

Mount Vernon Economic Profile

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Prepared for

The City of Mount Vernon

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Introduction

The City of Mount Vernon asked Western Washington University's Center for Economic and Business Research (The Center) to conduct data analysis on a wide number of economic and community indices to assist with their comprehensive plan update. The core task was to identify metrics that could be used to assess each of the plan's goal statements.

The following report includes separate sections for each of the provided goal statements. Comprehensive Plan goal statements are generally broad which makes it difficult to directly connect commonly available economic data. Our efforts include identifying multiple metrics that paint a picture surrounding the goal in an attempt to provide contextual parameters for meaningful policy discussions.

Economic development depends upon numerous factors with varying weight applied to each by the evaluating person. For example, one person may place a high value on financial costs while another may argue the most critical factor is workforce availability. Regardless, all factors are important to consider; a successful economic development strategy therefore must simultaneously take into account as many factors as possible while seeking to attract and retain businesses with those needs.

This report provides a wide-angle view of the current economic state and can be used for planning, strategic decision making, and to guide specific actions for desired outcomes.

About the Authors

This report has been prepared by The Center located within the College of Business and Economics at Western Washington University. The Center works in partnership with businesses, government entities and non-profits to bridge the resources of Western students, faculty and staff from throughout the Western Community to create high quality analysis and proposed solutions to challenges. From answering the simple question, creating understandable and thorough analysis documents, creating internships, class projects, to faculty projects we assist in creating an informed path helping business owners and policy shapers make decisions to move forward.

We are always seeking opportunities to bring the strengths of Western Washington University to fruition within our region. If you have a need for analysis work or comments on this report, we encourage you to contact us at 360-650-3909. To learn more about The Center visit us online at <http://cbe.wvu.edu/cebr/>

Have a strong proactive position towards prosperity

This goal (strong proactive positions towards prosperity) reflects desired community attributes. Metrics proposed by The Center serve as proxies for the overall goal, which provides windows of analysis to an otherwise immeasurable goal. In support of the goal, The Center recommends the following metrics be analyzed from the perspective of long-term trends and not from single year changes. This data may be updated periodically as appropriate.

Land Use

Public spaces are a key component to constructing a community that appeals to others and sustaining the existing population. While much economic development energy is expended on defining buildable land and creating some type of desired balance between the different zoning types, The Center believes that increased energy should be expended on creating and maintaining a public space strategy.

The first step in this effort is defining what a public space is. Traditionally, parks are certainly on the list but many communities create a network of different types of spaces including: art installations, horticultural related spaces such as a rose garden, museum offerings ranging from children’s museums to simple art gallery space, and more. Essentially, these are places where people can go to when they are not at work or where people with families can go as an activity.

The next step is to define a ratio between these spaces, often by square foot, and the population. Given that the overall Comprehensive Plan projects the expected population, this is an easy equation that defines how much public space is necessary at a given growth rate.

It is a deceptively simple process that can be the basis for a larger question – what kind of a community do we want to live in? This is critical in light of this goal however. Prosperity is not simply the bottom line of the companies based in Mount Vernon since ideally, the employees of these companies also live in the city.

Public spaces are a major factor in order to achieve prosperity and also sustain the existing population. Examples of public spaces are traditional parks, museums and horticultural related spaces such as a rose garden.

Buildable Lands and Land Capacity Analysis

Similar to public spaces, a community focused on prosperity provides a variety of zoned parcels that provides for growth and appropriate clustering. While there is no ideal land allocation for all communities, the mixture developed should reflect the overall values of the community while also meeting future needs. A community generally feels more secure in long-term developments if a clear and stable plan is in place. The following tables describes changes in available residential dwellings and commercial/industrial land in the Mount. Vernon community.

Having a variety of zoned parcels provides growth and appropriate clustering which aids a community seeking prosperity. Furthermore, a community typically feels more secure in long-term development with a clear and stable plan.

Change in Residential Dwelling Parcels Available			
	2010	2015	Variance
Approved Plats/TDRs/Downtown Master Plan	3,170	2,539	-20%
Single-Family Residential (City + UGAs)	5,825	5,309	-9%
Multi-Family Residential (City + UGAs)	517	276	-47%
Total	9,512	8,124	-15%

Table 1: Summary of Residential Dwelling Parcels Available

Change in Commercial/Industrial Land Available for Development			
	2010	2015	Variance
Commercial/Industrial Land < 5 acres	168.8	158.3	-6.2%
Commercial/Industrial Land > 5 acres	20.9	32.1	53.6%
Totals	189.7	190.4	0.4%

Table 2: Summary of Commercial/Industrial Land Available for Development

In total, the overall number of dwelling units available decreased by 1,388 units since 2010. While examining variances in residential dwelling units available, it is apparent that the largest proportional change was in the number of multi-family residential units. This is a clear indicator of both a policy effort to increase density and a market response to demand at a price point or lifestyle choice. Subsequent sections will examine Mount Vernon’s lower than average total multi-dwelling ratio, which may indicate a market-rebalancing.

Due to the offsetting effects of available acreage for commercial/industrial development, the net change is miniscule. However, available land from lots smaller than five acres decreased as a share of the total land available. The opposite is true for land available from lots greater than five acres. The following figures are visual representations of the data found in Table 1 and Table 2.

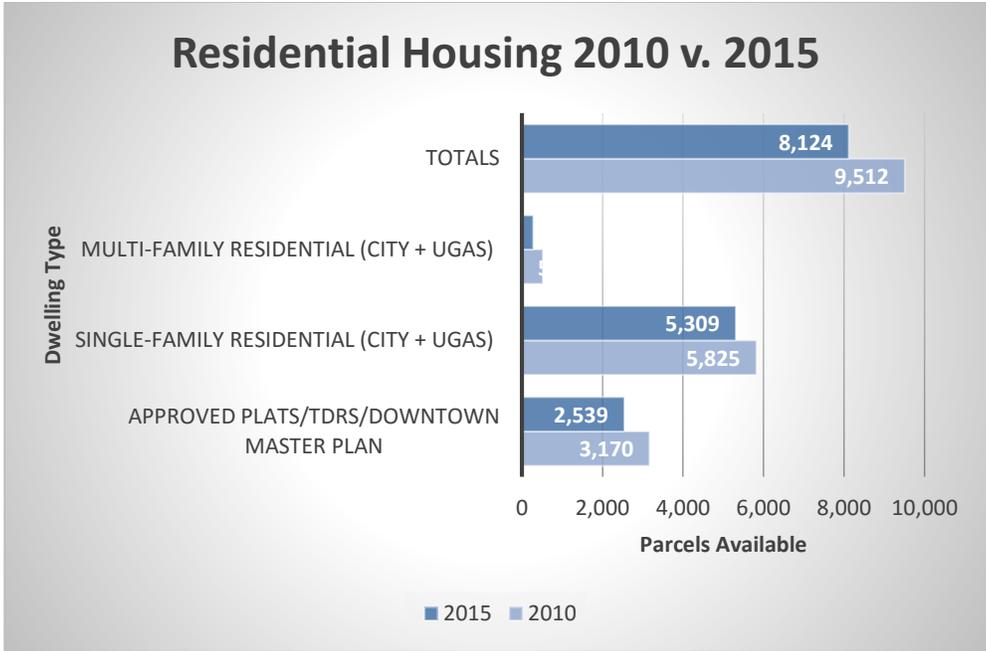


Figure 1: Figure of Residential Dwelling Units Available

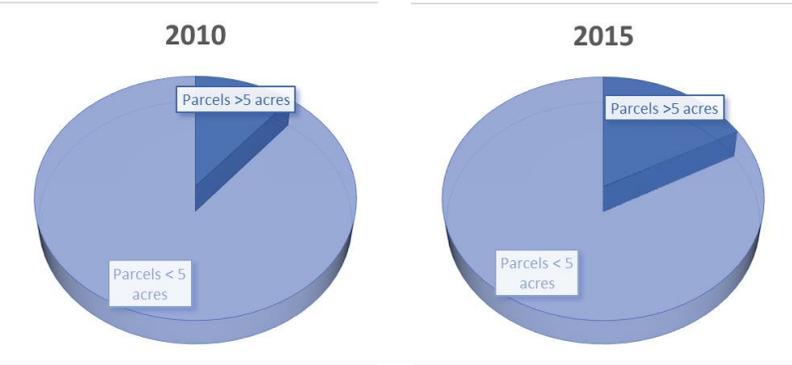


Figure 2: Figure of Commercial/Industrial Land Available for Development

Three things to consider when analyzing this data point: 1) land bought, sold, or put on the market in between measurement periods, 2) property that became zoned for commercial/industrial use in between measurement periods, and 3) the purpose of developed commercial/industrial acreage.

Educational Attainment

Educational levels are an important factor to examine and is a critical component to the long-term stability of a community. A diversified workforce supports further goals within this document and also provides a well-rounded citizenry focused on creating a long-term home.

One measure of academic performance in a community is whether the local high school has any members of the graduating class who are considered a Washington Scholar. According to the Washington Scholar website, candidates from the top one percent of the class are nominated by the Principal and must be outstanding students. To be considered a Washington Scholar is one of the most prestigious programs to be a part of. Mount Vernon High School has not had a Washington Scholar for the past three years which suggests that academic performance could be improved.

Moving on to a four-year university is not the only option for graduates; some may choose to attend technical programs, go to a community college, or start an apprenticeship in a specific field. Unfortunately, it is difficult to find comprehensive data that depicts trends in all the avenues of post high school educational attainment.

The below figure depicts residents in Mount Vernon, aged 18 – 24, and educational attainment. The data reveals that Mount Vernon residents are significantly more likely to not complete college than state-residents in the same age range. However, a larger proportion of Mount Vernon residents in this age cohort have graduated high school. When it comes to post-secondary education, members aged 18 to 24 in Mount Vernon are less likely to partake in such education than the state average.

An offering of different education levels is critical in order to stabilize a community now and in the future. Some examples are local high schools, community college, universities, and technical programs.

When examining education levels and completion rates it is critical to ponder the overall trends, resources available, employer needs and potential changes that will emerge within the data over time.

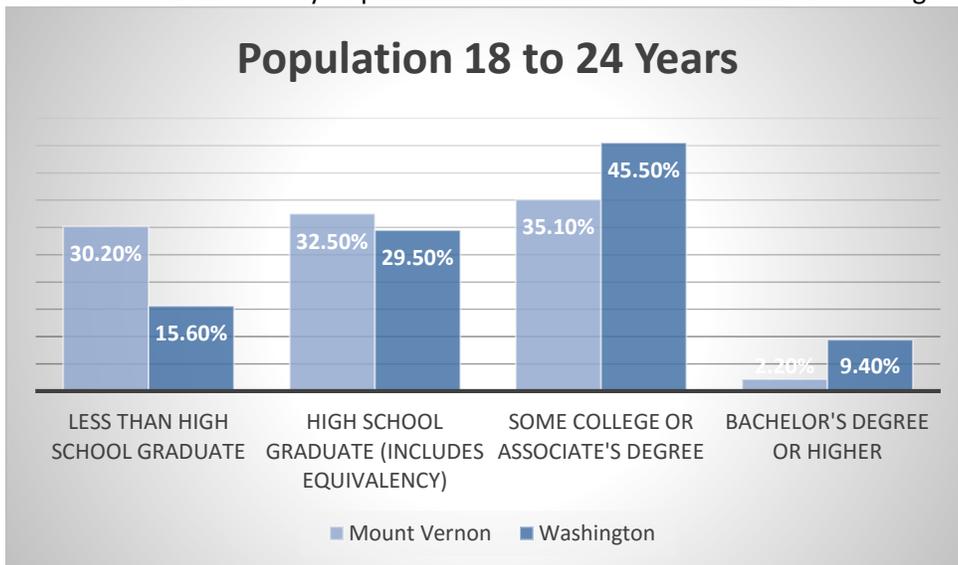


Figure 3: Population 18 to 24 Years

Similar to the prior figure, the following figure shows the education attainment for residents 25 and older for Mount Vernon and Washington State. The proportion of

Mount Vernon residents in this age cohort to get a high school diploma is much less than the state average. However, when it comes to receiving some post-secondary education or an associate’s degree, Mount Vernon’s residents are more likely to participate in such education. Mount Vernon lags behind state averages when it pertains to education past this point.

Educational attainment data indicates a change that may or may not be a trend. This is worth monitoring to better understand and create a strategy if necessary.

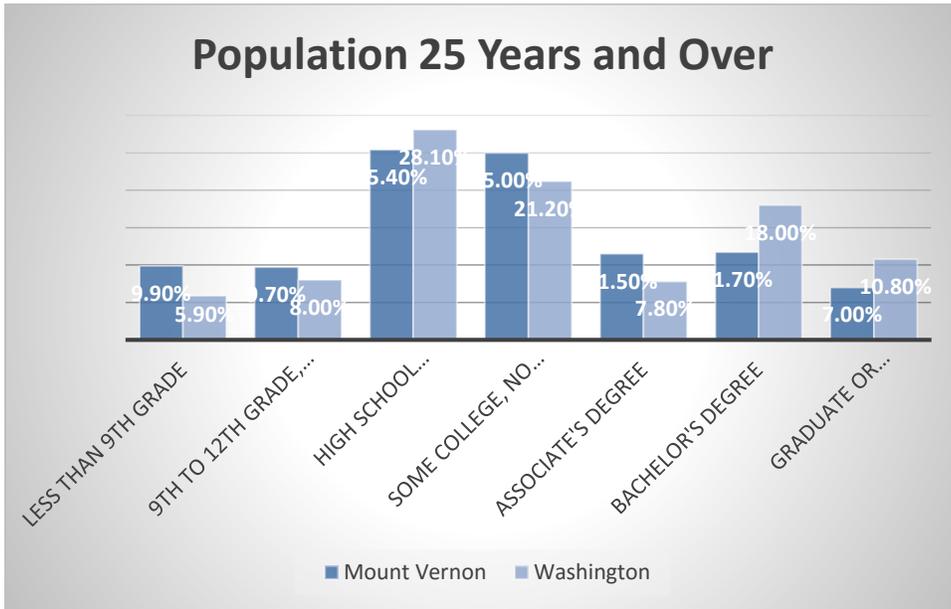


Figure 4: Population 25 Years and Over

While looking at the data, there is an interesting point to note. In 2011, there was a steep drop in the proportion of the Mount Vernon population aged 18-24 that received a high school diploma. However, in 2012, this changed, and as of 2013, the proportion is increasing. This is a good reminder to always examine longer time periods with datasets to better understand the trend indications.

Percent of Population 18-24 Years That Graduate

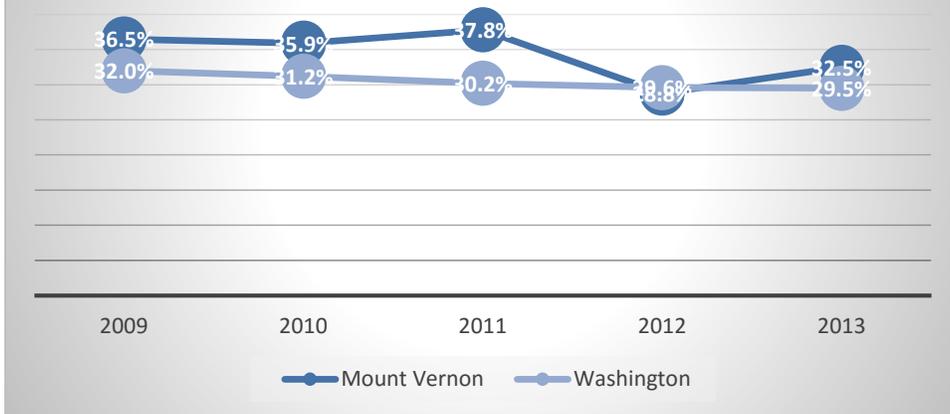


Figure 5: Percent of Population 18-24 Years That Graduate (includes equivalency)

The following table displays the data from which the above visuals are based on. The data reveals no significant changes in the trend for high school graduation rates for the group 25 years or older, however, this proportion is about 3%-4% less than the state average for the same age group.

Education Attainment for Various Age Groups: Mount Vernon vs. Washington

		Population 18 to 24 years	Less than high school graduate	High school graduate (includes equivalency)	Some college or associate's degree	Bachelor's degree or higher	Population 25 years and over	Less than 9th grade	9th to 12th grade, no diploma	High school graduate (includes equivalency)	Some college, no degree	Associate's degree	Bachelor's degree	Graduate or professional degree
2009	Mount Vernon	3,168	21.40%	36.50%	38.10%	4.00%	18,548	14.20%	9.10%	24.80%	21.30%	11.70%	11.70%	7.10%
	Washington	29,838,236	17.20%	32.00%	41.90%	9.00%	197,440,772	6.40%	9.10%	29.30%	20.30%	7.40%	17.40%	10.10%
2010	Mount Vernon	2,943	25.30%	35.90%	34.80%	3.90%	18,970	11.20%	8.70%	25.20%	24.70%	11.80%	10.90%	7.50%
	Washington	30,205,496	17.10%	31.20%	42.50%	9.20%	199,726,659	6.20%	8.70%	29.00%	20.60%	7.50%	17.60%	10.30%
2011	Mount Vernon	3,106	27.20%	37.80%	32.50%	2.40%	19,209	11.00%	8.50%	24.30%	24.00%	12.00%	12.30%	7.80%
	Washington	30,507,896	16.70%	30.20%	43.90%	9.30%	202,048,123	6.10%	8.50%	28.60%	21.00%	7.60%	17.70%	10.50%
2012	Mount Vernon	3,263	31.30%	28.80%	37.90%	2.00%	19,218	9.90%	8.60%	25.60%	24.90%	11.30%	12.50%	7.20%
	Washington	30,822,835	16.20%	29.60%	44.90%	9.30%	204,336,017	6.00%	8.20%	28.20%	21.30%	7.70%	17.90%	10.60%
2013	Mount Vernon	3,345	30.20%	32.50%	35.10%	2.20%	19,432	9.90%	9.70%	25.40%	25.00%	11.50%	11.70%	7.00%
	Washington	31,071,264	15.60%	29.50%	45.50%	9.40%	206,587,852	5.90%	8.00%	28.10%	21.20%	7.80%	18.00%	10.80%

Source: U.S. Census

Table 3: Educational Attainment

Statewide Adjusted Actual 4-Year Graduation and Dropout Results												
School Year	Class of	County	Adjusted Cohort	Dropouts				Graduates	Continuing	Adjusted Actual 4-Year Cohort Graduation Rate	Cohort dropout rate	Continuing Rate
				Year 1	Year 2	Year 3	Year 4					
2010-2011	2011	Skagit	1465	9	44	78	143	1040	151	71.0	18.7	10.3
		Mount Vernon	405	1	15	26	38	280	45	69.1	19.8	11.1
2011-2012	2012	Skagit	1457	248	233	251	1454	1035	186	71.2	16.0	12.8
		Mount Vernon	455	5	14	15	37	305	79	67.0	15.6	17.4
2012-2013	2013	Skagit	1515	11	32	64	181	1046	181	69.0	19.0	11.9
		Mount Vernon	463	5	15	17	66	301	59	65.0	22.2	12.7
2013-2014	2014	Skagit	1411	13	27	52	135	1008	176	71.4	16.1	12.5
		Mount Vernon	414	1	10	19	51	278	55	67.1	19.6	13.3

Table 4: Statewide Adjusted Actual 4-Year Graduation and Dropout Results

The following figure is a visualization of the above table. As the figure reveals, graduation rates for Mount Vernon were on a steady decline from 2011-2013. However, Skagit County as a whole only experienced a decline in graduation rates from 2012-2013. While both rates seem to increase after 2013, Mount Vernon’s graduation rates are increasing significantly slower than Skagit County.

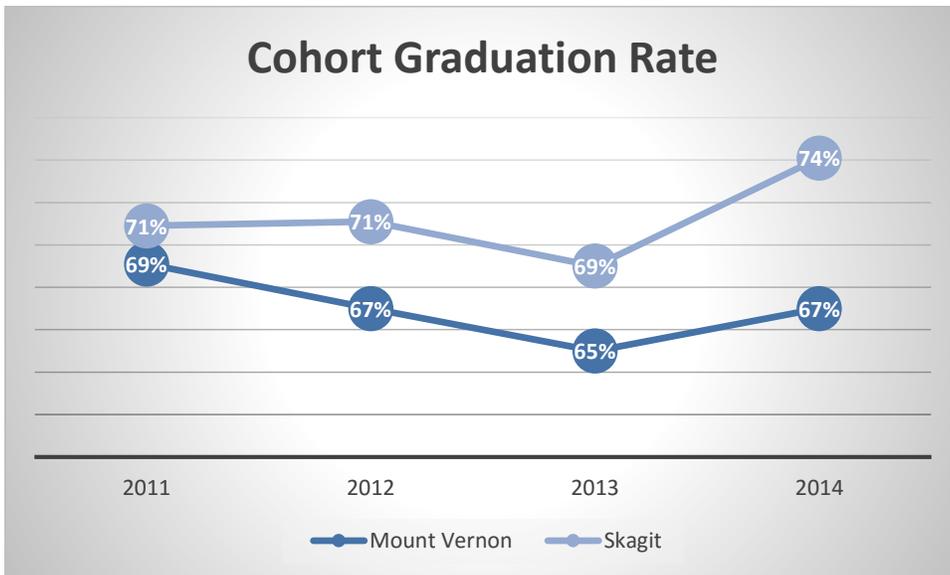


Figure 6: Adjusted Actual 4-Year Cohort Graduation Rate

Mount Vernon’s graduation rates are increasing significantly slower than Skagit County.

Percent of Population with Educational Completion			
		Percent of high school graduate or higher	Percent bachelor's degree or higher
2009	Washington	89%	31%
	Skagit	87%	23%
	Mount Vernon	77%	19%
2010	Washington	90%	31%
	Skagit	88%	23%
	Mount Vernon	80%	18%
2011	Washington	90%	31%
	Skagit	88%	24%
	Mount Vernon	81%	20%
2012	Washington	90%	32%
	Skagit	88%	24%
	Mount Vernon	81%	20%
2013	Washington	90%	32%
	Skagit	88%	24%
	Mount Vernon	81%	19%

Table 5: Percent of Population with Educational Completion

The above table displays educational completion for the population of Washington State, Skagit County, and Mount Vernon, respectively. Year after year, Mount Vernon lags behind both the state and county in percent of population with a high school diploma and with post-secondary education. From 2009-2010, Mount Vernon was steadily increasing the percent of population with a high school diploma but after 2010, the rate of increase significantly declined. In fact, in 2012, this percent begins to decline.

Percent of Population that Graduate High School or Higher

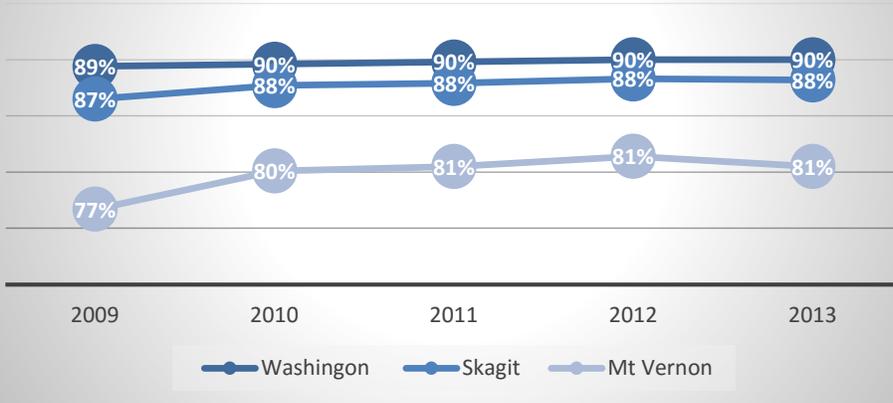


Figure 7: Percent of Population That Graduate High School or Higher

Over the years, Mount Vernon has fallen behind both the state and county in percent of population with a diploma and with post-secondary education.

Have a vibrant business community

The goal (achieve a lively business community) reflects desired business attributes. Metrics proposed by The Center serve as proxies for the overall goal, which provides windows of analysis to an otherwise immeasurable goal. In support of the goal, The Center recommends the following metrics be analyzed from the perspective of long-term trends and not of single year changes. This data may be updated periodically as appropriate.

Business Attitudes

The Center recommends an annual business attitudes and opinion survey to identify anecdotes, needs and successes.

Top Employers

The diverse number, size, and type of businesses present in a region reflect a vibrant business community. While a large number of small businesses are present in any community, large employers provide increased stability within the job market. The Small Business Administration generally defines a small business as those with fewer than 500 employees.

Top Employers		
Company Name	Employee Count	Notes:
Skagit Regional Health	1004	Employment base exceeds Mount Vernon's borders
Mount Vernon School District	815	Teachers are counted as full-time
Skagit County Government	636	Employment base exceeds Mount Vernon's borders
Draper Valley Farms	541	
Walmart	425	Headcount
PACCAR Technical Center	261	
Mount Vernon City Hall	191	
Sierra Pacific Industries	185	
Safeway	170	Headcount
Skagit Gardens Inc.	152	Headcount
Brown Line LLC	150	
Lab Corp	150	
Skagit State Bank	144	
Lowe's Home Improvement	130	Headcount
Haggen Food & Pharmacy	120	Headcount
Mira Vista Care Center	120	

Achieving a vivacious business community is another key factor for community prosperity. Desired business attributes are indicators of achieving this goal. Thus, conducting annual business attitudes and opinion surveys will help identify anecdotes, needs, and successes of this goal.

The Center collects top employer information by making direct contact with each employer. We specifically ask for the number of full-time employees. Some employers provide headcount, or total number of employees while others may not respond to our request – these are noted as applicable in the table.

Data presented here was collected in June 2015.

Skagit Publishing	120	Headcount
Life Care Center Of Mount Vernon	118	
Skagit Valley Food Co-Op	110	
Northwest Horticulture	87	
Olmsted Transportation	33	
Hulbert Farms Inc.	20	

Table 6: Top Employers in Mount Vernon

Examining and considering top employers can be very important when designing local policies. Understanding how certain actions will impact these stabilizing businesses in relation to the local job market is an important consideration, especially for establishing long term stability. This is especially true during tough economic conditions; as larger employers are more capable of withstanding cyclical changes when compared to smaller employers.

Employment

Employment and unemployment are traditional measures of economic stability. Furthermore, stable employment generally leads to higher consumer confidence, which in turn supports a stronger local economy in terms of stable population trends, increased retail spending, etc. Employment data is not tracked well at a city level due to the relative small number of people involved and how the data is reported. For analysis purposes The Center looks at county level data.

Historically, Skagit County as a whole has shown higher unemployment rates than its neighboring counties due to structural and cyclical differences within the local economies present in each county.

Unique Structural Elements:

- Large agricultural workforce influences unemployment data due to their work in the non-agricultural sector during the off-season.
- Trailing spouses influence employment data as they seek work in the community after a family relocation for their spouse's employment. This includes a substantial number of military members.

Unique Cyclical Elements

- The Skagit economy tends to lag slightly behind state data.
- Recessions tend to have a stronger impact on the Skagit economy than on the overall state's economy.

The measurements of employment and unemployment are traditional indicators of economic stability. Overall, Skagit County as a whole has shown higher unemployment rates than its neighboring counties. Some reasons are due to

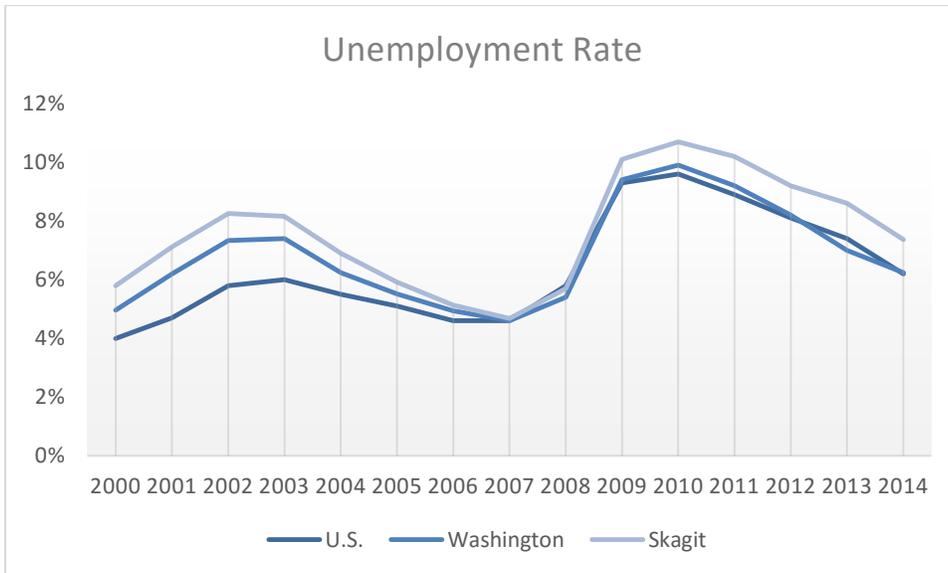


Figure 8: Unemployment Rate

We note that Skagit County's unemployment rate follows the same pattern as the general economies of both the state and nation. In general, we would expect Skagit County to lag slightly behind both of the other indices with the increases in unemployment to be more exaggerated than the others.

Crime Rates

Crime is a significant concern to businesses since businesses place significant investment in their enterprise and in their employees. Therefore, a stable or decreasing rate is preferred. Mount Vernon is perceived as having a higher than average crime rate due to both actual events and the effects of social media. Crime is much more quickly reported, often misreported, in real time leaving a perception of increasing occurrences.

Crime rates are significant when it comes to a community and its businesses. Furthermore, crime is quickly reported, often misreported, thus leaving a perception of increasing occurrences.

Mount Vernon Crime Statistics 2007-2013							
	2007	2008	2009	2010	2011	2012	2013
Murder	0	0	2	0	2	1	1
Rape	12	20	20	15	24	14	15
Robbery	24	25	33	23	34	22	31
Aggravated Assault	35	46	33	51	40	47	41
Arson	12	28	11	8	9	10	7
Burglary	294	275	275	290	349	318	257
Theft	1866	1374	1769	1756	1376	1172	1294
Vehicle Theft	164	83	80	63	75	86	130
Car Prowl	706	458	690	564	365	249	295
Violent Crime	77	91	88	89	100	94	95
Violent Crime per 1000 Mount Vernon	2.62	3.02	2.86	2.87	3.22	2.96	2.94
Violent Crime per 1000 Washington	3.37	3.34	3.36	3.14	2.95	2.96	no data
Calls for Service	24563	21715	21802	21270	20748	21011	20787
MV Population	29390	30150	30800	31020	31020	31743	32250
Source for Mount Vernon data: http://mountvernonwa.gov/							
Sources for Washington State data: FBI, Uniform Crime Reports as prepared by the National Archive of Criminal Justice Data							

Table 7: Crime Rates in Mount Vernon

The amount of crime committed in Mount Vernon is highly variable, meaning there is no specific pattern or trend in crimes. However, by doing an internet news search of the city, it is possible to perceive Mount Vernon as having higher a than actual crime rate relative to the state or at a minimum an increasing crime presence due to the number of criminal activities reported. In order to foster a more vibrant business community, steps can be taken to communicate a commitment to ensuring a safe environment for business investments in the city.

Retail Sales by Industry

Sales, whether retail, wholesale, taxable or non-taxable, provide an insight into the overall economic health of the Mount Vernon economy. Sales drive business revenues, which in turn create and retain jobs in the community. Likewise, jobs stimulate demand for localized housing and community resources, which also create a sense of community and incentivizes those employees and their families to live and play in the city, thereby stimulating more sales. It is an economic cycle, though it is not clear what items come first.

Within any community, sales are created by both local and non-local consumers. There is no perfect balance other than to stipulate that more non-local sales create the opportunity for more wealth building and job creation for local residents since money is spent in the locale but resources are not expended on these non-local consumers.

Within any community, both residents and residents residing outside the community create sales. Furthermore, the more non-local sales there are, the more wealth increases, creating more jobs for local residents.

Taxable Retail Sales for Businesses with a Mount Vernon Filing Address				
Two-Digit NAICS Title	2003	2008	2014	Variance (2003-2014)
11 Ag, Forest, Fish	\$ 1,015,116	\$ 650,690	\$ 727,070	-28.4%
21 Mining, Quarrying, Extracting	\$ 1,353,960	D	D	
22 Utilities	\$ 196,443	\$ 660,112	\$ 272,280	38.6%
23 Construction	\$ 63,296,870	\$ 96,226,418	\$ 92,688,674	46.4%
31-33 Manufacturing	\$ 17,679,381	\$ 24,966,185	\$ 16,917,904	-4.3%
42 Wholesale	\$ 27,351,977	\$ 25,797,161	\$ 10,444,845	-61.8%
44-45 Retail	\$ 176,117,313	\$ 178,361,488	\$ 181,507,652	3.1%
48-49 Transportation, Warehousing	\$ 3,506,445	\$ 5,470,092	\$ 4,591,632	30.9%
51 Information	\$ 509,845	\$ 373,013	\$ 195,128	-61.7%
52-53 Finance, Insurance, Real Estate	\$ 7,429,937	\$ 10,197,226	\$ 8,161,486	9.8%
54 Prof, Scientific, Tech Services	\$ 2,879,398	\$ 4,847,890	\$ 3,964,964	37.7%
55-56 Management, Admin, Support of Companies	\$ 7,388,212	\$ 11,776,971	\$ 10,975,993	48.6%
61 Education Services	\$ 3,255,838	\$ 3,238,186	\$ 2,896,499	-11.0%
62 Health & Social Services	\$ 1,498,549	\$ 1,228,925	\$ 843,407	-43.7%
71 Arts, Entertainment, Recreation	\$ 3,563,549	\$ 5,255,899	\$ 7,383,150	107.2%
72 Lodging and Food Services	\$ 32,436,119	\$ 43,082,971	\$ 53,880,616	66.1%
81 Other Services	\$ 15,880,798	\$ 15,681,995	\$ 15,768,882	-0.7%
92 Public Admin	\$ 91,705	\$ 136,990	\$ 530,895	478.9%
Grand Total	\$ 365,451,455	\$ 427,952,212	\$ 411,751,077	12.7%
(D) non-disclosable				
*These totals represent the number of taxpayers with a Mount Vernon filing address that report taxable retail sales on the Combined Excise Tax Return (CETR).				

Table 8: Taxable Retail Sales

Overall, there was a 12.7 percent increase in total retail sales from 2003 to 2014. The six industries with the most growth during this time period were construction, transportation, professional services, management/administration, arts/entertainment, and lodging/food services. While there were other sectors that had abnormal growth, the absolute contribution by those sectors is small in relation to other sectors.

Retail sales data includes items delivered to an address in Mount Vernon in addition to items picked up by consumers in Mount Vernon.

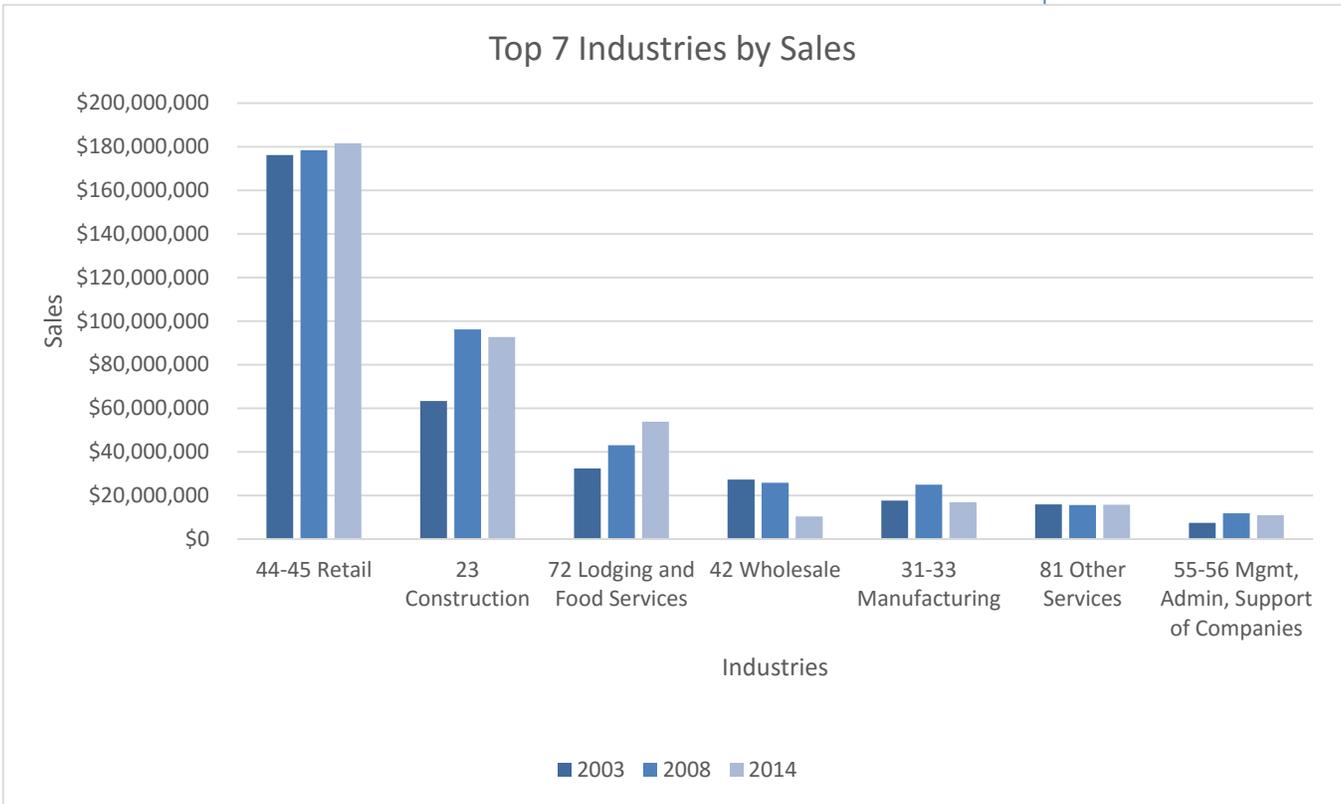


Figure 9: Top 7 Industries by sales

The top 7 industries by sales have remained relatively constant from 2003 to 2014. The most notable change is that the wholesale industry dropped out of the top 6 in 2014 and was replaced by the management/administration support sector.

Mount Vernon Interstate and Foreign Sales

Interstate and Foreign Sales are an allowed deduction on certain gross business income reporting. The deduction is subtracted from the gross report, along with other eligible deductions, to arrive at the taxable amount for each line code.

Yearly Interstate/Foreign Sales Claimed				
Year	Taxpayers	Out of State Sales	Change from prior year	Sales divided by Tax Payers
2003	201	\$118,210,802	0%	\$588,113
2004	195	\$116,537,512	-1%	\$597,628
2005	205	\$143,444,299	23%	\$699,728
2006	209	\$115,565,417	-19%	\$552,945
2007	224	\$123,849,078	7%	\$552,898
2008	232	\$131,700,803	6%	\$567,676
2009	239	\$112,627,982	-14%	\$471,247
2010	232	\$116,512,390	3%	\$502,209
2011	241	\$133,384,532	14%	\$553,463
2012	231	\$142,246,996	7%	\$615,788
2013	218	\$138,609,113	-3%	\$635,822
<p>Note: These totals count the number of distinct taxpayers with a Mount Vernon filing address that take the Interstate & Foreign Sales deduction on the Combined Excise Tax Return (CETR).</p>				

Table 9: Mount Vernon Interstate and Foreign Sales

Examining the data revealed that the change in out of state sales does not follow a clear pattern but it certainly reflects some influence from macro-economic activity. It is, however, preferable to see an increasing ratio of out of state sales to total sales. A vibrant business community sells beyond the borders of its own community; these external transactions bring outside revenues into the community, creating income and sustaining businesses through local economic changes. During the period studied Mount Vernon businesses reported a 17% increase in out of state sales.

Out of State Sales in Relation to Taxable Sales

When considering a local economy, sales being made outside of the location are a good indicator of both the relevancy and the strength of the local businesses. Within Washington this data is available from those businesses choosing to take a tax deduction for sales out of Washington State. Two things minimize the effectiveness of this data point: 1) not all eligible businesses use the deduction and 2) only sales that leave the state are reported which does not count sales outside of your county.

Interstate and foreign sales data is voluntarily reported by companies as sales that were delivered outside of the state. The numbers are likely under-reported by many companies.

Sales being made outside of your location are a good indicator of both the relevancy and strength of local businesses.

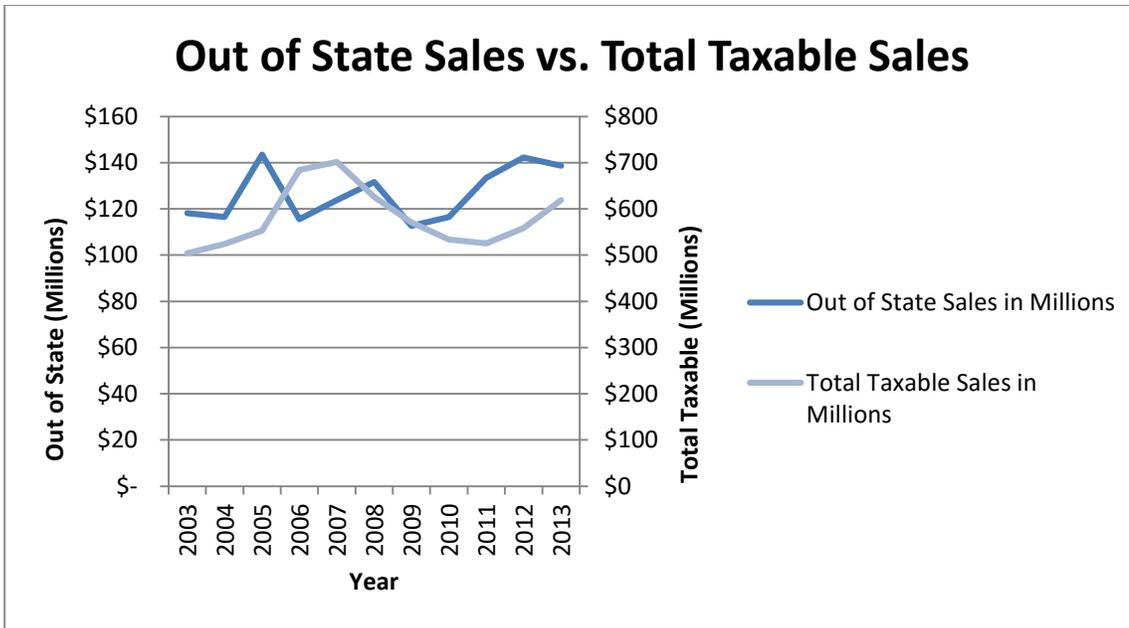


Figure 10: Out of State Sales Vs Total Taxable Retail Sales

Note: This figure is displayed with a double axis showing how Total Taxable Sales trend compares to the Out of State Sales trend. Out of State Sales is displayed in much smaller numbers than Total Taxable Sales.

Through examining the above figure and the underlying data, The Center found that out of state sales follows total taxable sales fairly well. From a diversification standpoint, this implies that the community’s allocation of sales is generally rebalanced from time to time.

E-Commerce

Retail sales in Washington State are mired in data challenges given destination-based sales tax. Retail sales reported to a community may or may not come from retail sales made within the community but could also include any packages delivered within the community. While generally a small percent (less than 5% of total retail sales), e-commerce plays a significant anecdotal discussion point.

Taxable Retail Sales for Mount Vernon						
Year	Total Sales in Millions for Mount Vernon	Mount Vernon Online Sales in Millions	Total Sales in Millions for Skagit County	Total Online Sales in Millions for Skagit County	Total Sales in Millions for Washington State	Total Online Sales in Millions for Washington State
1994	\$314.92	\$0.48	\$1,181.26	\$0.93	\$60,625.51	\$130.58
1995	\$301.21	\$0.21	\$1,026.15	\$0.98	\$62,379.76	\$151.33
1996	\$326.00	\$0.33	\$1,010.78	\$1.07	\$64,319.20	\$159.45
1997	\$366.30	\$0.30	\$1,136.32	\$1.18	\$69,997.20	\$175.57
1998	\$398.12	\$0.33	\$1,256.77	\$1.31	\$74,592.80	\$209.91
1999	\$436.19	\$0.32	\$1,415.40	\$1.55	\$80,244.53	\$230.39
2000	\$427.95	\$0.35	\$1,482.87	\$0.95	\$85,344.75	\$259.53
2001	\$435.07	\$0.52	\$1,575.00	\$1.23	\$84,913.90	\$261.31
2002	\$470.20	\$0.73	\$1,610.30	\$1.53	\$85,368.36	\$287.18
2003	\$503.73	\$0.76	\$1,716.09	\$2.48	\$87,664.28	\$327.69
2004	\$523.81	\$1.10	\$1,855.57	\$3.50	\$93,440.67	\$360.18
2005	\$552.69	\$1.30	\$1,992.05	\$5.29	\$102,154.11	\$446.39
2006	\$684.24	\$1.30	\$2,210.52	\$5.31	\$111,442.43	\$464.64
2007	\$701.82	\$1.58	\$2,250.54	\$5.96	\$118,957.67	\$569.39
2008	\$626.14	\$2.31	\$1,985.56	\$7.36	\$114,007.93	\$639.88
2009	\$571.09	\$2.63	\$1,944.49	\$8.97	\$100,879.38	\$697.42
2010	\$533.52	\$3.61	\$1,939.80	\$12.56	\$100,808.24	\$905.17
2011	\$525.33	\$4.49	\$2,033.78	\$15.54	\$103,740.83	\$1,164.19
2012	\$558.38	\$4.77	\$2,166.81	\$18.97	\$109,053.73	\$1,413.50
2013	\$619.11	\$5.72	\$2,296.74	\$24.43	\$117,200.52	\$1,749.00
2014	\$633.74	\$6.44	\$2,359.34	\$28.65	\$124,844.11	\$2,094.05
Source: DOR						

Table 10: Taxable Retail Sales for Mount Vernon

Much concern is raised about the impacts of internet-based sales. The assumption is that in order for the rapid annual growth of online sales to be achieved, conventional stores must be losing those same sales. There are a wide number of anecdotal stories to support this but the data, whether looked at a city, region or statewide basis, does not support this assumption.

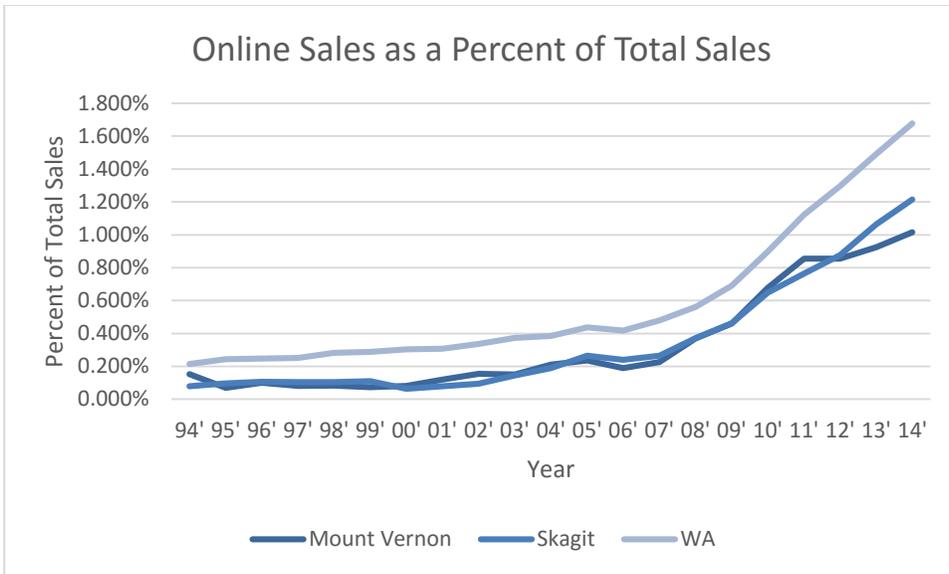


Figure 11: Online Sales as a Percent of Total

E-commerce is growing at a rapid pace for the Mount Vernon business community. While the absolute amount of online sales is relatively small, its share is increasing over time. In many ways internet sales draw from a breadth of inventory that it would not be possible to stock in any single marketplace. The costs related to maintaining this range of inventory would likely be unsustainable for any single business or conglomerate of businesses. In many ways, internet sales complement an existing retail environment.

By examining the above figure, both Mount Vernon and Skagit County lag behind the state in the share of online sales when compared to total Washington sales. This can be interpreted in several ways, but it should not signal negativity when examining e-commerce in your community. However, since around 2010, the increase in the proportion of online sales to total sales has declined.

E-commerce is growing at a rapid pace for the Mount Vernon business community. Yet, both Mount Vernon and Skagit County fall behind the state in the share of online sales in proportion to total sales.

Establish Mount Vernon as a good place for investment

There are many contributing factors that influence investment in many different areas. Data throughout this report provides some insight as to what may attract businesses and people alike to a community. Homeowners and renters seek nice neighborhoods with low crime rates and proficient schools with high graduation rates. Although people tend to like to live close to their work and shopping centers, some will commute if the benefit is enough to do so. Lastly, people look for places with a high quality of living, meaning places that have recreational activities and job opportunities.

Businesses seek locations with low start-up costs and high demand for their products. They tend to locate in places where they can benefit from economies of scale or in other words, where shipping is cheap and convenient, where labor is bountiful, and access to inputs is easy and less expensive. A business will pick a place where the labor force meets their needs. It is common for businesses to locate where labor productivity is high rather than where labor is cheap.

A strong, vibrant community also makes financing easier and cheaper, which reduces the cost of borrowing for improvements.

The Center suggests that an excellent source of data for this goal could come from a business survey as well as looking at the commercial lenders in the area and evaluating their investments.

Increase living wage jobs

This goal reflects desired labor attributes. Metrics proposed by The Center serve as proxies for the overall goal, which provides windows of analysis to an otherwise immeasurable goal. In support of the goal, The Center recommends the following metrics be analyzed from the perspective of long-term trends and not from single year changes. This data may be updated periodically as appropriate.

Define Living Wage

The term living wage is increasingly popular but also vague. There is no definition of what exactly a living wage is. The Center defines a living wage as that household earning point, which adheres to a conventional banking formula that dictates that a maximum of 33.3 percent of household income be allocated to housing expenses – whether mortgage or rent.

The Average cost of a 3-bedroom house in Mount Vernon in 2013 was \$209,700. Using a mortgage calculator for a 30-year mortgage that creates a monthly payment (principal and interest only) of \$991 which yields a household living wage of \$2,973 per month.

A single bedroom apartment in Mount Vernon averages \$658.60 per month which yields a household living wage of \$1,974 per month. A 2-bedroom apartment averages \$993.71 which yields a household living wage of \$2,981 per month.

There are several components that influence investment in different areas. For example, homeowners and renters are looking for nice neighborhoods with low crime rates and proficient schools with high graduation rates. Likewise, businesses are looking for places with low start-up costs and high demand for their products. These factors essentially represent a strong vibrant community.

The Center defines a living wage as that household earning point, which adheres to a conventional banking formula that dictates that a maximum of 33.3% of household income be allocated to housing expenses – whether mortgage or rent.

Obviously, a living wage depends on housing and living arrangement choices made by each individual as well as other factors. Assuming that in each of the above scenarios the household included a single person, the living wage would range from \$12.34 to \$33.56 per hour for a full-time worker – further assuming only one wage earner in a household.

Employment by Industry and Average Wage

The following employment and wage information is based on the entirety of Skagit County. Wage and employment data is not available at a city level with any level of certainty due to the reporting processes used by companies. In looking at the data we assume that companies in Mount Vernon behave similar to their peers in the rest of the county to understand general trends and statistics. At the time of writing this report 2015 data is not available as an entire year.

Wages and employment information is collected from the Washington State Employment Security Department's Quarterly Census of Employment and Wages.

Number of Firms

In looking at the number of firms we typically look for extremes of either growth or reductions through time in both relationships to the state and to the county as a whole. In analyzing the data for Skagit County we examined data from 2005, 2008, 2011 and 2014.

Change in Number of Firms	2008	2011	2014
WA State	4%	4%	6%
Skagit County	4%	-1%	5%
Agriculture, forestry, fishing and hunting	-8%	-10%	4%
Mining	-4%	*	*
Utilities	11%	10%	-18%
Construction	2%	-19%	10%
Manufacturing	6%	-4%	4%
Wholesale trade	-8%	2%	10%
Retail trade	1%	-9%	3%
Transportation and warehousing	20%	-9%	1%
Information	-23%	8%	-3%
Finance and insurance	23%	-15%	12%
Real estate and rental and leasing	6%	-12%	2%
Professional and technical services	11%	8%	7%
Management of companies and enterprises	-5%	*	*
Administrative and waste services	11%	9%	13%
Educational services	14%	41%	16%
Health care and social assistance	8%	-4%	246%
Arts, entertainment, and recreation	-3%	10%	10%
Accommodation and food services	3%	-3%	5%
Other services, except public administration	6%	18%	-69%
Government	7%	2%	-3%

Table 11: Change in number of firms

Of particular note within this data is any industry with greater than 10% change. We especially note the 246% growth in Health Care and Social Assistance.

Average Wages

Based on the rough estimate of living wage noted in the previous section of \$1,974 to \$2,981 per month, industries that do not pay employees a living wage include: real estate, arts/entertainment/recreation, and lodging and food services. This would mean that within these households, multiple wage earners would be required to meet basic needs.

Industries that don't pay their employees a living wage include real estate, arts/entertainment/recreation, and lodging & food services.

Employment by Industry and Average Wage Q1 2015					
	Q1 Wages Paid	Average Employment	Average Quarterly Wage	Average Weekly Wage in Skagit County	Average Weekly Wage in Washington State
55 Management of companies and enterprises	\$3,754,319	121	\$31,027	\$2,387	\$2,278
22 Utilities	\$4,687,325	188	\$24,933	\$1,918	\$1,978
54 Prof, Scientific, Tech Services	\$22,714,366	1,465	\$15,505	\$1,193	\$1,638
42 Wholesale	\$17,407,130	1,214	\$14,343	\$1,103	\$1,441
23 Construction	\$41,966,914	2,951	\$14,221	\$1,094	\$1,026
21 Mining, Quarrying, Extracting	\$287,810	24	\$11,992	\$922	\$1,236
51 Information	\$3,893,229	329	\$11,822	\$909	\$2,643
48-49 Transportation, Warehousing	\$14,004,810	1,311	\$10,680	\$822	\$1,077
31-33 Manufacturing	\$11,578,867	1,311	\$8,832	\$679	\$823
81 Other Services	\$11,199,103	1,380	\$8,113	\$624	\$689
11 Ag, Forest, Fish	\$17,808,172	2263	\$7,870	\$605	\$528
62 Health & Social Services	\$41,317,427	5,254	\$7,864	\$605	\$862
44-45 Retail	\$48,495,088	6693	\$7,246	\$557	\$718
61 Education Services	\$2,342,119	333	\$7,040	\$542	\$695
56 Administrative and waste services	\$7,266,463	1,054	\$6,892	\$530	\$875
53 Real Estate	\$2,808,729	434	\$6,472	\$498	\$952
71 Arts, Entertainment, Recreation	\$2,744,325	532	\$5,162	\$397	\$518
72 Lodging and Food Services	\$16,138,979	3,905	\$4,133	\$318	\$377
92 Public Admin	D	D	D	D	D

Table 12: Employment by Industry and Average Wages

In examining historical data, we note that most sectors report an increasing average weekly wage. Outliers for this data include the utility sector which has the highest average wage – nearly double the average of all wages and mining and management which do not have data to report due to suppression from a small number of firms.

		2005 Average weekly wage	2008 Average weekly wage	2011 Average weekly wage	2014 Average weekly wage
	WA State	783	895	966	\$1,058
	Skagit County	604	696	729	\$795
11	Agriculture, forestry, fishing and hunting	466	540	578	\$649
21	Mining	1,258	1,069	*	\$1,204
22	Utilities	1,239	1,483	1,555	\$1,704
23	Construction	788	990	1,079	\$1,161
31-33	Manufacturing	877	983	1,107	\$1,155
42	Wholesale trade	734	860	848	\$1,027
44-45	Retail trade	485	514	525	\$556
48-49	Transportation and warehousing	625	704	742	\$842
51	Information	717	757	742	\$828
52	Finance and insurance	794	900	933	\$1,011
53	Real estate and rental and leasing	398	442	452	\$492
54	Professional and technical services	750	860	917	\$1,083
55	Management of companies and enterprises	972	1,387	*	\$1,761
56	Administrative and waste services	439	519	551	\$600
61	Educational services	406	487	575	\$537
62	Health care and social assistance	561	646	603	\$616
71	Arts, entertainment, and recreation	360	321	338	\$385
72	Accommodation and food services	244	276	307	\$326
81	Other services, except public administration	442	498	502	\$644
	Government	688	796	857	\$905

Table 13: Average Weekly Wages Through Time

After examining this data, The Center finds a large distribution of jobs in the below \$800 weekly range for Skagit County (\$795 per week is the county average) and a second smaller distribution of jobs in the \$950 to \$2100 weekly range. Ideally, the higher wage category should increase over time relative to the lower wage category. Much of the labor force in the lower-wage distribution is generally less skilled and educated than the labor force in the higher-wage distribution.

There seems to be a large group of workers receiving a lower wage relative to the state. The Center also found that there is an insignificant middle group at the county level. As a community focused on prosperity, Mount Vernon should commit to creating high paying jobs.

Historical Employment by Sector

The Center examined employment by sector, by month, within the study years. We find that, as expected, sectors lost employment during the recession but have mostly recovered. In examining January 2005 with December of 2014 a total of 1,069 jobs have been lost in sectors with another 5,261 being gained in others. The largest decrease is in sector 81, Other Services, with a loss of 549 followed by sector 11, Agriculture, with a loss of 240. The largest gains are in sector 62, Health Care, with 1,218 new positions followed by sector 31-33, Manufacturing, with 857 new positions.

Government also reports a net 826 new positions but this sector includes a wide number of subsectors including city, county, federal, schools, public hospitals and tribal businesses including casinos.

Net Change in Employment by sector 2005 - 2014		
81	Other services, except public administration	(549)
11	Agriculture, forestry, fishing and hunting	(240)
51	Information	(158)
53	Real estate and rental and leasing	(82)
44-45	Retail trade	(25)
21	Mining	(15)
55	Management of companies and enterprises	1
22	Utilities	18
71	Arts, entertainment, and recreation	21
61	Educational services	83
72	Accommodation and food services	215
52	Finance and insurance	241
23	Construction	251
54	Professional and technical services	337
56	Administrative and waste services	383
42	Wholesale trade	390
48-49	Transportation and warehousing	420
	Government	826
31-33	Manufacturing	857
62	Health care and social assistance	1,218

Table 14: Net Change in Employment by sector 2005 - 2014

Most Recent Employment in Skagit County, Top Five Sectors

The top five industry employers for Skagit County in Q1 of 2015 are retail, health and social services, lodging and food services, construction, and agriculture/forest/fishery services. In total, these industries comprise almost 69% of Skagit County's labor force. It is worth noting that all of these industries minus construction pay an average weekly wage of \$605 or less. Ultimately, the highest employing industries are also the lowest paying.

In analyzing revenue and employment data, it is critical to understand the substantial influence that tribal economies have on data for Northwest Washington. Tribes, tribal enterprises, and businesses with a reporting address within tribal land are all reported within the government sector. A tribal hotel, for example, is reported as a government entity, as would a casino, making it difficult to analyze the growth of government employees employed within the state.

The top 5 industry employers for Skagit County Q1 of 2015 are retail, health & social services, lodging & food services, construction, and agriculture/forest/fishery services. However, it is important to note that some of the highest employing industries are also the lowest paying.

Work Shed/Home Shed

Understanding where a community’s residents go to work and where employers find their employees is critical to understanding the potential needs within a community. This data point changes through time and the transition often sheds some light on the patterns that may be emerging.

Mount Vernon Home/Work Shed				
	Total Jobs	Resident Jobs	Out Commuting	In Commuting
2002	14,974	4,423	6,965	10,551
2005	14,522	4,108	7,980	10,414
2008	14,815	3,869	9,272	10,946
2011	14,425	3,425	9,328	11,000
2013	14,304	3,412	9,408	10,892
Change 02-13	-4.5%	-22.9%	35.1%	3.2%

Table 15: Mount Vernon Home/Work Shed

Mount Vernon, since 2002, has experienced a decrease in total number of jobs by 4.5 percent while simultaneously experiencing a decrease in jobs held by residents by almost 23 percent. Outbound commuting for employment has increased by about 35 percent while inbound has increased by roughly 3 percent.

Top Mount Vernon Commuting Destinations			
City Destination	2002	2013	Variance
Mount Vernon	39.0%	26.6%	-31.8%
Burlington	9.0%	8.1%	-9.9%
Seattle	5.7%	7.7%	34.9%
Bellingham	4.1%	4.9%	19.1%
Everett	3.6%	4.4%	21.9%
Anacortes	3.2%	3.0%	-5.7%
Sedro-Woolley	1.9%	2.9%	56.0%
Bellevue	1.3%	2.1%	65.1%
Marysville	1.2%	1.7%	40.7%
Arlington	1.9%	1.5%	-20.7%
All Other Locations	29.2%	37.1%	27.1%

Table 16: Top Mount Vernon Commuting Destinations

In evaluating the change in commuting patterns of Mount Vernon residents since 2002, the largest change is a 65 percent increase in the number of residents commuting to Bellevue. Of note is the fact that 12.4 percent more residents worked in Mount Vernon in 2002, as compared to 2013. This is the largest absolute change from the examined years. Much of the job increases can be attributed to residents deciding to work outside of Mount Vernon.

Note: The numbers from the Census On the Map tool are estimates based on different data sources and algorithms. They are extremely useful for discussion purposes, but can have a significant margin of error

There is a common belief that Skagit County has a significant number of aerospace, specifically Boeing, employees who commute to Paine Field. However, the commuting data collected by the Census Bureau does not support this in either the 2013 or 2002 datasets.

Top Mount Vernon Commuting Destinations			
Zip Code Destination	2002	2013	Variance
98273	37.1%	25.6%	-31%
98233	10.9%	9.8%	-10%
98274	7.4%	5.5%	-26%
98221	3.9%	4.3%	10%
98284	2.4%	3.7%	54%
98226	2.0%	2.7%	35%
98225	2.2%	2.6%	18%
98223	2.2%	2.0%	-9%
98204	1.2%	1.7%	42%
98271	0.9%	1.6%	78%
All Other Locations	29.8%	40.6%	36%

Table 17: Top Mount Vernon Commuting Destinations

When examining commuting data, it is imperative that both city boundaries and zip codes be evaluated. Paine Field is located in zip code 98204, which comprises 160 jobs, or 1.7 percent of Mount Vernon’s workers. In 2013, 670 jobs, or 1.3 percent of the Skagit County workforce is attributed to that zip code which also includes a large number of manufacturing businesses.

Note: The numbers from the Census On the Map tool are estimates based on different data sources and algorithms. They are extremely useful for discussion purposes, but can have a significant margin of error due to factors like telecommuting, contract work, and differences in reporting methods across businesses. Also, estimates of commuting to or from specific locations may not sum to the estimate of total commuting in and out of a county.

Population Data

Understanding the demographics of a community is one aspect that can be helpful in determining where to allocate certain resources.

Demographic Data							
		Mount Vernon		Washington State	Mount Vernon		Washington State
		2000			2010		
Ages		Number	% of Total	% of Total	Number	% of Total	% of Total
	18 years and over	18,635	71	74.3	22,790	71.8	76.5
	21 years and over	17,173	65.5	70	21,359	67.3	72.3
	62 years and over	3,671	14	13.3	4,883	15.4	15.6
	65 years and over	3,285	12.5	11.2	4,032	12.7	12.3
Gender							
	Male	12,859	49	49.8	15,563	49	49.8
	Female	13,373	51	50.2	16,180	51	50.2
Race							
	White	19,789	75.4	81.8	23,120	72.8	77.3
	Black or African American	192	0.7	3.2	323	1	3.6
	American Indian and Alaska Native	268	1	1.6	513	1.6	1.5
	Asian	676	2.6	5.5	846	2.7	7.2
	Native Hawaiian and Other Pacific Islander	40	0.2	0.4	68	0.2	0.6
Median Family Income		44,772	(X)	(X)	57,244	(X)	(X)
Households units		9,276	100	100	11,342	100	100
Family units		6,210	66.9	66	7,443	65.6	64.4
Source: U.S. Census Bureau							

Table 18: Mount Vernon Population Data

The prior table presents the data for Mount Vernon and Washington State demographics for the years 2000 and 2013. The first section of demographics reports what percent of each age group inhabits Mount Vernon and Washington State. Mount Vernon falls below the number that Washington State has as a whole for the age groups 18 through 62 and older in 2010. However, Mount Vernon has a higher percentage in the over 65 years or older age group than Washington State as a whole. Mount Vernon also has a slightly higher female population than Washington does, as well as a larger American Indian and Alaskan Native population. Mount Vernon has a smaller white, black, Asian, and Native Hawaiian than Washington State as of 2010.

Housing Statistics

Knowing the given housing statistics of an area can help a community understand homeowner retention, family size and therefore school needs, and whether the housing market is mainly comprised of homeowners or renters.

Mount Vernon Housing Statistics 2013								
	Mount Vernon				Washington			
	Estimate	Margin of Error	Percent	Percent Margin of Error	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING OCCUPANCY								
Total housing units	2899538	+/-529	2899538	(X)	12321	+/-338	12321	(X)
Occupied housing units	2629126	+/-5,804	0.907	+/-0.2	11372	+/-345	0.923	+/-2.1
Vacant housing units	270412	+/-6,046	0.093	+/-0.2	949	+/-261	0.077	+/-2.1
Homeowner vacancy rate	2	+/-0.1	(X)	(X)	4.1	+/-2.3	(X)	(X)
Rental vacancy rate	5.3	+/-0.2	(X)	(X)	6.9	+/-2.9	(X)	(X)
HOUSING TENURE								
Occupied housing units	2629126	+/-5,804	2629126	(X)	11372	+/-345	11372	(X)
Owner-occupied	1661427	+/-8,639	0.632	+/-0.3	6452	+/-422	0.567	+/-3.1
Renter-occupied	967699	+/-6,172	0.368	+/-0.3	4920	+/-361	0.433	+/-3.1
Average household size of owner-occupied unit	2.63	+/-0.01	(X)	(X)	2.58	+/-0.12	(X)	(X)
Average household size of renter-occupied unit	2.39	+/-0.01	(X)	(X)	2.99	+/-0.17	(X)	(X)
Source: Census Bureau								

Table 19: Housing Statistics for Mount Vernon, 2013

Compared to Washington State, Mount Vernon has a larger proportion of housing that is vacant. However, Washington State has a lower owner-occupied housing rate than Mount Vernon. This means that there is a higher proportion of people who own and live in housing units in Mount Vernon when compared to Washington State.

As earlier noted within this report, the increase in multi-family dwellings within Mount Vernon may be in response to the lower than average number found within the state. Among the reasons for this may be the macro-housing change that is occurring nationally where it is believed that both lifestyle and household income supports an increased multi-dwelling demand.

Compared to Washington State, Mount Vernon has a larger proportion of housing that is vacant. Furthermore, Washington State has a lower owner-occupied housing rate than Mount Vernon suggesting that there is a higher proportion of people owning and living in housing units in Mount Vernon.

Building Permits

Tracking building permit issuances shows what sort of buildings are being demanded and how to plan for growth in those areas. The following table displays the distribution of building permits.

Breakdown of Building Permits						
Year	Single Family Dwelling Units ¹	Multi Family Dwelling Units ²	Total Dwelling Units	Average Dwelling Units Per Year	% of S.F.	% of M.F.
1980	97	50	147	210	66.0%	34.0%
1981	71	190	261	210	27.2%	72.8%
1982	56	99	155	210	36.1%	63.9%
1983	100	68	168	210	59.5%	40.5%
1984	104	71	175	210	59.4%	40.6%
1985	69	30	99	210	69.7%	30.3%
1986	64	38	102	210	62.7%	37.3%
1987	55	160	215	210	25.6%	74.4%
1988	78	66	144	210	54.2%	45.8%
1989	204	55	259	210	78.8%	21.2%
1990	327	117	444	210	73.6%	26.4%
1991	238	132	370	210	64.3%	35.7%
1992	258	57	315	210	81.9%	18.1%
1993	165	68	233	210	70.8%	29.2%
1994	223	58	281	210	79.4%	20.6%
1995	82	177	259	210	31.7%	68.3%
1996	76	48	124	210	61.3%	38.7%
1997	87	14	101	210	86.1%	13.9%
1998	108	103	211	210	51.2%	48.8%
1999	110	105	215	210	51.2%	48.8%
2000	105	108	213	210	49.3%	50.7%
2001	108	27	135	210	80.0%	20.0%
2002	283	42	325	210	87.1%	12.9%
2003	223	162	385	210	57.9%	42.1%
2004	124	42	166	210	74.7%	25.3%
2005	190	38	228	210	83.3%	16.7%
2006	266	51	317	210	83.9%	16.1%
2007	340	6	346	210	98.3%	1.7%
2008	179	15	194	210	92.3%	7.7%
2009	88	9	97	210	90.7%	9.3%

2010	73	10	83	210	88.0%	12.0%
2011	90	41	131	210	68.7%	31.3%
2012	174	16	190	210	91.6%	8.4%
2013	154	0	154	210	100.0%	0.0%
2014	118	2	120	210	98.3%	1.7%
					69.6%	30.4%

1 Single-Family includes mobile home units

2 Multi-family includes duplex units

Table 20: Breakdown of Building Permits

A more efficient way to analyze this data is through a visual aid, such as the following figure.

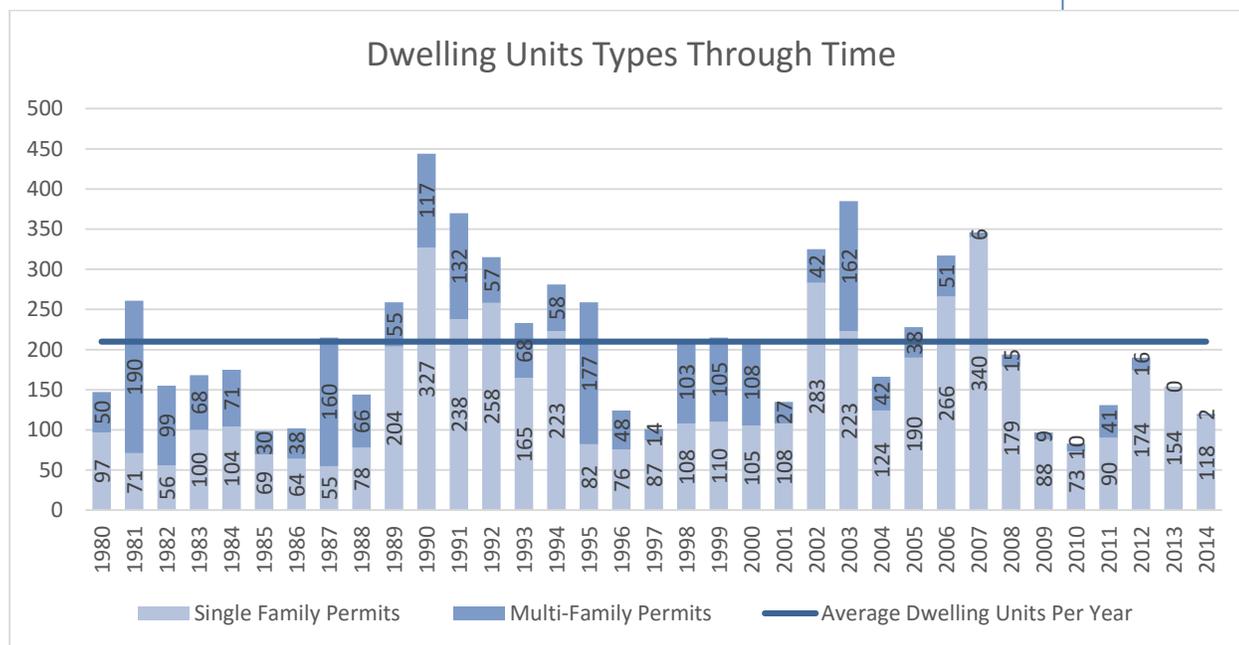


Figure 12: Dwelling Units Types through Time

The Center found that a majority of building permits issued were for single-family residences. The average number of permits issued per year is 210. Roughly 70 percent of these were allocated for single-family residences. This provides a rough sketch of the residential land developed from the period 1980-2014. The data suggests that going forward, single-family residences will continue to be demanded and will continue to be built.

Have a balance between commercial/industrial and residential sectors

In reality there is no perfect balance between commercial, industrial and residential sectors. Every city, county, and state has different geological factors and building restraints that are unique to its own district.

As outlined in the paper *Paying for Growth, Prospering from Development* by Micheal J. Kinsley and L. Hunter Lovins, the author states that “Growth puts people to work, but sustainable development offers jobs without the problems of growth”. Growth puts infrastructure costs on current residents that do not benefit as much from the growth as new comers. This raises taxes and creates outcry from current residents. Growth puts pressure on already existing infrastructure wearing it down faster. The alternative is development.

Investing in current infrastructure and improving its capacity can have much more beneficial effects. Development in commercial, industrial and residential sectors is crucial but different for each community. There is no perfect balance that is key to a successful community.

Possible indicators to consider include:

- 1) Commuting patterns
- 2) Relative salary and cost of living
- 3) Green space
- 4) Level of non-traditional work hour services
 - Food
 - Shopping

Suggested Next Steps

A number of recommendations and observations have been made throughout this document. In support of our stated intentions, we suggest that after a thorough review and discussion of the data and analysis presented, a number of key metrics should be identified and tracked on a consistent basis by the City Council, appropriate city departments, and community advisory groups.

We strongly support targeted surveys, such as those targeting the business community, in order to collect leading trend data that may not appear in the datasets, every 6 to 12 months to assist with an accelerated response to rising issues.

It is important to note that there is no perfect balance between sectors within a successful community. With that being said, investing in current infrastructure and improving its capacity can have a larger positive impact than development in commercial, industrial and residential sectors.