Lowell, Rebecca

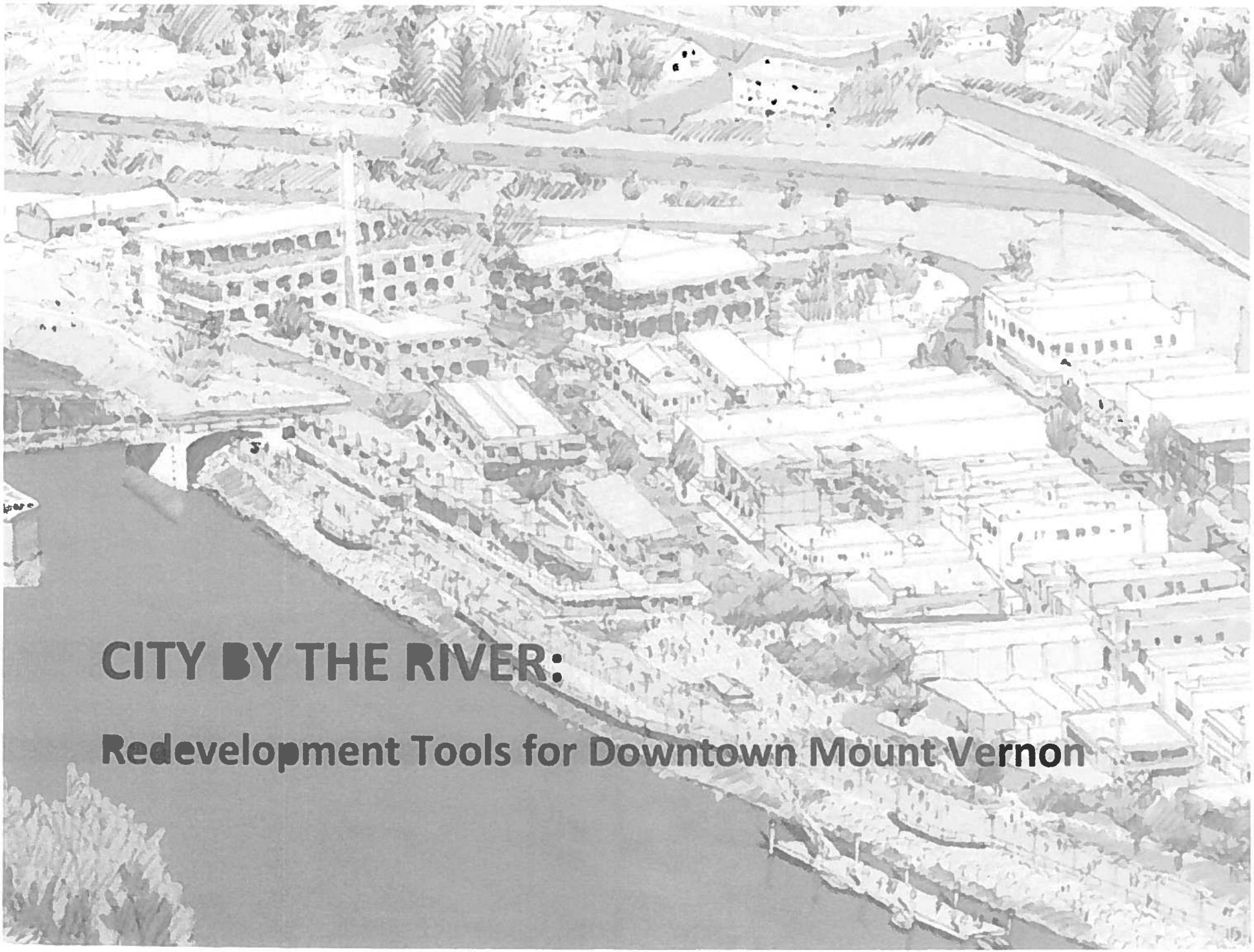
From:	jmpenney59@comcast.net
Sent:	Friday, December 18, 2015 11:26 AM
To:	Hyde, Bob; Lowell, Rebecca
Cc:	Mitzel, Dan
Subject:	Thank you!
Attachments:	City by the River - Redevelopment Tools for Downtown Mount Vernon report June 2013.pdf

Thank you Bob and Rebecca for meeting with Dan and me this week. We look forward to more discussion with you in the new year on the values and vision for housing in Mount Vernon within the Comprehensive Plan.

I have attached the report that I referred to in our discussion from June of 2013 in case you could not find it.

Thanks again-
Happy holidays!

Joan Penney



CITY BY THE RIVER:

Redevelopment Tools for Downtown Mount Vernon

This report was prepared for the City of Mount Vernon through a technical assistance contract from the United States Department of Housing and Urban Development, Region X. The project team wishes to thank Quincy Williams and Steve Washington of HUD, Region X, and Mayor Boudreau and the members of the City Council for the opportunity to work with the City on this project.

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INTRODUCTION

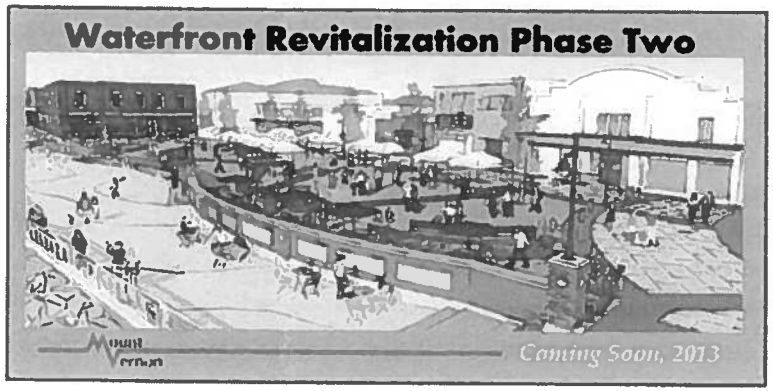
In March, 2013 the United States Department of Housing and Urban Development, Region X, (HUD) selected the City of Mount Vernon to receive technical assistance with implementation of the City's Master Plan for redevelopment of the historic downtown area. The team assembled to assist the City was led by Enterprise Community Partners, with support from McLoughlin and Associates and the Cedar River Group. The team began its work with consultations with City officials on April 8, 2013, and continued through site visits, a systematic review of past planning documents, key informant interviews, and meetings with the Mayor and members of the City Council on May 15. This brief document summarizes the team's findings and suggests an array of strategies and tools that we believe could help the City to achieve its very worthy goals.

THE OPPORTUNITY

Mount Vernon is the capitol city of one of America's most spectacular and diverse landscapes, surrounded by some of the nation's most productive farms, forests and fisheries. Native American Tribes have made their homes along the shores of the Skagit River for a millennia; joined in the nineteenth, twentieth, and twenty-first centuries by immigrants, first from Scandinavia and then from around the world, who came to work in the forests, farm the rich volcanic soils, and build cities and towns. With its majestic mountain peaks, verdant fields, scenic rivers and seashore, Skagit County is a magnet for artists and poets who are drawn by the sheer beauty of the place.

For many years, downtown Mount Vernon was the center of the County's economic life as well as the seat of its government. But for the past several decades the danger of catastrophic floods has forced the city to turn its back to the river and stymied development in the city's downtown. Now the community has created a visionary plan that promises to transform those conditions, turn the Skagit River from a constant threat to an enormous asset, and reunite the City with its riverfront. With a new flood protection system and Riverfront Park at its center, downtown will again be able to

grow, meeting a portion of the county's need for housing and jobs, and by helping to meet that need, relieve development pressure on the surrounding farms and forests.



THE CHALLENGES

To realize that vision, Mount Vernon must find the tools to:

1. Complete the flood control project;
2. Develop the riverfront park;
3. Spur housing development that will bring a full spectrum of age groups and incomes to live downtown;
4. Attract a mix of commercial activities of appropriate type and scale to increase downtown's vibrancy;
5. Magnify the benefits of Riverfront Park with connections to regional trails and open space;
6. Build upon the existing nucleus of cultural facilities and heritage sites to attract complementary uses;
7. Take full advantage of the city's regional transportation connections, while enhancing the "livability" of the downtown area.

POTENTIAL TOOLS TO MEET THE CHALLENGES

Funding to complete the flood control project

The flood control project and Riverfront Park are the cornerstones of the entire redevelopment plan. The City has already succeeded in securing more than $17 million to complete the first two phases of the flood control project and is now seeking to raise $10 million in additional public funding to complete the third and final phase. As this report is being prepared, the City and its allies in the state legislature are working hard to secure the necessary funds in the special session that is now underway. Should the legislature provide less than the full $10 million dollars necessary to complete Phase 3, the City will seek additional funding from the State Public Works Trust Fund, and/or federal sources. The project team noted that the City's financial position is very strong, and that it has sufficient capacity to issue debt to fill the funding gap if necessary to complete Phase III. The current low interest rates make this option very much worth considering if state and federal funding is insufficient.

Funding to develop the riverfront park

The City has secured $511,000 in State and local funding for the park, and has applied for $500,000 in state funding through the Washington Wildlife and Recreation Program (WWRP). The City's WWRP application is rated seventh in the state, and highly likely to receive funding. City officials believe the WWRP funding will provide sufficient resources to complete construction of the park as planned.

Housing Incentives

Many cities in Washington have re-invigorated their downtown districts by creating new housing opportunities in the heart of the city for a broad spectrum of residents. This strategy makes it possible for residents to live, work, and play in close proximity, adding a diversity of uses and new vibrancy to downtown neighborhoods. National publications have noted that our country's two largest population groups, the post World War II baby boomers and their offspring (often called the baby boom echo) comprise a vast new market for in-city housing options, with boomers seeking to downsize, and young people seeking affordable housing options where they perceive the "action" to be. Downtown Mount Vernon's new Riverfront Park, along with its existing pedestrian atmosphere, nucleus of employers, and transit connections, will provide the foundation to build a larger and more diverse residential community. However that will not happen automatically. Under current conditions, the rent levels and return on investment for rentals or condominiums is likely to be lower than needed to support the debt for new construction. So to attract the first few housing developers to build downtown, some type of subsidy may be necessary. There is a fairly wide range of existing tools that may be useful to Mount Vernon in addressing this challenge. Some are within the discretion of the City and its local partners, while others require working closely with State and/or federal agencies. Here are brief descriptions of those we believe are most promising:

Strategic Sales of Public Parcels to Attract High Quality Development

After the flood control project is complete, a significant amount of public land will be available for development. The City's Master Plan notes the importance of using those public parcels strategically to attract high quality development and set a standard for projects that follow. The City's strategy is sound. The City should be able to attract projects with a desirable mix of uses and design features if it is willing to set the prices for the City owned parcels at levels that will allow an adequate return on investment for projects that are in keeping with the City's vision. The project team noted that Mount Vernon has streamlined its permit process, and its ability to make timely decisions is another strength that will help attract developers. The City could also consider other

reasonable incentives, such as allowing developers to lease parking spaces in the new parking garage in lieu of providing parking on-site.

Targeted Use of Multi-family Property Tax Exemptions

The Multi-Family Property Tax Exemption Program (MFTE) is a tool created by the legislature to enable local jurisdictions to attract developers to build housing in areas the City has targeted for development. The legislation that authorized the program (RCW 84.14.007.) describes its purposes as follows:

> "The purpose of the program is to increase residential opportunities, including affordable housing opportunities. It is meant to stimulate the construction of multi-family housing and rehabilitation of existing vacant and underutilized buildings for multi-family housing."

To achieve those goals, the legislation allows local government to exempt the value of new housing construction, conversion, and rehabilitation improvements within a defined area from ad valorem property tax for up to ten years.

The program does not conflict with the LIFT program the City has entered into with the State. In fact they are meant to be complementary. Alice Ostdiek of the Foster Pepper law firm in Seattle is the leading expert and can assist in devising a program tailored to Mount Vernon's needs. The design of a city's exemption program can be quite flexible. For example, we understand that the City wishes to capture as much revenue as possible from anticipated future increases in property value. With that goal in mind, the City could choose not to offer exemption where values are expected to rise quickly, such as those parcels with the best views and proximity to the park, and instead target the exemption to areas where housing investment is likely to be more difficult to attract. The State law that authorized the tax exemption and descriptions of existing exemption programs in Seattle and Bremerton are included in Appendix A.

Tax-Exempt Bonding in Partnership with the Housing Authority

The Housing Authority of Skagit County has the authority to issue tax exempt bonds to create a wide range of housing opportunities for families and individuals, provided that at least half of the units in each project are affordable for families or individuals with incomes below 80% of median income. The remainder of the units have no income requirements. In 2012 the median income in Skagit County was approximately $56,000 per household, meaning that families making up to $44,800 could qualify for such housing. It is quite likely that many of the employees of current and future enterprises in downtown Mount Vernon could benefit from the housing created by such projects. With the proper mix, housing projects created by the Authority Bonds could

help to jumpstart downtown housing with projects that will pay for themselves with rental proceeds.

State Workforce Housing Programs

The City may also wish to consider taking advantage of State housing programs that are specifically designed to address the need for housing for working families and individuals with incomes at or less than 80% of the state median. The "Washington Works" program is one example. It is administered by the Washington State Housing Finance Commission, which conducts a competitive process to award grants to qualified public agencies and non-profit housing developers to build and operate housing units created through the program. Mount Vernon is the site of one of the first eight projects to be funded through Washington Works: Villa San Isidro, which was developed by Catholic Housing Services and dedicated on May 16, 2013. Although the initial funding for the program has been fully allocated, the program has proven to be very popular, and more funding is a very real prospect in the next session of the legislature. Additional information about Washington Works can be found on the Housing Commission web site, www.wshfc.org/wwhp/.

State Housing Trust Funds

It is our understanding that the City's downtown housing strategy will focus on market rate and workforce housing in the near-term, in order to develop a mix of age groups and income levels living downtown. For the longer term, the City may wish to consider the State's Housing Trust Fund as a potential tool for creating housing for eligible populations. Information about the Housing Trust Fund can be found at: http://www.commerce.wa.gov.

Federal Tax Credits

There are several federal tax credit programs that could aid in financing multi-family housing in downtown Mount Vernon, including Low Income Housing Tax Credits and Historic Rehabilitation Tax Credits. One high-visibility project that is potentially eligible for both of these programs is the historic President Hotel, which is owned by the Housing Authority of Skagit County. The Housing Authority is planning to submit applications for these programs, as well as State Housing Trust Funds, once the funding for Phase III of the flood control project has been secured. It is important to recognize that it is often necessary to obtain the funding for such projects from multiple sources, each with a different timeline for applications. Securing all the needed funding can take more than a year, so it will be wise for the Housing Authority to begin applying for funding as soon as possible so that construction can start soon after Phase III is completed. Additional information on low-income housing tax credits can be found at:

http://www.enterprisecommunity.com/financing-and-development/low-income-housing-tax-credits.

Additional information on historic preservation tax credits can be found at: http://www.nps.gov/tps/tax-incentives.htm.

US Department of Housing and Urban Development Programs

The US Department of Housing and Urban Development offers a wide array of programs to support the development of vibrant and sustainable communities. Since the City has a strong relationship with the HUD regional office, and is currently using a number of HUD programs, we thought it wise to focus this report on strategies and tools that are likely to be less familiar to the City's leaders. However, it may be useful to highlight three HUD programs that may be especially helpful to certain aspects of Mount Vernon's downtown redevelopment.

- **Mortgage Insurance for Rental and Cooperative Housing**
  The Federal Housing Administration (FHA) provides mortgage insurance to protect lenders against loss on mortgage defaults as a means to encourage the construction or rehabilitation of rental or cooperative housing by making capital more readily available. This tool may be especially useful in downtown Mount Vernon as a means of increasing lenders' comfort with projects in an area which will have just been removed from the flood plain and where there are a few recent comparable projects to strengthen their confidence in the housing market. Additional information on this tool can be found at: portal.HUD.gov.

- **Senior Housing Programs**
  The federal government and leading demographers have estimated that the number of individuals aged sixty-five or older will increase dramatically in coming years. The percentage of seniors in the nation's population is expected to grow from 12% in 2002 to 20% by 2030. Downtown Mount Vernon could be very attractive to seniors because of its pedestrian scale and nearby services. The federal government offers a number of programs to encourage the development of senior housing. The most prominent of those programs is HUD's Supportive Housing for the Elderly Program, commonly known as "Section 202." The Department's web site describes the program as follows:

  > "The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation.etc....HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly. The

capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent."

While Section 202 funding is targeted to low-income seniors, the concept of housing that includes a range of services to support active living has clearly taken hold in the private market as well, with "assisted living centers" becoming more common across the nation. Mount Vernon's leaders have a small window of time to consider how the community can best respond to the "silver tsunami" and whether downtown senior housing should be a part of that response.

- **HUD Market Research Capability**
  One of the less-recognized tools HUD is able to provide is market research on housing supply and demand within local areas. Recently HUD Region X provided an excellent market study for the city of Olympia, and it would certainly be worth requesting their assistance with a similar study of Mount Vernon once funding has been secured for the final phase of the flood control project.

Department of Agriculture Housing Programs

The Department of Agriculture also funds housing development in rural communities. At this time Mount Vernon is not eligible for USDA housing programs, but we understand it is possible that Congress will change the rules in the future in a way that could make the City eligible, so it may be wise to stay in close communication with the regional office staff.

Tools for Economic Development

While working to create a mix of housing opportunities, Mount Vernon will also be seeking to expand downtown' commercial activity. Downtown is fortunate to have a nucleus of employers, and the City has wisely invested in broadband technology to make the area attractive to a new generation of enterprises that benefit from reliable, high-speed digital communications. The downtown area also has the advantage of being well connected to the region, not only by its proximity to Interstate 5, but because it is the hub of transit networks that include Amtrak passenger rail service and public and private intercity buses. With these assets in place, Mount Vernon has the opportunity to be very strategic in how it develops downtown as a magnet for job growth. For example, the technology companies most likely to be attracted to Mount Vernon by its broadband network will be looking for bright, talented young people with the technological savvy needed to operate in the digital world. That demographic group also seeks affordable housing in neighborhoods that are vibrant and walkable, with access to outdoor recreation and

cultural events. All this suggests an economic development strategy that builds carefully upon the area's existing advantages and enterprises. A number of tools have been identified that could aid the City in pursuing that strategy:

New Market Tax Credits

One excellent tool for implementing that type of finely-grained economic development strategy is the Federal New Market Tax Credit Program (NMTC) of the U.S. Treasury. The New Market Tax Credit Program aids community revitalization by channeling private investment to eligible communities such as Mount Vernon. The Treasury Department allocates tax credit authority to Community Development Entities (CDEs) through a competitive application process. The CDEs then make loans to qualified business at below market rate, normally interest only, for a seven-year period. At the end of seven years some percentage of the loan may be forgiven.

The NMTC program has helped finance a wide range of businesses including manufacturing, food service, retail, housing, mixed-use, health, technology, energy, education, childcare, and hospitality. Some communities have used the program to develop "incubators" for small firms who benefit from proximity to other entrepreneurs and share support services. For every dollar invested by the federal government in such projects, eight dollars are generated by the private sector. A PowerPoint presentation describing the program and a series of case studies are included as Appendix B.

In exploring the use of this tool, it would be wise to retain professionals who have successfully completed projects using the tax credits because the program is extremely complicated. Jeff Nave (navej@foster.com) of Foster Pepper, your counsel, can assist you in locating consultants with the skills and experience to use the program for revitalization projects in the near term. More than $3.5 billion in credits were just awarded in April, 2013 to national banks such as JP Morgan Chase and US Bank, and non-profit organizations such as Enterprise Community Partners. In the near term, the most promising method to secure funding through the program would be to entice one or more of these awardees to finance projects in Mount Vernon. In the longer term, the City might consider whether it wishes to create a Community Development Entity (CDE) of its own to apply for an allocation of New Market Tax Credits. There are advantages in being a CDE, because it could enable the City to attract credits from other CDEs, as well as receiving credits directly from the Treasury Department. CDEs also receive fees that can be used to create a small business loan fund to stimulate new businesses, or to support other ongoing economic development activities.

Our recommendation that the City consider applying for NMTCs must be taken in context. The program is highly competitive. There are now 5,700 CDEs nation-wide. However only 280 applied in the last round and just 83 were selected. No CDE or CDFI in Washington State received credits in 2012.

However Seattle, Everett, Kitsap Consolidated Housing Authority, King County Housing Authority, and Seattle Housing Authority have all received awards in the past. (A list of all awards is attached in Appendix C.)

If the City chooses to pursue New Market Tax Credits, it should be prepared to reapply if its first attempt does not succeed. The awards are so large that persistence can have a huge payoff. It is our view that this versatile tool can be used to bring many of your revitalization plans to fruition.

The EB-5 Investment Program

In 1993 Congress created the EB-5 program to encourage prospective immigrants to invest in projects that create jobs in the United States. The program specifically sets aside several thousand visas each year for foreign investors who apply through the United States Citizen and Immigration Services (USCIS) to participate through a designated Regional Center. (See Appendix D.) A Regional Center is a private enterprise or corporation or a regional government agency with a targeted investment program within a defined geographic region. To date, there are more than 15 regional centers in the State of Washington. An investor seeking an EB-5 immigrant visa through a designated regional center must generally make a qualifying investment of $1 million and demonstrate that at least 10 jobs were directly or indirectly created through the investment. Certain rural high unemployment or Targeted Employment Areas (TEA) qualify for a lesser capital investment of $500,000.

EB-5 investments in Washington state have gone into building hotels, office buildings, and other nontraditional development, including a $48 million investment in Washington state's $4.6 billion bond pool to replace the Highway 520 floating bridge. According to Seattle Business Magazine:

> "One local company, Seattle's American Life Inc., has financed more than 40 real estate developments using EB-5 equity investments, including a Courtyard by Marriott hotel in Pioneer Square and a six-story LEED Gold Certified office building in SoDo. In SoDo alone, American Life owns 38 properties with some 2.2 million square feet of space. The company is responsible for about 10 per cent of all EB-5 investments nationwide."
>
> (http://www.seattlebusinessmag.com/article/build-bridge-get-green-card?page=0,0)

Mount Vernon would be well served to explore attracting EB-5 equity capital to invest in some of its economic development projects in the downtown core.

USDA Economic Development Programs

Mount Vernon is very fortunate to have a regional office of the United States Department of Agriculture's Rural Development Program. The City is eligible for several economic development tools administered by USDA:

- The Business and Industry (B&I) Guaranteed Loan Program.
  The B&I program provides federal guarantees for loans made at the request of commercial lenders in eligible communities. If approved, the lender makes and services the loan, and the federal government lowers the cost of borrowing with its guarantee. The guarantee can cover 80% of loans up to $5 million, 70% up to $10 million, and 60% up to $25 million. The loan may be used to purchase or refinance property, to pay construction costs, acquire business assets such as equipment or inventory, or to provide permanent working capital. Most types of enterprises qualify.

- Rural Energy for America Program (REAP)
  The Rural Energy for America Program provides grants and loan guarantees for businesses to cover up to 25% of the cost to purchase and install renewable energy generation systems, including biomass, geothermal, hydrogen, solar, wind, hydroelectric or tidal energy systems. The maximum grant size is $500,000. The program also provides grants to cover up to 25% of the cost for energy efficiency improvements in existing buildings, with a maximum grant of $250,000. The grants maybe used to conduct energy audits, purchase energy efficient fixtures, machinery or equipment, and to make building improvements such as insulation. The program also provides loan guarantees on 85% of loans up to $600,000, 80% up to $5 million, 70% up to $10 million, and 60% up to $25 million.

- Rural Business Enterprise Grants
  The Rural Business Enterprise Grants program serves public entities, private nonprofit corporations and federally recognized Indian tribes. Grant funds may be used to facilitate the development of small and emerging private business enterprises. Costs that may be paid from grant funds include the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility and service extensions; refinancing fees for professional services; technical assistance and training associated with technical assistance; startup operating costs and working capital. Grants may also be made to establish or fund revolving loan programs.

Copies of the complete descriptions of these USDA programs can be found in Appendix E.

Open Space and Green Connections

Mount Vernon is located at the center of one of the most scenic and productive landscapes in America. The flood control project and redevelopment of downtown provide a tremendous opportunity to reinforce the sense of connection between the City and its natural surroundings; first with the river, and then with farms, forests and estuaries that lie beyond. There are a number of dedicated groups already working to protect those landscapes: Skagitonians to Preserve Farmland, the Nature Conservancy, the Skagit Watershed Council, the Conservation District, and many others. The tools they have developed include the Conservation Futures Tax, the Farmland Legacy Program, and the purchase and transfer of development rights, as well as the creative use of federal funding to help farmers who are willing to make their fields double as wildlife habitat. Mount Vernon has the potential to capitalize on this tradition of stewardship and build even stronger connections to the landscape and its stewards as it redevelops the downtown area:

Make the Most of the Farmer's Market

Mount Vernon's Farmer's Market is a well-loved fixture in the community, and it has the potential to become an even bigger attraction after the flood wall is complete, but that will not happen automatically. With the proliferation of farmer's markets in western Washington, there is beginning to be greater competition for vendors. While Mount Vernon has many wonderful farms nearby, the community cannot assume that those growers will choose to participate in the local market if there are other markets in the region where they would be able to make more money. It is in everyone's interest to see that Mount Vernon's farmer's market thrives, and draws people from throughout the area to downtown. To achieve that goal, the market must be sited in the best possible location (Riverside Park), with amenities that serve both the public and the vendors, and it should be active for as much of the year as possible. Some communities have found that providing facilities that encourage year-around market operations is a wise investment, and Mount Vernon may want to consider that possibility as well.

Connecting Downtown to Edgewater Park

As Downtown redevelops with more housing and job opportunities, there will be more demand for easy access to parks and open space. Mount Vernon already has a beautiful open space just across the river called Edgewater Park, but there is no way to get there without taking a car or negotiating a narrow and fairly treacherous pedestrian crossing on the existing bridge. The City's Master Plan calls for a new footbridge to be added to the Division Street structure, perhaps as part of a planned State bridge repair project. This would provide huge benefits for both downtown and for the park, which is reportedly underused at present. In addition,

the bridge project could afford the City and the State Department of Transportation the opportunity to transform the bridge itself. By incorporating well-chosen paint colors, new lighting, and public art treatments, the City and the State could make the bridge a landmark!

In the long-run, as downtown growth gets underway, it may be worth exploring the wisdom of creating a second pedestrian crossing of the river at Kincaid Street. A footbridge at that location would provide the final piece of a loop trail through the new Riverfront Park and Edgewater Park. These pedestrian connections will also open the possibility that Edgewater Park can be used more often as the setting for festivals, outdoor concerts and other large community gatherings.

Create a Green Connection from the Transit Center to the Riverfront Park and Trails

Mount Vernon's transit center is a highly visible symbol of the City's connection to the region via rail and bus. It is now possible to imagine a future in which people will come to the city on the train to spend an evening or two at restaurants and hotels downtown, or rent bicycles to spend the weekend touring the back roads of the valley. The prospects of attracting such low-impact local tourism could be increased significantly by making the connections to the Riverfront Park and pedestrian bridges as pleasant and legible as possible by marking the way with green streets, as called for in the Master Plan.

Celebrate the Stewards of the Skagit

Some Washington communities have created facilities that attract visitors by celebrating features of the natural environment that are unique to the area. Friday Harbor has its Whale Museum; Poulsbo has a Marine Science Center on the waterfront downtown that serves as a tourist attraction, a classroom, and a development center for marine science curriculum. Belfair has a similar program on the Theler Wetlands with classrooms, trails, and a boardwalk. There is every reason to believe that Mount Vernon could create an environmental center that would become a similar magnet, based upon the region's unique natural features. There are a number of models that could be considered, ranging from centers that are primarily educational and supported by school districts or colleges, to activity centers that bring together non-profit environmental organizations that are working on related projects so they can share resources and build upon one another's work.

Build upon Mount Vernon's Heritage

Ask residents and frequent visitors what they like best about downtown Mount Vernon and many will answer "the Lincoln Theater." It doesn't take an outsider long to understand why, because the Lincoln is a rare treasure of a kind not often

found even in far larger cities: an historic landmark that is still serving its original purpose as a community gathering place. The City and the Lincoln Theater Foundation deserve to be congratulated for preserving the building and giving it life!

Our team believes the Lincoln can serve as a cornerstone for downtown's revitalization. We suggest the City consider using tools such as the Rural Energy for America Program and State Heritage capital grants to upgrade the building's basic operating systems, conserve energy, lower on-going costs, and enhance the building's aesthetic qualities. The operating efficiencies achieved could allow the Lincoln Theater Foundation to use the savings to mount more performances, increasing the theater's audiences and their economic impact on downtown.

The President Hotel is another prominent example of the City's heritage. The Housing Authority's plans to upgrade the building provide a wonderful opportunity to create another cornerstone project for downtown, when sufficient resources are available to restore the building to its former glory. As downtown's tallest building, the President Hotel's renovation will be a powerful signal to mixed-use developers that downtown Mount Vernon is a good place to invest. By working in partnership with the Housing Authority, the city can help to ensure the project reaches its full potential.

Connecting to the Region

Downtown Mount Vernon is a multi-model crossroads, which has both advantages and challenges. The City's ability to make the most of its transit resources, while limiting the impact of auto traffic, will be a critical factor in creating a vibrant downtown neighborhood.

The City's Master Plan addresses this challenge with the development of a public parking garage, and a number of downtown street and pedestrian improvements. The size, location, and design of the public garage will be tremendously important to the entire downtown redevelopment initiative. The structure must be large enough to meet the need that was previously met by the riverfront lot and other surface parking lots slated for development, but it must not be so large that it encourages over-reliance on single occupancy vehicles. It should be located near the transit center and entrance to I-5, so that visitors and residents are encouraged to leave their car at the garage and enjoy the pedestrian atmosphere in the heart of downtown. Yet it must not appear as a blank wall to those looking toward downtown from the freeway or railroad. Some cities have placed public facilities or condominiums atop their garages; others have softened their impact by using "green walls" or shallow retail spaces on the exterior. The most ambitious communities have conducted design competitions to create parking garages that are

landmarks in their own right. Images of some of them can be found at:

http://archrecord.construction.com/news/daily/archives/070827parking.asp

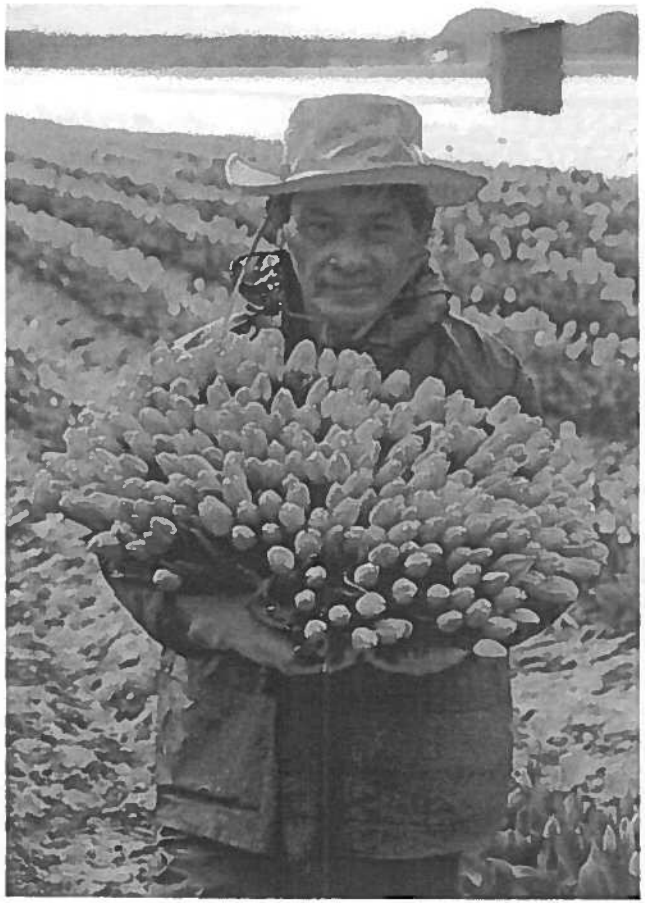
http://www.theatlanticcities.com/neighborhoods/2012/10/16-parking-garages-worth-looking/3564/#slide7

http://www.thecoolist.com/parking-garage-design-10-modernist-masterpieces/

It is our understanding that the City intends to devote most of the proceeds of the LIFT program to pay for the construction of the garage. This should provide sufficient resources to enable the City to retain a talented design team to create the best solution to these challenges.

Partnerships

The health of cities can best be measured by the capacity of their citizens to form effective partnerships to achieve their ambitions. Nearly all of the tools we have suggested will require partnerships – with the federal or state agencies that allocate grant funds, loans or tax credits; with financial institutions; private investors, non-profit organizations, and foundations. In concluding this report, we would simply like to highlight a few additional partners who could play special roles in the development of your downtown:

- The Port Authority of Skagit County has the ability to use its resources to aid the City in pursuing its goals, especially in the area of job creation through economic development. The Port Authority in Bremerton played an important role in the development of that city's waterfront, for example. The Port could be an important partner for Mount Vernon as well.
- Major employers, such as the community college, the hospital and the food co-op, could be important partners in developing housing for their workforce.
- Enterprise Community Partners stands ready to assist the City with financing strategies for specific housing projects or new market tax credits.
- The Urban Land Institute and the University of Washington School of Built Environment are potential partners who may be willing to provide additional design services of excellent quality at low cost.

It has been a great privilege to work with you on this project, and we hope these suggestions prove useful to the community in achieving your goals.