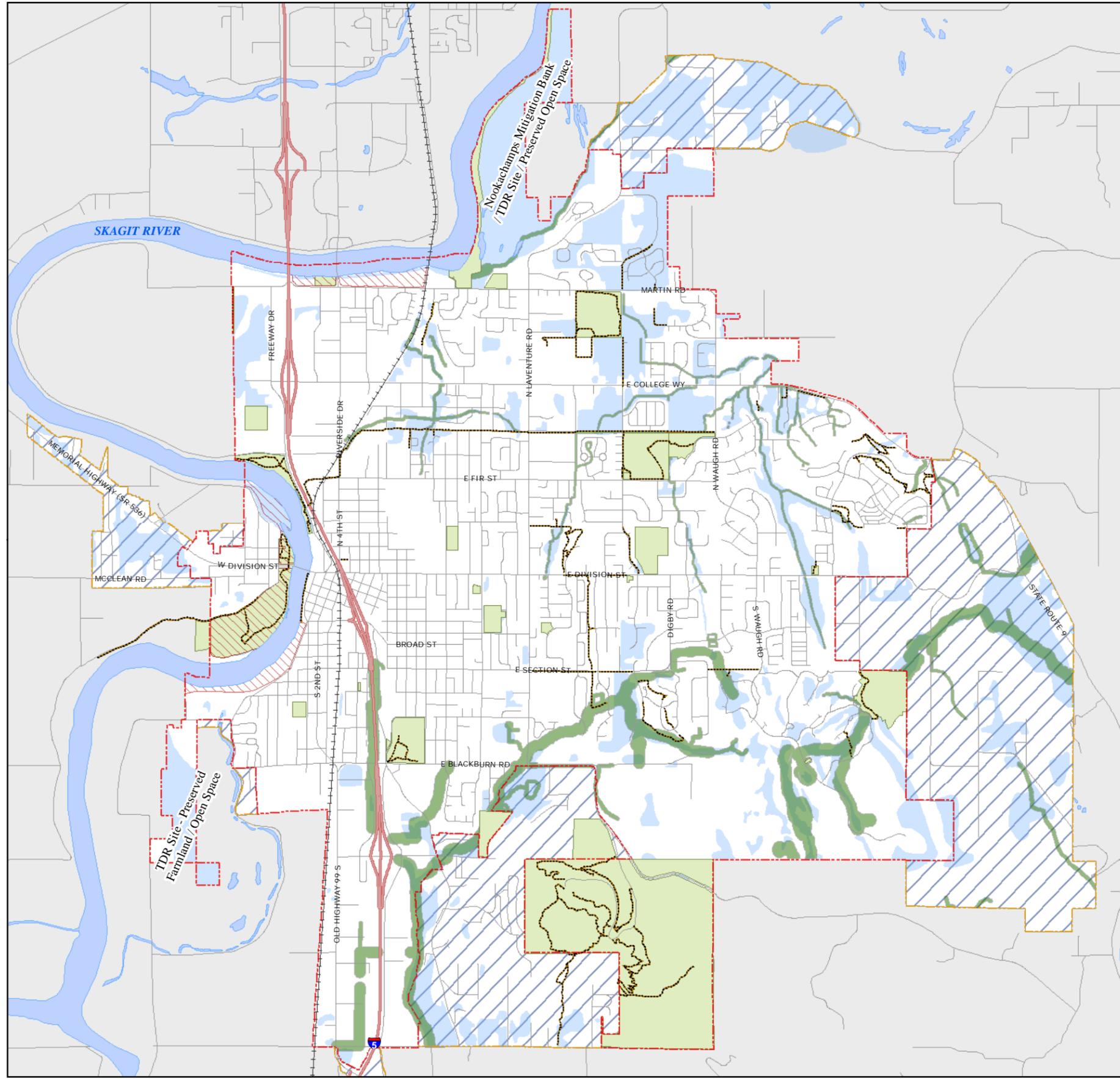
Map Produced by City of Mount Vernon,
Community and Economic Development Department
September 9, 2010

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**City of Mount Vernon
2010 Buildable Lands Analysis**

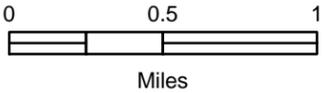
**Map 2
Future Preserved Open Spaces,
Potential Wetland Areas,
& Floodways**



- Existing Pathway / Trail
- City
- UGA
- Floodway*
- Existing City Park
- Stream Buffer
- Potential Wetland

Stream buffers shown on this map have been, or largely will be preserved as greenbelts and open space withstanding future development. Buffers shown are based on Ecosystem Alternative widths in Kulshan, Trumpeter, and Britt Slough basins, and Big Buffer widths in all other basins. See Buildable Lands Analysis Report, Critical Areas section for a description of different buffers; See Map 3 for sub-basin and stream locations.

* Mount Vernon does not have any officially mapped floodways. For an explanation as to why areas on this map are considered floodways for this study, please see City of Mount Vernon 2010 Buildable Lands Analysis, Section: Critical Areas and their Buffers.

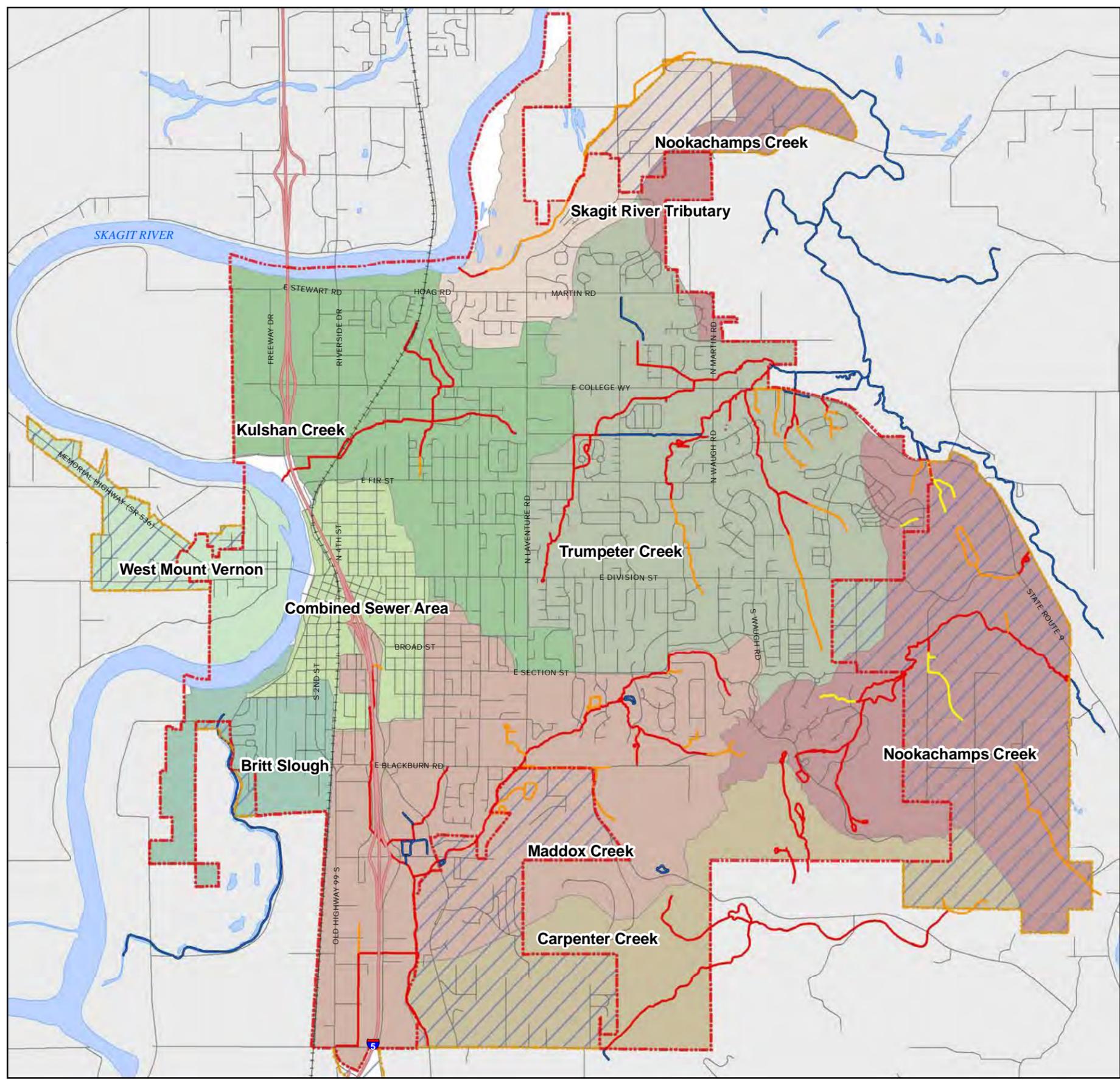


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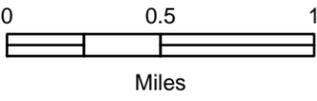
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**City of Mount Vernon
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**Map 3
Critical Area Sub-basins
& Stream Types**



- City
- UGA
- Critical Area Basin:**
 - Britt Slough
 - Carpenter Creek
 - Combined Sewer Area
 - Kulshan Creek
 - Maddox Creek
 - Nookachamps Creek
 - Skagit River Tributary
 - Trumpeter Creek
 - West Mount Vernon
- Stream Type:**
 - Not Classified
 - Fish Bearing Stream
 - Perennial Stream
 - Intermittent Stream

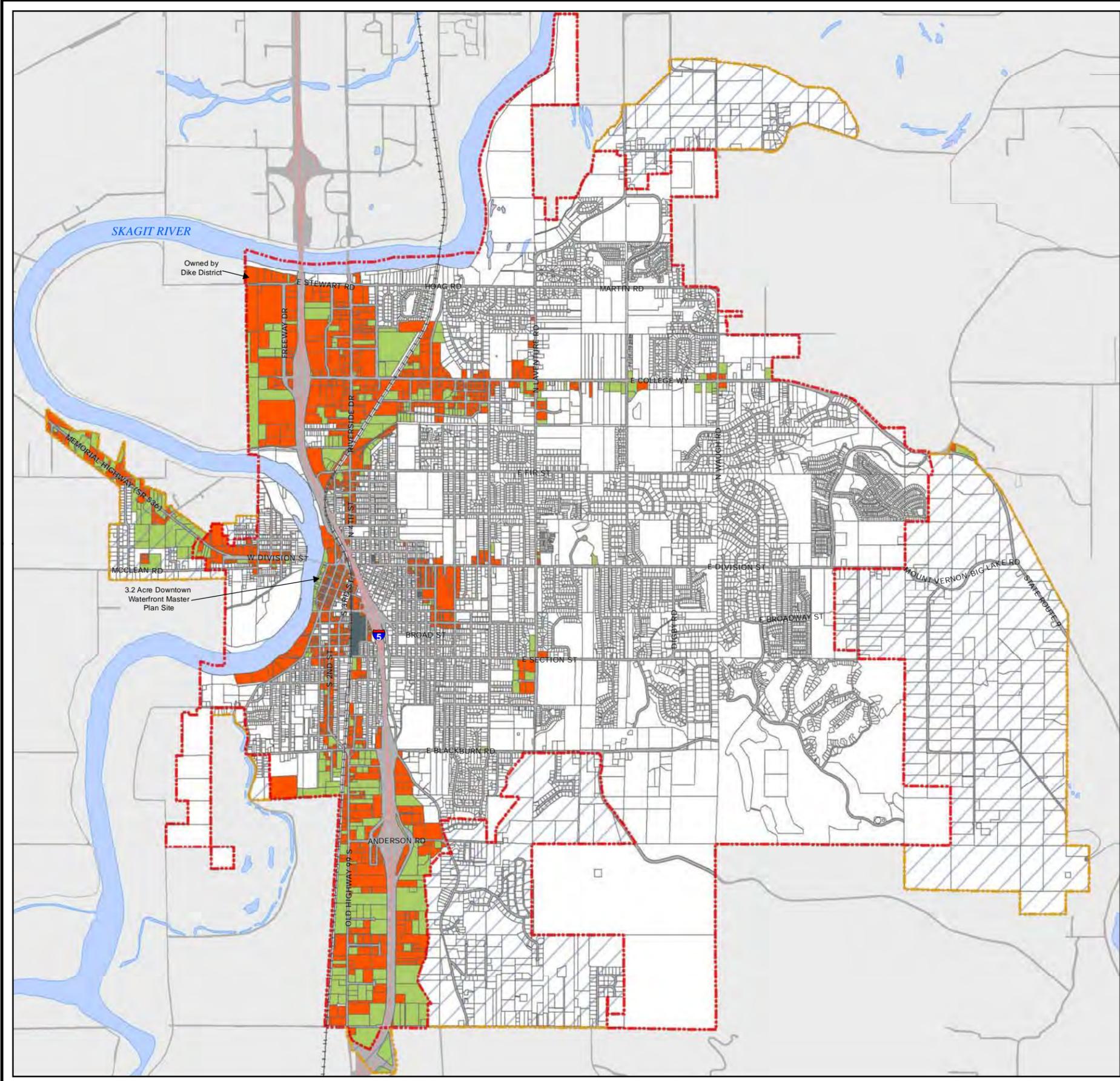


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**City of Mount Vernon
2010 Buildable Lands Analysis**

**Map 4
Development Potential of
Commercial / Industrial
Zoned Parcels**



- City
- UGA
- Parcels Designated for Future Use
- Proposed County Jail Site
- Commercial Zoned Parcel
- No Development Potential
- Development Potential

Map data reflects 2009 Buildable Lands Analysis model using 40% wetlands figure. Only commercial / industrial zoned parcels are identified.

Parcels shown on this map were identified as developable or non-developable based on analysis explained within the 2010 Buildable Lands Analysis Report.

Map may exclude parcels with commercial zoning identified as developable due to current development projects, location in a floodway, future public infrastructure expansion, or other criteria as explained in the 2010 Buildable Lands Analysis Report.



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