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C.E.D. DEPARTMENT
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June 18, 2016

To: Mayor Boudreau
Planning and Economic Development Director Bob Hyde
City of Mount Vernon Planning Commission
City of Mount Vernon City Council

RE: Review and Comment on Comprehensive Plan Update
Buildable Lands & Land Capacity Analysis

Mayor Boudreau, Director Hyde, City Council and Planning Commission:

After reviewing the Buildable Lands and Land Capacity Analysis prepared by the City of Mount Vernon Planning and Economic Development Department, I have the following comments:

On the cover page there is a statement that states "The cities analysis shows that the twenty-year housing and employment growth can be accommodated within the city consistent with our RCW 36.78 .0115. My question is, why have this statement? The statement seems to provide a context for the whole report which after a lot of analysis is designed to justify the content of the report. In the second paragraph last sentence statement is made "It is important for the city to proceed with caution when making land-use decisions that could further impact this limited resource". This comment leads me to believe that this land-use element of the Comprehensive Plan Update has a conclusion that the City lacks adequate commercial and industrial land for its planned future growth. If this conclusion is to be adopted as part of the Comprehensive Plan Update, why is there nowhere in any of the buildable land analysis any comment regarding the need to expand the City of Mount Vernon Urban Growth Area to accommodate more commercial and industrial land? If there is a shortage of commercial and industrial lands then now would be the time for the City of Mount Vernon to approach Skagit County with a plan to expand the UGA to include lands that could be developed as commercial and industrial lands as long as the land is out of the flood plain.

On page 3 section 2.0 Growth Targets, there is table 1.0 titled "Growth Targets". The table shows that the 2015 existing population in the city of Mount Vernon is 33,530. The population in 2000 as per the Berryman and Henengar Study commissioned by Skagit County, was 28,332. If this is the case then during the 15 year between 2000 and 2015 the actual population growth in the City Mount Vernon was only 5198. This equals only 347 new residents per year over a 15 year period. Assuming that the stated number of residents per household is accurate at 2.74 per household, this equals only an average of 126 new residential units per year during the 15 year period. The County's Berryman and Henengar Study dated December 2003, had estimated that by 2025 the city of Mount Vernon's population was estimated to be 47,900. The table 1.0 shows an estimated population in 2036 of 46,811. My question is, what population numbers is the City of Mount Vernon planning staff using in regards to allocation of future overall growth within Skagit County? The Berryman and Henengar study from 2003 uses 2.5 persons per household for purposes of calculating total number of housing units that would be resulting from population growth. The city is using 2.74 per household. It is important that this number of people per household is examined carefully so that we have factored in the shrinking of household size related to the retirement of the Baby Boom demographic group who are a significant source of population growth evidenced by the significant percentage of new housing development that are age restricted.

Landed Gentry is presently the largest home builder in Mount Vernon and all of their developments are age restricted.

On page 7 under the heading Single-Family Residential Zones, table 1.2 titled Residential Zones indicates that the maximum density allowed in multi-family zones for R-3 is 15 units per acre and in R-4 a 20 unit per acre density. It is very important to understand that the historical development patterns of multi-family in Mount Vernon has not indicated that there has been any appreciable use of the density bonus in these two zones that are the result of developers being willing to put structured parking under residential space. The cost of this type of construction is prohibitive. Therefore the actual density that has been realized in the R-3 Multi-family zone is between 10 and 12 units per acre and 15 units per acre in the R-4 zone.

On page 11 there is a rather exhausted look at how the city should look at oversized lot in regards to calculating future available lands. There seems to be a tremendous amount of effort gone into trying to paint the picture that oversized lots will play a significant role in meeting the demands of future development. This possible source of development should not even be considered as having any significant contribution towards the buildable land's needs. One way to look at this is to see how many actual units have been added in the last 10 years that were the result of somebody taking a residential lot and dividing it into two lots. Leaving these properties alone and not calculating them into the available lands would be the right thing to do unless staff can show that there has in the past been a pattern of redevelopment of single-family residential lots.

At the bottom of page 11 there's a section regarding Accessory Dwelling Units and Duplexes. Again staff is making the case that Accessory Dwelling Units (ADU) should be calculated in to the overall Available Lands Inventory. During the last 20 years that have been only 67 units created in the City of Mount Vernon they were classified as Accessory Dwelling Units. Why are these even being counted when they are such an insignificant number of housing units?

At the bottom of page 12 there is a section titled "Existing Approved Developments and on the next page there is a map showing the so called "Existing Approved Developments. Unfortunately this is the wrong title for this map. These are not all approved developments. On Pages 56 and 57 you will find a list of the so called "Existing Approved Developments". Unfortunately this is highly inaccurate information and is misleading. For example the Hidden Lakes development, consisting of 365 lots will not be built. The assumption that somehow 450 units of residential will be built in downtown Mount Vernon over the next 20 years should not be listed as an "approved development". If you subtract out the 365 units of Hidden Lakes and the 450 units listed as downtown development along with all of the other developments that are not yet approved the number of so called "Approved Developments" is dramatically reduced. Calling projects "Approved Developments" that are nowhere near being approved artificially inflates the number of housing units in the development pipeline. Table 7 needs to be broken down differently so that the actual status of the projects are listed and totaled in different categories that would state the true status of each project. A project like Hidden Lakes should not even be on the list. Unfortunately the City Planning and Economic Development Department has shared this erroneous information with demographic study professionals and appraisers who have use this for purposes of market studies and appraisals for projects within the City of Mount Vernon. There have been numerous appraisals that have stated that the City of Mount Vernon has somewhere between a 10 and 12 year supply of lots available. This inaccurate information has dramatically affected the appraised value of existing plats and has made it very difficult to obtain financing for future residential plat development. It

is critical that this information be corrected and then an active status report be maintained on all projects. Applications for a plat should not be counted until they have received preliminary plat approval. Even after receiving preliminary plat approval there are plats that have been approved in the last 10 years that have not been constructed. A builder that come to Mount Vernon and want to buy lots today would have a very hard time finding them. Those circumstances as compared to what this draft Buildable Lands Inventory represents are so far apart from reality that I cannot impress upon the Planning Commission and the City Council enough the importance of providing accurate information to those professionals who are collecting data regarding the status of available lands and finish lots within the City of Mount Vernon.

On page 14 there's a section titled "Transfer of Development Rights". I think it would be good information to know how many actual transfers of develop rights have occurred out of the 186 development rights that are available.

Near the bottom of page 14 there's a section titled downtown waterfront master plan. The City of Mount Vernon has plans for 450 multi family dwelling units being located within the downtown area these units have been added to the analysis. Unfortunately the reality is that these units will not be feasible to develop for quite some time. When they are finally built they will not likely be affordable housing. Putting them on a list of future projects over states the availability of multifamily land.

On page 16 the section titled Market Factor, talks about adjustments to available lands to compensate for the fact that much of the land in the City of Mount Vernon that is undeveloped will likely not be developed because of forces outside the influence of the development community. The biggest single reason that land does not get developed is because the people who own the land don't want to sell it for development purposes. I think the more reasonable market factor would be 25 to 30% as opposed to the 20% number used by staff in this draft.

On page 18 Table 1.4 titled Residential Summary Table 1.4 shows the projected calculations for total units available within the City of Mount Vernon in the next 20 years. The biggest single adjustment that should be made to this total unit count is the fact that the "Existing Approved Developments" project list is inaccurate for the reasons stated above. The fact is that much of the remaining land within the city of Mount Vernon is highly impacted by critical areas. The impact of critical areas many times makes it economically unfeasible to develop those properties that has critical area constraints. A perfect example of this is a 35 acre parcel located on the south side of College Way and bordered by 30th St. on the east. This parcel is owned by a bank and, based on various wetland delineation that as have been performed on this property over the years, is commonly known to be between 60 and 70% unbuildable. The fact that the city no longer allows a gross density calculation for multifamily land has created a situation where this parcel of land is likely not to be developed until there are significant changes in the City's land use regulations regarding allowed density on multifamily land.

This is only one example of circumstances affecting available lands in the city of Mount Vernon. I suggest that the city should survey property owners who have tried to sell their property and have been unsuccessful because of the constraints related to critical areas existing on their property. Again I need to emphasize that the land that was relatively easily developed in the City of Mount Vernon is, for the most part, already developed.

On page 19 or you will find map 5.0 titled "Residential Lots That Could Be Further Developed". I find it interesting that none of the land showing in the future UGA area is being considered for commercial

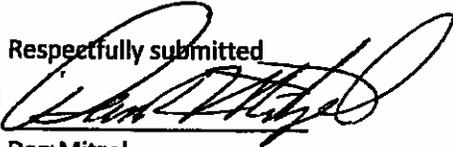
development. Why is all of the land shown in the UGA areas only shown as future residential? The City of Mount Vernon should be negotiating with Skagit County to develop a plan of annexing property that could be developed for commercial and industrial uses. The counties own calculations regarding how much industrial commercial land should be available in the city Mount Vernon indicate a significant shortfall of commercial and industrial land within the city and the city's urban growth area .Every opportunity to look at annexing land or establishing an expanded Urban Growth Area that is specifically designated for commercial and industrial development should be considered. It is very difficult to meet the projections for job growth within the City of Mount Vernon without a significant increase in available commercial and industrial land. Industrial development, particular manufacturing, requires large parcels with adequate infrastructure in place or feasible to put in place. Mount Vernon has a significant shortage of large contiguous parcels or assembly of parcels that have been made into larger sites for industrial and commercial development.

On page 36 you'll find Map 10.0 labeled Potential Wetland Areas. I highly encourage that this map be removed from the Buildable Lands Analysis. It is a highly inaccurate map that will only confuse people when it comes to the issue of the existence of wetland related critical areas on their property.

Table 1.11 titled "Buildable Lands Results" needs to be significantly modified to take into account the following deficiencies:

1. The number of lots within "Existing Approved Developments" is grossly overstated for reasons stated earlier in this analysis.
2. The 450 units listed for the downtown redevelopment is so speculative that it should not be listed until there is better indication that this number of units can actually be built in the downtown area.
3. The number of units that could be built on multifamily land is significantly impacted by the fact that the few parcels in Mount Vernon that are zoned for multifamily are highly impacted by critical areas.
4. Much of the housing units shown in the UGA area (5,355 units) are on land that to some degree should be set aside for industrial and commercial use.
5. The commercial lands inventory does not show those parcels that are part of an assemblage of parcels which effectively increases the size of the available commercial and industrial properties.

Respectfully submitted


Darri Mitzel