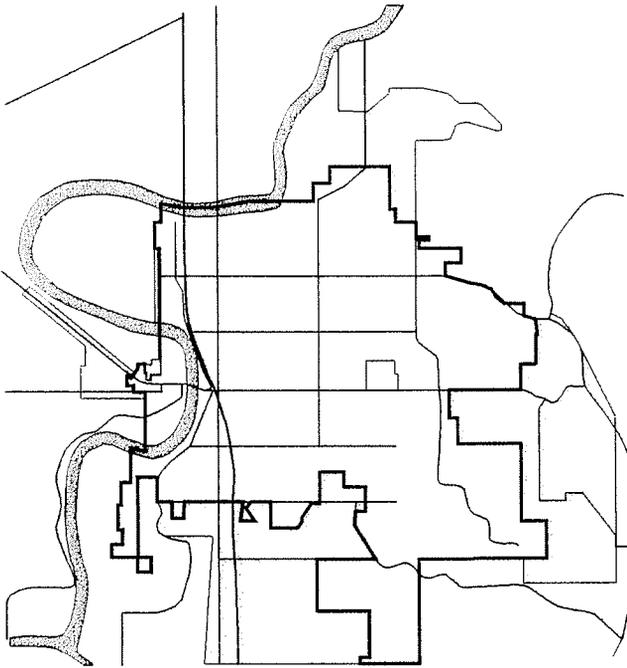

MOUNT VERNON OVERALL ECONOMIC DEVELOPMENT PLAN

Final Report



Prepared in cooperation with:

OEDP Committee
Mount Vernon Chamber of Commerce
City of Mount Vernon



Assistance in preparation by:

E.D. Hovee & Company

Adopted by the Mount Vernon City Council December, 1999

ORDINANCE NO. 2990

AN ORDINANCE OF THE CITY OF MOUNT VERNON, WASHINGTON,
AMENDING THE COMPREHENSIVE PLAN.

WHEREAS, BY Ordinance No. 2782, adopted on December 4, 1996, the City Council adopted the Overall Economic Development Plan, as an element of the Comprehensive Plan, for the City of Mount Vernon, and

WHEREAS, the City has adopted procedures pursuant to the State Growth Management Act (GMA) providing for amendments to the Comprehensive Plan no more than once each year, and providing for comprehensive review of the cumulative impacts of all proposed amendments, and

WHEREAS, current proposals for amendments to the Comprehensive Plan were reviewed by the Planning Commission at a public hearing on November 2, 1999, during which the cumulative impacts of the amendments were considered, and

WHEREAS, the Planning Commission has found and determined that the Comprehensive Plan amendment proposed in this ordinance is appropriate and will further the goals of the City of Mount Vernon, and

WHEREAS, the City Council, at its regularly scheduled public meeting on this 8th day of December, which date is less than sixty (60) days following receipt of the recommendation of the Planning Commission, has considered the amendments proposed in this ordinance, and

WHEREAS, the City Council finds that all procedural requirements for amendment of a Comprehensive Plan established by Chapter 35A.63 RCW and Chapter 36.70A RCW, and as set forth in the State Environmental Policy Act and Chapter 15.06 of the Mount Vernon Municipal Code have been complied with, and that adequate environmental review has been given, and

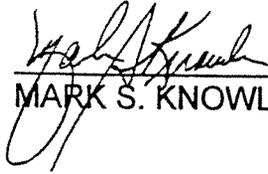
WHEREAS, the City Council finds that the amendments to the Comprehensive Plan set forth in this ordinance is in the best interests of the citizens of the City, and reflects the desires of the public,

NOW, THEREFORE, THE CITY OF COUNCIL OF THE CITY OF MOUNT VERNON, WASHINGTON, DOES ORDAIN AS FOLLOWS:

SECTION 1. The Mount Vernon Comprehensive Plan is hereby amended to incorporate the 1999 updated Overall Economic Development Plan Element (OEDP).

SECTION 2. In accordance with the State Growth Management Act, the revised OEDP attached hereto as Exhibit A shall be incorporated in to the 1999 Mount Vernon Comprehensive Plan update.

PASSED AND ADOPTED this 8th day of December, 1999.


MARK S. KNOWLES, Finance Director

SIGNED AND APPROVED this 9th day of December, 1999.


SKYE K. RICHENDRER, Mayor

Approved as to form:


SCOTT G. THOMAS, City Attorney

Published: December 13, 1999
Skagit Valley Herald



Table of Contents

EXECUTIVE SUMMARY	i
I. ORGANIZATION & MANAGEMENT	1
II. PAST DEVELOPMENT EFFORTS	8
III. MOUNT VERNON & ITS ECONOMY	11
IV. ENVIRONMENTAL CONSIDERATIONS	45
V. ECONOMIC DEVELOPMENT STRATEGY	58
APPENDIX A. CHAMBER OF COMMERCE SURVEY	79
APPENDIX B. RETAIL TRADE & SERVICE SECTOR REVIEW	82
APPENDIX C. THE RETAIL POWER CENTER CONCEPT	89
APPENDIX D. FLOOD ISSUES IN MOUNT VERNON	92
APPENDIX E. LEVEL OF SERVICE	102
APPENDIX F. HIGH SPEED RAIL	103
APPENDIX G. FIBER-OPTICS & HIGH-TECH	105
APPENDIX H. PERFORMING ARTS ASSESSMENT	109
APPENDIX I. SENSITIVE AREAS INVENTORY & RIPARIAN ENHANCEMENT	110
APPENDIX J. HOSPITAL	111
APPENDIX K. MOUNT VERNON TRAFFIC ANALYSIS ZONES	112
APPENDIX L. LIST OF REFERENCES	115

Table of Figures

Figure 1. 1999 Mount Vernon OEDP Committee	3
Figure 2. Economic Development Strategy Framework	5
Figure 3. Mount Vernon Growth Management Implementation	9
Figure 4. Mount Vernon Urban Growth Area (UGA)	12
Figure 5. Skagit County & Statewide Agricultural Trends	14
Figure 6. Major Mount Vernon Area Agricultural Employers (1998)	15
Figure 7. City of Mount Vernon Population Trends (1970-2015)	17
Figure 8. Distribution of Skagit County Population Growth (1990-1998)	18
Figure 9. Percentage Age Distribution by City (1998)	18
Figure 10. Skagit County Aging Trends	19
Figure 11. Skagit County Average Annual Change in Age	20
Figure 12. City of Mount Vernon Education Levels (1990)	21
Figure 13. Average Selling Price of Single Family Homes (1998)	22
Figure 14. Comparative Housing Costs (Fourth Quarter 1998)	23
Figure 15. Housing Affordability Index (Fourth Quarter 1998)	24
Figure 16. Employment by Occupation (1990)	25
Figure 17. Employment by Industry (1990)	26
Figure 18. Skagit County Employment Trends (1994-1997)	27
Figure 19. Mount Vernon Employment Trends (1994 – 1997)	28
Figure 20. Covered Employment and Wages by Industry for Mount Vernon (1997)	28
Figure 21. Major Industrial Skagit County Employers (1998)	29
Figure 22. Major Non-Industrial, Non-Agricultural Skagit County Employers (1998)	30
Figure 23. Existing & Projected Employment by Category (1995-2015)	31
Figure 24. Detailed Household Income Data (1989)	32
Figure 25. Distribution of Household Income (1989)	32
Figure 26. Comparative Sources of Household Income (1989)	33
Figure 27. Comparative Sources of Personal Income (1991 & 1996)	33
Figure 28. Countywide Planning Policies Industrial and Commercial Land Allocation	34
Figure 29. Mount Vernon Commercial & Industrial Supply & Demand (in acres)	35
Figure 30. Major Skagit County Industrial Investments (since 1996)	36
Figure 31. Mount Vernon and Skagit County Taxable Retail Sales Analysis (1994-1998)	37
Figure 32. Retail Sales Tax Trends (1994-1998)	38
Figure 33. Mount Vernon & Skagit County Lodging Receipts (1992-1997)	38
Figure 34. City of Mount Vernon Governmental Operating Funds (General Tax Revenues – 000's)	39
Figure 35. City of Mount Vernon General Revenue Funds – Property Taxes 1999	40

Figure 36. City of Mount Vernon Sources of Property Tax by Percentage (1999)	41
Figure 37. Strengths, Weaknesses, Opportunities & Threats (SWOT)	43
Figure 38. Skagit County Highest Traffic Volume (Average Annual Daily Trips)	50
Figure 39. Skagit County Transportation Network	51
Figure 40. Transportation Corridors Forecast to Exceed LOS Standards by 2013	52
Figure 41. Mount Vernon Planned Transportation Improvements	53
Figure 42. Mount Vernon Wetland Areas	54
Figure 43. Mount Vernon 100-Year Floodplain	55
Figure 44. 1999 Mount Vernon OEDP Sub-Committees	78
Figure 45. Mount Vernon & Skagit County Retail Sales Trends (1990-1994)	83
Figure 46. Retail Sales by Industry & Community	83
Figure 47. Retail Sales Growth Comparisons by Jurisdiction	84
Figure 48. Retail Sales as a Percent of Effective Buying Income by Jurisdiction	86
Figure 49. Mount Vernon Future Retail Sales Potential & Land Demand	87
Figure 50. Mount Vernon Service Sector Leakage	88
Figure 51. Retail Formats Used by Shoppers (1995)	91
Figure 52. Skagit River Recorded Discharges (1815-1995)	93
Figure 53. Highest Recorded Peak Discharges (Regulated)	94
Figure 54. Discharge Frequency Data	94
Figure 55. Average Annual Damage Estimates, West Mount Vernon (1992)	95
Figure 56. Average Annual Damage Estimates, North Mount Vernon (1992)	95
Figure 57. Average Annual Damage Estimates, Downtown Mount Vernon (1992)	96
Figure 58. Average Annual Damage Estimates, South Mount Vernon (1992)	97
Figure 59. Expected Flood Damages by Flood Event	97
Figure 60. Level of Service Designations for Signalized Intersections	102
Figure 61. Mount Vernon TAZ Map	112
Figure 62. Mount Vernon Employment by TAZ	113



EXECUTIVE SUMMARY

The City of Mount Vernon's *Overall Economic Development Plan* (OEDP) is intended to serve as a comprehensive statement of plans for citywide economic growth and development. This OEDP has been prepared as a cooperative venture involving the City of Mount Vernon and the Mount Vernon Chamber of Commerce. A 39-member OEDP Committee representing a broad cross-section of business, governmental and community interests has guided the OEDP preparation process.

This document represents an update to the prior 1996 OEDP. What follows is a summary of principal findings and recommendations for economic development in Mount Vernon.

ORGANIZATION & MANAGEMENT

As required by the U.S. Department of Commerce Economic Development Administration (EDA), the City of Mount Vernon's OEDP is intended to support and augment applicable countywide OEDP documents — the Updated 1994 Skagit County OEDP.

The City of Mount Vernon and the Mount Vernon Chamber of Commerce have partnered for this OEDP planning process. A Mount Vernon-specific OEDP process was initiated to supplement recent countywide planning efforts which include the Skagit County Comprehensive Plan, June 1997 (as required by the Growth Management Act of 1990), and the Skagit County OEDP, and to augment the 1998 *City of Mount Vernon Comprehensive Plan*.

PAST DEVELOPMENT EFFORTS

The history of organized economic development efforts affecting Mount Vernon covers both countywide and city initiatives. Past development efforts at the county level have directly affected Mount Vernon, while the city has been a major impetus for more recent development efforts.

The City of Mount Vernon has a history of organized economic development efforts beginning with the city's first Comprehensive Plan, prepared in 1960. This report is an update to the Overall Economic Development Plan first prepared for the City of Mount Vernon in 1996 and represents the only identified city-specific OEDP in Skagit County. In April 1998, the city added and filled a new full-time position of Economic Development Director. On a countywide basis, the Economic Development Association of Skagit County (EDASC) is actively involved in economic development, especially for industrial recruitment and retention.

The Mount Vernon Chamber of Commerce is organized as a non-profit agency to promote a favorable business environment and quality of life in Mount Vernon. Since its inception in 1917, the chamber has taken a leadership role in organized economic development efforts on behalf of Mount Vernon area businesses and the entire community.

These efforts, combined with innumerable private sector contributions, resulted in being named the Best Small City in the United States by the magazine *American Demographics* in "The New Rating Guide to Life in America's Small Cities."

MOUNT VERNON & ITS ECONOMY

A detailed review of Mount Vernon and the local economy is organized to provide first, pertinent background information and, second, an economic development assessment based on discussion with the OEDP Committee.

Background Information

Location, Topography & Climate: The city is bordered to the north by the Skagit River and City of Burlington, and to the east, west, and south by unincorporated areas of Skagit County. In 1995, the City of Mount Vernon encompassed approximately 7,068 acres and 3,505 UGA acres, and ranked first in population and second in geographic size among Skagit County incorporated areas.

Economic History: In 1884, Mount Vernon was voted the county seat; the city formally incorporated in 1890. The arrival of the Great Northern Railway in 1891 and building of the county courthouse in 1892 consolidated a position of central importance for Mount Vernon within Skagit County.

As the initial logging activities around Mount Vernon moved eastward toward the Cascade foothills, agriculture became the economic mainstay of the city. The city's economy gradually diversified with the construction of the Skagit Valley Hospital and the construction of Interstate 5 in the 1950s. In the 1970s, after significant land annexation north and east of the city (over two square miles), a new commercial and residential area was formed (which included two shopping malls).

Natural Resources: Agricultural resources have been and remain an important part of Mount Vernon's economy. Mount Vernon is surrounded by extensive agricultural acreage and serves as a countywide center for agricultural support services and processing. Full-time employment of ten identified agricultural firms in the Mount Vernon area is 825 employees, while additional seasonal and part-time employment (especially during the spring and summer months) is over 3,200 employees.

Population & Demographic Characteristics: As of 1998, the City of Mount Vernon had a population of approximately 22,540 residents. From 1998 to 2015, population in the city is forecast to increase by 85%, to over 41,700 residents. By comparison, Skagit County is forecast to have a population of 137,700 by the year 2015, representing an increase of 40% over 1998 conditions. Compared to Skagit County and the state of Washington, the City of Mount Vernon has relatively high proportions of youth (0-19 years of age).

Affordability is a primary factor for residents selecting a community to live and work. Since 1995, Skagit County housing has become more affordable relative to other counties in the Puget Sound region, and continues to offer pricing that is below the average cost of housing in the region and statewide.

However, when combining residents' income with the average cost of housing in the county, Skagit was the *least affordable* of all counties in the region except Island County. The City has

continued to work toward the development of innovative programs to encourage affordable housing.

Labor Force & Employment: For Mount Vernon (both zip codes 98273 and 98274), the largest employment sectors are services (with over 3,650 jobs) and government (with over 3,300 jobs), followed by retail trade, and agriculture/forestry. The highest-paid sectors reported are construction (\$34,000 per year) and wholesale trade (\$32,700) followed by manufacturing, transportation, communications, and public utilities (TCPU); and finance, insurance and real estate (FIRE).

At just over \$22,800, the 1997 average annual wage in the Mount Vernon area is 2.2% less than the countywide average wage of over \$23,300. This is a decrease from the 2.4% gap reported in 1994. Relatively low wages in the large service and retail trade sectors in Mount Vernon are offset in part by higher wage levels in the construction and TCPU sectors.

The largest employers in Mount Vernon are represented by health services firms, local and county government, retail establishments, and services providers — reflecting the city's central role in government, health services, and commercial activity for a countywide or regional area.

Income Trends: As of the 1990 census, median household income in Mount Vernon was \$27,022, approximately 95% of the median income for Skagit County at \$28,389 per household. For the entire state of Washington, the median income level was \$31,183. Mount Vernon households also received low proportions of self-employment and retirement income compared to the state, but had higher proportions of households receiving social security and public assistance income.

A more recent comparison of personal income shows that Skagit County residents continue to fall behind the state in average per capita income collected. Also, of the incomes collected, the county reports that income is composed of a higher percentage of dividends, interest and rent, and transfer payments as compared with the rest of the state.

Industrial & Commercial Lands: Based on information provided by local jurisdictions and adopted by Skagit County currently has a *supply* estimated at 2,256 acres of potentially developable commercial and industrial sites within existing urban growth areas. A more recent review of these available lands and the needs of each UGA have resulted in a recommendation by Skagit County to amend this allocation. If approved, this amendment would increase Mount Vernon's UGA by 98 acres.

Total commercial and industrial land supply in the city is 1,260 acres of which 489 acres are already developed, leaving 771 acres undeveloped. After deducting for a 20% market factor, the city currently has a *supply* of 368 commercial acres and 249 industrial acres (617 acres total) anticipated for future development over the 1995-2015 time period.

Combined commercial/industrial land *demand* forecast for Mount Vernon of 586 acres through the year 2015 equates to approximately 95% of the combined commercial and industrial land supply of 617 acres identified for Mount Vernon's urban growth area (UGA). It is anticipated that the evaluation of industrial and commercial land demand versus supply will be updated in conjunction with review of the Mount Vernon Comprehensive Plan after the 2000 census.

Retail Trade & Services Sector: For the four-year period from 1994 through 1997, taxable retail sales in Mount Vernon have increased only 9% (to approximately \$398 million). At the same time, taxable retail sales in Skagit County increased by 20% (to approximately \$1,425 million).

Focusing on just the lodging sector from 1994-1998, the city had an estimated \$398,000 in lodging receipts, which is approximately 28% of the total for Skagit County. From 1994-1998, Mount Vernon increased lodging receipts 2.1% annually, but has remained below rates of growth for both Skagit County (4.6%) and the State of Washington (5.3%).

Financial Resources: For the five year period from 1994-1998, government operating funds for the City of Mount Vernon increased 5.3% per year to \$13.5 million. In 1998, retail sales and use tax accounted for 28% of general fund revenues remaining fairly consistent since 1994.

As of December 31, 1998, the City of Mount Vernon had total debts of approximately \$8,156,000, of which approximately \$2,233,000 was composed of general obligation debt subject to statutory limitations. The remaining total (voted and non-voted) debt capacity available to the city was \$80,275,000 under statutory limitations. Of the total (voted and non-voted) debt capacity, nearly \$15,453,000 of debt capacity was available on a *non-voted* basis.

Economic Development Assessment

The assessment of Mount Vernon's economic development potentials has involved an evaluation of strengths, weaknesses, opportunities, and threats (SWOT) and preparation of citywide employment forecasts. Definitions of each category are described as follows:

Strengths: Are those community attributes or assets that make Mount Vernon a good place to do business or invest, as well as to live, work and recreate.

Weaknesses: Reflect local conditions that realistically may limit the extent or speed with which countywide objectives for economic development can be realized.

Opportunities: Represent *good bets* for business or community investment based on broader regional or global market conditions and trends.

Threats: Are conditions or concerns from external as well as local sources that could undermine local economic stability.

Each category has been evaluated and summarized under the following general topics:

- Business Opportunity
- Destination Mount Vernon
- Residential Diversity
- Employment and Human Services
- Conservation and Economic Development

Mount Vernon Employment Forecasts: Using a population-driven methodology, Mount Vernon's employment base could be expected to increase by over 8,500 jobs between 1995-

2015, to a job total in the year 2015 of nearly 20,300 — an increase of approximately 72%. Mount Vernon's population is forecast to increase more rapidly by 93% over this same time period.

The highest rate of employment growth could be expected in health care (89%) and retail (85%) categories followed by office/services and transportation, communication, and public utilities. Employment in manufacturing, construction and agriculture is forecast to increase somewhat less, by 61%. Government sector employment is expected to increase by just 48% during the same 20-year period.

ENVIRONMENTAL CONSIDERATIONS

Balancing environmental and economic objectives has become increasingly important both in the Washington and in Mount Vernon, as reflected in this OEDP.

Description of Area

Mount Vernon's elevation ranges from approximately 934 feet at Little Mountain in the southeastern portion of the city to 10 feet in the southwestern portion of the city along the Skagit River. The city can be characterized as consisting of two distinct areas based on topography: the fertile low-lying delta of the Skagit River and the foothills of the Cascade Mountains.

Political Geography

The 1998 population of Mount Vernon (22,540 residents) comprises approximately 23% of the countywide population of 98,700. As with each city and town within Skagit County, Mount Vernon has a mayor-council form of government. A variety of other governmental jurisdictional responsibilities are noted. The city lies within the Port of Skagit County district, water is supplied primarily by Skagit County Public Utility District 1, and the city provides sewer service to residents. In addition, the city is served by other special districts such as fire and diking districts.

Land Usage

Zoning: The Mount Vernon Municipal Code identifies permissible land uses and restrictions within the incorporated area. In addition to zoning controls, the 1998 *City of Mount Vernon Comprehensive Plan* provides additional tools for controlling the type of development within the incorporated area and Urban Growth Area (UGA). Other land use regulations include the State Environmental Policy Act (SEPA), City Critical Area Ordinance and Shoreline Management Master Program.

Superfund Sites: The Pacific Northwest Region 10 of the U.S. Environmental Protection Agency (EPA) identifies no designated superfund sites in Mount Vernon as of February 16, 1999.

Agricultural Lands: Skagit County has made a clear policy commitment to preserving agricultural land. Programs that are already in place include agricultural zoning, agricultural reserve zoning, open space taxation, and a right-to-farm ordinance. The city has also developed a transfer of development rights program to ensure the retention of identified farmland for farming.

The City of Mount Vernon has specifically identified the retention of the agricultural land surrounding the city within the urban growth area (UGA) as an element of the Open Space Plan within the city's Comprehensive Plan.

Conservation Areas: Approximately 34% of Skagit County's total land base is zoned as Secondary Forestry and Industrial Forest. Another 33% of the county's land base is in federal ownership, including U.S. Forest Service managed land and National Park and Wilderness Areas.

Within the City of Mount Vernon, seventeen parks (approximately 658 acres) and various playgrounds and playfields (74 acres) are conserved for recreational use. As noted in the Comprehensive Plan, the open space plan is intended to network through pedestrian access and trails, critical areas (streams and wetland) and habitats through the parks and open space system within the city.

Sites of Historic Significance: Mount Vernon has one site listed on the National Register of Historic Places — the Lincoln Theater at First & Kincaid Streets.

Public Services

Sewage Collection and Treatment Facilities: The City of Mount Vernon provides sewer service within the city's urban service area. The city plans to serve the unincorporated UGA as well, concentrating on South and West Mount Vernon. The city has been approved by the Washington State Department of Ecology (DOE) to increase the capacity rating on the current system to 5.6 million gallons per day (mgd). This allows the city to be operating at 61% of design capacity with the current system. This added capacity better accommodates planned growth consistent with the Comprehensive Plan.

Currently, overflows from combined sewer/stormwater areas are diverted and pumped directly into the Skagit River. All legal requirements to reduce combined sewer overflows will be met by the city, which is taking steps to further reduce the volume and frequency of overflow discharge into the river.

Water Resources: Water is supplied in Mount Vernon by the Skagit County Public Utility District No. 1. The district is currently analyzing several water supply options to meet current and expected demands for water, with recommendations expected in the year 2000.

Solid Waste Handling and Disposal: Solid waste collection in the City of Mount Vernon is provided by the Mount Vernon Sanitation Department. Currently, the county's waste is long-hauled to a disposal site in Klickitat County in south central Washington. The City of Mount Vernon also operates a residential curbside recycling program and a yard waste program.

Transportation Facilities — Road System Adequacy: The road system of Skagit County is comprised of freeways, highways, principal and minor arterials, major and minor collectors and local access roads. The county transportation system also contains 99 bridges.

Of particular importance are improvements to the Interstate 5 freeway providing north-south access and SR-536 Memorial Highway with east-west access. Without further improvements, both are currently forecast to be operating at failure levels of service (LOS F) by 2013.

Within the City of Mount Vernon, improvements are planned to extend or improve roadway capacity and service. The city's Comprehensive Plan identifies 39 transportation improvements for a total cost of \$81,653,400 (excluding WSDOT projects).

Wetlands & Critical Areas

A significant portion of Mount Vernon is affected by wetlands designations. Based on a wetlands inventory conducted for the city's Comprehensive Plan, a total of 134 wetlands were identified comprising approximately 1,046 acres of wetlands or 16.1% of city acreage. An inventory of Mount Vernon wetlands is being completed in 1999. Mount Vernon has developed a wetlands mitigation program to address public and private impacts and has approved one site.

Major floods have been recorded in Skagit County as early as 1815 and as recently as 1995. From 1975-1995, the Skagit River basin has experienced three 10-year and two 25-year floods. The U.S. Army Corps of Engineers estimates average annual flood damage in Mount Vernon at \$6.4 million (in 1994 dollars). A 25-year flood event is estimated to cost Mount Vernon \$75 million, while a 100-year flood would cost \$146 million in damages. Complete review of these issues will require further evaluation of cost benefit analysis. Suggestion was made to review potential of making permanent corrections that are self-sustaining.

Endangered Species of Plants or Animals

The City of Mount Vernon's Comprehensive Plan identifies three habitat types present in the city that meet requirements for priority wildlife habitat designation. In addition, the Comprehensive Plan notes one federally-listed threatened species (bald eagle) and three Washington Department of Fish and Wildlife (WDFW) priority species (pileated woodpecker, red-tailed hawk, trumpeter swan) that are known to occur within the city's urban growth boundaries.

In March 1999, Puget Sound Chinook salmon was added to the Endangered Species list. This single listing has caused and will cause a significant impact on both rural and urban activities. Biological assessments to determine potential impacts on these identified salmon and their habitat will be an added element in current and future capital improvement projects.

Pertinent Countywide & Citywide Policies

As part of their planning programs, Skagit County and local jurisdictions have taken steps to address environmental issues on a comprehensive basis. Skagit Countywide Regional Comprehensive Plan Policies, adopted as of October 23, 1996, specifically address wetlands, forestry, fisheries and other environmental standards.

The City of Mount Vernon's Comprehensive Plan is consistent with policies identified in the 1997 Skagit County Comprehensive Plan. The city's updated 1999 Comprehensive Plan identifies several policies to retain and enhance critical areas and existing natural features in the area.

ECONOMIC DEVELOPMENT STRATEGY

The economic development strategy draws from the background review of Mount Vernon and its economy and environmental considerations. The strategy begins with a consensus view of a *vision* for Mount Vernon's economic future (consistent with that of the 1996 OEDP):

We envision a Mount Vernon that is both sustainable and prosperous — whether measured in jobs, quality of life, entrepreneurial opportunities, business profitability, incomes, or quality of public services. We are growing and changing, but in ways that respect and enhance qualities we value including our river, farm lands, scenic beauty, open spaces, quality education, sense of security, and neighborliness.

Mount Vernon is a vibrant, state-of-the-art regional center for professional and health services, education, recreation and cultural amenities, and yet retains the small town, friendly, environmentally-clean character of an urban village. As business and property owners and citizens, we are investing for sustained prosperity and continued quality of life — a legacy of opportunity for future generations.

Assumptions for Action

Assumptions applied to this OEDP are fivefold:

1. Growth management (GMA) significantly restructures the environment for future development; specifically required is the need to plan and document where and how future growth will occur.
2. Balancing economic and environmental values represents a major challenge and opportunity for Mount Vernon and Skagit County.
3. Similarly, population and employment growth pose major infrastructure requirements which are an important focus for project implementation.
4. Business development adequate to provide family-wage jobs for local residents historically and currently represents a continuing priority.
5. Building and maintaining working partnerships between public, private and community interests is a cornerstone of both the Mount Vernon and Skagit County economic development plans.

Criteria for Resource Utilization & Project Selection

Criteria adapted from the Skagit County OEDP that are specific to Mount Vernon are:

- Creation and/or retention of jobs.
- Identification of a sponsoring entity.
- Identification of the project location or population to be benefited.
- Assistance to economically distressed populations or portions of the community.
- Indication of project priority (urgent, immediate, mid-term, long-term).

Mount Vernon Goals, Objectives & Projects

The OEDP Committee has recommended goals and objectives for Mount Vernon. Associated with each goal topic (or building block for economic development) are more specific implementation projects. It is noted that the building blocks have been consolidated from nine goal topics (with the initial 1996 OEDP) to five (with this update).

Business Opportunity

Goal: Establish a reputation for Mount Vernon as a good place for business investment and sustained profitability.

Objectives:

- As a first priority, maintain user-friendly government with a coordinated rapid-response permitting Development Services Division for projects consistent with public plans, policies and mandatory regulations.
- Emphasize retention of existing businesses seeking to expand, relocate or improve Mount Vernon operations through cooperative public-private efforts with early warning of local business needs and opportunities.
- Selectively recruit target businesses as identified by the OEDP committee that have potential for growth in the local, regional and global marketplace.
- Encourage entrepreneurship involving both local business start-ups including home based businesses and relocation of successful non-local independent business owners.
- Provide adequate industrial and commercial sites to accommodate planned population growth and opportunity for local residents to be employed in Mount Vernon.
- Implement programs for ongoing dialogue and to provide information regarding the role of business in the Mount Vernon community.
- Encourage Mount Vernon business and community organizations in an advisory role with city government to serve as a voice for the needs and interests of local business.
- Provide quality transportation, communications and utility infrastructure to facilitate desired business investment and development.
- Market the business advantages of Mount Vernon's central location – both for Skagit County and the greater Seattle-Vancouver, BC, Interstate 5 corridor.

Implementation: Prioritized by the OEDP Committee are projects aimed to balance retention and expansion of existing business with attraction of new firms niched to address unmet needs or opportunities:

- Small Business/Cottage & Home Based Industry/Entrepreneurship.
- Competitiveness Review & Business Contact Program.
- Business Advocacy.
- Development Services Center.
- Inter-City Cooperation & Alliances.
- Target Business Retention & Activity Marketing.
- Business Education & Awareness Program.

- Surface/Wastewater Management.
- Mount Vernon Transportation Improvements.
- Technology Infrastructure & Access.
- Industrial & Commercial Land Review.

Destination Mount Vernon

Goal: Create distinctive business districts offering a diversity of goods and services attractive to local residents and visitors.

Objectives:

- Encourage a diversity of retail and service sector business activities in Mount Vernon with sites adequate to recapture sales leakage, serve anticipated population growth, and capture visitor opportunities.
- Foster a consumer ethic to shop locally linked to a business commitment to excellent customer service.
- Educate customers to values of shopping locally and businesses to importance of excellent customer service and provide value that is competitive.
- Position Mount Vernon to capture year-round visitor-related business, particularly focused on downtown, river and farm-related amenities and attractions.
- Reinforce *Downtown* as a pedestrian-friendly yet parking-adequate center for government services, specialty retail/dining, and upper level professional office with urban scale river-oriented development and activity.
- Focus increased planning effort on improvement of *West Mount Vernon* by emphasizing linkages to downtown, river access, tourism, in-city recreational potential and future potentials for larger-scale commercial development at the edge of the district.
- Encourage continued private investment and improvement of a more appealing, accessible and expanded *College Way/Riverside/Freeway Drive* commercial corridor.
- Proceed to aggressively market and implement opportunities for retail, industrial, and business/office park development in the *South Mount Vernon* area consistent with development and environmental requirements.
- Facilitate development of small-scale *neighborhood-oriented* commercial uses easily accessed by pedestrians and vehicles from nearby residential neighborhoods.
- Develop and implement a marketing and promotion program including events and festivals for local residents and visitors – with primary reliance on private sector individual business, cooperative promotion and other supportive implementation activities.

Implementation: Proposed are actions aimed to make a demonstrable difference in Mount Vernon's reputation as a place to do business, particularly in the near-term:

- Coordinated Visitor & Local Shopper Marketing.
- Downtown Organization, Public Parking & River Development.
- West Mount Vernon River Park/Commercial Expansion & Habitat Enhancement.

- College Way/Riverside/Freeway Drive Commercial Enhancement Plan.
- South Mount Vernon Infrastructure & Development.
- Tourism Attractor Development.

Residential Diversity

Goal: Encourage quality residential development to meet population growth expectations while maintaining affordability to the full range of housing market segments.

Objectives:

- Encourage higher density, pedestrian-oriented (e.g. neo-traditional) single and multifamily developments in the downtown-as well as in other appropriate residential neighborhoods — with amenities and services adequate to meet planned GMA growth allocations consistent with the City of Mount Vernon Comprehensive Plan.
- Review tax, impact fee and permitting processes to assess short and long-term effects on affordability.
- Market Mount Vernon as a good community to live for families and retirees.
- Facilitate development of high-quality residential developments offering high-tech amenities (including Internet access), and home-based work and entrepreneurial opportunities that are compatible with surrounding residential activity.
- Disperse multifamily developments and innovative higher-density housing products (including accessory dwelling units) throughout the community, integrated into a variety of residential environments, with a minimum density of four units per acre within the UGA.
- As part of the next Comprehensive Plan update, revise Mount Vernon’s population growth allocation to reflect recent changes in actual population growth, availability of required infrastructure and supporting local employment potential.

Implementation: The near to mid-term focus of recommended actions is on housing product types and feasibility, adapting to changes in housing affordability and growth management:

- Explore Higher Density, Pedestrian-Oriented & Infill Housing Prototypes and Tax Exemption Programs.

Employment and Human Resources

Goal: Increase opportunities for family-wage jobs and a full array of human services meeting the changing needs of Mount Vernon and Skagit County residents.

Objectives:

- As a first priority, proactively market Mount Vernon to businesses paying wages above the average for all Skagit County firms or comparable firms in their industry that can contribute to area quality of life values.
- Seek opportunities that invest in higher education and technical training for resident youth to find attractive job opportunities in Mount Vernon.
- Strengthen and stabilize Mount Vernon’s role as the county center for education, health care, library, cultural, and governmental services.

- Make Mount Vernon a center for educational excellence with increased emphasis on K-12 education achievement, economic training in schools, and workforce-oriented programs at both the K-12 and community/four-year college levels.
- Address impacts and provide for planned expansion of reconfiguration of the Hill/Hospital area with comprehensive health service facilities in partnership and cooperation with adjoining residential neighborhoods.
- Consider privatization of public services when clear efficiency gains can be realized without diminution of services.

Implementation: Actions are intended to facilitate employment opportunities both short and long-term:

- Coordinated Human Service Planning, Education & Implementation.

Conservation & Economic Development

Goal: Protect and enhance natural resources making Mount Vernon a distinctive place to live and visit.

Objectives:

- Plan for flood protection improvements and secure funding to limit potential for future damage to existing developed properties.
- Provide development friendly drainage improvements in areas to be developed, with drainage fee structures, wetland mitigation banking and protection of critical areas as appropriate.
- Promote the continued viability of Skagit Valley agriculture by encouraging local processing capability, growing of specialty crops, use of waste products, direct farm-to-market retail outlets, and maintenance of a vital agricultural extension service program.
- Develop a river-related and extended trail system (including dike improvements) for resident and visitor pedestrians and bicyclists consistent with parks and transportation planning.
- Beautify major travel corridors into and through Mount Vernon, beginning with the I-5 corridor, as identified in the adopted Comprehensive Plan (including potential relocation of the city shops property).

Implementation: Projects proposed are diverse, with many requiring significant capital funding and long-term implementation:

- Flood control & protection.
- I-5 corridor appeal/beautification.
- Habitat Restoration, Recreation & Education.

Mount Vernon OEDP Implementation Plan Priorities

The OEDP Committee for this 1999 update has identified a total of 22 implementation plan projects. In reviewing the entire list, the committee focused on projects that were consistent with

OEDP goals and objectives and that could *make a difference* for economic development in Mount Vernon.

Two categories of priority activities have been identified: (a) projects for infrastructure funding, and (b) policy actions. 1999 OEDP Committee priorities are listed as follows:

Priority Projects for Infrastructure Funding (listed in alphabetical order):

- College Way/Riverside/Freeway Drive Commercial Enhancement Plan
- Downtown Organization, Public Parking & River Development
- Flood Control & Protection
- Mount Vernon Transportation Improvements
- South Mount Vernon Infrastructure & Development
- Surface/Wastewater Management
- Technology Infrastructure & Access

Policy Actions (listed in alphabetical order):

- Competitiveness Review & Business Contact Program
- Industrial & Commercial Land Review
- Target Business Retention & Marketing

The OEDP Committee has agreed to establish three committees for purposes of coordinating and monitoring plan implementation: (a) an infrastructure committee, (b) a policy committee; and (c) a marketing committee. Committee involvement will cover both the priority and other projects that are part of this 1999 update.

OEDP REVIEW AND ADDITIONAL INFORMATION

The OEDP Committee intends to continue committee activities and membership in the form of sub-committees to do quarterly reviews used to update and refine the existing OEDP document and track the progress of project implementation.

In addition, this report includes several appendices available in a supplementary document prepared initially with the 1996 OEDP. For supplementary documents or more information on the City of Mount Vernon OEDP, contact the Mount Vernon Chamber of Commerce or the City of Mount Vernon Planning Department.



I. ORGANIZATION & MANAGEMENT

The City of Mount Vernon's *Overall Economic Development Plan* (OEDP) is intended to serve as a comprehensive statement of plans for citywide economic growth and development. This OEDP has been prepared as a cooperative venture involving the City of Mount Vernon and the Mount Vernon Chamber of Commerce. A 39-member OEDP committee representing a broad cross-section of business, governmental and community interests has guided the OEDP preparation process.

This discussion of OEDP organization and management covers both federal and local objectives, the OEDP Committee, work program and adoption process, a description of the public/private economic development role, and working relationships between pertinent Mount Vernon area organizations.

FEDERAL OEDP OBJECTIVES

The term "Overall Economic Development Plan (or Program)", commonly known as an "OEDP", and the process for creating an OEDP are defined by the U.S. Department of Commerce Economic Development Administration (EDA). Guidelines for preparing an OEDP are outlined by EDA. Considerable local discretion and flexibility is provided in the planning process subject to certain requirements as spelled out by EDA:

The Overall Economic Development Program (OEDP) is a local planning and implementation process designed to create jobs, foster more stable and diversified economies, improve living conditions, and provide a mechanism for guiding and coordinating the efforts of persons and organizations concerned with economic development. The OEDP document describes the problems, needs, and resources of an area; identifies the goals and objectives of the development program; presents the strategies and action plans devised to achieve those goals; and outlines the standards for evaluation of the program's achievements.

— Excerpted from the Introductions to *Overall Economic Development Program Guidelines for Economic Development Districts*, U.S. Department of Commerce, May 1992.

States, counties, or groups of counties (districts) in the ten U.S. regions, which prepare an OEDP, can become eligible to compete for federal money. Sub-county jurisdictions, which prepare an OEDP consistent with the applicable county or regional OEDP, are also eligible. Congress provides funds through EDA to support economic development projects including public works and business development activities, which are deemed to create jobs and industrial/economic diversification. Without an OEDP, this funding source is not available.

As required by EDA, the City of Mount Vernon's OEDP is intended to support and augment applicable countywide OEDP documents — the 1999 Skagit County OEDP.

MOUNT VERNON OEDP OBJECTIVES

The City of Mount Vernon and the Mount Vernon Chamber of Commerce have jointly directed this OEDP planning process. A Mount Vernon-specific OEDP process was initiated to

supplement recent countywide planning efforts which include the Skagit County Comprehensive Plan, June 1997 (as required by the Growth Management Act of 1990) and the Skagit County OEDP, and to augment the 1998 City of Mount Vernon Comprehensive Plan.

Within the context of countywide planning efforts, the objective of the Mount Vernon OEDP is to identify economic development goals, objectives and policies that are uniquely tailored to specific needs and interests of the City of Mount Vernon, while maintaining consistency with the Skagit County OEDP (adopted by reference in this report).

THE OEDP COMMITTEE

OEDP Committee members for Mount Vernon were first selected in April 1996, as the result of a process inviting participation from interested citizens. Committee membership reflects broad geographical, cultural, and interest affiliation.

Of the 36 members on the 1996 OEDP Committee, 22 participated with this 1999 OEDP update; another 17 are new members to the OEDP committee. Committee members met as a group for the first time on April 1, 1999, as the OEDP process got underway, with no preconceptions or commitments to the results of prior economic development planning activities.

Figure 1. 1999 Mount Vernon OEDP Committee

Member	Affiliation
Bonnie Anderson	Colonial Manor
Dr. Mack Armstrong	Mount Vernon School District
Jim Axthelm	Axthelm Construction Inc.
Lee Bode	PUD 1 Skagit County
Bob Boudinot	Leonard, Boudinot & Skodje Inc.
John Buckley	City of Mount Vernon, Public Works
Chuck Cass	City of Mount Vernon Councilperson
John Cheney, Jr.	City of Mount Vernon Councilperson
Rick Cisar	City of Mount Vernon, CED Director
Kathy Combs	City of Mount Vernon Councilperson
Mike Cunningham	Williams & Nulle
George Eusterman	Riverside Health Club
Doug Faber	Mount Vernon Towing Inc.
Jeanne Glick	Printwise
Abraham Gonzalez	City of Mount Vernon, Planning Commissioner
Pat Grenfell	City Bakery
Matt Halliday	Skagit Valley Hospital
Eric Irelan	Skagit Council of Governments
Jim Koetje	Skagit Valley Properties
Linda Kyle	Adventures Travel
Bruce McBane	Mount Vernon Chamber of Commerce
Chuck Nerger	Best Western Cotton Tree Inn
Stan Olson	Valley Farm Center & Valley RV
Harry Ota (chairman)	Windermere Real Estate
David Parsons	David Parsons & Assoc. Inc.
John Piazza	Piazza Construction Inc.
Scott Price	Walker's Healthy Pet
Dale Ragan	Karl's Paints
Skye Richendrfer	City of Mount Vernon, Mayor
Jill Rouw	Mount Vernon Chamber of Commerce
John Schlichtmann	Skagit County Medical Center
Jim Scott	Windermere Real Estate
Charlie Sullivan	Skagit River Brewery
Peter Urban	Consumer Rental Center Inc.
Paul Ware	Northern Passage Properties
Don Wick	Economic Development Association of Skagit County

Funding support for preparation of this OEDP has been provided by the City of Mount Vernon and the Mount Vernon Chamber of Commerce. In addition, significant financial assistance was received from private fundraising efforts.

OEDP WORK PROGRAM & ADOPTION PROCESS

The OEDP planning process began with formation of a broadly representative OEDP Committee which held four public meetings over a five month period. City and chamber grants as well as significant portions of private fundraising supported the process.

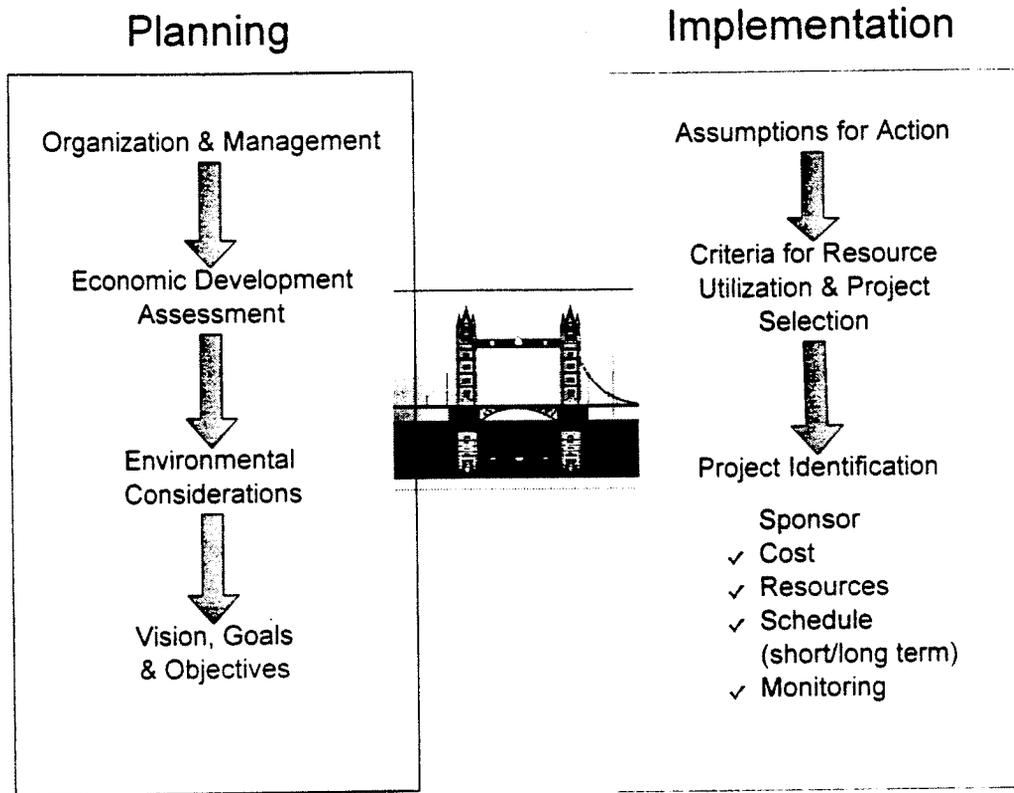
A description of each Mount Vernon OEDP Committee meeting including date and topic follows:

- 1) *April 1, 1999* – Committee introductions, ground rules and schedule, background information, project status review.
- 2) *May 6, 1999* – Added background information, updated goals and objectives, potential target businesses.
- 3) *June 3, 1999* – Refine goals and objectives and target businesses, brainstorm projects and SWOT update.
- 4) *July 1, 1999* – Presentation of draft OEDP, committee comment, ongoing monitoring and implementation.

As noted, the OEDP planning process has involved a representative *citizens committee* to establish a common framework for the economic development element of local plans. The planning process resulted in an overall *vision statement* together with a set of increasingly detailed *goals, objectives and implementation plan projects* that reflected the consensus decisions of the OEDP Committee.

Mount Vernon's economic development strategy serves as a *bridge* between the assessment of local economic potentials, vision, goals and objectives with resulting programs, activities and projects for implementation. The framework for this strategy is illustrated by the following figure:

Figure 2. Economic Development Strategy Framework



ECONOMIC DEVELOPMENT ROLE & WORKING RELATIONSHIPS

Like most cities, Mount Vernon has a variety of public and non-profit organizations that are actively involved in economic development. Key economic development organizations and their roles are described as follows:

The Mount Vernon Chamber of Commerce is an independent private non-profit voluntary organization serving the Mount Vernon business community. Its purpose is to create and promote a favorable business environment and quality of life in Mount Vernon. Together with the City of Mount Vernon, the Chamber of Commerce initiated the Mount Vernon OEDP planning process.

The chamber is dedicated to member success and provides programs of work designed to support and market economic growth and quality of life, capitalize on geographic and environmental assets, and provide a pro-business voice for reason, cooperation, and constructive change in the City of Mount Vernon.

Other services provided by the chamber include monthly meetings with opportunities for contacts and referrals; a resource center which collects and maintains economic, demographic, and other market data; and a government affairs program which functions as a business lobby and reviews and recommends specific legislative positions.

The City of Mount Vernon is the largest city in Skagit County, serves as the county seat, and has been actively involved in local economic development issues since 1959 with the preparation of the city's first Comprehensive Plan. The city's continuing role in economic development led

to the adoption of the current Comprehensive Plan (consistent with requirements of the state of Washington Growth Management Act). The city is also responsible for preparation of the OEDP in cooperation with the Chamber of Commerce.

The Economic Development Association of Skagit County (EDASC) exists to promote a healthy economy for the county. It is a private, non-profit corporation, which seeks to create and retain jobs, and to recruit new businesses.

EDASC's Business and Job Retention program provides technical assistance and guidance, and, sometimes, professional services, to firms in danger of layoffs or closure. Over the last two years, 49 industrial and manufacturing firms have received direct technical assistance.

EDASC works to identify and attract businesses to invest in Skagit County through its Business Recruitment program. EDASC will help analyze a prospect's needs and interests to determine the suitability of that business to locate in the county. Efforts include providing access to capital, reviewing tax incentive programs, identifying sites, providing research and information, assisting in the permit process, and other general business assistance services.

Other services provided by EDASC include workshops and seminars, coordination of the *Washington Marketplace* program, a wood products program, information clearinghouse and resource center, and quarterly meetings featuring timely topics and opportunities for business networking.

Skagit Valley College, through its Vocational and Counseling Education programs, works *hand-in-hand* with the business and industrial community in training employees. Both in classroom and workplace settings, Skagit Valley College provides training tailored to the requirements of Skagit County employers. The Washington State Job Skills Program is also administered through Skagit Valley College.

The Northwest Washington Private Industry Council is a non-profit corporation, which offers financial incentives to help business reduce personnel costs and qualify for federal tax credits by training and hiring local residents. Funding is provided through the federal Job Training Partnership Act (JTPA).

The State of Washington Employment Security Department is available to assist Skagit County employers with the new JOBS program for on-the-job training, dislocated worker retraining, Job Opportunity and Basic Skills programs, Emergency Veterans Job Training Act, and Targeted Jobs Tax Credit.

Puget Sound Energy (previously Puget Sound Power and Light Company) is a private electric utility that serves Skagit County. Through its Economic Development Department, Puget Power conducted a *Community Summit* in cooperation with Mount Vernon as well as other cities in Skagit County including Anacortes, Burlington, Sedro-Woolley and Concrete. Results of the 1992 *Community Summit* in Mount Vernon served as a key reference point for past (earlier) OEDP reports.

GTE Northwest has provided telephone and related communications services through Skagit County. The firm has actively participated in local economic development efforts, for example, by funding projects such as the Skagit County *Community Profile* and Woodworkers Northwest.

The Washington Department of Community, Trade & Economic Development provides a variety of programs as the primary state agency in support of local economic development initiatives.

The Skagit Council of Governments provides intergovernmental services on behalf of the public, county, city and port jurisdictions in Skagit County. The Skagit Council of Governments is responsible for preparation of the Overall Economic Development Plan (OEDP) and also administers a Revolving Loan Fund program aimed to assist Skagit County industrial and manufacturing firms.

Commercial and Private Businesses have contributed significantly to the economic vitality of Mount Vernon not only by many hours of volunteer efforts but by financial contributions such as Wal-Mart's funding of an update of the Skagit County *Community Profile* and the Ware family's investment in the restoration of a Mount Vernon landmark, the Granary Building.

STAFF RESOURCES

Staff resources for this OEDP planning effort are being provided on a cooperative basis through the City of Mount Vernon Community & Economic Development Department (CED) and the Mount Vernon Chamber of Commerce. The consulting firm E.D. Hovee & Company has been retained by the City of Mount Vernon to assist in preparing the OEDP planning document.

II. PAST DEVELOPMENT EFFORTS

The history of organized economic development efforts affecting Mount Vernon covers both countywide and city initiatives. Past development efforts at the county level have directly affected Mount Vernon, while the city has been a major impetus for more recent development efforts.

SKAGIT COUNTY DEVELOPMENT EFFORTS

Organized economic development efforts at the county level can be traced back to formation of the Port of Anacortes in 1926. The Port of Skagit County was subsequently established in 1964 to provide marina, industrial and aviation services for much of the remainder of the county (including Mount Vernon).

The Economic Development Association of Skagit County (EDASC) was formed in 1972 as a private, non-profit organization representing countywide economic development interests. EDASC is recognized as the Associate Development Organization (ADO) by the state of Washington for Skagit County.

The Skagit Council of Governments has been responsible for preparation of the county's Overall Economic Development Plan (OEDP) to obtain and maintain eligibility for federal funding from the U.S. Economic Development Administration (EDA). Past OEDP reports were submitted in 1982, 1984/85 and 1994/95.

MOUNT VERNON DEVELOPMENT EFFORTS

The City of Mount Vernon was incorporated in 1890 and has a history of organized economic development efforts beginning with the city's first Comprehensive Plan prepared in 1960. This is the second Overall Economic Development Plan prepared for the City of Mount Vernon and represents the only identified city-specific OEDP in Skagit County.

As the population increased over the next thirty years, the city adopted comprehensive land use plans in 1976, 1980, 1988 and 1997. It was not until the 1970's that significant additional acreage was annexed by the city. Presently, an additional 106 acres is being considered for annexation.

Subsequent development included the Mount Vernon Mall (1971), Skagit Valley Mall in (1973), La Venture and Mt. Baker Middle Schools, two elementary schools and several additions to the hospital and the Skagit County Administration building. More recent projects include several improvements along College Way, which allowed for major improvements to both Mount Vernon and Skagit Valley Malls, introduction of Eagle Hardware, Wal-Mart and relocation and expansion of several government buildings.

Additional economic development planning activities occurring within the city included downtown plans in 1974 and 1976. These plans have now expanded into a matrix of five specific area plans within the city, each addressing the unique needs of each community. The first OEDP, completed in 1996, assisted in identifying these goals and objectives. The current Comprehensive Plan, updated in 1998 and in compliance with the Washington State Growth

Management Act (GMA), successfully describes Mount Vernon’s philosophy to focus these goals and objectives on the development of needed utility and road infrastructure in order to pursue and attract economic development to Mount Vernon.

Also, it is noted that the work being completed which follows the directives of the Comprehensive Plans and the previous OEDP is consistent with the intentions of GMA requirements. Following is a summary of the consistencies between the OEDP projects and GMA guidelines:

Figure 3. Mount Vernon Growth Management Implementation

GMA Guideline	Mount Vernon Activities
Urban Growth	Review of UGA for proposed annexations – <i>Currently in process</i> Assessment of commercial and industrial lands (in and outside UGA) Interlocal Agreement with Skagit County – <i>For implementation of city zoning and development standards in the UGA; coordination of environmental reviews; and execution of revenue sharing in certain areas in December 1997</i>
Reduce Sprawl	Abide by Countywide Planning Policies Land Allocations (CPP 1.1) Special Planning Districts – <i>Downtown; North 4th Street / Hill / Division St.; Malls / College Way; West Mount Vernon; Blackburn Road; Historic Preservation; and I-5 Corridor / City Entry System / South Mount Vernon</i>
Transportation	Current transportation projects and <i>Capital Facilities</i> plan
Housing	Abide by minimum densities established by GMA and Skagit County and Mount Vernon Comp Plans Sub-plan areas – <i>Several noted within the special planning districts</i>
Economic Development	Hired Community and Economic Development Planner in April 1998 Infrastructure development – <i>An area of primary focus</i> Update MVOEDP Business development and education (Block Party) – <i>Project MV Block Party established to provide citizens with information about City Government and Services, and to strengthen sense of community and enhance quality of life</i> <i>Completion of the South Mount Vernon Sub-area plan.</i>
Property Rights	Project Mount Vernon – staff expectations and customer service, <i>Block Party</i> Small business seminar – <i>Provide education to public</i>
Permits	Project Mount Vernon – staff expectations and customer service, <i>Block Party</i> , <i>citizen involvement. Creation of Development Services Division.</i>
Natural Resource Industries	None located within the Mount Vernon UGA – <i>Support services available for the surrounding agricultural community</i>
Open Space and Recreation	Improvements to parks – <i>West Mount Vernon</i> Project Mount Vernon identified goals – <i>Working with schools; use public parks as classrooms; provide workshops to public, etc.</i> Expansion of Edgewater Park facilities – <i>Ongoing</i>
Environment	Wetlands inventory – <i>currently being updated</i> Shorelines Master Program – <i>Provide guidance and vision for shoreline development – working with community. Currently being updated.</i> Project Mount Vernon identified goals – <i>maintain biological diversity, provide funds for biological assessments (ESA actions), Wetlands banking program, adoption of Transfer of Development Rights Program, etc.</i>
Citizen Participation	Project Mount Vernon – <i>Block Party and Public Safety Goals</i> Forum meetings on issues of interest Adoption of Formal Public Participation

GMA Guideline**Mount Vernon Activities**

	Program.
	Active Citizen's Advisory Committees (<i>this MVOEDP Committee</i>)
Public Facilities and Services	Project Mount Vernon – Business Liaison Program
	Main Street Participation Plan – <i>being developed in partnership with the Downtown Association and Chamber of Commerce.</i>

Source: City of Mount Vernon, 1999.

Efforts of Mount Vernon Community & Economic Development Department (CED) and community leadership have concentrated on teamwork and on focused development efforts designed to identify and address the needs of not only the city in general, but smaller economic centers within the city as well. In addition to careful development of a Comprehensive Plan and Overall Economic Development Plan for Mount Vernon, city leaders and staff collaborated to draft *Project Mount Vernon*, an enhancement document designed to take goals and directives from the public documents and refine them into specific targets for each department within the city.

The Mount Vernon Chamber of Commerce was created in 1917 (originally named the Commercial Club) and incorporated in 1976 as a private non-profit organization to promote a favorable business environment and quality of life in Mount Vernon. Since its inception, the chamber has taken a leadership role in organized economic development efforts on behalf of Mount Vernon area businesses and the entire community.

Economic development planning efforts by the chamber can be traced back to at least 1988 when a marketing plan was developed to promote tourism in the city and Skagit County. Continued planning activities included the Mount Vernon Community Summit in 1992, which was initiated by the Mount Vernon Chamber of Commerce and the City of Mount Vernon and supported by Puget Sound Energy.

Potentials for economic development initially identified in 1992 included assessing the city's strengths and limitations, developing a preferred vision for Mount Vernon in the year 2020, and recommendations for action items. The first OEDP process in 1996 served to refine these economic potentials, which are again being reviewed and modified by the Citizens' Advisory Committee and Mount Vernon supervisory staff with this OEDP update.

Results of these long-standing efforts were shown in 1997 by Demographic Magazine naming Mount Vernon as the "Best Small City in the U.S." ¹ Out of 193 cities considered nationwide, Mount Vernon excelled in categories such as climate and environment, economics, education and public safety.

This history of past development efforts sets the stage for the more detailed review of Mount Vernon and its economy, which now follows.

III. MOUNT VERNON & ITS ECONOMY

Pertinent community, county, regional and statewide conditions and trends that could affect development of the Mount Vernon economy have been profiled. This description of Mount Vernon and the local economy is organized to provide first, pertinent background information and, second, an economic development assessment based on discussion with the OEDP Committee.²

BACKGROUND INFORMATION

Background information profiled in this OEDP covers a variety of topics, discussed in turn:

- Location, topography & climate
- Economic history
- Natural resources
- Population & demographic characteristics
- Labor force & employment
- Income trends
- Industrial & commercial lands
- Major economic development investments
- Retail trade & services sector
- Financial resources

Location, Topography & Climate

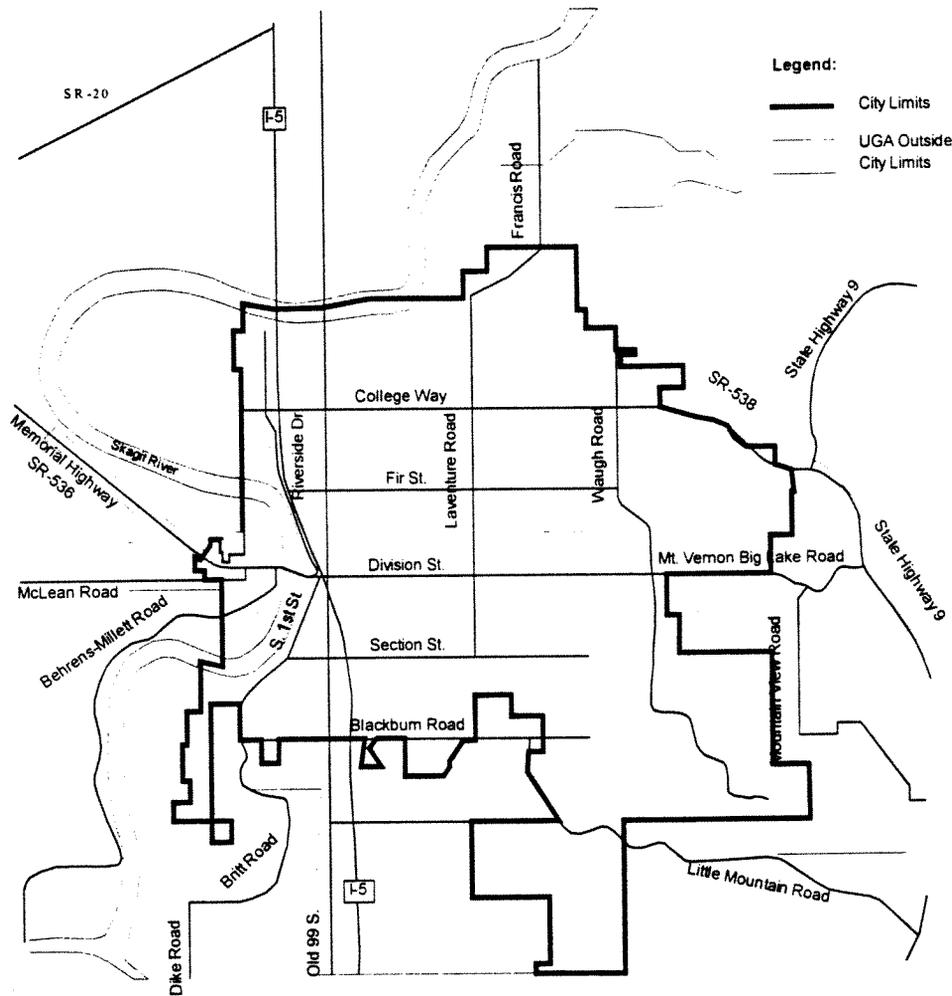
The City of Mount Vernon is located in the west central Skagit Valley area of Skagit County, situated in the northwestern portion of Washington State. Mount Vernon is located 60 miles north of Seattle and 28 miles south of Bellingham on Interstate 5. Major transportation facilities include Interstate 5, State Highways 536 and 538, and the Burlington Northern Railroad.

The city is bordered to the north by the City of Burlington, and to the east, west, and south by unincorporated areas of Skagit County. In 1995, the City of Mount Vernon encompassed approximately 6,514 acres and 3,505 acres of unincorporated UGA and ranked first in population and second in geographic size among Skagit County incorporated areas.

Elevation ranges from approximately 10 feet in the southwestern portion of the city along the Skagit River to approximately 934 feet at Little Mountain in the southeast portion. The city can be characterized as consisting of two distinct areas based on topography: the fertile low-lying delta of the Skagit River and the foothills of the Cascade Mountains.

The city has a marine climate affected by Pacific Ocean air currents. These currents result in mild, wet winters and comfortably warm, drier summers. Average temperatures range from 39 degrees in January to 69 degrees in August. Prevailing winds generally flow from the southwest, but during summer months tend to be more out of the north and northwest. Mount Vernon receives approximately 32 inches of annual precipitation, of which 75% occurs from October to February.

Figure 4. Mount Vernon Urban Growth Area (UGA)



Economic History

The economic history and setting of the city have been described in some detail as part of the *City of Mount Vernon Comprehensive Plan, 1998*. The following discussion provides a summary of key points of interest useful for understanding Mount Vernon’s historical development and present situation.

In 1870, Jasper Gates and Joseph Dwelled claimed land in the area that is now Mount Vernon. At the time, a large logjam on the Skagit River blocked navigation above and below the present site of Mount Vernon. Because commerce depended on steamer transportation, La Conner and Anacortes were the towns of significance.

In 1877, a channel was cut through the lower logjam making the river navigable below Mount Vernon. Also in 1877, Harrison Clothier and E.G. English purchased ten acres from Jasper Gates and platted the townsite. By 1879, a channel had been cut through the upper logjam, opening up logging and gold mining area up-river of Mount Vernon. These events significantly increased commercial traffic in and through Mount Vernon.

In 1884, Mount Vernon was voted the county seat; the city formally incorporated in 1890. The arrival of the Great Northern railway in 1891 and the building of county courthouse in 1892 consolidated a position of central importance for Mount Vernon within Skagit County.

As the initial logging activities around Mount Vernon moved eastward toward the Cascade foothills, agriculture became the economic mainstay of the city. The city expanded as a retail and food-processing center, underscoring the continuing importance of Mount Vernon's strategic location in the center of the fertile Skagit Valley. The mild weather and good soils were well suited for vegetable, berry, and bulb production as well as seed, dairy, and beef production.

The city's economy gradually diversified with the construction of the Skagit Valley Hospital and construction of Interstate 5 in the 1950s. Increasing retail and service sector business growth resulted. In the 1970s, after significant land annexation north and east of the city (over two square miles), a new commercial and residential area was formed (which included two shopping malls). Most recently, the City of Mount Vernon has focused its goals on establishing a complete infrastructure in the developable areas of the UGA.

Natural Resources

Agricultural resources have been and remain an important part of Mount Vernon's economy. As noted, farming has been an important part of the community's heritage since early settlement in the late 1800s.

The city is centrally located within the Skagit Valley, a fertile alluvial plain nurtured by the flood plain of the Skagit River. The Skagit Valley is viewed by many as one of the most fertile valleys in the world:

- Skagit Valley farmers are major producers of spinach, cabbage, and table beet seed for the national and global marketplace.
- Skagit Valley is one of the country's leading producers of tulips and daffodils. Tulip production is the basis for the well-known Skagit Valley Tulip festival, which in the spring brings thousands of tourists to the area to view the approximately 2,200 acres of intense color.
- Skagit Valley farmers are major producers of peas, cauliflower, broccoli, cabbage, cucumbers, carrots, corn and wheat.
- Skagit Valley farmers grow raspberries, blueberries, and strawberries that are noted for their superior quality.
- Skagit County ranks fourth in number of dairy cows in the state.

The Overall Economic Development Plan (OEDP) for Skagit County: 1999 used data from the *1992 and 1997 Census of Agriculture* to highlight key economic development indicators of importance to agriculture in Skagit County.

Figure 5. Skagit County & Statewide Agricultural Trends

Agricultural Indicator	Skagit County		State of Washington	
	1997	1992	1997	1992
<i>Total Number of Farms</i>	714	754	29,011	30,264
<i>Total Acres in Farms</i>	93,495	92,074	15,179,710	15,726,007
Average Farm Size (acres)	131	122	523	520
<i>Estimated Average Market Value:</i>				
Land & Buildings (per farm)	\$609,685	\$435,274	\$634,619	\$468,482
Land & Buildings (per acre)	\$4,645	\$3,618	\$1,192	\$892
Machinery & Equipment (per farm)	\$71,459	\$68,180	\$69,693	\$61,053
<i>Market Value of Agricultural Sales:</i>				
Crops including Greenhouse Crops (\$1,000)	\$90,392	\$63,849	\$3,251,291	\$2,451,605
Livestock, Poultry & their Products (\$1,000)	\$81,299	\$74,621	\$1,516,436	\$1,369,617
All Agricultural Products (\$1,000)	\$171,690	\$138,470	\$4,767,727	\$3,821,222
Average Sales per Farm	\$240,463	\$183,647	\$164,342	\$126,263
<i>Total Farm Production Expenses:</i>				
Total Expenses (\$1,000)	\$129,701	\$121,418	\$3,607,282	\$3,122,970
Average Expense per Farm	\$181,654	\$160,181	\$124,380	\$103,191
<i>Net Cash Return from Agricultural Sales:</i>				
Total Net Cash Return (\$1,000) *	\$40,882	\$18,134	\$1,132,634	\$689,113
Average Net Cash Return per Farm *	\$57,257	\$24,019	\$39,044	\$22,771
Average Age of Farm Operators	54.6	52.6	54.2	53.1

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

Source: 1997 and 1992 Censuses of Agriculture.

Some points of interest for Mount Vernon and surrounding vicinity include:

- As of 1997, Skagit County had 714 farms with an average size of 131 acres. Market value of agricultural sales approximated \$172 million from over 93,000 acres. Wages paid totaled \$57.6 million for 1996, with annual average employment in 1997 of 3,260 persons. Highest monthly employment occurred in July with 5,340 persons.
- From 1992-1997, the number of farms and total acreage in farms countywide declined. Average size of farms increased, though farms in Skagit County are smaller (at an average of 131 acres per farm) than is the case statewide (523 acres).
- Estimated market value of Skagit County farms (both land and buildings) is relatively high at over \$4,600 per acre, well above the statewide average of nearly \$1,200 per acre. And the reported market value of local farms increased by 40% from 1992-1997, only slightly above the statewide increase of 35%.
- Market value of crops has increased dramatically (41%) while livestock increased a modest 9%. Farm expenses have increased slowly (6.8%) allowing for net cash returns of profitability for Skagit County agriculture to increase significantly.
- As is true statewide, the average age of farm operators is increasing as prospects of declining business opportunities deter new entrants. It is noted that the increase in Skagit County is more rapid than statewide.

Mount Vernon is surrounded by extensive agricultural acreage and serves as a countywide center for agricultural support services and processing. The agricultural areas in the Skagit Valley support a significant amount of economic activity in the region.

A feature of many agricultural employers in Skagit Valley is the reliance on seasonal and part-time employees. Full-time employment of ten identified agricultural firms in the Mount Vernon area is 825, while additional seasonal and part-time employment (especially during the spring and summer months) is over 3,200 employees.

Figure 6. Major Mount Vernon Area Agricultural Employers (1998)

Employer	# Full-Time Employees	# Seasonal/Part-Time Employees
Draper Valley Farms	350	0
Washington Bulb Company	150	400
Skagit Gardens	160	82
Alf Christianson Seed Company	82	1,100
Sakuma Brothers	32	700
Erickson Farms	25	350
Summersun Greenhouse Co.	12	30
Roger Knutzen Farms	8	102-302
Mike & Jean's Berry Farm	3-4	300
Delta Farms	3	226
Total	825-826	3,290-3,490

Source: E.D. Hovee & Company, based on data provided by EDASC and local jurisdictions. Updated as of May 1998.

For the future, key *competitive advantages* that Skagit County offers for future agricultural production are essentially threefold:

- Proximity to the Seattle-Everett-Tacoma and Vancouver, BC markets for locally grown fresh and organic products.
- Greater long-term availability of water than in other major agricultural areas (e.g. Columbia Basin which has limited additional irrigation capability, and Midwestern states which are experiencing depletion of the Ogallala aquifer). However, regulation and compliance issues are becoming an increasingly significant management and financial consideration.
- Local commitment to preservation of Skagit County open space and agricultural lands, despite pressures for urbanization. In 1996, the county implemented the Farmland Legacy Program, whose major function is to purchase the development rights on approved rural lands.

Major *constraints* or limiting factors could include:

- Closure of smaller food processing firms and relocation to less urban areas (such as eastern Washington).³ This situation is exacerbated by the loss of the Twin City Foods food processing plant in Stanwood to fire in April 1996.

- Use of pesticides and fertilizers, which can affect ground water quality.
- Loss of prime agricultural land despite strong protection programs. For example, between 1992 and 1997, Skagit County experienced a reported 1.5% loss in agricultural acreage.

The Skagit County OEDP also identifies forestry and fishing (in addition to agriculture) as natural resource based industries integral to the Skagit County economy. These sectors have experienced significant declines over the past decade with adverse impacts countywide, particularly for timber dependent communities in east Skagit County.

No large primary or secondary manufacturer or processor representing either the forestry or fishing industries is currently located in Mount Vernon. In addition, no firm in either industry appears to be a major city employer.

Population & Demographic Characteristics

Characteristics of the population that could affect economic development prospects for Mount Vernon include population trends and forecasts, demographic characteristics, and housing availability.

Population Trends & Forecasts: As of 1998, the City of Mount Vernon had an estimated population of approximately 22,540 residents. This represents an increase of 4,893 persons (28%) over 1990 levels. The 1998 population of Mount Vernon represents approximately 23% of the county's population of 98,700.

As of 1998, Skagit County accounts for only 1.7% of the statewide population of nearly 5.7 million residents. However, Skagit County has gained 19,145 residents from 1990 to 1998, an increase of 24% during the most recent eight-year period.

From 1970 to 1980, the City of Mount Vernon is population increased at a more rapid pace than either Skagit County or the state of Washington. During the decade of the 1980s, population growth in the city slowed somewhat, but still increased more rapidly than did the county or the state. From 1980-1990, population in the city increased 3.1% annually, compared to annual growth rates of 2.2% in Skagit County and 1.6% in Washington State.

The growth trend since 1990 has been altered somewhat. For the years 1990-1995, population growth increased in the city by 4.1% annually, compared to annual rates of 3.2% in Skagit County, and 2.2% statewide. For the years 1990-1998, Mount Vernon population growth maintained a healthy 3.1% rate, which compares to an annual growth rate of 2.7% in Skagit County, and 2.0% statewide. However, preliminary 1999 figures indicate that Mount Vernon gained only 102 persons, indicating a substantial slowing of the average annual growth to less than one-half of one percent.

From 1998 to 2015, population in the city is forecast to increase by 85%, to over 41,700 residents. This represents an average forecast increase of 3.7% annually. During that same period, Skagit County is forecast to reach a population of 137,700, an increase of 39%. Statewide population is estimated to increase by 26% to over 7.1 million residents. Under current GMA regulations, 80% of new growth will be confined within UGA boundaries. Historically, growth has been split 50/50 between urban and rural lands.

Figure 7. City of Mount Vernon Population Trends (1970-2015)

Community	1970	1980	1990	1995	1998	2015
City of Mount Vernon	8,804	13,009	17,647	21,580	22,540	
Mount Vernon Area	N/A	16,237	21,067	N/A	N/A	N/A
Skagit County	52,381	64,138	79,555	93,101	98,700	137,714
State of Washington	3,409,169	4,132,156	4,866,692	5,429,887	5,685,144	7,142,144
Annual Percent Change:		1970-1980	1980-1990	1990-1995	1990-1998	1995-2015
City of Mount Vernon		4.0%	3.1%	4.1%	3.1%	3.4%
Mount Vernon Area		N/A	2.6%	N/A	N/A	N/A
Skagit County		2.0%	2.2%	3.2%	2.7%	2.0%
State of Washington		1.9%	1.6%	2.2%	2.0%	1.4%

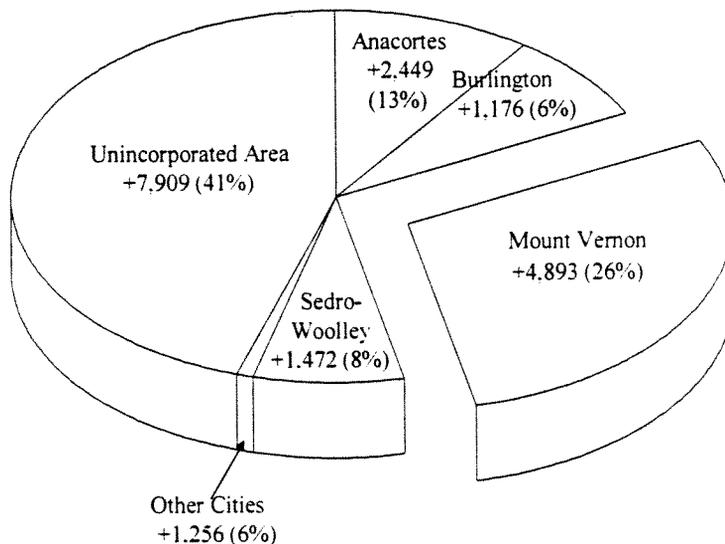
Note: Population for 1999 from City of Mount Vernon statistics as reported to the Office of Financial Management is 22,700, indicating a continued slowing of the growth in population trends. Annual percentage change from 1990 to 1999 is 2.8% (based on actual records reported by OFM).

Source: U.S. Census Data and State of Washington Office of Financial Management and City of Mount Vernon.

Looking again at population growth in several Skagit County jurisdictions from 1990-1998, it is noted that population in the City of Mount Vernon increased by 4,893 residents, representing 26% of population growth *countywide* from 1990-1998. All other cities combined absorbed 33% of total countywide population growth during the same period, with the unincorporated areas of Skagit County absorbing the remaining 41% (8,209 residents) of total countywide population growth.

Using projected population growth through 2015, Mount Vernon is expected to increase its absorption rate to 49.1% of the total county population increase. However, review of the actual increases reported between 1995 to 1998 revealed only 17.1% of the total county population increase was claimed by Mount Vernon.

Figure 8. Distribution of Skagit County Population Growth (1990-1998)



Note: Population growth of other cities includes Concrete (+50), Hamilton (+72), La Conner (+89), and Lyman (+45).

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

Demographic Characteristics: Compared to Skagit County and the state of Washington, the City of Mount Vernon has a relatively high proportion of youth (0-19 years of age) and a much greater proportion of adults (45-64 years of age). The city also has high proportions of older adults (65-84 years of age) relative to Skagit County but lower than statewide.

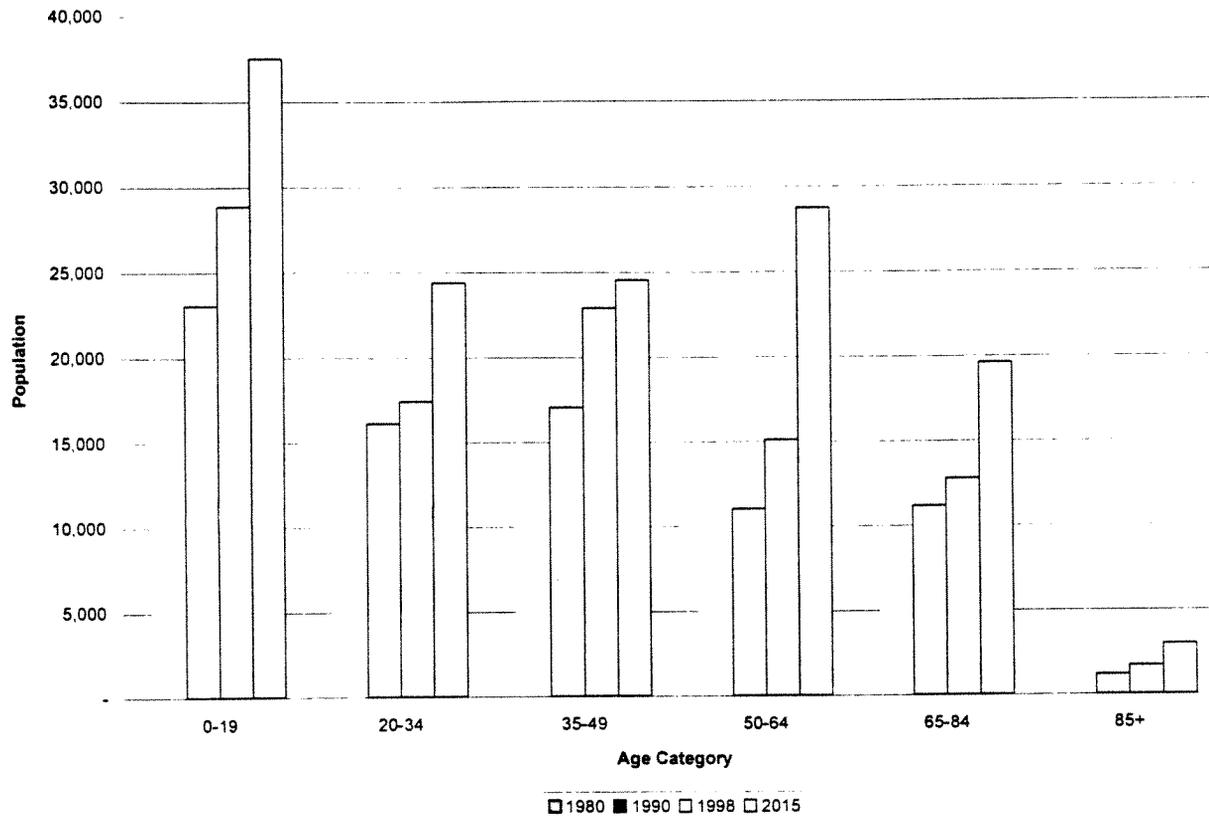
Figure 9. Percentage Age Distribution by City (1998)

City	0-19	20-44	45-64	65-84	85+
Anacortes	25.2%	29.9%	24.8%	17.9%	2.2%
Burlington	28.6%	34.9%	21.9%	12.8%	1.8%
LaConner	22.2%	26.7%	29.0%	20.7%	1.4%
Mount Vernon (98273)	30.7%	35.7%	20.8%	11.5%	1.3%
Mount Vernon (98274)	29.3%	34.6%	21.1%	12.8%	2.2%
Sedro-Woolley	30.0%	34.0%	22.2%	11.9%	1.9%
Skagit County	29.0%	33.5%	13.4%	13.4%	1.7%
Washington State	28.8%	38.4%	10.2%	10.2%	1.3%

Source: 1998 CACI for Skagit County. Mount Vernon divided into two zip code areas in May 1996 with 98273 generally covering the city center and 98274 encompassing the outlying areas. Population of these areas in 1998 was 26,536 for zip code 98273 and 11,012 for zip code 98274.

Of special interest is the significant growth taking place among the senior population (age 85+). While the majority of Mount Vernon (98273 zip code area) matches Washington, the remaining, more rural portion of Mount Vernon (98274 zip code area) and the whole of Skagit County show a much greater share of this population.

Figure 10. Skagit County Aging Trends

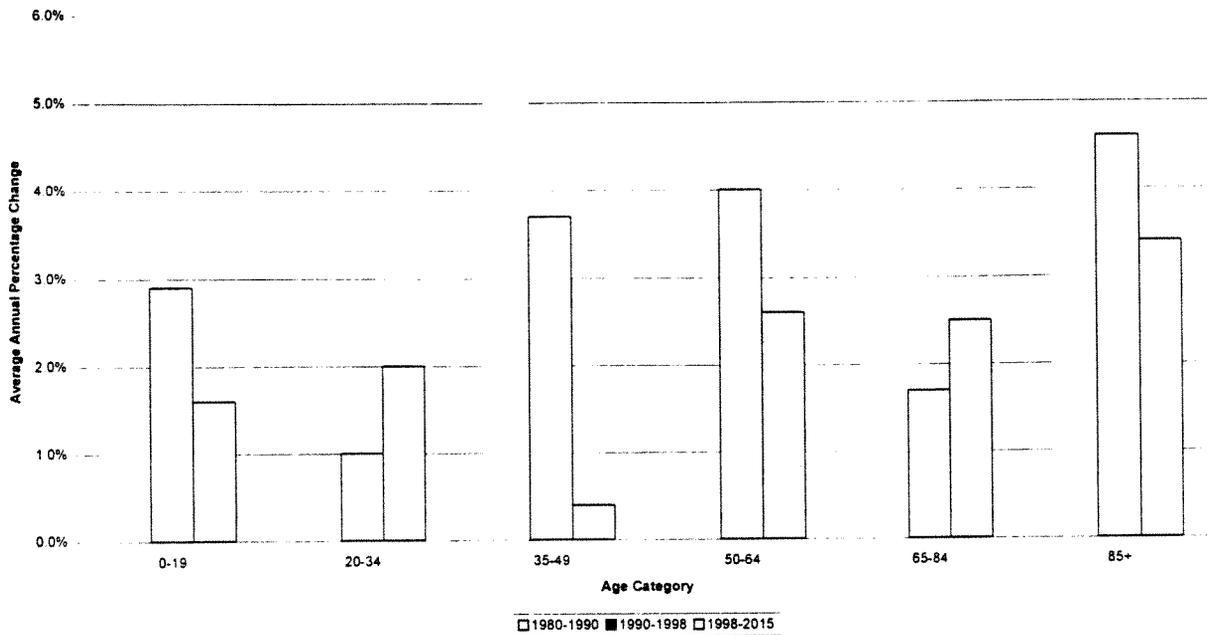


Source: State of Washington Office of Financial Management

Population projections predict that all age categories will continue to increase into the future — most significantly, those age 50-64 years through 2015. This reflects aging of the baby boom cohort.

The population data by age grouping can be viewed somewhat differently, by annual percentage growth rate, as noted by the following chart.

Figure 11. Skagit County Average Annual Change in Age

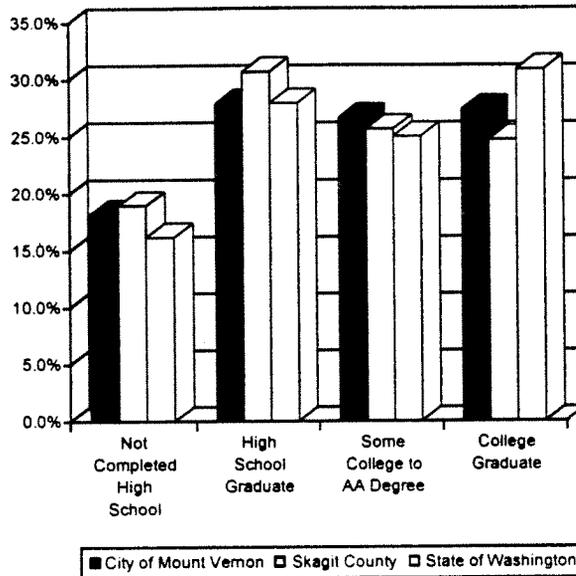


Source: State of Washington Office of Financial Management

The average annual increases in age through 2015 also indicate a slowing in the growth rate for younger age groups and noticeably strong growth in all age categories over 50 years.

Education: As is true of other generally rural areas, both the city and county have relatively high proportions of adults who have not completed high school and relatively low proportions of residents with four-year college degrees. However, a higher share of adults in Mount Vernon and Skagit County has some college or a two-year college degree than is experienced statewide.

Figure 12. City of Mount Vernon Education Levels (1990)



Source: U.S. Census.

Educational opportunities are of great importance in the Mount Vernon and Skagit County area. Mount Vernon School District enrollments have steadily increased over the past several years placing a strain on existing educational facilities. Enrollments, though leveling off in 2002-2003, are expected to continue to increase to an all-time peak in 2014.

Higher education is also gaining in availability and opportunity. Skagit Valley College participates with several other regional community colleges and four-year universities to enhance selected class/degree curricula in the local area. Skagit Valley College has already begun partnering with Washington State University to provide courses that would transfer directly into a four-year degree. Internet technology and video-conferencing are making much more educational opportunity possible.

Housing Cost & Availability: Businesses seeking to expand or relocate increasingly evaluate the cost and availability of housing in a community for their employees. Limited availability and high cost of housing has become an increasingly important reason for some industries to relocate away from major urban centers to lower cost suburban, exurban, or rural areas.

In 1990, cost of both homeowner and rental housing was considerably more affordable in Skagit County than elsewhere in the Puget Sound or statewide. The median home value in Mount Vernon was less than that countywide.

However, since 1990, the cost of housing has increased significantly in Skagit County as in many other communities throughout the state. Recent data on home values (for single family residences only) indicates that the average sales price of a home in Skagit County was over \$161,700 in 1998, representing an increase of 17% over the 1995 average countywide home sales price of \$138,642.

Mount Vernon also experienced a continued increase in average home value. However, the rate of increase since 1995 is noticeably lower than in other parts of Skagit County, and for the county. Mount Vernon prices escalated by 7% while Skagit County increased by 17%. This may have contributed to the fact that, of all areas noted, Mount Vernon claimed the lowest number of days on market.

Figure 13. Average Selling Price of Single Family Homes (1998)

Area *	Average Price Sold	# Sold	Average Days on Market
Anacortes	\$206,606	362	129
La Conner	\$206,597	66	136
Burlington	\$152,483	179	90
Sedro-Woolley	\$133,262	244	101
Mount Vernon	\$148,623	491	83
Lyman/Hamilton	\$119,047	16	110
Concrete/East	\$93,944	66	170
Whatcom County	\$156,785	1,942	NA
Snohomish County	\$198,178	10,017	47
Skagit County	\$161,769	1,435	105

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

All information is furnished without verification. Northwest MLS and BWCMLB assume no responsibility for errors or omissions occasioned by them or others.

Source: Skagit County MLS Sold Reports, Skagit County data compiled by Kelly Hudson, assistant to Harry Ota, Windermere Real Estate/James Scott & Associates, May 1999. Bellingham Whatcom County Multiple Listing Bureau (BWCMLB), May, 1999

During the twelve-month period of 1998, nearly 1,435 homes were sold countywide. The largest number of homes was sold in the Mount Vernon area (491 homes), followed by the Anacortes area.

Focusing on countywide comparisons of average selling price for single family residences in 1998, Skagit County was slightly above Whatcom County at \$161,700 and \$156,700 respectively. Snohomish County was significantly higher at an average single family home price of approximately \$198,100. This reflects a more rapid increase in housing costs in Skagit County since 1990 relative to Whatcom and Snohomish Counties.

Additional data providing information on comparative housing costs for single family residences between Puget Sound counties are available from the Washington Center for Real Estate Research (WCRER). The following data reflect *median* home prices as opposed to the *average* home prices discussed above.

For 1998, the median home sales price in Skagit County was \$141,000 —somewhat below Whatcom County (\$142,400), but above Island County (\$140,000), Pierce County (\$138,800), and Thurston County (\$128,000). Snohomish County and King County had significantly higher housing costs with median values of \$179,500 and \$217,000 respectively.

The data suggest that since 1995, Skagit County housing has become more affordable relative to other counties in the Puget Sound region, and continues to be below the average cost of housing in the region and statewide.

Figure 14. Comparative Housing Costs (Fourth Quarter 1998)

County	Median Home Value	% Increase 1995 - 4th Quarter 1998
King	\$217,000	30.3%
Snohomish	\$179,500	20.0%
Whatcom	\$142,400	13.6%
Skagit	\$141,000	11.0%
Island	\$140,000	4.9%
Pierce	\$137,800	13.5%
Thurston	\$128,000	9.4%
State of Washington	\$161,800	18.4%

Note: Median prices are WCRER estimates from MLS data or provided by firms monitoring deed recordings. Price information reflects sales prices of single family residences, duplexes, and townhouse condominiums listed and sold through MLS services.

County data may not be directly comparable due to differences in reporting characteristics among MLS services or other firms providing sales price information.

Source: Washington Center for Real Estate Research (WCRER), May 1999.

A more complete picture of countywide housing affordability includes the median price of housing combined with the incomes of county residents. The table provided below illustrates the Housing Affordability Index calculated by the Washington Center for Real Estate Research.

The Housing Affordability Index measures the ability of middle income families to carry mortgage payments on a median-priced home in their county of residence. When the index is 100, there is a balance between a family's ability to pay and the cost of a house. Higher indexes indicate housing is more affordable (e.g. 118.3 means the median family has 18.3% more income than the minimum required to qualify for the loan).⁴

The First Time Buyer Affordability Index assumes the buyer has 70% of the median household income and is buying a house at 85% of the county's median home price.⁵ Lower indexes indicate housing is less affordable (e.g. 68.1 means that the family has only 68.1% of income required to carry the monthly payment).

Figure 15. Housing Affordability Index (Fourth Quarter 1998)

County	Housing Affordability Index	First Time Buyer Affordability Index
Thurston	147.7	89.5
Whatcom	130.0	73.3
Island	129.1	78.1
Skagit	123.7	73.6
Snohomish	120.6	74.8
King	118.9	67.4
Pierce	106.1	83.8
State of Washington	128.6	72.3

Source: Joint effort of Washington Center for Real Estate Research and Washington Association of Realtors, May 1999.

Affordability in general has improved in recent years. In 1995, Skagit County had a lower affordability index than all other counties in the region at 108.5, except Island County (with an affordability index of 105.5) and was significantly below the statewide affordability index average of 118.3. At the end of 1998, Skagit County moved in rank to the middle of the seven Puget Sound/I-5 Corridor counties at 123.7. This is only slightly lower than the statewide index of 128.6, meaning that, on average, middle income families had 23.7% more income than required to qualify for home loans. (Note that some of this improvement is due to a 30-year low in interest rates available for residential mortgages.⁶)

A dramatically different picture is presented for first time homebuyers. For 1998, the First Time Buyer Affordability Index for Skagit County was 73.6 — suggesting that, on average, first time home buyers had only 73.6% of the income required to qualify for home loans. Housing in the county was the least affordable of all counties listed except Whatcom County (with an index of 73.3) and King County (with an index of 67.4). It is noted that Thurston and Pierce counties had a First Time Buyer Housing Affordability Index over 80.0. Washington's First Time Buyer Affordability Index is 72.3, up from 68.1 in 1995.

Housing Needs and an Aging Population: As noted above, Mount Vernon's population is slowly but steadily aging. The *baby boom* generation is beginning to move from the peak income earning and family raising years into the golden years of being *empty-nesters* (married couples whose children have left home) and retired. Demands for consumer products are quite different. Of significant impact are the needs and demands of changing living styles. These shifts are expected to begin to reach full strength in the next 3-5 years.

The aging population prefers a more compact and simpler life-style with conveniences nearby. From condos and townhomes to continuing care facilities, selection of living quarters is broadening. Demand in Skagit County and surrounding area is strong as the population continues to age and is demonstrated as newly constructed facilities in the region are easily filled to capacity. Senior housing that has become available in the region includes Parkside Alzheimer Community in Sedro-Woolley, the recently-opened La Conner Independent Living facility, Mountain Glen Retirement Home, Chandler Square in Anacortes and a new 120-bed facility being constructed in Oak Harbor.

Labor Force & Employment

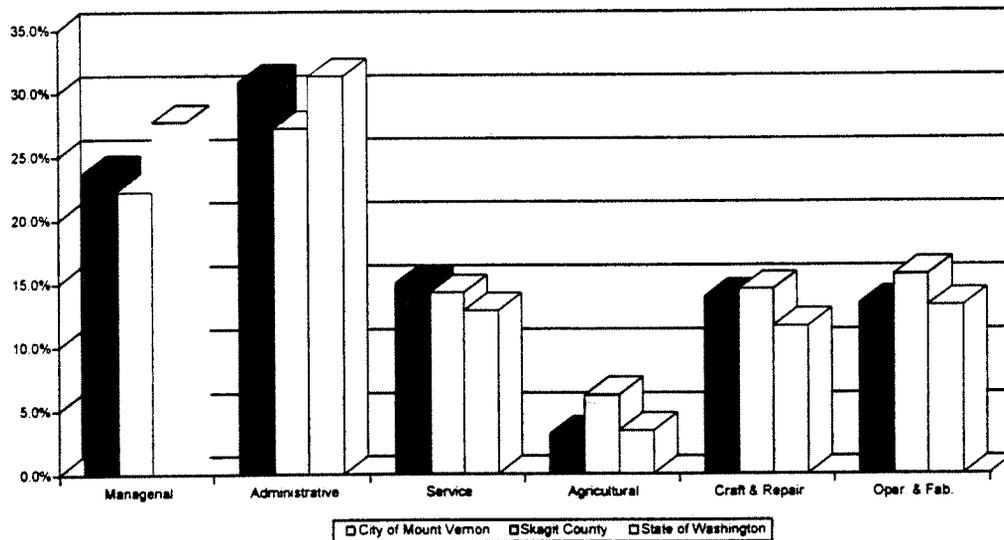
Labor force and employment data are useful to profile characteristics of the resident workforce — as a prospective basis for evaluating future employment needs and opportunities.

Labor Force by Occupation & Industry: The following figures provide 1990 Census employment data by occupation and industry. Employment data illustrated by Figure 16 and Figure 17 is by place of residence.

Compared to the entire county, relatively high proportions of Mount Vernon’s labor force have been employed in managerial, administrative, and service *occupations* reflecting Mount Vernon’s position as county seat and focus of significant commercial activity. By contrast, Mount Vernon has been underrepresented (relative to the county) in agricultural, craft & repair, and operators & fabricators occupations.

Compared to the state, Mount Vernon has been overrepresented in service and craft & repair occupations, while underrepresented in managerial, administrative, and agricultural occupations.

Figure 16. Employment by Occupation (1990)

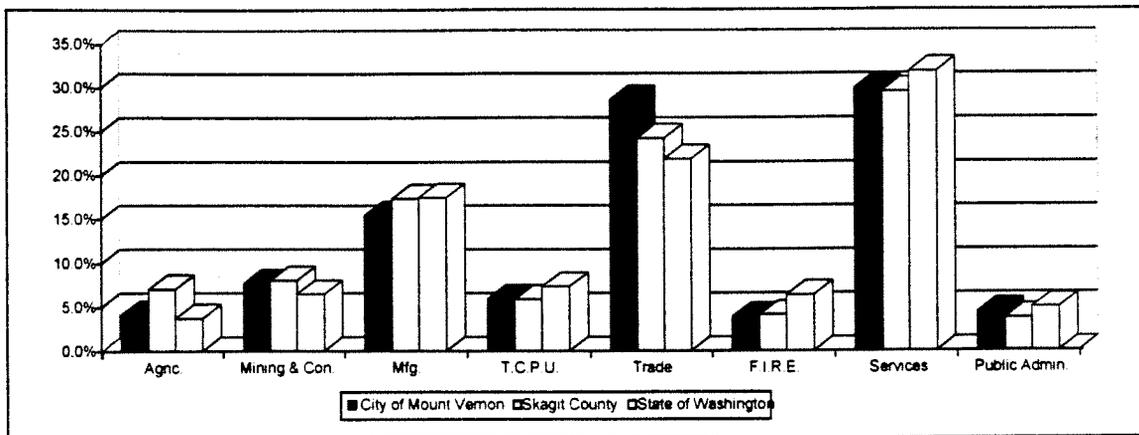


Source: U.S. Census.

Focusing on employment by *industry*, Mount Vernon is underrepresented in agriculture; mining & construction; manufacturing; and finance, insurance, and real estate compared to countywide averages. However, Mount Vernon has a high proportion of trade, services, and public administration employment compared to Skagit County.

Compared to the state of Washington, the city has high proportions of mining & construction and trade employment. However, compared to the state, the city has relatively low proportions in manufacturing; transportation, communication, and public utilities (TCPU); finance, insurance, and real estate (FIRE); services; and public administration.

Figure 17. Employment by Industry (1990)



Source: U.S. Census.

Countywide Employment by Place of Work: More recent employment data is available from the state of Washington Employment Security Department by *place of work*. In 1994, the largest employment sectors in Skagit County were retail trade (over 8,200 employees), followed by government (7,000), services (6,300), and manufacturing (4,500). Two of the largest sectors — services and retail trade — also had the lowest annual wage levels (\$16,700 and \$13,700 respectively) of all industries. The highest wage levels were found in construction (\$30,300), followed by manufacturing (\$29,300), and mining (\$28,200).

In 1997, retail trade continued to be the largest employment sector in Skagit County (nearly 8,500 employees), followed by services (7,900), government (7,600), and manufacturing (4,800) employees. Services and retail trade, two of the largest employing sectors, continued to hold the lowest annual wage levels (\$19,400 and \$14,800 respectively). The highest wage levels were found in construction (\$32,800), and manufacturing (\$32,000).

From 1994-1997, the fastest growth in countywide employment was experienced in mining (+47.1%), transportation (+34.5%) and other manufacturing industries (+31.5%), followed by the services sector (+25.2%). Construction and food and kindred product manufacturing retracted somewhat with negative growth rates of -12.2% and -12.0%, respectively. Lumber and wood product manufacturing appears to have stabilized from substantial losses experienced in the early 1990s (-49% from 1990 to 1994), with a small increase in employees (+4% from 1994-1997).

The fastest growth in wage levels occurred in the finance, insurance and real estate (FIRE) industry where average wages increased over 4% during the five-year period (adjusted for inflation). Wage levels also experienced growth in services (+3%), and agriculture, forestry and fishing (+1.8%). Wage declines were experienced in nearly all other categories. Greatest declines were reported in mining (-11%), followed by manufacturing of food and kindred products (-7%), government, retail trade, and construction (each at -4%), and wholesale trade (-3%).

Figure 18. Skagit County Employment Trends (1994-1997)

Employment Sector	1997 Annual Averages				% Change 1994-1997		
	# of Firms	Avg. Firm Size	# of Jobs	Wage per Job	# of Firms	# of Jobs	Wage per Job (inflation adjusted)
Agriculture, Forestry & Fishing	357	9	3,369	\$17,757	0.6%	5.6%	1.8%
Mining	4	6	25	\$28,187	33.3%	47.1%	-11.0%
Construction	460	6	2,547	\$32,789	2.5%	-12.2%	-3.6%
Manufacturing	221	22	4,859	\$32,010	7.8%	8.9%	-2.9%
Food and Kindred Products	20	71	1,130	\$20,538	11.1%	-12.0%	-6.9%
Lumber and Wood Products	56	9	631	\$27,174	-12.5%	4.1%	-1.4%
Petroleum Refining & Related Products	7	153	712	\$62,238	40.0%	-7.2%	-0.5%
Transportation Equipment	29	17	666	\$34,908	0.0%	34.5%	0.5%
Other Manufacturing	109	15	1,720	\$27,686	22.5%	31.5%	-1.5%
Transportation, Communications, Public Utilities	161	10	1,467	\$29,894	19.3%	5.2%	-0.3%
Wholesale Trade	157	9	1,394	\$27,166	15.4%	12.9%	-3.2%
Retail Trade	750	12	8,491	\$14,817	5.8%	3.0%	-3.7%
Finance, Insurance, Real Estate	233	5	1,062	\$26,578	9.9%	5.6%	4.0%
Services	1,224	7	7,942	\$19,394	26.6%	25.2%	3.3%
Government	122	55	7,650	\$28,281	-3.9%	8.7%	-4.5%
Total Covered Employment	3,689	11	38,806	\$23,339	11.9%	8.3%	-2.6%

Note: 1994 wages were adjusted to 1997 dollars based on the US Department of Labor Consumer Price Index, US city average.

Source: State of Washington Employment Security Department. Information is provided for employees covered by unemployment insurance, and is by place of work.

Mount Vernon Area Employment: Unpublished data obtained from the state of Washington Employment Security Department is useful to more specifically profile employment in the Mount Vernon area (zip code 98273 and 98274).⁷ The following chart provides a trend comparison relating the 1994 and 1997 employment statistics for zip code areas, 98273 and 98274.

Figure 19. Mount Vernon Employment Trends (1994 – 1997)

Employment Sector	1997 Annual Averages (98273 & 98274 zip codes)				% Change 1994 - 1997		
	# of Firms	Avg. Firm Size	# of Jobs	Wage per Job	# of Firms	# of Jobs	Wage per Job
							(inflation adjusted)
Agriculture, Forestry & Fishing	164	13	2,133	\$16,175	14.7%	1.6%	1.1%
Mining	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	167	6	1,032	\$33,997	9.2%	24.6%	6.1%
Manufacturing	54	12	670	\$30,777	14.9%	8.2%	-1.1%
Transportation, Communications, Public Utilities	57	13	717	\$28,551	18.8%	-8.1%	-4.3%
Wholesale Trade	82	13	1,101	\$32,710	41.4%	77.9%	9.6%
Retail Trade	272	10	2,675	\$13,907	16.2%	-12.1%	-9.3%
Finance, Insurance, Real Estate	128	4	476	\$27,620	36.7%	8.8%	4.0%
Services	644	6	3,655	\$20,180	38.2%	21.1%	-7.4%
Government	24	138	3,308	\$27,096	-46.7%	-16.3%	-6.6%
Total Covered Employment	1,592	10	15,767	\$22,860	23.6%	2.4%	-2.2%

Source: Washington State Employment Security Department, Labor Market and Economic Analysis, May 14, 1999. 1997 data includes Mount Vernon zip codes, 98273 and 98274.

Using 1997 Covered Employment for Mount Vernon (shown below with both zip codes), the largest employment sectors are services (with over 3,650 jobs) and government (with over 3,300 jobs), followed by retail trade, and agriculture/forestry. The highest paid sectors reported are construction (\$34,000 per year) and wholesale trade (\$32,700); followed by manufacturing; and transportation, communications, and public utilities (TCPU).

At just over \$22,800, the average annual wage in the Mount Vernon area is less than the countywide average wage of over \$23,300 by 2.2%. Relatively low wages in the large service, retail trade, and agriculture/forestry sectors in Mount Vernon are offset in part by higher wage levels in the construction, wholesale trade, manufacturing, and TCPU sectors.

Figure 20. Covered Employment and Wages by Industry for Mount Vernon (1997)

Industry	# of Firms	Avg. Firm Size	# of Jobs	Wage per Job	% of County Employment
Agriculture, Forestry & Fishing	164	13	2,133	\$16,175	63.3%
Mining	0	N/A	0	N/A	0.0%
Construction	167	6	1,032	\$33,997	38.6%
Manufacturing	54	12	670	\$30,777	13.8%
TCPU	57	12	717	\$28,551	49.1%
Wholesale Trade	82	13	1,101	\$32,710	81.2%
Retail Trade	272	10	2,675	\$13,907	31.5%
FIRE	128	4	476	\$27,620	44.8%
Services	644	6	3,655	\$20,180	46.0%
Government	24	138	3,308	\$27,096	43.2%
Totals	1,592	12	15,767	\$22,860	40.6%

Source: State of Washington Employment Security Department. Information is provided for employees covered by unemployment insurance and covers area included within Mount Vernon zip codes 98273 and 98274.

Total number of jobs available in Mount Vernon increased by 370 between 1994 and 1997. However, the percentage of employment relative to the whole county decreased.

Note that in the above chart, the Percentage of County Employment column refers the portion of employees each individual industry claims of the county's employment. Thus, 63.3% of the county's employees involved in Agriculture, Forestry & Fishing reside within area covered by Mount Vernon's zip codes, 98273 and 98274.

Major Mount Vernon Employers

The following lists identify major non-agricultural employers currently located in Mount Vernon. The first list identifies significant industrial employers and the second chart addresses non-industrial, non-agricultural employers. The largest employers in Mount Vernon are represented by health services firms, local and county government, retail establishments, and services providers — reflecting the city's central role in government, health services, and commercial activity in the county.

Figure 21. Major Industrial Skagit County Employers (1998)

Employer	Location	Description	Full /Part-Time Employment
<i>Industrial Employers (includes companies with over 100 employees):</i>			
Equilon Enterprises (Texaco)	Anacortes	Petroleum refinery	374
Pacific Circuits	Burlington	Circuit board manufacturer	366
Tesoro (Shell Oil Co.)	Anacortes	Petroleum refinery	300 / 2
Sugiyu USA Inc.	Anacortes	Seafood processing	200
Pyro Industries	Burlington	Pellet stoves	190 / 0
Dakota Creek Industries	Anacortes	Boat manufacturer	180
Trident Seafoods Corp.	Anacortes	Seafood processing	170 / -0-
Janicki Logging/Janicki Machine	Sedro-Woolley	Wood products & engineering	152
Sun Healthcare Systems	Anacortes	Software developer	150
Commercial Cold Storage	Mount Vernon	Warehousing	140 / -0-
Paccar Technical Center	Burlington	Truck testing	133 / 2
Snelson Companies, Inc.	Sedro-Woolley	Construction	125 / 125
Concrete Nor'west	Burlington	Aggregate materials	125 / 4
Northwest Hardwoods	Sedro-Woolley	Wood products	100
National Frozen Foods Corp.	Burlington	Food processing	96 / 324

Source: Economic Development Association of Skagit County and local jurisdictions, May 1998. Companies located within the City of Mount Vernon are **bolded**.

As indicated by the first chart, Mount Vernon is home to only one of the fifteen largest industrial employers in Skagit County. This reflects the relatively limited inventory of sites suitable for larger industries within the city.

A different picture is presented for non-industrial employers. Mount Vernon accounts for five of the 12 largest service sector-related employers in Skagit County. This reflects the city's significant role as the county center for governmental and service activities.

Figure 22. Major Non-Industrial, Non-Agricultural Skagit County Employers (1998)

Employer	Location	Description	Full/Part-Time Employment
<i>Non-Industrial Employers (includes companies with over 200 employees):</i>			
Skagit County	Mount Vernon	Government	575 / 500
Skagit Valley College	Mount Vernon	Education	416 / 658
Affiliated Health Services:	Skagit County	Medical	
Skagit Valley Hospital	Mount Vernon		943 Total / 510 FTEs
United General Hospital	Sedro-Woolley		359 Total / 217 FTEs
Sedro-Woolley School District	Sedro-Woolley	Education	560
Mount Vernon School District	Mount Vernon	Education	330 / 220
Burlington School District	Burlington	Education	315
Brown and Cole (Thrifty Foods*)	HQ - Bellingham	Retail	300 / 100
Wal-Mart	Mount Vernon	Retail	300 / NA
Anacortes School District	Anacortes	Education	250
Fred Meyer	Burlington	Retail	220 / 115
Dunlap Towing	La Conner	Services	215 / 4

* Note: Now Brown & Cole; headquarters moved to Bellingham.

Source: Economic Development Association of Skagit County and local jurisdictions, May 1998. Entities located within the City of Mount Vernon are **bolded**.

Other significant Mount Vernon employers include the City of Mount Vernon, Skagit Valley Medical Center, Eagle Hardware and Northwest Educational Service District. Each of these employers reports well over 100 full-time employees.

Mount Vernon Employment Forecasts

Employment forecasts since the 1996 OEDP remain unchanged pending completion of the year 2000 census data. Thus, this section remains as previously reported.

Population-driven employment forecasts for Mount Vernon were originally estimated for the city's Comprehensive Plan in 1995, but have since been revised to reflect changes in population estimates for Skagit County and the city.⁸ Projected growth in employment was based on keeping employment growth proportional to population growth, except for government, which is not expected to increase as quickly in the city.⁹

Figure 23. Existing & Projected Employment by Category (1995-2015)

Category	Existing Totals 1995 (City & UGA)	Forecast Totals 2015	Forecast Employment Growth	% Employment Growth
Retail	3,280	6,081	2,801	85%
Manufacturing, Construction, Agriculture	2,097	3,371	1,274	61%
TCPU	644	1,066	422	66%
Office/Services	1,886	3,314	1,428	76%
Health	1,754	3,323	1,569	89%
Total (excluding Government)	9,661	17,155	7,494	78%
Government	2,096	3,112	1,016	48%
Total	11,757	20,267	8,510	72%

Note: TCPU is transportation, communication, and public utilities.

There may be some adjustments due to refinement of the Urban Growth Boundary and further analysis by individual Traffic Analysis Zones (TAZ).

Source: McConnell/Burke, Inc. Memorandum, November 29, 1995. Compiled by E.D. Hovee & Company.

Using this population-driven methodology, Mount Vernon's employment base could be expected to increase by over 8,500 jobs between 1995-2015, to a job total in the year 2015 of nearly 20,300 — an increase of approximately 72%.

This forecast illustrates the number of jobs that need to be created to support anticipated population growth, to stabilize the rate of out-commuting or unemployment at current levels, and to retain existing labor force participation rates.

The highest rate of employment growth could be expected in health care (89%) and retail (85%) categories followed by office/services and transportation, communication, and public utilities. Employment in manufacturing, construction and agriculture is forecast to increase somewhat less, by 61%. Government sector employment is expected to increase by just 48% during the same 20-year period.

It is noted that, on a countywide basis, employment is expected to increase at a more rapid rate than population due to expectations of increased labor force participation and decreasing unemployment. From 1995-2015, population countywide is forecast to increase by 48% while employment increases by 66%.¹⁰

In Mount Vernon, population is forecast to increase by 93% between 1995 and 2015 based on GMA growth allocations. Employment is projected to increase by 72%, also consistent with the current employment allocations for urban growth areas in Skagit County.

Income Trends

Income information in this section reflects data reported in the 1990 Census. New data specific to Mount Vernon will become available when the Year 2000 Census is completed and tallied.

As of the 1990 census, median household income in Mount Vernon was \$27,022, approximately 95% of the median income for Skagit County at \$28,389 per household. For the entire state of Washington, the median income level was \$31,183. For incorporated cities in Skagit County, the

highest median income levels were experienced in Anacortes, while the lowest were in Hamilton.

For the ten-year period from 1980-1990, median household income increased nearly 69% in Mount Vernon, just below the countywide and statewide growth rates of 72% and 70% respectively. Although Mount Vernon had household income levels and growth rates comparable to countywide and statewide averages in 1990, it also had somewhat higher poverty rates. Within the City of Mount Vernon, over 13% of households were below poverty level — somewhat above the countywide average of 12% and the statewide average of 11%.

Figure 24. Detailed Household Income Data (1989)

Jurisdiction	Median Household Income	% Change 1979-1989	% Below Poverty Level
Anacortes	\$28,919	69.7%	11.6%
Skagit County	\$28,389	72.3%	11.5%
Mt. Vernon	\$27,022	68.7%	13.2%
La Conner	\$25,054	84.1%	6.4%
Sedro-Woolley	\$23,606	76.7%	13.7%
Concrete	\$23,529	56.9%	13.4%
Lyman	\$23,125	101.1%	13.6%
Burlington	\$22,437	48.6%	12.8%
Hamilton	\$19,844	21.4%	16.1%
Washington State	\$31,183	69.8%	10.9%

Source: U.S. Census. Income data is for the year prior to the census.

Focusing on household income ranges during the 1990 census, over 16% of Mount Vernon households had annual incomes of less than \$10,000 compared to 14% of households in Skagit County and 13% of households statewide, helping to explain the somewhat higher poverty rate in the city.

Approximately 54% of city households had household income of over \$25,000 in 1989, below comparable county (57%) and statewide (61%) results. However, for the larger Mount Vernon area (both the city and surrounding rural area), nearly 56% of households had incomes of over \$25,000.

Figure 25. Distribution of Household Income (1989)

Income Range	Mount Vernon	Mount Vernon Area	Skagit County	Washington State
Less Than \$10,000	16.3%	14.9%	14.3%	12.9%
\$10,000 to \$24,999	29.6%	29.2%	29.2%	26.3%
\$25,000 to \$49,999	35.1%	35.4%	37.2%	36.4%
\$50,000 & Over	18.9%	20.5%	19.3%	24.3%
Total	100.0%	100.0%	100.0%	100.0%
Median Income	\$27,022	\$27,977	\$28,389	\$31,183
% Below Poverty Level	13.2%	11.8%	11.5%	10.9%

Source: U.S. Census.

As of the 1990 census, a somewhat lower share of city households (75%) received wage and salary income compared with the state (78%); however, the city was above the countywide rate of 71%. Mount Vernon households also received lower proportions of self-employment and retirement income compared to the state, but had higher proportions of households receiving social security and public assistance income.

Figure 26. Comparative Sources of Household Income (1989)

Source of Income	Mount Vernon	Mount Vernon Area	Skagit County	Washington State
Wage and Salary Income	74.9%	74.7%	70.8%	78.3%
Social Security Income	26.9%	27.5%	31.8%	24.0%
Retirement Income	15.0%	16.0%	21.1%	17.2%
Self Employed Income	12.6%	15.2%	18.2%	15.2%
Public Assistance Income	9.3%	8.4%	7.3%	6.7%

Note: Percentage figures can add to more than 100% as many households receive multiple sources of income.

Source: U.S. Census

A more recent comparison of personal income is made available in the table below. Skagit County residents continue to fall behind the state in average per capita income collected. Also, of the incomes collected, the county reports that income is composed of a higher percentage of dividends, interest and rent, and transfer payments as compared with the rest of the state.

Figure 27. Comparative Sources of Personal Income (1991 & 1996)

Source of Income	As a % of Total Income			
	Skagit County		State of Washington	
	1991	1996	1991	1996
Wages/Salaries & Proprietors Income	60%	57%	68%	66%
Dividends, Interest & Rent	21%	23%	16%	18%
Transfer Payments	19%	20%	15%	16%
All Sources	100%	100%	100%	100%
Average Per Capita Income	\$17,384	\$21,777	\$19,521	\$25,277

Source: U.S. Bureau of Economic Analysis.

Industrial & Commercial Lands

Data compiled in 1996 for supply and demand of industrial and commercial lands for both Skagit County and the City of Mount Vernon was prepared as part of the *Skagit County Urban Growth Area Analysis*. This analysis identified population, employment, and UGA land allocation by jurisdiction in Skagit County, consistent with the previous 1995 update of the Skagit County OEDP. This analysis was reviewed and updated in March 1997.

Skagit County Planning and Permit Center utilized this information as a basis to review the allocations of each county UGA as directed by the Western Washington Growth Hearings Board. As a result, allocations for each UGA are defined within the Countywide Planning Policies (CPP 1.1).

In June 1999, the county again reviewed UGA allocations for distribution of available lands. Although pending final approval by Skagit County Commissioners, an allocation increase has

been discussed for the City of Mount Vernon of 98 additional acres, bringing its current UGA acreage of 3,505. This adjustment in land allocation will be submitted as an amendment to CPP 1.1 and 1.7.

Figure 28. Countywide Planning Policies Industrial and Commercial Land Allocation

Urban Growth Areas	Residential Population (2015)	Commercial/Industrial Land Allocations (Undeveloped)
Anacortes	18,300	525
Burlington/County	3,420	497*
Big Lake	2,400	-0-
Burlington	7,065	300
Concrete	1,110	18
Hamilton	315	-0-
La Conner	890	2
Lyman	370	-0-
Mount Vernon	41,725	771
Sedro-Woolley*	11,030	134
Swinomish	2,722	-0-
County Unincorporated	48,355	-0-
Total County	137,700	2,256

* 254 acres – Port of Skagit County

Source: Skagit County Countywide Planning Policies, (CPP 1.1), October 23, 1996.

The following discussion on industrial and commercial lands and an analysis of *employment- and population-driven forecasts* have been calculated based upon the above-discussed Urban Growth Area Analysis information.

Skagit County: Based on and supplemented by Countywide Planning Policy 1.1, Skagit County has a *supply* estimated at 2,256 acres of potentially developable commercial and industrial sites within existing urban growth areas. After accounting for a market factor *deduction* of 20%, an estimated 1,804 acres are identified as potentially available for commercial and industrial development over the 1995-2015 period.

With 771 acres, Mount Vernon has an estimated 34% of the identified developable commercial and industrial land inventory in Skagit County.¹¹ The total industrial and commercial inventory actually totals 1,260 acres, but 489 acres (39%) are already developed, leaving 771 acres for potential future development.

Based on the *employment-driven* forecast used in the 1995 Skagit County OEDP update and assumed employment densities, total *demand* for industrial, commercial and natural resource-related industrial land is estimated at 1,903 acres over the 20-year planning horizon. Land demand with this employment-driven approach would be distributed approximately 27% to commercial, 45% to industrial, and 28% to natural resource related industry.

An alternative *population-driven* forecast was also prepared for the countywide OEDP as a framework for comparison. This methodology resulted in a land demand projection of 1,816 acres (or 96% of the demand projected with the employment-driven approach).

This analysis indicated that there is a rough balance between anticipated demand and supply for developable commercial and industrial (including natural resource related) property over the next 20 years within the context of Skagit County and local jurisdiction comprehensive planning. Combined commercial-industrial (including natural resource related industrial) land demand estimated at 1,816-1,903 acres equates to just over 100% of combined commercial and industrial land supply of 1,804 acres identified for future urban growth area (UGA) development potential. This forecast deducts a market factor adjusted as of July 1996 and has a range depending on use of a population versus employment-driven projection).

It is noted that estimates of countywide industrial land demand are currently being updated for the Skagit County OEDP. This analysis also addresses rural needs for industrial/commercial lands.

City of Mount Vernon: Based on information provided by the City of Mount Vernon as part of its Comprehensive Planning process, total commercial and industrial acreage supply is 1,260, of which 489 acres were already developed, leaving 771 acres undeveloped (as of 1995). After deducting for a 20% market factor, the city has a planned *supply* of 368 commercial acres and 249 industrial acres (617 acres total) anticipated for future development over the 1995-2015 time period.

Given employment forecasts for commercial and industrial jobs and assumed density levels, forecast employment-based *demand* for commercial and industrial acreage over the 20-year planned horizon is 350 acres for commercial and 236 acres for industrial uses.

Comparing supply and demand for commercial and industrial land, there is somewhat more supply than demand. Combined commercial/industrial land demand forecast at 586 acres equates to approximately 95% of combined commercial and industrial land supply of 617 acres identified for Mount Vernon's urban growth area (UGA).

Figure 29. Mount Vernon Commercial & Industrial Supply & Demand (in acres)

Land Allocation	Commercial	Industrial	Total
Supply:			
Total Zoned Acreage	752	508	1,260
Less Existing Developed Land (acres)	292	197	489
Undeveloped Acreage	460	311	771
Less Market Factor (20%)	92	62	154
Land Available for Development (acres)	368	249	617
Demand:			
Added Employment	6,992	1,773	8,765
Divided by Density (employees/acre)	20	7.5	
Land Required (acres)	350	236	586
Surplus/(Deficit):	18	13	31

Source: *Skagit County Urban Growth Area Analysis*, July 1996, and *City of Mount Vernon Comprehensive Plan*, 1995.

Major Economic Development Investments

As indicated by the following chart, over \$238 million in industrial investment for Skagit County has been announced over the last two years. This data illustrates the geographic diversity of industrial activity throughout Skagit County. Industrial investments in the Mount Vernon area are noted in **boldface** type.

Only one of 27 major industrial investments reported by EDASC since 1996 has occurred in Mount Vernon, consistent with the community's relative lack of major employers. However, it is noted that the industrial investment list does not include multi-tenant business and industrial park sites. Mount Vernon is home to small industrial firms and is, in many respects, a business incubator.

Figure 30. Major Skagit County Industrial Investments (since 1996)

Name of Project	Description	Location	Year	Added # of Jobs since 1996
Aroma Creations	Fragrance manufacturer	Sedro-Woolley	1998	10
Olympic Pipeline	Distributor of refining products	Bayview/Port	1998	8
Northwest Marine Tech	Fish tagging manufacturer	Anacortes/Port	1998	10
San Juan Composites	Boat & boat composite manufacturer	Anacortes	1998	10
Pacific Woodtech, Inc.	Engineered wood product maker	Burlington	1998	5
Helena Chemical	Fertilizer mixing & bagging	Burlington	1998	2
International Aero	Airplane interiors	Bayview/Port	1998	20
Sport Manufacturing Business	Sporting products		1998	70
Hexcel Corporation	Airplane interiors	Bayview/Port	1998	19
Washington Alder	Specialty alder mill	Burlington	1997-98	40
Sun Healthcare Systems	Software developer	Anacortes	1997-98	150
Nordic Tugs	Pleasure tugboat manufacturer	Bayview/Port	1997-98	96
Northern Marine	Marine products	Anacortes	1997-98	60
Skagit Pacific Corp	Manufactured/modular buildings	Sedro-Woolley	1997-98	78
Tesoro (Shell Oil)	Upgrade of oil refinery	March's Point	1997	24
Lindal Building Products	Sun rooms/window frames	Bayview/Port	1997	8
Armadillo Truck Vault	Vehicle security systems	Sedro-Woolley	1997	8
Callaghan USA Inc.	Concrete pumps		1997	4
Pacific Circuits	Circuit board manufacturer	Bayview/Port	1996-98	366
Mathers Controls	Boat controls	Burlington	1997	14
Bunnies By The Bay	Stuffed animals	Anacortes	1996	11
Dakota Creek	Boat builders	Anacortes/Port	1996	100
Whispering Winds	Wind chimes	Anacortes	1996	10
Flounder Bay Boat & Lumber	Marine products	Anacortes	1996	5
Valley Electric	Electrical contractor	Mount Vernon	1996	150
Baywood	Aluminum foundry	Sedro-Woolley	1996	15

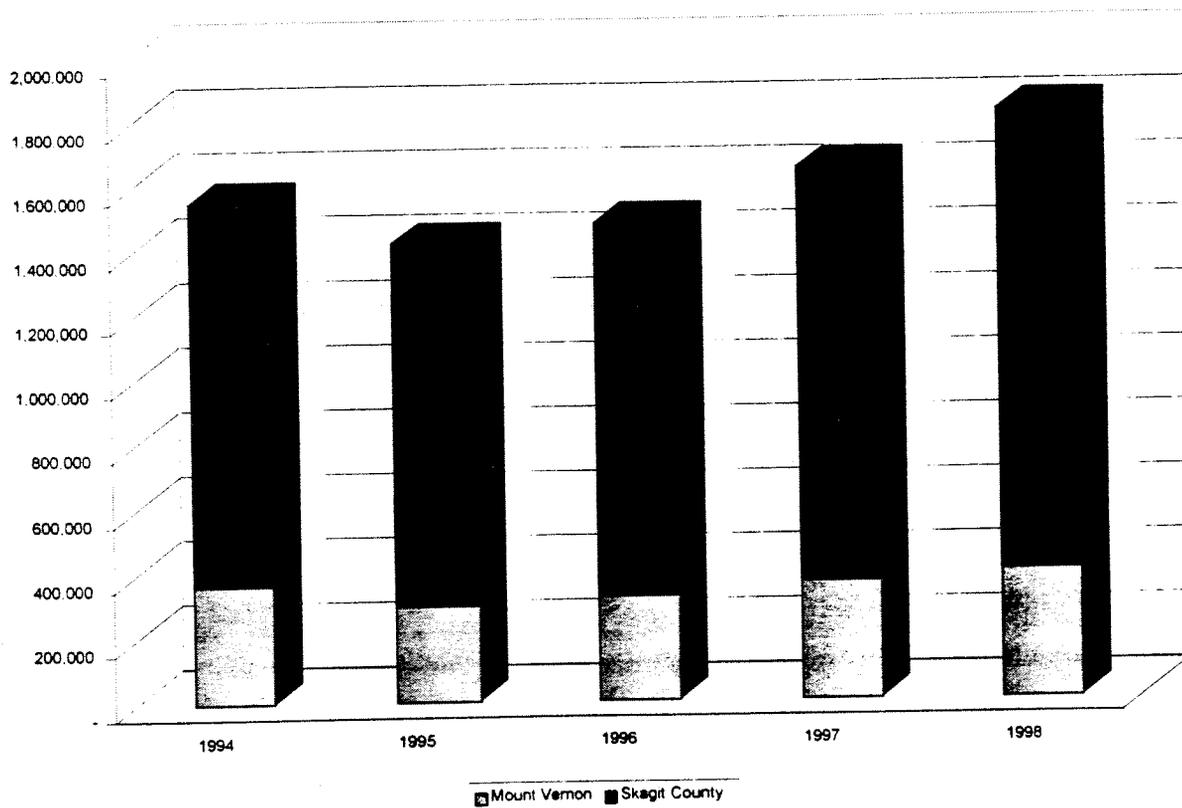
Source: E.D. Hovee & Company, based on data provided by EDASC and other sources, January 1999. Mount Vernon companies are **bolded**. Out of 28 industrial investments noted countywide, only one, Valley Electric, is noted as being in the Mount Vernon area.

Retail Trade & Services Sector

At the request of the 1996 Mount Vernon OEDP Committee, an analysis and forecast of retail sales and service sector potential for the city was prepared. This section provides highlights from that previous analysis together with updated sales investment as available. A more detailed discussion of the retail and service analysis results is available in an appendix to the OEDP report. Unfortunately, comparable Census of Retail Trade data for 1997 is not yet available from the U.S. Department of Commerce; a more complete updated analysis should be possible by late 1999.

Taxable Retail Sales: For the period from 1994 through 1998, the City of Mount Vernon reported a 9% increase in taxable retail sales (to approximately \$398 million). At the same time, taxable retail sales in Skagit County increased by 20% (to approximately \$1,425 million), and the State of Washington increased by 23% (to approximately \$74 billion).

Figure 31. Mount Vernon and Skagit County Taxable Retail Sales Analysis (1994-1998)



Steady increases are noted in all categories. However, both Mount Vernon and Skagit County are not keeping pace with the growth recorded for the state of Washington.

Figure 32. Retail Sales Tax Trends (1994-1998)

Jurisdiction	1994	1995	1996	1997	1998	Average Annual % Change
Mount Vernon	\$365,881	\$301,087	\$325,908	\$365,881	\$398,229	2.1%
Skagit County	\$1,118,084	\$1,121,633	\$1,155,485	\$1,282,343	\$1,424,620	4.6%
Washington State	\$60,029,279	\$61,454,448	\$63,807,596	\$69,347,635	\$73,867,572	5.3%

Source: *Quarterly Business Review*, Department of Revenue, calendar years 1994-1998. Compiled by E.D. Hovee & Company, May 1999.

Mount Vernon Lodging Receipts: The City of Mount Vernon has remained fairly static in the amount of lodging receipts collected annually, with virtually no growth noted over the 1992-1997 period. If revenues were adjusted for inflation, Mount Vernon would show declining revenues in real dollar terms. The increases reported by Skagit County appear to be due to significant increases in La Conner and in the unincorporated areas of the county. Increases reported by the State of Washington dwarf the growth within Skagit County.

Figure 33. Mount Vernon & Skagit County Lodging Receipts (1992-1997)

Location	1992	1993	1993	1995	1996	1997	Average Annual Increase 1992-1997
Anacortes	\$63,872	\$60,471	\$68,666	\$71,185	\$66,334	\$60,901	-0.9%
Burlington	\$22,114	\$18,761	\$16,826	\$17,778	\$16,065	\$15,648	-6.7%
La Conner	\$37,252	\$39,685	\$43,174	\$47,640	\$50,111	\$52,709	7.2%
Mount Vernon	\$82,384	\$73,927	\$80,919	\$79,198	\$79,795	\$81,384	-0.2%
Sedro-Woolley	N/A	N/A	N/A	N/A	N/A	\$1,969	N/A
Remaining County	\$25,270	\$26,303	\$32,128	\$30,757	\$24,787	\$40,927	10.1%
Skagit County Total	\$230,893	\$219,147	\$241,713	\$246,557	\$247,091	\$253,539	1.9%
Washington State	\$15,843	\$14,477	\$17,497	\$19,283	\$20,792	\$22,298	7.1%

Source: *Washington State Travel Spending by County* (through 1997), Dean Runyan & Associates, compiled by E.D. Hovee & Company, May 1999.

Financial Resources

The OEDP Committee also has focused attention on financial resources available to the City of Mount Vernon to support an economic development implementation plan. An overview evaluation of revenue trends and debt capacity of the city are important as a starting point for this discussion and future implementation programming.

Revenue Trends: Governmental Operating Funds (General Tax Revenues) for the City of Mount Vernon have been included for the years 1994-1998 and projected to 2005. This review and projection focuses on slightly different funding accounts than were previously reported in the 1996 OEDP.

**Figure 34. City of Mount Vernon Governmental Operating Funds
(General Tax Revenues – 000's)**

Category	1994	1995	1996	1997	1998	Projected 2005
Cash Carry Forward	\$1,924	\$1,899	\$1,410	\$1,850	\$2,075	\$3,363
Revenue:						
Property Tax	\$2,672	\$2,881	\$3,136	\$3,311	\$3,527	\$4,745
Sales Tax	\$3,013	\$2,957	\$3,191	\$3,453	\$3,758	\$5,049
B & O Tax	\$1,658	\$1,748	\$1,935	\$2,070	\$2,168	\$3,149
Other Taxes	\$120	\$104	\$94	\$165	\$140	\$170
Licenses and Permits	\$123	\$116	\$114	\$117	\$116	\$140
Building Permits	\$400	\$290	\$261	\$255	\$284	\$394
Intergovernmental	\$1,264	\$1,477	\$1,208	\$1,212	\$1,426	\$1,284
Charges for Services	\$539	\$620	\$870	\$1,140	\$1,167	\$991
Fines and Forfeits	\$215	\$211	\$244	\$250	\$237	\$289
Misc. Revenue	\$337	\$284	\$303	\$360	\$405	\$300
Other Financing Sources	\$136	\$215	\$211	\$656	\$332	\$287
Sub-Total	\$10,478	\$10,901	\$11,569	\$12,991	\$13,549	\$16,798
Total Resources	\$12,401	\$12,801	\$12,979	\$14,841	\$15,623	\$20,162
Growth Rate		3.22%	1.39%	14.35%	5.27%	
Expenditures:						
Salaries	\$5,647	\$6,202	\$6,274	\$6,768	\$7,012	\$9,388
Benefits	\$1,675	\$1,774	\$1,748	\$1,900	\$1,954	\$2,426
Supplies	\$282	\$315	\$266	\$283	\$284	\$413
Other Services/Charges	\$1,571	\$1,601	\$1,599	\$1,626	\$1,731	\$2,552
Intergovernmental	\$449	\$484	\$421	\$464	\$641	\$1,085
Capital	\$590	\$621	\$325	\$571	\$637	\$400
Debt Service	\$186	\$199	\$169	\$148	\$115	\$14
Transfers Out	\$104	\$195	\$314	\$1,007	\$562	\$50
Total Expenditures	\$10,503	\$11,691	\$11,116	\$12,766	\$12,936	\$16,328
Growth Rate	7.17%	8.45%	-2.41%	14.85%	1.33%	3.48%
Surplus (Deficit) Available for Capital Improvement Projects (CIP)	\$1,899	\$1,410	\$1,863	\$2,075	\$2,687	\$3,834

Notes: (1) Salary/Benefit projections assume no increase in staffing levels and increase at an annual rate of 4%. (2) Other operating costs increase at an annual rate of 3%. (3) Property taxes are projected to increase at an annual rate of 4% (2% levy increase plus 2% growth). (4) Sales taxes are projected to increase at an annual rate of 4% (3% inflation plus 1% growth). In addition, pursuant to a GMA agreement with Skagit County property taxes in the unincorporated South Mount Vernon area will be shared equally with the county as of Jan. 1, 1999. (5) Library Building operating expenses to begin in 2002 @ \$4.37/sf - \$148,580. Also, the Revenue category of B&O Tax is made up of income from electric, phone and cable utilities taxes.

Source: Mount Vernon Finance Department, May 1999.

Revenue sharing with Skagit County in the South Mount Vernon area has been initiated to assist funding improvements to the sewer infrastructure for planned commercial and industrial growth. Interlocal agreements have been in place for several years for services such as fire and police response.

Increases in retail sales tax are most promising in the College Way, West Mount Vernon and the Downtown areas. Sales tax collected has steadily increased due to the introduction of retailers such as Wal-Mart and Eagle Hardware.

For the four-year period from 1994-1998, revenue funds for the City of Mount Vernon increased over 5.3% per year to \$13.5 million. General revenue funds for the city are generated from property taxes, retail sales and use taxes, business taxes (e.g. business licenses), all other taxes (e.g. real estate tax), intergovernmental revenue (e.g. state and federal grants), and other sources (interest, fines, fees, forfeits).

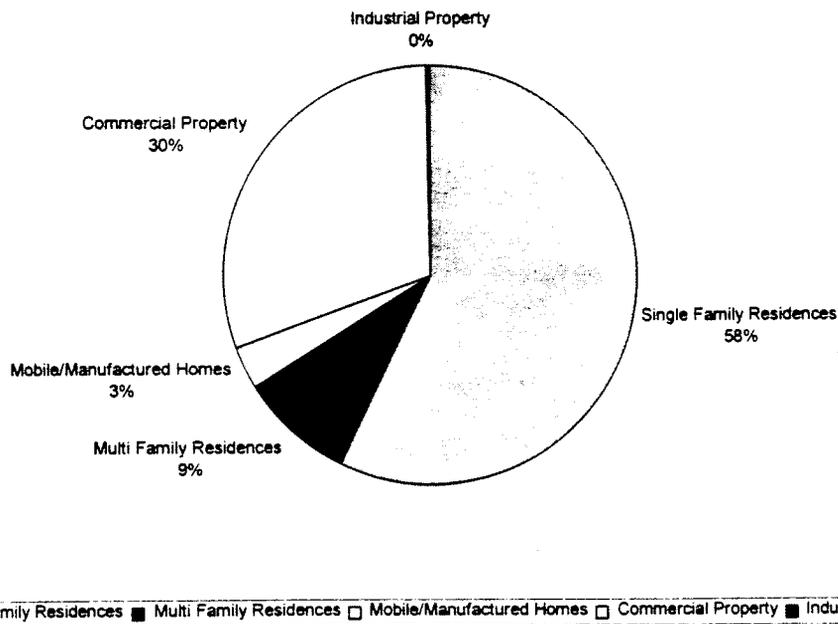
A more detailed review of property tax income generated by sector by the Skagit County Assessor's Office revealed that in 1999, residential properties are expected to generate 57.3% of property tax income. Commercial property contributes 30.2% while multi-family residences (8.9%), mobile/manufactured homes (3.2%) and industrial properties (0.4%) make up the balance of real estate taxes collected.

Figure 35. City of Mount Vernon General Revenue Funds – Property Taxes 1999

Type of Property	Total Assessed Value	1999 GF Taxes Collected	% of Total (see chart below)
Single Family Residences	\$515,090,995	\$1,616,304	57.3%
Multi Family Residences	\$80,462,814	\$252,484	8.9%
Mobile/Manufactured Homes	\$28,670,770	\$89,966	3.2%
Commercial Property	\$271,789,000	\$852,847	30.2%
Industrial Property	\$3,672,500	\$11,524	0.4%
Total	\$899,686,079	\$2,823,125	100.0%

Source: Skagit County Assessor

Figure 36. City of Mount Vernon Sources of Property Tax by Percentage (1999)



Source: Skagit County Assessor

As is evident by the above charts and graph, revenues generated by commercial property and sales, commercially zoned properties and businesses contribute a significant amount to the operating budget for the City of Mount Vernon.

In 1998, retail sales and use tax accounted for approximately 28% of total fund revenues, fairly consistent over the past five years. General property tax accounted for 26% of fund revenues in 1998, also remaining steady from 1994 levels.

1998 intergovernmental revenues (10%) have dropped slightly from 1994 levels (12%). Other sources have also remained relatively steady, moving from 34% in 1994 to approximately 36% in 1998.

Debt Capacity: In the state of Washington, municipalities often finance capital expenditures by issuing debt in the form of bonds. Two types of bonding capability are noted: bonds backed by the taxing authority of the city and those backed only by usage rate or service charges (e.g. revenue bonds) or special property assessments (e.g. Local Improvement Districts).

Washington State law specifies two types of limits on cities for incurring debt against which a city pledges full faith and credit on the basis of its taxing authority. First, cities may incur debt only equal to 1.5% of the total assessed valuation of the city without a public vote. In 1995, this amounted to approximately \$16,775,000 for the City of Mount Vernon. In 1998, this debt increased to \$17,686,214. Second, cities may incur debt up to as much as 7.5% of total assessed value only with the voters' approval. In 1995, this amounted to approximately \$83,870,000 for the city. In 1998, this debt increased to \$88,431,070.

Debt not secured by the taxing authority (or full faith and credit) of the city is not limited. The two most common types of such non-recourse debt are revenue bonds and local improvement districts (LID). Revenue bonds may be backed only by usage rate or service charges — although revenue bonds may also be backed by taxing authority subject to the above limitations. LID bonds are backed by special property tax assessments on property benefiting by the improvements financed by the bonds.

As of December 31, 1998, the City of Mount Vernon had total debts of approximately \$8,156,364, of which approximately \$2,233,410 was general obligation debt subject to the statutory limitations discussed above. The remaining total (voted and non-voted) debt capacity available to the city was \$80,274,706 under statutory limitations. Of the total available (voted and non-voted) debt capacity, nearly \$15,452,804 of debt capacity is available on a *non-voted* basis.

ECONOMIC DEVELOPMENT ASSESSMENT

The assessment of Mount Vernon's economic development potentials has involved an evaluation of strengths, weaknesses, opportunities, and threats (SWOT) and preparation of citywide employment forecasts.

SWOT Assessment: This 1999 OEDP update has involved a fresh look at strengths, weaknesses, opportunities and threats for the Mount Vernon area. Strengths and weaknesses reflect a *snapshot* of current conditions and recent trends. Opportunities and threats are more *forward looking* – indicating conditions that could occur in the future.

Suggestions regarding this updated SWOT were obtained from OEDP Committee members and City of Mount Vernon supervisory staff. The assessment that follows is organized around five *building blocks* for economic opportunity:

Business Opportunity
Destination Mount Vernon
Residential Diversity
Employment & Human Services
Conservation & Economic Development

Figure 37. Strengths, Weaknesses, Opportunities & Threats (SWOT)

Building Block	Strengths	Weaknesses	Opportunities	Threats
Business Opportunity	<p>Location midway on I-5 between Seattle & Vancouver, BC.</p> <p>Renewed city/community vision & proactive leadership coupled with strong interjurisdictional & public-private partnerships.</p> <p>Innovative & proactive regulatory improvements.</p> <p>Interlocal agreement for urban growth area (UGA).</p> <p>Business community involvement & leadership.</p> <p>Capacity to support existing industrial, commercial & institutional uses.</p> <p>Amtrak service.</p> <p>Wastewater treatment capacity.</p> <p>New public safety facility.</p> <p>Remodeled, updated & improved library.</p> <p>Technological implementation.</p>	<p>Business activity not kept pace with population growth.</p> <p>Limited attraction of high technology firms.</p> <p>Continued need for permitting process improvements.</p> <p>Lack of I-5 directional signage.</p> <p>Traffic congestion and lack of adequate transportation funding.</p> <p>Lack of infrastructure in UGA to serve new industrial/commercial uses.</p>	<p>I-5/South Mount Vernon development.</p> <p>Puget Sound & Pacific Rim markets.</p> <p>Telecommunications master plan.</p> <p>Partnerships with other agencies and community to find viable/creative solutions to concerns.</p> <p>Creation of coordinated permitting process.</p> <p>Marketing emerging business opportunities.</p> <p>I-5 widening and/or TDM improvements.</p> <p>Potential availability of transportation funding.</p>	<p>Continued decline in industrial/commercial tax base.</p> <p>Federal, state & local government impacts (GMA, fees, and taxes).</p> <p>Endangered Species Act (ESA) listings and resulting development limitations.</p> <p>I-5 widening project.</p> <p>Adequacy of infrastructure funding.</p>
Destination Mount Vernon	<p>Mount Vernon position as largest city in Skagit County.</p> <p>Gateway to Cascades & San Juan Islands.</p> <p>Proximity to local state & regional park systems.</p> <p>10,000 lineal feet of water access.</p> <p>Availability of land for special event facilities and activities.</p>	<p>Incentives to address deferred maintenance.</p> <p>Commercial/industrial not keeping up with growth.</p> <p>Lack of adequate commercial/industrial land availability.</p> <p>Not capturing visitor growth potential and no plan for year-round tourism.</p>	<p>Regional services.</p> <p>Downtown revitalization/ village character.</p> <p>West Mount Vernon/ Memorial Highway commercial corridor.</p> <p>Parking.</p> <p>Dike access & trails.</p> <p>River access to recreational activities.</p> <p>Pursuit of additional open space.</p> <p>Expanded Amtrak service & downtown transportation hub.</p> <p>Convention center.</p>	<p>Reduced share of regional commercial activity.</p> <p>Associated erosion of retail sales tax base.</p> <p>Urban growth leading to prime agricultural areas.</p> <p>Erosion of lodging/sales tax base if services occur elsewhere.</p>

Building Block	Strengths	Weaknesses	Opportunities	Threats
Residential Diversity	<p>High quality of life with small town values.</p> <p>Small urban community located in picturesque area.</p> <p>Community policing philosophy.</p> <p>Block parties.</p>	<p>Housing less available & affordable -- particularly single family.</p> <p>Code compliance & insurance-related concerns.</p> <p>Crime concerns related to freeway location.</p> <p>Incentives to address deferred property maintenance.</p>	<p>Block parties.</p> <p>Creative financing for affordable housing.</p> <p>Partnerships with non-profits (Self-Help, Habitat) through grant programs.</p> <p>Neighborhood planning.</p> <p>More affluent aging population.</p>	<p>Quality of life issues (crime, education, housing costs).</p> <p>Support for local quality of life funding initiatives (especially schools).</p>
Employment & Human Services	<p>Productive workforce.</p> <p>Skagit Valley College.</p> <p>Seat of county government.</p>	<p>Difficulty attracting professional/technical personnel.</p> <p>Under-educated workforce.</p> <p>Health access for economically disadvantaged.</p> <p>Trend to locate social service uses in former commercial space.</p>	<p>Educational system partnerships.</p> <p>Regional services.</p> <p>Health services reconfiguration.</p> <p>Family & recreational resources.</p>	<p>Funding to meet enrollment growth.</p> <p>Multi-jurisdictional school & hospital boundaries.</p> <p>Decentralization of services.</p> <p>Potential hospital relocation.</p>
Conservation & Economic Development	<p>Diverse natural resources.</p> <p>Completed Comprehensive Plan with open space/agricultural protections.</p> <p>Wetlands mitigation program.</p>	<p>Flooding and flood plain issues.</p> <p>Lack of funding for park land & facilities.</p> <p>Drainage.</p>	<p>Maintaining open space to enhance quality of life.</p> <p>Pursuit of additional open space.</p> <p>Endangered Species Act (increased funding opportunities).</p> <p>Green space to parkland development.</p>	<p>Quality of life issues (sprawl, loss of agricultural land).</p> <p>Wetlands, flood control & drainage.</p> <p>Major flood events.</p> <p>Storm drainage.</p> <p>Pending NPDES requirements for surface water.</p>

Source: E.D. Hovee & Company, based on suggestions from OEDP Committee members and City of Mount Vernon supervisory staff.

IV. ENVIRONMENTAL CONSIDERATIONS

Balancing environmental and economic objectives has become increasingly important both in the state of Washington and in Skagit County. Mount Vernon's location, topography and climate make achieving an appropriate balance more challenging than for many other communities in western Washington.¹²

Environmental information important to the OEDP process is organized to cover:

- Description of Area
- Political Geography
- Land Usage
- Public Facilities
- Wetlands & Critical Areas
- Endangered Species
- Other Environmental Issues
- Pertinent Countywide & Citywide Planning Policies

DESCRIPTION OF AREA

As previously noted, the City of Mount Vernon encompasses approximately 7,068 acres and 3,505 within the UGA, ranking first in population and second in geographic size among Skagit County incorporated areas.

Mount Vernon's elevation ranges from approximately 934 feet at Little Mountain in southeast Mount Vernon to 10 feet in the city's southwest along the Skagit River. The city can be characterized as consisting of two distinct topographical areas: the fertile low-lying delta of the Skagit River and the foothills of the Cascade Mountains.

Southwest winds generally prevail in the area, but during the summer months winds are more often out of the north and northwest. Although Mount Vernon generally has good air quality, there are periods when localized air quality can deteriorate. Air quality is most likely to be affected during times of stable weather with an absence of wind. The city receives approximately 32 inches of annual precipitation, 75% from October to February.

POLITICAL GEOGRAPHY

The 1995 population of Mount Vernon (21,600 residents) comprised approximately 23.2% of the population of the countywide population of 93,100. In 1998, Mount Vernon claims 22.8% (22,540 residents) of the countywide population of 98,700.

As with each city and town within Skagit County, Mount Vernon has a mayor-council form of government. The seven-member City Council determines city policy by enacting laws and adopting resolutions. The mayor and council members are elected to four-year terms by citywide elections.

A three-member Board of Commissioners — each member elected from a particular district to a four-year term — governs Skagit County. A variety of other governmental jurisdictional responsibilities are noted: the city lies within the Port of Skagit County district; water is supplied

primarily by Skagit County Public Utility District 1; and the city provides sewer service to residents. In addition, other special districts such as fire and diking districts serve the city.

LAND USAGE

Land use factors described include zoning, superfund sites, prime or unique farmland, agricultural lands, conservation areas and sites of historical significance.

Zoning

Zoning designates permissible land uses and restrictions within defined geographic areas of local cities and unincorporated areas. Through the adoption of specific ordinances, the cities, towns and county governments have methods to protect their environments. The Mount Vernon Zoning Code identifies permissible land uses and restrictions within the incorporated area.

In addition to zoning controls, the *City of Mount Vernon Comprehensive Plan, 1998*, provides additional guidance for regulating the type of development within the incorporated area. Other land use regulations include the State Environmental Policy Act (SEPA), the Shoreline Management Master Program, and within the UGA, the County's Critical Areas Ordinance.

The Mount Vernon Zoning Code is comprised of maps, including a zoning map, identifying various zoning districts. The code also contains descriptive text explaining the uses and regulations for the zoning districts.

Superfund Sites

The Pacific Northwest Region 10 of the U.S. Environmental Protection Agency (EPA) identifies no designated superfund sites in Mount Vernon/Skagit County as of February 16, 1999.¹³

Agricultural Lands

Skagit County has made a clear policy commitment to preserving agricultural land. Programs already in place include agricultural zoning, agricultural reserve zoning, open space taxation, and a right-to-farm ordinance.

The main agricultural element goals being considered for Skagit County's Comprehensive Plan is to establish policies that insure the stability and productivity of the County's agricultural lands and industries.

Although the City of Mount Vernon has relatively small amounts of agricultural land within current city limits, significant portions of surrounding acreage are primarily agricultural land. The City of Mount Vernon has specifically identified the retention of agricultural land surrounding the city within the urban growth area (UGA) as an element of the Open Space Plan within the city's Comprehensive Plan. The City also has adopted a Transfer of Development Rights (TDR) program for areas within the current City limits.

Conservation Areas

Approximately 34% of Skagit County's total land base is zoned as a Secondary Forest or Industrial Forest. Another 33% of the county's land base is in federal ownership, including U.S. Forest Service-managed land and National Park and Wilderness Areas.

Other Skagit County protected areas include portions of the San Juan National Wildlife Refuge, Noisy Diobsud Wilderness and Glacier Peak Wilderness, 158 miles of the Skagit River system designated as a Wild and Scenic River, and several highways designated as Scenic and Recreation Highways. Management actions call for the protection of such highways and their adjacent areas.

Within the City of Mount Vernon, seventeen parks (approximately 658 acres), and various playgrounds and playfields (74 acres) are conserved for recreational use. The largest is Little Mountain Park (480 acres), primarily natural wooded area. Edgewater Park has been expanded by seven acres as a result of recently completed flood control projects.

The *City of Mount Vernon Comprehensive Plan* identifies five elements in the open space plan:

- Retention of the agricultural land which surrounds the city in order to protect this basic contributor to the area's economy, but also to maintain a rural atmosphere immediately adjacent to developed areas.
- Retention of the wooded hillsides/bluffs such as at Little Mountain Park and along the I-5 corridor in the vicinity of Hillcrest Park to downtown.
- Maintenance of existing stream and drainage corridors in a natural state to protect water quality, salmon streams and related wildlife.
- Designation of the Barney Lake area and Beaver Pond as nature preserves.
- Retention of forest lands immediately adjacent to the city on the south.

As noted in the Comprehensive Plan, the open space plan is intended to network critical areas (streams and wetland) and habitats through the parks and open space system within the city.

Sites of Historic Significance

The City of Mount Vernon has one site listed on the National Register of Historic Places — the Lincoln Theater (First & Kincaid Streets). The city's Comprehensive Plan identifies 30 other historic buildings or landmarks of note. Three buildings are situated in west Mount Vernon, 18 are located downtown, and the remaining 10 sites are in the hill/hospital area.¹⁴

PUBLIC FACILITIES

Public infrastructure facilities reviewed include sewage, water, solid waste and transportation facilities. Throughout this document and in general public discussion, the term infrastructure can mean different things to different people depending on the context. Broadly defined, the term *infrastructure* means the basic installations and facilities on which the continuance and growth of a community depend. Types of infrastructure can be defined to include:

- Improvements in public rights-of-way — such as transportation and utilities including water, sanitary sewer, and telecommunications facilities. Perhaps the most widely understood use of the term infrastructure, this is the basis for infrastructure-related projects in this OEDP development strategy.
- Conservation and environmental infrastructure — such items as flood protection, storm drainage and wetlands mitigation, which might occur on either public or private property.
- Human and social infrastructure — such items as public and private facilities including schools, hospitals, libraries and cultural facilities such as arts or convention centers.

This section of the report addresses primarily the first category of public facility infrastructure.

Sewage Collection and Treatment Facilities

The City of Mount Vernon provides sewer service within the city's urban service area. The city is required to plan to serve the unincorporated UGA as well. Not all areas of the UGA have required sewer services as yet; some individual residents utilize septic tank systems.¹⁵

The existing sewer system consists of both sanitary and combined sewers (sanitary sewage and storm water runoff combined). Overflows from combined sewer areas are diverted and pumped directly into the Skagit River. The city is taking steps to reduce the volume and frequency of overflow discharge into the river. All treatment or storage facilities required by law to reduce combined sewer overflows will be provided by the city.

In 1995, the rated design *capacity* of the city's treatment facilities was 4.0 mgd (million gallons per day) on an average day of wet weather (ADWW). This system has since been re-rated with Department of Ecology approving 5.6 mgd. The actual *load* in 1995 was 3.49 mgd during the wet season and averaged 3.02 mgd over the entire year — for a usage rate of 75% of design capacity. In 1998, the *load* was reported at 4.21 mgd during the wet season and averaged 3.41 mgd for the year, bringing the 1998 usage rate down to 61% of available capacity.

This added capacity accommodates the planned growth consistent with the Comprehensive Plan.

Water Resources

The Skagit County Public Utility District No. 1 supplies water in Mount Vernon. The district is a municipal corporation operating water utilities serving the cities of Mount Vernon, Burlington, Sedro-Woolley, the communities of Cedargrove, Clear Lake, Conway, Dewey, Rockport, and Similk Beach and the rural and suburban areas adjacent to those areas. As of the 1990 Census, the district served approximately 45,390 people (or 57% of the county's population).¹⁶

The Cultus Mountain watershed is the district's primary source of water. The district has water rights to 23,417 acre feet of source water annually. The district operates an 18-million gallon per day (mgd) water treatment plant, has over 380 miles of water mains ranging from 3 inches to 48 inches in diameter, and has approximately 70 miles of service lines under 3 inches in diameter. The district currently has over 18,000 metered water services and 23 million gallons of potable water storage capacity.

In 1998, average daily production was 8.54 mgd, while peak daily production was 15.5 mgd. By the year 2014, average daily demand is forecast to be 11.93 mgd with peak hour demand of 21.77 mgd served through 29,165 service connections.

The district has surface water rights to approximately 27 mgd of source water, while the water treatment plant is expandable to 24 mgd average and 30 mgd peak load. This will exceed forecast average day demand through the year 2040. Peak demands are met largely through agreements with the Anacortes Water Utility which provides water to Skagit PUD as needed.¹⁷

The district commissioned a raw water resource plan, completed in February 1997. It recommended — and the district is pursuing — two projects: raise dams at Judy Reservoir to increase storage capacity and divert/pump Skagit River water to the WTP/Judy Reservoir. A third directive was to continue to pursue conservation as a way to optimize the use of existing water resources.

A regional supplement to the Coordinated Water System Plan is being updated at this time. At its completion — expected by the end of 1999 — the district will have one year to update its Water System Plan.

Solid Waste Handling and Disposal

The Mount Vernon Sanitation Department provides solid waste collection in the City of Mount Vernon. The Skagit County landfill was closed in April 1994. Currently, the county's waste is long-hauled to a disposal site in Klickitat County in south central Washington.

Countywide waste disposal was nearly 68,500 tons/per year in 1997 — a decrease of over 10% from 1995 levels. As of June 1996, Skagit County recycled approximately 30% of its total waste stream.

The City of Mount Vernon collects nearly 15,500 tons commercial and residential waste at curbside, an increase of 13% over 1995 levels. The City also offers a residential curbside recycling program and a yard waste program. The city curbside recycling is sub-contracted with Waste Management Northwest/Skagit Stanwood Disposal, which collects nearly 1,600 tons (single-family and multi-family) annually. The City has expanded its conservation efforts by offering home composting units for residents.

Transportation Facilities - Road System Adequacy

The road system of Skagit County is comprised of freeways, highways, principal and minor arterials, major and minor collectors, and local access roads. The county transportation system also contains 99 bridges. In 1990, approximately 54% of vehicles on Skagit County roads were passenger vehicles, 27% were trucks, and 9% were motorcycles; trailers and other miscellaneous vehicles formed the remainder.¹⁸

Performance of state highways is of vital concern to Mount Vernon and Skagit County. I-5 and SR-20 are of critical importance to this region. Both are identified as needing major investments by the year 2013. Washington State Department of Transportation reports that the 1999 average

annual daily traffic (AADT) for the segment of I-5 crossing the Skagit River is 65,000 vehicles. For the same time period, daily transits over Riverside Drive Bridge between Mount Vernon and Burlington average nearly 20,300. Department of Transportation estimates predict future annual increases for the I-5 Bridge to average 2% while the Riverside Bridge is expected to increase at an average rate of 2.7%.

Figure 38. Skagit County Highest Traffic Volume (Average Annual Daily Trips)

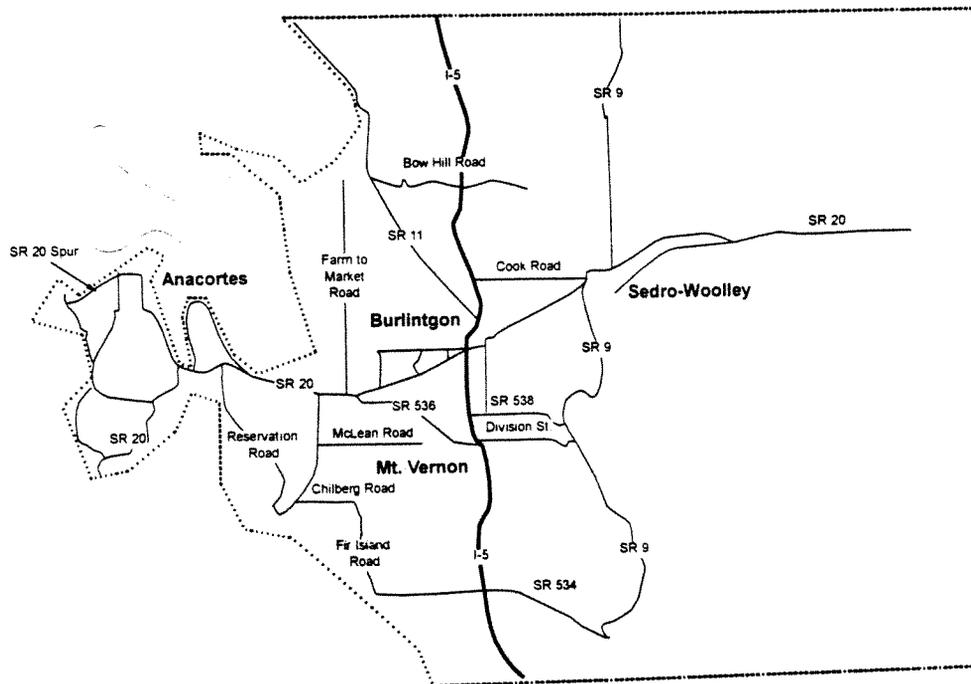
Road Name	Location	Functional Class	AADT
Cook Road	I-5 to Old Highway 99N	Major Collector	12,000
Cook Road	Old Highway 99 N to Green Rd.	Major Collector	10,150
Cook Road	Green Rd. to Gardner Rd.	Major Collector	8,380
Cook Road	Gardner Rd. to Collins Rd.	Major Collector	7,900
Cook Road	Collins Rd. to Prospect Rd.	Major Collector	8,260
Cook Road	Prospect Rd. to S-W City Limits	Major Collector	8,480
Old Highway 99 N	I-5 to BN&SF RR Bridge	Major Collector	6,580
Old Highway 99 N	RR Bridge to Samish River Park	Major Collector	5,700
Old Highway 99 S	Blackburn Rd. to Anderson Rd.	Major Collector	5,810
Anderson Road	I-5 to Old Highway 99 S	Urban Collector	7,120
Cedardale Road	Anderson Rd. to Dale Lane	Major Collector	5,120
Fir Island Road	Pioneer Hwy. to BN&SF RR	Major Collector	7,410
Fir Island Road	BN&SF RR to S. Fork Bridge	Major Collector	5,675
Pioneer Highway	I-5 to Fir Island Road	Major Collector	9,050
Pioneer Highway	Fir Island Road to County Line	Major Collector	6,200
La Conner Whitney Rd.	Flatts Road to SR-20	Major Collector	7,530
La Conner Whitney Rd.	Chilberg Road to Flatts Road	Major Collector	5,000
McLean Road	City Limits to Penn Road	Major Collector	7,890
McLean Road	Penn Road to Beaver Marsh Road	Major Collector	5,200

Source: Skagit County Public Works Department, March 1999.

Unincorporated arterials in Skagit County are generally free of hazards associated with traffic congestion; however, at certain times of the year — such as during the spring flower season — heavy visitor traffic creates significant traffic congestion and may contribute to hazardous conditions.

In addition to a review of traffic patterns and deficiencies, the City of Mount Vernon has adopted and maintains a Freight & Goods Transportation System (FGTS) to monitor movement and needs of trucking on preferred routes within the city.

Figure 39. Skagit County Transportation Network



Without significant transportation infrastructure investment, many roadways will deteriorate to unacceptable levels of service (LOS) by the year 2014. Transportation corridors identified in the *Skagit Sub-Regional Transportation Plan, 1996* as having potential serious congestion problems over time (i.e. LOS E or F) include portions of I-5, SR-9, SR-20, SR-536 and SR-538.

The 1998 City of Mount Vernon Comprehensive Plan Transportation Element describes the adopted transportation improvement plan. This plan is based upon completion of the Washington State Highway System, which means that I-5 will be widened to six-lanes and the interchanges will be improved to provide the capacity required to serve the local arterial system. Improvements to the non-freeway highways will be completed as part of a joint city and state program and are part of the improvement plan.

An evaluation of Level of Service (LOS) deficiencies was conducted on existing (1993) and future (2013) conditions, assuming no improvements are completed on I-5. Following is a discussion of those findings.

Figure 40. Transportation Corridors Forecast to Exceed LOS Standards by 2013

Transportation Corridor	Forecast LOS in 2013
Intersections:	
Blackburn Road/South 2 nd Street	F
Hazel Street/South 2 nd Street	F
College Way/Riverside Drive	F
College Way/NB Ramps	F
Fulton Street/4 th Street	F
Kincaid Street/South 3 rd Street	F
Hoag Road/Riverside Drive	F
Division Street/South 1 st Street	F
Segments:	
Division Street Bridge across Skagit River	F
Kincaid Street, 3 rd Street to I-5	F
Riverside Drive Bridge across Skagit River	F
South 2 nd Street North of Blackburn Road	E
South 2 nd Street Viaduct	F
Old Hwy 99, Anderson Road to Blackburn Road	E
Skagit County:	
I-5 through Mount Vernon, Burlington Urban Areas	F
SR-9 from West Big Lake to Sedro-Woolley	E
SR-20 and Cook Rd, Burlington to Sedro-Woolley	E
SR-20 from Sharpes Corner to Deception Pass	F
SR-20 from Sharpes Corner to the SR-536 Intersection	F (eastbound)
SR-536 Memorial Highway	E/F
SR-538 College Way east of Mount Vernon	E

Note: LOS is rated A-F, where A represents little or no traffic congestion while F represents traffic gridlock. Additional information on LOS standards and definitions is included as an appendix to the 1996 Mount Vernon OEDP report and is reproduced in this report.

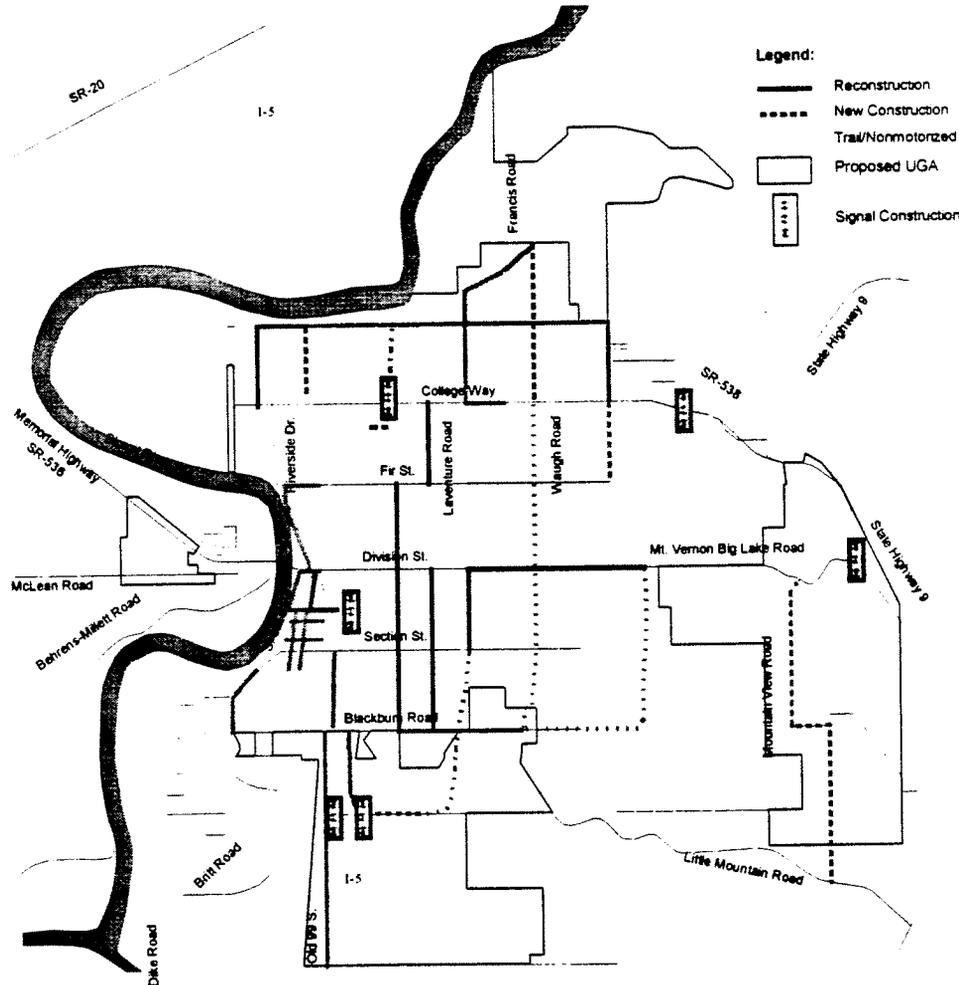
Source: City of Mount Vernon Transportation Study – *Comprehensive Plan Transportation Element*, April 1998, and Skagit Sub-Regional Transportation Plan, April 1996.

Within the City of Mount Vernon, several improvements are planned to extend or improve roadway capacity and service. The city’s Comprehensive Plan identifies 39 transportation improvements for a total cost of \$81,653,400 (excluding WSDOT projects). Over the past two years the City, with assistance from Skagit Council of Government, has collected detailed data on numerous segments and interchanges in Mount Vernon in order to prioritize and implement these projects.

In the 1996 OEDP, significant deficiencies were noted in three specific areas: I-5, Memorial Highway (West Mount Vernon), and the Riverside Drive Bridge across the Skagit River. Interstate 5 has now become a regional issue with multiple jurisdictions working with the Washington State Department of Transportation to determine alternatives and a preferred plan. Improvements to Memorial Highway are near completion, easing congestion in that area. The Riverside Drive Bridge across Skagit River has moved to a level of service rating “F” and has become a very high priority project for the City of Mount Vernon.

Kincaid Street (3rd to I-5) and the College Way & Riverside Drive intersection are also considered high priority transportation corridors for Mount Vernon. Today these are both rated an "E" level of service.

Figure 41. Mount Vernon Planned Transportation Improvements

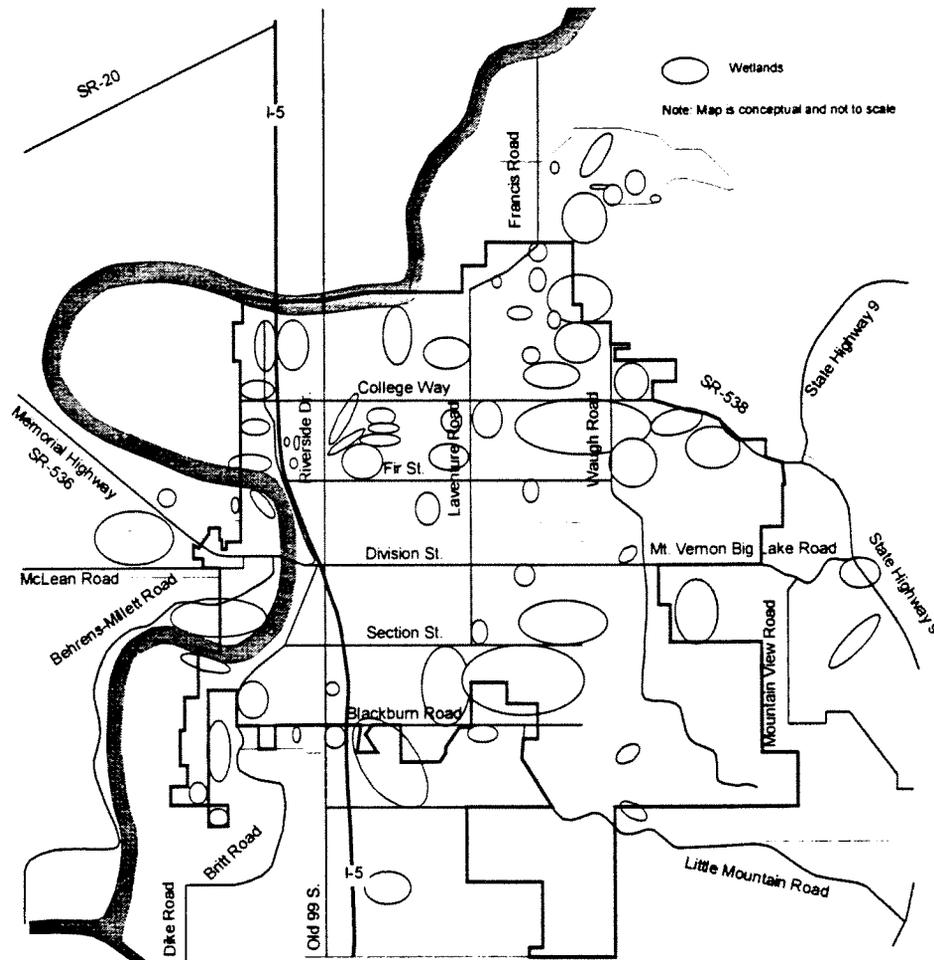


WETLANDS & CRITICAL AREAS

A significant portion of Mount Vernon is affected by wetlands designations. Based on a wetlands inventory conducted for the city's Comprehensive Plan, 134 wetlands were identified, comprising approximately 1,046 acres of wetlands or 16.1% of city acreage.¹⁹ A review and inventory of Mount Vernon wetlands is being conducted and is expected to be completed by year-end 1999. One element of this study will identify potential wetlands and stream corridor mitigation areas to promote the retention, protection and enhancement of wetlands and critical areas within the city and UGA.

The City of Mount Vernon is currently updating its inventory of city and UGA sensitive areas and riparian enhancement. Appendix I outlines the scope of work and tasks being completed.

Figure 42. Mount Vernon Wetland Areas



Major floods were recorded in Skagit County as early as 1815 and as recently as 1995. Flooding has been somewhat less severe since the 1920s when dams were constructed on the Baker and Skagit Rivers to provide retention and storage of upstream floodwaters. There has also been an extensive program of levee construction along the Skagit River downstream from Sedro-Woolley, including Mount Vernon. Recent flood events illustrate that flooding remains a persistent problem.

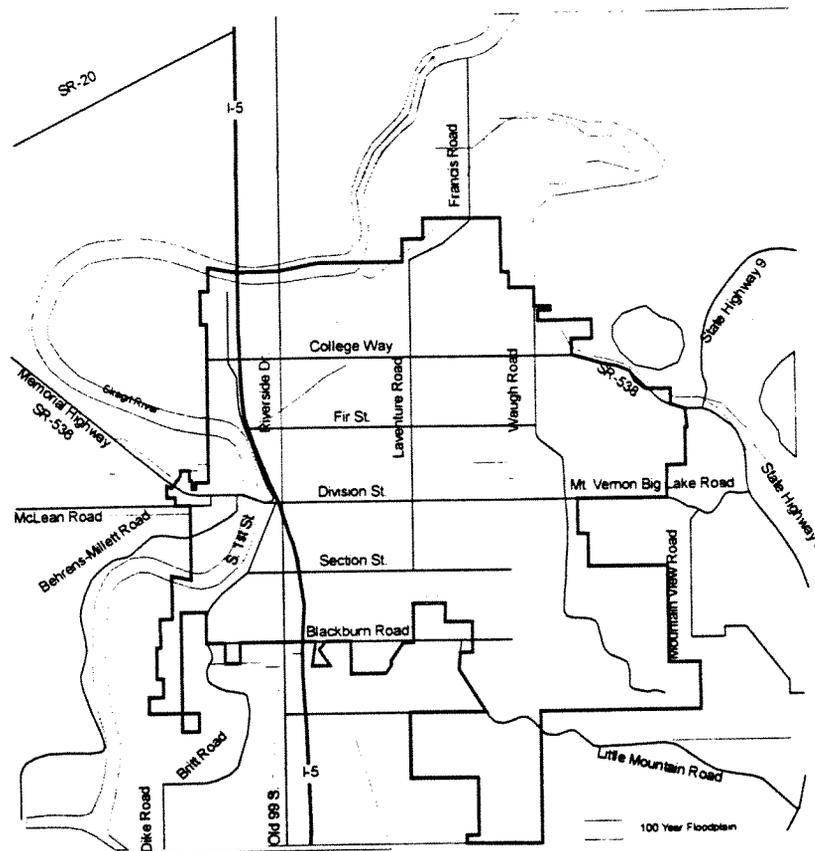
From 1975-1995, the Skagit River basin experienced three 10-year and two 25-year floods. The U.S. Army Corps of Engineers estimates average annual flood damage in Mount Vernon at \$6.4 million (in 1994 dollars). A 25-year flood event is estimated to cost Mount Vernon \$75 million, while a 100-year flood would cost \$146 million in damages. More detailed information regarding economic damage associated with flood events is provided as an appendix to this OEDP report.

A study initially proposed by the Corps of Engineers for a system of 100-year levees that would reduce average annual damage in Mount Vernon remains in process. Original estimates placed the cost of the proposed system improvements at \$1 million in studies and \$11 million in construction/land right-of-way acquisition. Agreement between the County and the Corps of

Engineers continues, though the scope of the study broadens as new flood control regulations are implemented.

Currently, flood issues do not appear to significantly deter new residential or commercial development in the City of Mount Vernon. Additional information regarding both flood control and flood plain related issues in Mount Vernon was provided as an appendix to the 1996 OEDP report. Information remains generally applicable as of this 1999 update.

Figure 43. Mount Vernon 100-Year Floodplain



ENDANGERED SPECIES OF PLANTS OR ANIMALS

The City of Mount Vernon's Comprehensive Plan identifies three habitat types present in the city that meet Washington Department of Fish and Wildlife (WDFW) or Washington Department of Community, Trade and Economic Development (DCTED) requirements for priority wildlife habitat designation including riparian areas, wetlands, and parks.

In addition, the 1998 Comprehensive Plan notes one federally listed threatened species (bald eagle) and three WDFW priority species (pileated woodpecker, red-tailed hawk, trumpeter swan) that are known to occur within the city's urban growth boundaries.²⁰

In March 1999, the Puget Sound Chinook salmon was added as a "threatened" species to the endangered species list. Being the first listing to affect a major urban center, this addition is

expected to have far-reaching and extensive impacts on the region.²¹ City of Mount Vernon-identified projects have now been expanded to include a biological assessment of impacts of the project on the population of Puget Sound Chinook salmon. The City will provide funding for these assessments.

Because this is the first listing to affect a major urban center directly, National Marine Fisheries Service (NMFS) is working closely with the Seattle metropolitan counties (King, Pierce and Snohomish) to identify an acceptable recovery strategy. Skagit County is located within the same Evolutionary Significant Unit (ESU) as the Seattle Metro area. These units were created to better manage recovery efforts and harvest practices. Regulations are being developed by NMFS under Section 4D rule and will be made available once adopted.

OTHER ENVIRONMENTAL ISSUES

All parts of Skagit County and Mount Vernon are in attainment with established air quality standards. However, there are periods when localized air quality can deteriorate. This is particularly the case during periods of stable weather with an absence of wind. Particulates are a pollutant of concern during temperature inversions in urban areas as a result of wood stoves and fireplaces together with industrial, forest slash burning, and vehicular sources.

The City of Mount Vernon has a focus on establishing strong stormwater ordinances and complying with needs identified by biological assessments being completed on future projects.

PERTINENT COUNTYWIDE & CITYWIDE POLICIES

As part of their planning programs, Skagit County and local jurisdictions have taken steps to address environmental issues on a comprehensive basis. Skagit Countywide Regional Comprehensive Plan Policies, adopted as of October 23, 1996 specifically address wetlands, forestry, fisheries and other environmental standards.

As a result of GMA requirements, the county has recently updated the countywide Comprehensive Plan, which addresses effects of growth on the environment. Specifically, the plan is intended to avoid incompatible rural and urban uses by adopting policies to reduce sprawl; support coordinated networks for open spaces, greenbelts, and recreation; protect critical areas and environmentally sensitive lands; maintain and improve the quality of air and land resources; and to preserve urban and rural landscape character and features.

The City of Mount Vernon's Comprehensive Plan is consistent with policies identified in the June 1997, Skagit County Comprehensive Plan. The City's Comprehensive Plan identifies several policies to retain and enhance critical areas and existing natural features in the area:

- The Skagit River is identified as one of the major natural features affecting development, and it also provides opportunities for increased public access and activity. The dikes, — notwithstanding potential legal problems — provide an important community resource for public trails extending beyond Mount Vernon into Skagit County. In addition, downtown Mount Vernon and the west side are logical points at which to provide direct river access, enhancement efforts and river-oriented activities.

- The low valley areas should be kept in agricultural use with no urban encroachment, to retain their open space and scenic value. Natural areas, such as Barney Lake, should be retained as nature preserve areas.
- Development regulations should support retention and enhancement of natural areas and include design criteria to achieve subdivision and site layouts sensitive to environmental constraints and optimizing open space and views. Key areas of consideration and emphasis for review of proposed development include:
 - ✓ Steep slopes
 - ✓ Streams with associated wetlands
 - ✓ Habitat areas
 - ✓ Natural vegetation
- Plans should be developed to restore and enhance fish habitat by removing unnecessary culverts, installing structures to provide cover and reduce the effects of stormwater runoff, depositing gravel suitable for spawning habitat, and by planting trees and shrubs to provide cover and shading.
- Wildlife habitat should be created or enhanced along riparian areas as part of wildlife protection and enhancement.
- Programs should be expanded for non-detrimental access to these areas and opportunities provided for interpretation and education.
- Wetland mitigation areas should be identified to create resolve and enhance degraded areas.

V. ECONOMIC DEVELOPMENT STRATEGY

An economic development strategy is a comprehensive statement of a community's vision, goals, objectives and implementation plans for economic development. Mount Vernon's economic development strategy serves as a *bridge* between the assessment of local economic potentials, vision, goals and objectives with resulting programs, activities and projects for implementation.

The economic development strategy that follows is organized to comprise:

- A vision for economic development
- Assumptions for action
- Goals & objectives
- Target business activities
- Criteria for resource utilization & project selection
- Implementation projects

A VISION FOR ECONOMIC DEVELOPMENT

A **vision** is a picture of the future — a future that a community both desires and is committed to achieve. While a vision reflects what may be termed as a “collage” of local aspirations, it also inevitably says much about whom we are today.

As part of the initial 1996 OEDP process, committee members brainstormed and then refined a consensus view of a vision for Mount Vernon's economic future:

We envision a Mount Vernon that is both sustainable and prosperous — whether measured in jobs, quality of life, entrepreneurial opportunities, business profitability, incomes, or quality of public services. We are growing and changing, but in ways that respect and enhance qualities we value including our river, farm lands, scenic beauty open spaces, quality education, sense of security, and neighborliness.

Mount Vernon is a vibrant, state-of-the-art regional center for professional and health services, education, recreation and cultural amenities, and yet retains the small town, friendly, environmentally clean character of an urban village. As business and property owners and citizens, we are investing for sustained prosperity and continued quality of life — a legacy of opportunity for future generations.

ASSUMPTIONS FOR ACTION

Assumptions serve as guiding principles, linking the assessment of economic potentials and resulting goals to the formulation of a project-specific action plan. As with the 1996 OEDP, five assumptions are of critical importance as guidelines for action:

1. Growth management (GMA) has significantly restructured the environment for future development; there is ongoing need to monitor progress and update planning in response to changing market conditions and regulatory issues.
2. Balancing economic and environmental values represents a major ongoing challenge and opportunity for Mount Vernon and Skagit County.
3. Similarly, population and employment growth poses major infrastructure requirements which are an important focus for project implementation.
4. Business development adequate to provide family-wage jobs for local residents represents a continuing priority historically and currently.
5. Building and maintaining working partnerships between public, private and community interests is a cornerstone of both the Mount Vernon and Skagit County economic development plans.

GOALS & OBJECTIVES

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

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

A series of goals and objectives was organized around nine themes (or *building blocks*) as part of the 1996 OEDP. With this 1999 update, the organizing framework has been simplified to a set of five themes covering the building blocks of:

Business Opportunity
 Destination Mount Vernon
 Residential Diversity
 Employment & Human Services
 Conservation & Economic Development

Business Opportunity

Goal: Establish a reputation for Mount Vernon as a good place for business investment and sustained profitability.

Objectives:

- As first priority, maintain user-friendly government with a coordinated rapid-response permitting Development Services Division for projects consistent with public plans, policies and mandatory regulations.

- Emphasize retention of existing businesses seeking to expand, relocate or improve Mount Vernon operations through cooperative public-private efforts with early warning of local business needs and opportunities.
- Selectively recruit target businesses as identified by the OEDP committee that have potential for growth in the local, regional and global marketplace.
- Encourage entrepreneurship involving both local business start-ups including home based businesses and relocation of successful non-local independent business owners.
- Provide adequate industrial and commercial sites to accommodate planned population growth and with opportunity for local residents to be employed in Mount Vernon.
- Implement programs for ongoing dialogue and provide information regarding the role of business in the Mount Vernon community.
- Encourage Mount Vernon business and community organizations in an advisory role with city government to serve as a voice for the needs and interests of local business.
- Provide quality transportation, communications and utility infrastructure to facilitate desired business investment and development.
- Market the business advantages of Mount Vernon's central location — both for Skagit County and the greater Seattle-Vancouver, BC Interstate 5 corridor.

Destination Mount Vernon

Goal: Create distinctive business districts offering a diversity of goods and services attractive to local residents and visitors.

Objectives:

- Encourage a diversity of retail and service sector business activities in Mount Vernon with sites adequate to recapture sales leakage, serve anticipated population growth, and capture visitor opportunities.
- Foster a consumer ethic to shop local linked to a business commitment for excellent customer service.
- Educate customers to value of shopping locally and businesses to importance of excellent customer service.
- Position Mount Vernon to capture year-round visitor-related business, particularly focused on downtown, river and farm-related amenities and attractions.
- Reinforce *Downtown* as a pedestrian-friendly yet parking-adequate center for government services, specialty retail/dining, and upper level professional office with urban scale river-oriented development and activity.
- Focus increased planning effort on improvement of *West Mount Vernon* by emphasizing linkages to downtown, river access, tourism, in-city recreation potential, and future potentials for larger scale commercial development at the edge of the district.
- Encourage continued private investment and improvement of a more appealing, accessible, and expanded *College Way/Riverside/Freeway Drive* commercial corridor.

- Proceed to aggressively market and implement opportunities for retail, industrial, and business/office park development in the *South Mount Vernon* area consistent with development and environmental requirements.
- Facilitate development of small-scale *neighborhood-oriented* commercial uses easily accessed by vehicles and pedestrians from nearby residential neighborhoods.
- Develop and implement a marketing and promotion program — including events and festivals for local residents and visitors — with primary reliance on private sector individual business, cooperative promotion and other supportive implementation activities.

Employment & Human Resources

Goal: Increase opportunities for family-wage jobs and a full array of human services meeting the changing needs of Mount Vernon and Skagit County residents.

Objectives:

- As first priority, proactively market Mount Vernon to businesses paying wages above the average for all Skagit County firms or comparable firms in their industry and that can contribute to area quality of life values.
- Seek opportunities that invest in higher education and technical training for resident youth to find attractive job opportunities in Mount Vernon.
- Strengthen and stabilize Mount Vernon's role as the county center for education, health care, library, cultural, and governmental services.
- Make Mount Vernon a center for educational excellence with increased emphasis on K-12 education achievement, economic training in schools, and workforce-oriented programs at both the K-12 and community/four-year college levels.
- Address impacts and provide for planned expansion or reconfiguration of the Hill/Hospital area with comprehensive health service facilities in partnership and cooperation with adjoining residential neighborhoods.
- Consider privatization of public services when clear efficiency gains can be realized without diminution of services.

Residential Diversity

Goal: Encourage quality residential development to meet population growth expectations while maintaining affordability to a full range of housing market segments.

Objectives:

- Encourage higher density, pedestrian-oriented (e.g. neo-traditional) single and multifamily developments in the downtown as well as in other appropriate residential neighborhoods with amenities and services adequate to meet planned GMA growth allocations consistent with the City of Mount Vernon Comprehensive Plan.
- Review tax, impact fee and permitting processes to assess short and long-term effects on affordability.

- Market Mount Vernon as a residential community for families and retirees.
- Facilitate development of high-quality residential developments offering high-tech amenities (including Internet access), and home-based work and entrepreneurial opportunities that are compatible with surrounding residential activity.
- Disperse multifamily developments and innovative higher density housing products (including accessory dwelling units) throughout the community, integrated into a variety of residential environments, with a minimum density of four units per acre within the UGA.
- As part of the next Comprehensive Plan update, revise Mount Vernon's population growth allocation to reflect recent changes in actual population growth, availability of required infrastructure and supporting local employment potential.

Conservation & Economic Development

Goal: Protect and enhance natural resources making Mount Vernon a distinctive place to live and visit.

Objectives:

- Plan for flood protection improvements and secure funding to limit potential for future damage to existing developed properties.
- Provide development friendly drainage improvements in areas to be developed, with drainage fee structures, wetland mitigation banking and protection of critical areas as appropriate.
- Promote the continued viability of Skagit Valley agriculture by encouraging local processing capability, growing of specialty crops, use of waste products, direct farm-to-market retail outlets, and maintenance of a vital agricultural extension service program.
- Develop a river-related and extended trail system (including dike improvements) for resident and visitor pedestrians and bicyclists consistent with parks and transportation planning.
- Beautify major travel corridors into and through Mount Vernon, beginning with the I-5 corridor, as identified in the adopted Comprehensive Plan (including potential relocation of the city shops property).

TARGET BUSINESS ACTIVITIES

A new feature of this updated OEDP is a more specific delineation of target businesses deemed by the OEDP Committee as particularly suitable for business recruitment and expansion. Four categories of business activity are identified:

Industrial
Commercial Retail-Office
Visitor Services
Other Business-Related Activities

Characteristics of business targets desired for Mount Vernon and specific examples are identified as follows.

Industrial: Major factors that would be important for industries considering locating in Mount Vernon include ability to serve a local market or distance to serve regional/global markets and tax issues unique to Washington (including sales tax).

From a community perspective, firms that offer family wage jobs and show evidence of long-term sustainability are preferred. A particular priority for Mount Vernon is to begin to attract some of the types of high technology companies that have found Central Puget Sound a good place to do business. Examples of industries potentially suitable for Mount Vernon include:

- Electronics and semi-conductors
- Software development and application
- E-commerce
- Apparel manufacturing
- Outdoor equipment/boating
- Shipping
- Catalog sales and distribution
- Transportation/truck access
- Multi-tenant business/industrial park

Commercial Retail-Office: A variety of suggestions have emerged from the OEDP planning process as to overall characteristics of retail desired. Potential themes include tourism orientation, distinctive retailing, recapture of leakage, and improved sales tax revenue.

Examples of prospective retail-office activities that might be pursued for Mount Vernon include:

- Specialty (boutique) retail
- Diverse dining
- Entertainment, art and cultural activity
- Electronics stores
- Big box retailers not yet in Mount Vernon/Skagit County
- Regional shopping center
- Riverfront business/office park
- Executive office

Types of businesses to target should be those currently not well-represented in the Mount Vernon market and/or those with strong visitor capture potential. Downtown is likely to be most competitive for specialty retail, visitor-related attractions, and businesses that serve the downtown area's office employment base. The College Way/Riverside district and possibly

South Mount Vernon are more suitable for retail and commercial services requiring more square footage and/or planned multi-tenant development.

Visitor Services: There is some interest in the possibility of a theme approach with La Conner mentioned as an example. Others suggest no theme, but suggest that Mount Vernon instead focus on offering a more authentic visitor experience.

Moving toward a specialty niche also offers promise, particularly for downtown and possibly West Mount Vernon. One possibility would be to make Mount Vernon a *festival city* focused on a much-broadened calendar of special events.

Examples of business activities that could cater to an expanded visitor base include:

- Environmental
- Cultural-museum-art activities and facilities
- Entertainment
- Restaurants
- Downtown lodging
- Waterfront sternwheeler/riverboat

Other Business-Related Activities: The OEDP Committee has identified a wide variety of other business-related activities. Some could be developed as for-profit business ventures; others are more likely to be implemented by governmental or non-profit interests:

- Amtrak access from Mount Vernon to Seattle and from Seattle to Mount Vernon (increasing visitor travel without extensive auto-dependence for major events such as the Tulip Festival)
- Aquatic center (e.g., wave pool)
- Enhanced county fairgrounds
- Sporting tournaments
- Multipurpose conference/convention facility
- Amphitheater
- Agricultural amenities
- Farmers' market
- Sister city relationship
- Redevelopment of the quarry south of Mount Vernon

CRITERIA FOR RESOURCE UTILIZATION & PROJECT SELECTION

A final building block for implementation consists of **criteria for resource utilization and project selection**. The following are criteria adapted from the Skagit County OEDP that are specific to Mount Vernon:

- Job creation and/or retention.
- Identification of a sponsoring entity.
- Identification of the project location or population to be benefited.
- Assistance to economically-distressed populations or portions of the community.
- Indication of project priority (urgent, immediate, mid-term, long-term).

IMPLEMENTATION PLAN PROJECTS

Projects are the final component of an economic development strategy. A project is a specific action that can be defined by potential participants, estimated cost, source(s) of funding, and schedule for implementation.

Project priority classifications are defined as follows:

- *Urgent* — to correct conditions that are a current threat to public health and safety, or threaten potential loss of an existing employer.
- *Immediate* — for projects expected to be completed within the next two years.
- *Mid-term* — for projects that should be completed within 3-6 years consistent with a local capital facilities plan for growth management.
- *Long-term* — for projects offering an economic development opportunity but with implementation likely more than six years away.

During the course of preparing this Mount Vernon OEDP, a total of 22 implementation plan projects have been identified.

Updated 1999 OEDP projects recommended for Mount Vernon by the OEDP Committee are listed on the following pages. In addition, committee recommendations for top priority projects are identified.

Business Opportunity

Projects aimed to balance retention and expansion of existing business with attraction of new firms niched to address unmet needs or opportunities are prioritized by the OEDP Committee. Actions proposed are aimed to make a demonstrable difference in Mount Vernon's reputation as a place to do business, particularly in the near-term. This OEDP also seeks to reinforce implementation of existing capital facility planning, with emphasis on projects that achieve economic development goals and public/private participation in securing appropriate funding.

Small Business/Cottage & Home Based Industry/Entrepreneurship. The program envisioned is aimed to provide technical assistance, including educational services, to persons planning to start or having recently opened a business. A potential added service, available in some communities, is a building offering flexible space, common support services, and low rent for the initial period of business operations.

Potential Participants: Skagit Valley College, City of Mount Vernon, Skagit County, Chamber of Commerce, and EDASC.

Estimated Cost: To be determined.

Funding Source(s): EDA, Skagit Valley College, and business participants.

Schedule: Mid-term (per 1996 OEDP) to assess feasibility and prepare detailed program plan.
Long-term for implementation.

Competitiveness Review & Business Contact Program. A joint public/private research project is again recommended (as in 1996) to evaluate the regulatory process and fee schedules affecting both business investment and development in Mount Vernon vis-à-vis comparable communities. Recommendations would be forwarded to the City Council (and other appropriate agencies) for changes deemed essential to improve Mount Vernon's competitive position and ability to achieve GMA goals.

As part of the research project, the committee suggests analyzing the effect of impact fees on business investment and development. In addition, the committee suggests evaluation of deferred payment of impact fees and LID payments as well as identifying other alternative methods of funding for economic development projects. Also, establishing a system of exit interviews and evaluation of changes or early warning signs in area industries are recommended.

Potential Participants: City of Mount Vernon, Chamber of Commerce (possibly through creation of special blue ribbon task force or advisory committee).

Estimated Cost: \$10,000-\$20,000 for committee staffing and detailed development cost analysis.

Funding Source(s): Private contributions, City of Mount Vernon.

Schedule: Immediate.

Business Advocacy. An ongoing, high visibility role is suggested for one or more organizations constituted to represent the interests of Mount Vernon businesses. Possible forums for involvement include community education, an advisory role to City Council and legislative lobbying/information services.

Potential Participants: Chamber of Commerce, OEDP Committee (permanent role via periodic review and update process), and/or a possible new business advocacy organization.

Estimated Cost: Depends in part on whether an existing organization is the focus for this activity.

Funding Source(s): Business contributions.

Schedule: Mid-term, following competitiveness review.

Development Services Center. A new priority with the 1999 OEDP update, this is aimed at completed planning and feasibility assessments enabling the City of Mount Vernon to move forward toward implementation of a one-stop permit and development services center — as a central point of contact for all business and development reviews, permits and fees.

Potential Participants: City of Mount Vernon with business community input from organizations including the Chamber of Commerce and EDASC.

Estimated Cost: \$100,000

Funding Source(s): City permit processing, review and license fees.

Schedule: Currently in progress.

Inter-City Cooperation & Alliances. Ongoing cooperative relationships between Mount Vernon and other cities within Skagit County are in the interest of Mount Vernon businesses and economic development organizations. More focused efforts to forge an alliance with business and governmental interests in Burlington are suggested with this OEDP update.

Establishing and maintaining these relationships may require a committee or task force, with, for example, representation from each city jurisdiction, to map out strategy and policies of economic development for mutual benefit. Initial steps have already been taken, with consideration of joint activities involving members of the Mount Vernon and Burlington Chambers of Commerce.

Potential Participants: Cities of Mount Vernon, Burlington, Sedro-Woolley, La Conner, Anacortes; affected chambers of commerce; Skagit County, Port districts, Skagit Council of Governments, EDASC, SKAT, citizens.

Estimated Cost: Depends in part on whether staff support is needed.

Funding Source(s): City general funds, private donation, volunteer efforts.

Schedule: Immediate.

Target Business Retention & Activity Marketing. This new project proposal is intended to carry forward the clear interest of the 1999 OEDP Committee for: (a) more aggressive business development marketing program; and (b) targeting marketing toward selected business activities most appropriate for Mount Vernon. A combination of industrial, commercial and other business-related activities would be pursued consistent with recommended OEDP targets.

The target business program should involve contacts with existing local firms — particularly those with opportunity to expand — as well as companies recruited into the community. Programs designed to assist business and job retention are encouraged.

The first step will be to identify (a) the organizations to involve, (b) desired marketing approach/techniques and (c) resource requirements. Subsequently, funding and organizational commitments should be secured, enabling a targeted prospect program to proceed at the earliest opportunity.

Potential Participants: City of Mount Vernon, EDASC (industrial firms), Chamber of Commerce (commercial including visitor service activities).

Estimated Cost: \$10,000.

Funding Sources: Business contributions (possibly involving a business fundraising campaign dedicated to this purpose).

Schedule: Immediate for planning, mid-term for implementation.

Business Education & Awareness Program. As an ongoing objective of the OEDP Committee, a more specific line of programmatic action is suggested to educate the community about the significance of such topics as importance of business-related tax base, employment for local residents, and retail/service potentials to better serve both local residents and visitors.

Potential Participants: A private sector lead through an organization such as the Chamber of Commerce or EDASC, with city participation also desirable. This project might be accomplished, for example, through formation of a speakers' bureau made available for functions at area clubs and organizations.

Estimated Cost: In-kind if organized as a speakers' bureau.

Funding Source(s): None required if in-kind services are available.

Schedule: Near-term.

Surface/Wastewater Management. As in 1996, the Mount Vernon OEDP supports the implementation of projects identified in the city's comprehensive surface water management plan and surface/wastewater projects in the Skagit County OEDP. Improvements are primarily focused on new UGA services and on upgrading both existing services and capacities.

Of greater importance with this 1999 OEDP update are issues associated with stormwater management in compliance with ESA listings. Current and planned projects now include a biological assessment in order to protect habitat and assure compliant recovery strategies for the recently listed Puget Sound Chinook salmon.

The OEDP Committee also has expressed interest in reviewing the fee/tax structure of the drainage utility to: (a) minimize undue costs to business and property owners; and (b) assure system is meeting needs of the community.

Potential Participants: City of Mount Vernon, Skagit County.

Estimated Cost: \$9.6 million over 20 years.

Funding Source(s): Service charges, revenue sharing.

Schedule: Immediate and ongoing.

Note: Specific projects referenced in the Skagit County OEDP include a sewer line from Blackburn South to Hickox Road to provide for development of approximately 255 acres of commercial-industrial property. Estimated cost is \$1.35 million, with LID funding and mid-term implementation. Also referenced is storm drainage in the area of north College Way, in the vicinity of Freeway Drive from Stewart Road south to the Skagit River. Expansion of storm drainage collection would provide for the development of approximately 48 acres of commercial-industrial property. Estimated cost is \$1.7 million, with LID funding and urgent implementation. Also included in this implementation project is a south Mount Vernon drainage study. An engineering evaluation is proposed to formulate a recommended drainage plan, associated development standards, capital facilities investment required and financial plan. Estimated cost is \$70,000 with city financing.

Mount Vernon Transportation Improvements. As in 1996, this OEDP update seeks early implementation of projects that serve to leverage private investment consistent with GMA throughout the area, including south and west Mount Vernon. Transportation improvements are aimed at providing adequate service to UGAs and increasing the capacity of the current system to service increasing traffic volumes.

Potential Participants: City of Mount Vernon, Chamber of Commerce, and OEDP Committee.

Estimated Cost: \$81.5 million for implementation of transportation portion of 20-year capital facilities plan — including high, medium, and low priority projects. Projects given high or medium priority comprise \$67.3 million. The city has identified seven projects to correct existing deficiencies (total cost is \$3.1 million). Addressing existing deficiencies as well as other high priority projects will be the focus of initial efforts. The Skagit Sub-RTPO has identified 21 projects in Mount Vernon for short or mid-term (0-6 year) implementation, meaning that the projects have likely moved through initial planning phases by appropriate state and local agencies. Total project costs are estimated at \$29.7 million. Approximately 52% would be federal fund sources and the remaining 48% would be local funds. The widening of I-5 continues to be an immediate priority for the State of Washington. Currently, the state is studying feasible alternatives for an optimal solution.

Funding Source(s): Major funding sources include ISTEA, TIA/UATA, gas taxes, City funding, impact fees. All high and medium priority projects are funded in the comprehensive plan. The city is currently reviewing revenue forecasts for the capital facilities plan.

Schedule: Immediate to mid-term for existing deficiencies and for the 21 RTPO projects.

Note: A specific transportation project referenced in the Skagit County OEDP (1995 Update) involves construction of a Roosevelt Avenue overpass across the Burlington Northern Railroad from Riverside Drive east to the Parker Business Center. This overpass will provide direct access to 35 acres of commercial-industrial property. Estimated cost is \$3 million with federal/state/local funding. Priority is immediate.

Technology Infrastructure & Access. The OEDP Committee has discussed the potential for development of infrastructure to serve a high-tech industrial park in the city's southern urban growth area along Hickox Road and/or other areas such as downtown Mount Vernon and Skagit Valley College. Infrastructure such as fiber-optic global communications would be attractive to small, mobile firms in the commercial electronics industry, research & development firms, software or computer chip developers.

This project was initially identified in 1996 and takes on even greater importance with this update. A key goal should be to assure high speed Internet access to local businesses, residents and institutions throughout Mount Vernon.

Potential Participants: City of Mount Vernon, private developers, public/private coordination.

Estimated Cost: \$2.3-2.8 million.

Funding Source(s): City funds, bond issue.

Schedule: To be determined.

Industrial & Commercial Land Review. Adequacy of the City of Mount Vernon's industrial and commercial land inventory to accommodate employment gains adequate to match growth in population-based resident labor force will be evaluated at the time of next update of the city's Comprehensive Plan, i.e., by approximately 2001-2002. The analysis should identify opportunities for infill and redevelopment as well as development or vacant sites.

Potential Participants: City of Mount Vernon with input from EDASC and Chamber of Commerce.

Estimated Cost: \$7,500-\$15,000 staff time and/or professional services.

Funding Source(s): Business contributions, city general funding.

Schedule: Mid-term (at time of Comprehensive Plan review).

Destination Mount Vernon

Program and project activities will be tailored to the unique opportunities presented by Mount Vernon's distinctive commercial districts.

Coordinated Visitor & Local Shopper Marketing. Separate from business development is the activity of marketing to the consumer — both area residents and potential visitors. This project is new to the 1999 OEDP, but identified as a high priority by the OEDP Committee. A minimum of four seasonal events centered in Mount Vernon has been targeted as a long-term sustainable program to attract visitors and offer opportunities for widespread community participation. Existing events include the Tulip Festival and Highland Games. Events being developed are Awesome Autumn Brochure and Winter Wildlife activities.

A key part of the marketing could be a campaign to *buy local*, which Mount Vernon hopes to implement during 1999. However, for maximum efficiency and simplicity of message, a coordinated local customer/visitor theme (of the *unique Mount Vernon*) and package is suggested.

Potential Participants: Suggested for private sector lead by an organization such as the Chamber of Commerce. Marketing efforts to attract visitors need to be countywide and county-oriented.

Estimated Cost: To be determined. Noted is that regional visitor marketing programs often operate with budgets in the range of \$100,000-\$200,000 annually.

Funding Sources: Private business sponsors, ideally with a combination of major contributors and a broad base of smaller donors/investors.

Schedule: Immediate for planning including determination of funding mechanism. Mid-term for implementation.

Downtown Organization, Public Parking & River Development. A long-term master plan for public parking facility development and redevelopment of the river revetment for open space and mixed-use development was suggested by the 1996 OEDP. Subsequently, the City applied for participation with the State of Washington downtown revitalization program.

The four-point *Main Street* approach emphasizes organization, promotion, design and economic restructuring. A full-time downtown project manager — funded jointly from public and private sector sources — is a requirement for program participation.

Potential Participants: City of Mount Vernon, downtown merchants and property owners, Chamber of Commerce, private developer(s).

Estimated Cost: \$50,000-\$75,000 annually for Main Street participation; \$6,000-\$15,000 per space for structured public parking, cost to be determined for revetment commercial development (\$30,000-\$60,000 for master plan).

Funding Source(s): Private sponsors, State of Washington CTED, Skagit County, City of Mount Vernon for surveys and master plan; LID, user fees and bonding for public parking; private investment for mixed use redevelopment.

Schedule: Downtown revitalization program re-application is immediate and is expected to be complete by the year 2000. Mid-term for master plan. Long-term for public parking and revetment development.

West Mount Vernon River Park/Commercial Expansion & Habitat Enhancement. Focus of immediate activities has been on development of Edgewater Park and annexation of additional land west on Memorial Highway for future planned commercial development.

With this update, more focus would be placed on a coordinated planning effort to improve linkages to downtown, river access, tourism and long-term potentials for large-scale commercial development. Linkages to Memorial Highway commercial development also should be considered.

Potential Participants: West Mount Vernon business and property owners, City of Mount Vernon, Chamber of Commerce.

Estimated Cost: To be determined for park; no immediate cost associated with annexation (pending determination of future infrastructure requirements).

Funding Source(s): To be determined for park, CERB for commercial.

Schedule: Immediate for park; mid-term for annexation; long-term for added infrastructure to West Mount Vernon (not included in the Capital Facilities Plan currently).

College Way/Riverside/Freeway Drive Commercial Enhancement Plan. First phase activity should provide for a streetscape design plan consistent with the City of Mount Vernon Comprehensive Plan. Major emphases of the area plan include circulation, reinforcement and organization of land uses, and preservation of aspects of existing character.

With this 1999 OEDP update, increased emphasis is suggested for expanding the commercial area to also encompass Market, Commercial and Roosevelt Streets.

Potential Participants: Area business and property owners, Chamber of Commerce, City of Mount Vernon.

Estimated Cost: To be determined.

Funding Source(s): City of Mount Vernon, private donations, state matching funds, state funds, CERB.

Schedule: Short-term for planning and policy elements; mid-term and long-term for signage, buffers and rehabilitation activities.

South Mount Vernon Infrastructure & Development. Continuing from priority projects started from the 1996 OEDP by city officials and prior OEDP committees, this sub-area has its own development planning process and goals and incorporated in 1999 Comprehensive Plan and Development Codes. Ongoing projects include review of UGA boundaries; upgrade of stormwater drainage; recruitment of suitable businesses; and extension of wastewater system.

Potential Participants: Area business and property owners, Skagit County, City of Mount Vernon, EDASC, Chamber of Commerce, CERB.

Estimated Cost: To be determined.

Funding Source(s): City of Mount Vernon, state matching funds, state funds, CERB.

Schedule: Immediate and ongoing.

Tourism Attractor Development. Several tourism development-related activities are envisioned with this OEDP update. The committee recommends a Mount Vernon (or Skagit County) conference/events center whose first phase involves assessment of market potential, financial feasibility and site/design alternatives. Also suggested for consideration with this updated OEDP is formation of a Farmers' Market — as a downtown Mount Vernon attraction and outlet for locally grown agri-products. As a longer-term proposition, a riverboat is suggested as a year-round eco-tourism attraction.

Potential Participants: Chamber of Commerce, City of Mount Vernon, area lodging and event facility operators, agri-businesses, interested business and civic organizations.

Estimated Cost: \$50,000-\$100,000 per year covering staff and promotional expenses for a tourism director, possibly partnering with the county or Convention and Visitors Bureau; \$50,000-\$75,000 for first phase planning and feasibility assessments of a conference/events center.

Funding Source(s): Business sponsorships, city funding support (e.g. hotel/motel tax), user fees, county funding option (additional 2% hotel/motel tax).

Schedule: Mid-term for initial assessments; long-term for development (except perhaps for Farmers' Market which could begin operations in mid-term).

Residential Diversity

Explore Higher Density, Pedestrian-Oriented & Infill Housing Prototypes and Tax Exempt Programs. Proposed is the compilation of information regarding a diversity of housing product types (both owner and renter) from other communities, with emphasis on issues of design, market appeal and affordability, including mixed use residential/commercial live/work products.

Potential Participants: Area developers and home builders, Chamber of Commerce, Planning Commission, City of Mount Vernon.

Estimated Cost: \$0-\$15,000 with the lower amount assuming use of existing staff resources.

Funding Source(s): Private business sponsorship, City of Mount Vernon, state DCTED.

Schedule: Immediate to mid-term (depending on resource availability).

Employment & Human Services

One-on-one cooperation and coordination with key institutional service providers is the primary focus of recommended OEDP actions:

Coordinated Human Service Planning, Education & Implementation. The City of Mount Vernon and Chamber of Commerce will maintain regular contact with institutional providers including Mount Vernon Schools, Skagit Valley College, Affiliated Health Services, Skagit County, and the Library to assure coordinated planning, retention and expansion of these institutions in Mount Vernon. In addition, regular contact with non-institutional childcare and congregate care providers should be maintained as future demand for services may require public/private coordination for planning and expansion of services.

With the current OEDP update, particular focus is suggested for issues related to potential relocation or reconfiguration of medical facilities associated with Affiliated Health Services, possibly a hospital focus group. Priorities are to maintain ready access to health services for Mount Vernon residents and the business activity represented by this major local employer.

Potential Participants: City of Mount Vernon, Chamber of Commerce, and ombudsperson (recently hired).

Estimated Cost: None for coordination, but priority will be placed on infrastructure to serve these and related service providers. Special planning/impact analysis may be required for specific projects such as potential reconfiguration of hospital facilities.

Funding Source(s): Not applicable for coordination.

Schedule: Immediate and ongoing.

Conservation & Economic Development

Projects proposed are diverse, with many requiring significant capital funding over a long-term implementation period:

Flood Control & Protection. Actions prioritized by the initial 1996 OEDP involved funding of a feasibility study to study flood control measures in cooperation with the U.S. Army Corps of Engineers. Floodwall improvements at the south end of town also would be planned. Longer-term, a complete flood control system could be expected to reduce flood-related damage by up to 46% in the Skagit basin and 63% in the Mount Vernon/Burlington area.

This is the only one of the five top 1996 priorities for which definitive action has been slow in coming. In large part, this is because decisions regarding specific projects are not local matters, but subject to federal policy and appropriations.

Because the OEDP Committee views flood protection as integral to the community's long-term business vitality, continued planning and advocacy with appropriate federal interests is recommended.

As a shorter-term measure, increased interest exists in establishing a trail system along the riverfront levees. This would be an important amenity for local residents and as part of a visitor development strategy. A partnership has been formed with the City of Mount Vernon and Skagit County for development of a non-motorized trail system. This partnership is presently reviewing the potential of establishing an integrated bike/pedestrian path system.

Potential Participants: U.S. Army Corps of Engineers, City of Mount Vernon, affected property and business owners.

Estimated Cost: 1996 OEDP estimates were \$2.5 million for flood control study; \$700,000 for flood control wall; \$44.0 million for complete control improvements (as estimated by Corps).

Funding Source(s): For feasibility study — Army Corps (50%), local share (50%). For control improvements — Army Corps (75%), local share (25%), which could include City of Mount Vernon (e.g. general fund, dedicated revenue source, bonding) and/or benefited property owners (e.g. local improvement district)

Schedule: Mid-term for dike trail system; mid-term for flood control study; mid- to long-term for downtown floodwall; long-term for full flood control implementation.

I-5 Corridor Appeal/Beautification. Although I-5 corridor appeal and beautification is included in the city's Comprehensive Plan, the OEDP Committee seeks to widen the scope of projects and reemphasize the importance of corridor appearance to the economic development strategy in Mount Vernon. The committee has recommended an I-5 corridor appeal strategy that invites travelers to stop in the city by highlighting commercial districts and distinctive features (e.g. historical districts, river activities, festivals, parks), while orienting existing land use patterns in the corridor to attract I-5 travelers and tourists.

Also recommended is encouragement of clean-up, renovation and, in some cases, removal of unsightly or marginally-maintained land uses. Suggested for sale or property trade and subsequent redevelopment is the city-owned shops property on Freeway Drive.

Potential Participants: City of Mount Vernon, Chamber of Commerce, EDASC, OEDP Committee.

Estimated Cost: To be determined.

Funding Source(s): To be determined.

Schedule: Immediate and ongoing.

Habitat Restoration, Recreation & Education. With increasing focus, Mount Vernon is addressing the restoration of habitat while enhancing the benefits of recreation and public education in the area. Hiking trails, habitat observation areas and classroom opportunities are but a few of the planned projects identified by the City of Mount Vernon.

Potential Participants: City of Mount Vernon, Chamber of Commerce, Skagit Valley College, area schools, Skagitonians to Preserve Farmland, local natural resource and environmental groups, Skagit County, Department of Fish and Wildlife, Department of Ecology, CTED.

Estimated Cost: To be determined/project specific.

Funding Source(s): To be determined.

Schedule: Immediate and ongoing.

Mount Vernon OEDP Implementation Plan Priorities

A total of 22 implementation plan projects have been identified on a preliminary basis while preparing this Mount Vernon OEDP. Subsequently, in reviewing the entire list, the committee

recommended top priority projects — from the perspective of *making a difference* for economic development in Mount Vernon.

Two categories of priority activities have been identified: (a) projects for infrastructure funding; and (b) policy actions. 1999 OEDP Committee priorities are listed as follows:

Priority Projects for Infrastructure Funding (listed in alphabetical order):

- College Way/Riverside/Freeway Drive Commercial Enhancement Plan
- Downtown Organization, Public Parking & River Development
- Flood Control & Protection
- Mount Vernon Transportation Improvements
- South Mount Vernon Infrastructure & Development
- Surface/Wastewater Management
- Technology Infrastructure & Access

Policy Actions (listed in alphabetical order):

- Competitiveness Review & Business Contact Program
- Industrial & Commercial Land Review
- Target Business Retention & Marketing

The OEDP Committee has agreed to establish three committees for purposes of coordinating and monitoring plan implementation: (a) an infrastructure committee, (b) a policy committee; and (c) a marketing committee. Committee involvement will cover both the priority and other projects that are part of this 1999 update (see Figure 44).

OEDP REVIEW AND ADDITIONAL INFORMATION

The OEDP Committee intends to continue committee activities and membership in the form of quarterly reviews used to update and refine the existing OEDP document and track the progress of project implementation.

In addition, this report includes several appendices originally available in a supplementary document, the *Mount Vernon Overall Economic Development Plan, Appendices A-H*. These appendices have been reviewed for continued accuracy and any updated materials available. Changes and/or updates are minimal at this time and those of significance are listed below:

Appendix A: Chamber of Commerce Survey. No update has been done since originally completed. Activities resulting from the information gathered include:

- Concentrated focus on developing Mount Vernon's infrastructure and subsequent ability to facilitate the location of new businesses and adding a community and economic development planner to city staff.

- Selecting and studying a downtown location for a multi-modal transportation center and multi-level parking garage.
- Chamber of Commerce, Visitor Information Center and Tulip Festival relocated to downtown Mount Vernon, intention to pursue formation of a Main Street foundation, and presenting small business seminars (such as *Customer Service*) with Skagit Valley College and Small Business Resource Center.

Appendix B: Retail Trade and Service Sector Review. U. S. Department of Commerce census data from 1997, which would allow a direct comparison to 1992 information, has not yet been published, but is expected by year-end 1999. Taxable retail sales information through 1998 has been gathered and is discussed above.

Appendix C: Retail Power Center Concept. This study confirmed the pursuit of coordinating the economic development on and around College Way/Riverside Drive. Results culminated in the drafting of an Area Plan specifically addressing the needs of this region of the city. Successes include extensive upgrade of existing retail mall facilities (Safeway and Albertson's), introduction of new financial institutions (Peoples Bank and Whidby Island Bank), and establishment of new retail stores such as Eagle Hardware, Wal-Mart, Office Depot, and PetCo.

Appendix D: Flood Issues in Mount Vernon. Army Corp of Engineers data remains relatively unchanged. Flood control continues to be a significant issue for Mount Vernon and is a factor in all planning and project development. Regulations in planning and implementing flood control measures require coordination of all areas being affected by the project. Continued effort in this area will depend on cooperative planning that engages appropriate state and federal agencies.

Appendix E: Level of Service. Transportation needs, especially those indicating soon-to-be problem areas, are addressed in the list of projects to be completed. Definitions of the six levels of deficiency remain unchanged.

Appendix F: High Speed Rail. Plans continue to be developed for an attractive multi-modal transportation center near the newly remodeled Granary Building and creation of a transportation hub for tourism in the downtown Mount Vernon area.

Appendix G: Fiber Optics and High Tech. Activities are moving forward with the identification and adoption of a fiber-optic system for Mount Vernon and the surrounding community. An emerging opportunity since 1996 is e-commerce.

Appendix H: Performing Arts Center Assessment. A community group, the Skagit Performing Arts Council, has formed with a focus to continue to build interest in the concept of a performing arts center within Skagit County. No specific plans have been drafted and no funding located at this time.

New topics also included as Appendices are:

Appendix I: City of Mount Vernon and Urban Growth Area Sensitive Areas Inventory and Riparian Enhancement. Scope of work to be completed during 1999 is outlined.

Appendix J: Hospital. A brief discussion of the potential issues for the City of Mount Vernon is presented as Affiliated Health Services addresses the need for additional and upgraded facilities and the possibility of either relocating from or substantially remodeling its present facility.

Appendix K: Mount Vernon Traffic Analysis Zones - Employment. BST Associates have analyzed employment for Mount Vernon and the results summarized in Excel format by the City of Mount Vernon Community and Economic Development Department.

Appendix L: List of References.

Other topics of interest to the Mount Vernon community include:

- *Stadium.* Though interest persists in developing a regional stadium for the community, actions have been on hold while the school district focuses on the need for improvements to the school facilities.
- *Convention Center.* While remaining as a long-term objective, little detailed planning for a convention center has occurred to date as other priorities take precedence and as specific needs for this type of facility are identified.
- *Y2K.* The coming of the Year 2000 has sparked concern about potential problems due to the technical difficulties of computers transitioning into the new year. Much speculation has been aired, educational seminars have been presented and companies and businesses have self-checked for compliance. The U.S. Senate has formed a committee to deal with Y2K issues. Also, community emergency response teams (CERT) have been established in local areas in case of disaster. No other specific plans for coordinated response across a variety of private firms or public agencies are noted in the Mount Vernon area at this time.

For supplementary documents or more information on the City of Mount Vernon OEDP, contact the Mount Vernon Chamber of Commerce or the City of Mount Vernon Planning Department.

As a result of the OEDP process, committees have been established for ongoing input and to monitor the progress of the projects outlined within this OEDP. The members of each committee are listed below:

Figure 44. 1999 Mount Vernon OEDP Sub-Committees

Policy Sub-Committee

George Eusterman
Jeanne Glick
Stan Olsen
Scott Price
Skye Richendrfer
Jill Rouw
Don Wick

Marketing and Tourism Sub-Committee

Bonnie Anderson
Pat Grenfell
Linda Kyle
Bruce McBane
Chuck Nerger
Ben Ocean
John Piazza
Skye Richendrfer

Infrastructure Sub-Committee

Bob Boudinot
Lee Bode
John Buckley
Chuck Cass
Rick Cisar
George Eustermann
Eric Ireland
Harry Ota
Dave Parsons
John Piazza
Dave Ragan
Skye Richendrfer
Don Schlichtmann
Don Wick

APPENDIX A. CHAMBER OF COMMERCE SURVEY

In April/May of 1996, the Mount Vernon Chamber of Commerce organized a survey of Mount Vernon businesses designed to solicit information about the general business climate in Mount Vernon for use in the OEDP process and potential legislative action by the Chamber. This survey is the first of an expected annual survey of Mount Vernon businesses by the Chamber of Commerce.

Approximately 2,700 surveys were sent by fax and mail to businesses with Mount Vernon business licenses. A total of 83 businesses responded for a relatively low response rate of approximately 3%. As a result of the low response rate, the analysis has no statistical significance. However, the survey may be useful in identifying issues and trends important to Mount Vernon businesses.

Survey responses were compiled by Chamber staff and a synopsis was provided by the Chamber taking into consideration confidential information regarding type of business, maturity, location and activity level. The following is based largely on the Chamber's synopsis of survey results.

1. How do you feel about the Mount Vernon business climate?

- Most professionals downtown regard Mount Vernon well.
- Unique businesses appear positive.
- Businesses that are construction related, development companies, real estate, local businesses that have tried to physically expand, retail and some professional complained of tax burden, high fees, regulation, lack of "business-friendly" government, downtown parking limitations and overall poor business environment.
- Healthcare respondents appear most content except for federal and state mandates.
- Positive responses include attractive residential areas, I-5 proximity, recent population growth, and friendly people.
- Many respondents express concerns for Mount Vernon's economic future.

2. If starting over again would you locate here or recommend a friend locate here?

- Thirty-five said yes, twelve said yes with reservations (see #1 above) and 27 said no.
- The yes votes were mostly healthcare professionals, established legal professionals, accountants and those with unique businesses.
- When considering the yes votes "with reservations", the negative responses outweigh the positive and indicate a strong need for reform on all levels to attract new business to MV.

3. What most impacts your ability to run your business?

- Some respondents indicated business challenges such as weather and finding good employees.

- A majority of respondents indicated negative impacts that are government related (i.e. regulations, fees and taxation, lack of action, policies and results of previous government intervention).

4. What levels of government impact your business specifically and why?

- The greatest impact of government was taxes, fees and regulation.

5. List specific advantages in being in business in Mount Vernon.

While many Mount Vernon businesses faced economic challenges, most also have positive feelings about their town, common responses were:

- Center of population and of government for Skagit County.
- I-5 proximity.
- Relatively safe and friendly.
- Small town atmosphere.
- Attractive downtown.
- Attractive surroundings.

6. What ideas do you have to improve the business climate in Mount Vernon?

Ideas varied, but many included:

- Increase/improve parking downtown.
- Planning for economic development.
- Business friendly governments.
- Reducing cost and interference of government.
- Attracting family supporting jobs.
- Reducing flood risk.

7. What percentage of your market is Skagit County, Mount Vernon or other?

- Responses varied from 100% Skagit County, to 100% Mount Vernon residents, to 99% other.
- Overall, most survey respondents serve the Skagit and Mount Vernon markets, however; a significant portion serve non-local markets.

8. Is there anything the following entities could do to help the growth of your business?

A. Chamber of Commerce

- Help network small business.
- Be a voice for small business regarding government efforts.
- Promote businesses to new residents and protect Mount Vernon from retail sales leakage.

B. EDASC

- Continue to bring in new businesses and help promote existing businesses to outside markets.
- Be an advocate for business regarding government regulation.

C. City of Mount Vernon

- More parking, purchase from local vendors.
- Be business friendly.
- Reduce fees and regulations.

D. Skagit government

- Lower property taxes.
- Work to repeal GMA.
- Purchase from local vendors.

E. State of Washington

- Repeal GMA.
- Reduce regulations and lower taxes.

F. Federal

- Reduce regulations and taxes.

APPENDIX B. RETAIL TRADE & SERVICE SECTOR REVIEW

At the request of the Mount Vernon OEDP Committee, a more detailed analysis and forecast of retail sales potential for Mount Vernon was prepared. This appendix provides the results of that analysis.

Four alternative sources of relatively current tax data have been used for this analysis:

- Sales & Marketing Management (SMM) retail sales information which is provided on an annual basis for every county in the United States.
- Taxable Retail Sales — based on sales subject to state of Washington retail sales tax. A major deficiency of this data source is that grocery and pharmacy items are not subject to retail sales tax and therefore are not included as part of estimated sales figures. Items subject to sales tax include both sales of retail store merchandise as well as in-state sales from other companies ranging from wholesalers to manufacturers to contractors.
- State of Washington Gross Business Sales — covering all retail items, but only on a statewide rather than county specific basis.
- U.S. Census of Retail Trade — published every five years, available for every county and city in the United States.

For purposes of this analysis, both U.S. Census data and Sales & Marketing Management (SMM) data have been used as primary sources for estimating sales leakage and future retail potentials. This is for four reasons:

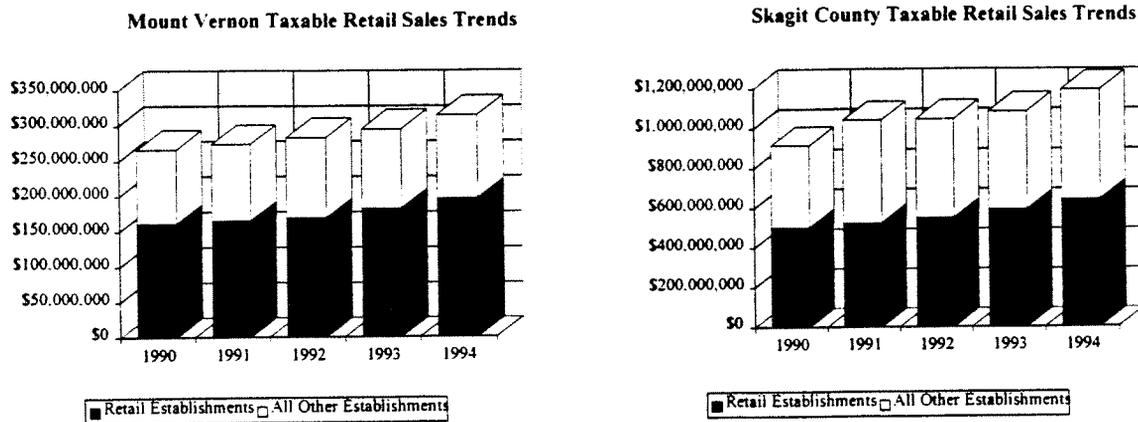
- U.S. Census data is available across all city and county jurisdictions in the U.S.
- SMM data is available for comparison across all counties in the U.S.
- SMM estimates sales for items not subject to retail sales tax.
- Estimates of sales throughout Washington State correspond closely using either SMM or Department of Revenue data.

TAXABLE SALES

For the four year period from 1990-1994, taxable sales in Mount Vernon increased 18% (to approximately \$314 million) while retail sales in Skagit County increased 30% (to approximately \$1,188 million).

In 1994, retail establishments accounted for 62% of total retail sales in the city, while countywide, retail sales establishments accounted for 54% of total retail sales. This reflects the city's role as a leading commercial and retail area in the county.

Figure 45. Mount Vernon & Skagit County Retail Sales Trends (1990-1994)



Source: *Quarterly Business Review*, Department of Revenue, calendar years 1990-1994. Data compiled by E.D. Hovee & Company, July, 1996.

RETAIL STORE SALES

In 1992, Mount Vernon had an estimated \$235.3 million in total retail sales. Major components of retailing citywide (by store type) were auto dealers (at \$60.7 million) and food stores (at almost \$50.1 million). Other major retail categories include eating & drinking places (\$34.7 million), building materials & hardware (\$18.9 million), and specialty retail (\$18.3 million).

Figure 46. Retail Sales by Industry & Community

1992 Retail Sales by Establishment (1,000)

Store Group	Mount Vernon	Burlington	Skagit County	Washington State
Building Materials & Hardware	\$18,934	\$10,826	\$63,120	\$2,560,514
General Merchandise	\$0	\$63,076	\$65,866	\$5,452,239
Food Stores	\$50,136	(D)	\$154,814	\$8,192,938
Automotive Dealers	\$60,739	\$68,799	\$215,206	\$8,086,149
Gasoline Service Stations	\$16,153	\$19,089	\$65,010	\$2,665,662
Apparel & Accessories	\$4,085	\$35,741	\$45,528	\$2,040,977
Furniture & Home Furnishings	\$15,769	\$10,610	\$34,517	\$2,132,880
Eating & Drinking	\$34,737	\$11,817	\$87,481	\$4,406,802
Drug Stores	\$16,395	(D)	\$33,759	\$1,517,763
Specialty Retail	\$18,398	\$15,861	\$60,605	\$3,853,900
Non-Disclosed	\$0	\$44,803	\$0	\$0
Total	\$235,346	\$280,622	\$825,906	\$40,909,824

Note: D denotes industries for which sales volume could not be reported due to protection of confidential information for individual retail operators.

Source: 1992 Census of Retail Trade.

For the five year period from 1987-1992, total retail sales growth increased in Mount Vernon over \$12.7 million. Retail sectors with the largest increases included eating & drinking places (increased \$14.3 million), gasoline service stations (\$7.3 million), and automotive dealers (\$4.2 million). Sectors in which retail sales declined during the same period included apparel & accessories (declining \$9.9 million), and non-disclosed industries (declining \$10.3 million).

Figure 47. Retail Sales Growth Comparisons by Jurisdiction

Store Group	Retail Sales Growth 1987-1992 (\$1,000)			
	Mount Vernon	Burlington	Skagit County	Washington State
Building Materials & Hardware	\$3,642	\$5,640	\$29,819	\$1,018,502
General Merchandise	N/A	N/A	\$46,579	\$2,099,706
Food Stores	\$660	N/A	\$46,317	\$1,987,045
Automotive Dealers	\$4,194	\$60,801	\$111,584	\$2,745,632
Gasoline Service Stations	\$7,347	\$11,215	\$30,981	\$931,097
Apparel & Accessories	(\$9,934)	\$33,980	\$26,275	\$669,553
Furniture & Home Furnishings	N/A	\$9,421	\$18,598	\$776,172
Eating & Drinking	\$14,324	\$6,066	\$35,668	\$1,443,867
Drug Stores	\$917	N/A	\$9,296	\$479,607
Specialty Retail	\$1,907	\$13,746	\$31,257	\$1,508,842
Non-Disclosed *	(\$10,309)	\$94,876	\$0	\$0
Total	\$12,748	\$235,745	\$386,374	\$13,660,023

Note: Non-disclosed industries in Burlington are General Merchandise, Food, and Drug stores. Non-disclosed industries in Mount Vernon are General Merchandise and Furniture & Home Furnishings.

Source: 1987 & 1992 Censuses of Retail Trade.

RETAIL SALES LEAKAGE

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

As of 1992, Mount Vernon had an estimated \$26.6 million in net retail sales leakage. Calculated sales leakage was concentrated in general merchandise (\$22.3 million) and to a lesser extent in apparel & accessories (\$4.3 million).

For all other retail store categories, Mount Vernon experienced a higher volume of retail sales than would generally be expected based on the purchasing power of local residents alone. These are retail categories for which Mount Vernon may be receiving net benefit from visitor spending — either as tourists or as residents of nearby cities or counties who view Mount Vernon as a primary shopping area.

FUTURE RETAIL POTENTIALS

Future retail sales potentials are based on the combination of: (a) recapturing existing leakage in general merchandise; and (b) increased local population and income growth. Total estimated

added sales potential (in 1992 dollars) over the 20 year period from 1995-2015 is \$296 million. This translates into land demand of 178 acres using typical measures of expected retail sales per square foot and building site coverage ratios.

EXPANDED TRADE AREA ANALYSIS

Skagit County also receives significant traffic from residents of Island and San Juan Counties who travel to Skagit for shopping or accessing I-5. Because businesses in Skagit County, especially in the Mount Vernon/Burlington areas, may potentially capture retail sales leakage from Island and San Juan Counties, leakage rates in the two counties are important components of Mount Vernon's economic development strategy.

Estimated retail sales leakage in San Juan County is \$55.5 million for all retail establishments. Sales leakage for San Juan is largely in automotive dealers (21.0 million), general merchandise (\$14.9 million), and non-disclosed industries (\$26.3 million). Retail sales leakage in Island County is estimated at \$242.1 million with leakage focused in automotive dealers (\$58.1 million), general merchandise (\$50.0 million), specialty retail and drug stores (\$41.4 million), and non-disclosed industries (\$98.7 million).

SERVICE SECTOR LEAKAGE

A similar analysis of sales leakage can also be prepared for the service sector, and was requested by the OEDP Committee. As of 1992, Mount Vernon had an estimated \$13.7 million in net service sector retail sales leakage. Calculated sales leakage was concentrated in engineering, accounting & research (\$6.7 million); and business services (\$4.6 million); and to a lesser extent in lodging (\$1.5 million) and selected educational services (\$0.5 million).

For all other service sector categories, Mount Vernon experienced a higher volume of retail sales than would generally be expected based on the purchasing power of local residents alone. These are service categories for which the city may be receiving net benefit from visitor spending — either as tourists or as residents of nearby cities or counties who view Mount Vernon as a primary shopping area for services.

Figure 48. Retail Sales as a Percent of Effective Buying Income by Jurisdiction

Store Group	1992 Sales as a Percent of EBI				Estimated Sales Leakage (\$1,000)		
	Mount Vernon		Skagit County		Washington State		Skagit County
	Burlington	Vernon	Burlington	County	Burlington	Vernon	
Building Materials & Hardware	5.6%	0.0%	9.6%	4.9%	3.1%	\$0	\$0
General Merchandise	14.7%	17.8%	56.1%	5.1%	6.6%	\$22,339	\$18,666
Food Stores	4.7%	1.2%	NA	12.0%	9.9%	\$0	\$0
Automotive Dealers	10.2%	4.6%	61.2%	16.7%	9.7%	\$0	\$0
Gasoline Service Stations	4.8%	10.2%	17.0%	5.0%	3.2%	\$0	\$0
Apparel & Accessories	5.4%	4.6%	31.8%	3.5%	2.5%	\$4,277	\$0
Furniture & Home Furnishings	0.0%	10.2%	9.4%	2.7%	2.6%	\$0	\$0
Eating & Drinking	4.8%	10.2%	10.5%	6.8%	5.3%	\$0	\$0
Drug Stores	4.8%	10.2%	NA	2.6%	1.8%	\$0	\$0
Specialty Retail	5.4%	10.2%	14.1%	4.7%	4.6%	\$0	\$0
Non-Disclosed *	0.0%	10.2%	39.9%	0.0%	0.0%	\$0	\$0
Total	69.1%	69.1%	249.8%	64.1%	49.2%	\$26,616	\$18,666

Note: Non-disclosed industries in Burlington are food and drug stores.

Source: 1992 Census of Retail Trade and Sales & Marketing Management 1993 Survey of Buying Power.

Figure 49. Mount Vernon Future Retail Sales Potential & Land Demand

Store Group	Sales			Citywide			
	Current Retail Sales Leakage	Supported By Pop Growth (to 2015)	Added Total Retail Sales Potential by 2015	Typical Sales per Square Foot	Retail Square Footage Supported	Assumed Floor Area Ratio	Land Demand (in acres)
Building Materials & Hardware	\$0	\$19,486,000	\$19,486,000	\$100	195,000	20.0%	22.40
General Merchandise	\$22,339,000	\$22,990,000	\$45,329,000	\$120	378,000	20.0%	43.40
Food Stores	\$0	\$51,598,000	\$51,598,000	\$275	188,000	20.0%	21.60
Automotive Dealers	\$0	\$62,510,000	\$62,510,000	\$450	139,000	20.0%	16.00
Gasoline Service Stations	\$0	\$16,624,000	\$16,624,000	\$190	86,000	20.0%	9.90
Apparel & Accessories	\$4,277,000	\$8,606,000	\$12,883,000	\$150	86,000	20.0%	9.90
Furniture & Home Furnishings	\$0	\$16,229,000	\$16,229,000	\$200	81,000	20.0%	9.30
Eating & Drinking	\$0	\$35,750,000	\$35,750,000	\$175	204,000	20.0%	23.40
Drug Stores	\$0	\$16,873,000	\$16,873,000	\$175	96,000	20.0%	11.00
Specialty Retail	\$0	\$18,934,000	\$18,934,000	\$200	95,000	20.0%	10.90
Total	\$26,616,000	\$269,600,000	\$296,216,000	\$191	1,548,000	20.0%	177.80

Source: E.D. Hovee & Company based on data from 1992 Census of Retail Trade, State of Washington Office of Financial Management, Sales & Marketing Management, and Urban Land Institute.

Figure 50. Mount Vernon Service Sector Leakage

SIC	Service Sector	1992 Receipts (\$1,000)		Receipts as % of EBI		Estimated Leakage	
		Mount Vernon	Washington State	Mount Vernon	Washington State	Percent	Mount Vernon (\$1,000)
70 ex 704	Lodging (ex. membership)	\$2,812	\$1,056,849	0.8%	1.3%	0.4%	\$1,518
72	Personal Services	\$3,414	\$815,726	1.0%	1.0%	0.0%	\$0
73	Business Services	\$14,515	\$4,665,184	4.3%	5.6%	1.4%	\$4,599
75	Auto Repair & Parking	\$6,812	\$1,451,438	2.0%	1.7%	-0.3%	\$0
76	Miscellaneous Repair	\$4,132	\$631,733	1.2%	0.8%	-0.5%	\$0
78, 78, & 84	Amusement, Recreational Services, & Theaters	\$6,639	\$1,327,352	2.0%	1.6%	-0.4%	\$0
80	Health Services	\$59,902	\$5,401,049	17.6%	6.5%	-11.1%	\$0
81	Legal Services	\$13,392	\$1,614,467	3.9%	1.9%	-2.0%	\$0
823, 4, & 9	Selected Educational Services	\$250	\$188,202	0.1%	0.2%	0.2%	\$521
83	Social Services	\$3,982	\$396,211	1.2%	0.5%	-0.7%	\$0
87 ex 8733	Engineering, Accounting, Research, Management, and Related Services (ex noncommercial research)	\$8,607	\$3,735,319	2.5%	4.5%	2.0%	\$6,697
	All Other Service Sectors	\$285	\$164,559	0.1%	0.2%	0.1%	\$389
	All Service Sectors	\$124,742	\$21,448,089	36.6%	25.8%		\$13,724

Source: 1992 Census of Service Industries.

APPENDIX C. THE RETAIL POWER CENTER CONCEPT

During the course of its discussions, the OEDP Committee raised questions regarding the definition and trends related to what are termed retail *power centers*. This appendix is intended to briefly define the term and provide examples of power centers that may be useful as a frame of reference.

Definition: In a May 1993 article of Urban Land published by the national Urban Land Institute (ULI) organization, the term is defined as follows: "Power centers generally are considered to be 250,000 - 750,000 square-foot or larger strip centers with as many as 12 anchor tenants. Large tenants usually occupy 60 percent or more of the center — sometimes nearly 100 percent."

A more detailed description of the genesis and characteristics of power centers is provided as follows:

"With maturation of the retail sector over the years, the shopping center industry has responded with new and varied real estate products to accommodate and advance emerging retail trends. One of the most talked about of these products is the *power center*, which emerged in the 1980s as a strong competitor to existing regional and community shopping centers.

"Although no universally accepted definition exists of a power center in the shopping center industry, the Urban Land Institute describes it as a type of super community shopping center in which at least 75 to 90 percent of the selling space is devoted to multiple, off-price, category-killer anchors and a discount department store or warehouse club. It is the 'power' of its numerous anchors that has given this type of center its name. These centers offer depth and breadth of merchandise at discount prices for selected types of hard and soft goods, such as electronics, furniture, books, hardware, toys, food, and housewares."

*ULI on the Future, Creating Tomorrow's Competitive Advantage*²²

While there are exceptions, such as Auburn's Supermall of the Great Northwest, power centers typically are not enclosed malls. Each store is accessed from its own entrance facing onto a parking lot. In some centers, store spaces are physically linked in traditional strip center fashion.

As noted, power centers typically are dominated by several large anchor stores. Examples include discount department stores, warehouse clubs or so-called big-box or category killer retailers.

Large stand-alone stores can be anywhere from 25,000 square feet to over 100,000 square feet in size. Often, the larger tenants are situated on freestanding sites, even though these sites may be located in a master planned development with shared parking. There typically are only a minimal number of small specialty stores as part of a power center development.

Related Terms: As indicated above, there are at least two other terms that are part of the industry jargon typically associated with power centers:

Big Box — refers to large stand-alone stores of 25,000 square feet or more. Typically, these national or regional chains offer great depth of selection within their merchandise categories. The so-called big box phenomenon took hold in the late 1980s as national

specialty retailers began to focus on luring an increasingly cost conscious public. For a number of the national chains, the Pacific Northwest was somewhat late in experiencing this type of development, as concepts developed elsewhere expanded into this market by the early to mid 1990s.

Category Killers — are stores owned by major national retailers whose wholesale purchasing power makes it possible to offer broad selection and low prices. Their domination of a *particular market segment* can have the effect of making it difficult for other stores carrying similar merchandise, particularly independent retailers or smaller chains, to enter or remain in the same geographic trade area.

Typical Power Center Retailers: Examples of retail stores commonly seen in power centers throughout the Pacific Northwest include:

- Barnes & Noble (books)
- Best's (discount general merchandise)
- Circuit City (home electronics)
- Computer City (computers & software)
- Copeland's Sports (sporting goods)
- Good Guys (household electronics)
- Home Base (building materials & household furnishings)
- Home Depot (building materials & household furnishings)
- Incredible Universe (electronics)
- Linens 'n Things (household furnishings)
- Marshall's (apparel)
- Office Depot (office supplies)
- Office Max (office supplies)
- Petco (pets & pet supplies)
- Silo (home electronics)
- Staples (office supplies)
- Target (discount general merchandise)
- Toys R Us (toys)

One other discount retailer — Wal-Mart — represents a somewhat similar type of retailer. However, Wal-Mart typically (though not always) develops on free-standing sites rather than as part of a master-planned, multi-store power center.

Another note of importance relates to the intense level of competition between stores offering similar merchandise, with the winners so far tending to be national chains, those with larger square footage formats and/or better capitalization. Smith's Home Furnishings is an example of a recent casualty of this competition. Ernst Home Centers are currently in the press as struggling to survive in a market with competitors typically in larger store formats (such as Home Depot, Home Base and Eagle Hardware & Garden).

Shopper Preferences: Much of the impetus for power center retailing is the result of changing shopper preferences. Two major factors behind these changes are consumer desires to spend less time shopping and obtain more value (i.e. lower prices). The results of a survey of 1,000

shoppers conducted by the Gallup Organization in November 1995 clearly indicate the continued trend toward discount department stores, followed by warehouse clubs. The survey also illustrates continued erosion of consumer preference for enclosed mall shopping.

Figure 51. Retail Formats Used by Shoppers (1995)

Type of Retail Format	Shopping More	Shopping Less	Shopping the Same
Discount Department Stores	46%	10%	38%
Warehouse Club	28%	20%	22%
Catalog	23%	28%	22%
Off-Price	20%	21%	24%
Enclosed Malls	18%	35%	39%
Manufacturers' Outlet	17%	21%	22%

Source: International Council of Shopping Centers, *ICSC Research Quarterly*, Spring 1996.

Examples of Power Centers: In the Pacific Northwest, power center retailing is occurring in three ways: (a) development of new master planned developments; (b) development of free-standing store sites often in close proximity to existing enclosed malls; and (c) redevelopment of former enclosed mall or strip mall sites.

Big-box retailing around the Bellis Fair mall site in Bellingham involves a combination of (a) and (b). Aurora Village in Seattle and Jantzen Beach in Portland are examples of redevelopment, i.e. category (c).

APPENDIX D. FLOOD ISSUES IN MOUNT VERNON

At the request of the Mount Vernon OEDP committee, an analysis of the flood plain and flood control issues in the City of Mount Vernon was prepared. This appendix provides the results of that analysis.

HISTORY OF FLOODING

The following discussion of flood plain issues in the City of Mount Vernon is largely based upon results of *the Reconnaissance Report for the Skagit River, Washington, Flood Damage Reduction Study* by the Seattle District of the U.S. Army Corps of Engineers, April 1993 as well as telephone conversations with City of Mount Vernon and Skagit County Public Works representatives.

This research into flood plain issues is preliminary and subject to change based on further discussion with the Mount Vernon OEDP Committee and pertinent regulatory agencies.

The Skagit River valley has experienced flooding since the area was settled in the mid-1800s. Below Sedro-Woolley, the maximum safe channel capacity varies from 100,000-146,000 cubic feet per second (cfs). This level has been exceeded several times in the past century.

The following figure provides a approximate chronology of flood events in the Skagit River basin by location, including the date of occurrence and river flow. Event size (e.g. 10-year or 50-year flood) has also been estimated.

Figure 52. Skagit River Recorded Discharges (1815-1995)

Location	Date	Flow (1,000 cfs)	Estimated Event Size (approximate)*
Concrete	1815	500	100-year
Sedro-Woolley	1815	400	100-year
Sedro-Woolley	1856	300	100-year
Sedro-Woolley	Nov. 16, 1896	185	25-year
Sedro-Woolley	Nov. 19, 1897	190	25-year
Sedro-Woolley	Nov. 16, 1906	180	25-year
Sedro-Woolley	Nov. 30, 1909	220	50-year
Sedro-Woolley	Dec. 30, 1917	195	25-year
Sedro-Woolley	Dec. 13, 1921	210	50-year
Concrete	Feb. 27, 1932	147	10-year
Concrete	Nov. 13, 1932	116	<10-year
Concrete	Dec. 22, 1933	101	<10-year
Concrete	Nov. 5, 1934	131	10-year
Sedro-Woolley	Jan 25, 1935	127	<10-year
Concrete	Nov. 27, 1949	154	10-year
Sedro-Woolley	Nov. 27, 1949	112	<10-year
Sedro-Woolley	Feb. 10, 1951	144	10-year
Mount Vernon	Feb. 11, 1951	144	10-year
Sedro-Woolley	Cot 25, 1955	87	<10-year
Sedro-Woolley	Nov. 3, 1955	110	<10-year
Sedro-Woolley	Apr. 30, 1959	92	<10-year
Sedro-Woolley	Nov. 24, 1959	91	<10-year
Mount Vernon	Dec. 4, 1975	129	10-year
Mount Vernon	Dec. 19, 1979	112	<10-year
Mount Vernon	Dec. 27, 1980	114	10-year
Mount Vernon	Nov. 11, 1989	89	<10-year
Mount Vernon	Dec. 5, 1989	96	<10-year
Mount Vernon	Nov. 11, 1990	142	10-year
Mount Vernon	Nov. 25, 1990	152	25-year
Mount Vernon	Nov. 9, 1995	92	<10-year
Mount Vernon	Nov. 30, 1995	151	25-year

*Note: Estimates compiled by E.D. Hovee & Company, 1996. Estimates are based on discharge frequency data from the Corps of Engineers, *Reconnaissance Report*, 1993 and are approximations only.

Source: Skagit County Public Works, 1996, FEMA *Flood Insurance Study*, 1984, and U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

For the 20 year period from 1975-1995, the Skagit River basin has experienced three 10-year floods and two 25-year floods (including the November 1995 flood not shown in the figure below). In other words, there has been a 10-year flood event about every five years on average. The highest recorded peak discharges for Concrete and Mount Vernon are provided below. The data represent discharges that were regulated by Ross and Upper Baker dam flood control operations.

Figure 53. Highest Recorded Peak Discharges (Regulated)

Skagit River/Concrete		Skagit River/Mount Vernon	
Date	Flow (cfs)	Date	Flow (cfs)
Nov. 10, 1990	149,000	Nov. 25, 1990	152,000
Dec. 26, 1980	148,700	Nov. 11, 1990	142,000
Nov. 25, 1990	146,000	Dec. 4, 1975	129,000
Dec. 18, 1979	135,800	Dec. 27, 1980	114,000
Dec. 04, 1975	122,000	Dec. 12, 1979	112,000

Note: Data represent flows that were (at least partially) regulated by Ross and Upper Baker dams formal flood control operations. However, 62% of basin drainage occurs below the dam projects and is currently uncontrolled.

The data do not reflect the November, 1995 flows of 151,000 cfs in Mount Vernon.

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993 and Skagit County Public Works.

Current estimates for flood level events by location are provided in the following table. For example, the Nov. 25, 1990 flood event in Mount Vernon (152,000 cfs) was estimated by the Corps of Engineers to be about a 35-year event — a 25-year event has a flow estimated at 146,000 cfs.

Figure 54. Discharge Frequency Data

Flood Event Size	Skagit River/Concrete Flow (cfs)	Skagit River/Sedro-Woolley Flow (cfs)	Skagit River/Mount Vernon Flow (cfs)
10-Year	137,000	137,000	114,000
25-Year	175,000	175,000	146,000
50-Year	205,000	205,000	158,000
100-Year	236,000	236,000	180,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

FLOOD DAMAGE ESTIMATES

The following discussion focuses more closely on specific areas of flooding in the Mount Vernon area and estimates of economic loss (or damage) associated with flooding on an *annual average* basis. These areas include west, north, downtown, and south Mount Vernon.

All damage estimates represent the average annual costs of damages for flood events and reflect 1992 price levels. *Note:* These estimates provide costs averaged to an annualized figure, even though flooding occurs less frequently. Damage from an actual flood event is therefore greater than what is represented by an annual average figure. Current research by our firm has been unable to ascertain the number of years over which the annual costs provided below have been averaged (e.g. over a 25-year period or 100-year period).

West Mount Vernon

This area is located across the Skagit River west of downtown Mount Vernon. Flooding in this area occurs as a low spot on SR 536 is over-topped when the river reaches approximately 117,000 cfs (just over a 10-year event). Flows from 117,000-144,000 cfs are expected to cause

relatively minor damage. However, flows over a 25-year event (146,000 cfs) would be expected to cause significant damage due to levee failures.

Annual flood damage is estimated to average \$787,000. The damage is primarily associated with residential structures and contents, as well as to commercial and industrial establishments.

Figure 55. Average Annual Damage Estimates, West Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$234,000
Residential Contents	105,000
Commercial/Industrial	354,000
Public	40,000
Emergency Aid	43,000
Agriculture	3,000
Other	8,000
Total	\$787,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

North Mount Vernon

This is also known as the Big Bend area and is located on the left bank of the Skagit River, northeast of the downtown area and corresponds to Dike District #17. This area is bounded to the north, west, and south by the river, and to the east by high ground. Along the I-5 corridor, this area is commercial, while the western portion is more rural.

Flood damage for this area will occur at approximately a 20-year event (138,000 cfs), while levee failure has been estimated at a 25-year event (144,000 cfs). Annualized damages estimates do not differ significantly between these two events.

Expected annual damages are \$1,050,000, which occurs for the most part, in residential structures, commercial and industrial establishments, public expenditures, and emergency aid.

Figure 56. Average Annual Damage Estimates, North Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$127,000
Residential Contents	56,000
Commercial/Industrial	383,000
Public	111,000
Emergency Aid	321,000
Agriculture	41,000
Other	11,000
Total	\$1,050,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

Downtown Mount Vernon

This area is located along the I-5 corridor on the left bank of the Skagit River until the split between the North and South Fork. This is the most highly developed area within the flood zone within the City of Mount Vernon.

The flooding occurs south of the West Mount Vernon Bridge when a parking revetment is over-topped. This occurs at approximately a 10-year event (117,000 cfs).

Average annual damage estimates are \$3,525,000. The damage estimates are relatively high, compared to other areas in the city, and are focused on residential structures and contents, commercial and industrial establishments, and emergency aid.

Figure 57. Average Annual Damage Estimates, Downtown Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$1,238,000
Residential Contents	\$582,000
Commercial/Industrial	998,000
Public	99,000
Emergency Aid	550,000
Agriculture	6,000
Other	52,000
Total	\$3,525,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

South Mount Vernon

Geographically, this area begins south of Mount Vernon and continues along the I-5 corridor through Conway to Skagit Bay. The area is bordered on the west by the South Fork of the Skagit River and on the east by high ground.

Flooding occurs when the parking revetment in downtown Mount Vernon is over-topped during a 10-year event (or approximately 117,000 cfs). This area contains a mix of agricultural and rural/suburban development.

Flood damage is estimated to average \$1,003,000 on an annualized basis. Flood damage is comprised for the most part of residential structures and contents, and agricultural damage.

Figure 58. Average Annual Damage Estimates, South Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$212,000
Residential Contents	144,000
Commercial/Industrial	141,000
Public	198,000
Emergency Aid	46,000
Agriculture	238,000
Other	24,000
Total	\$1,003,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

All Areas

Economic damage associated with flooding for the entire Skagit River basin (including Mount Vernon, Burlington, Sedro-Woolley, Nookachamps, Clear Lake, Fir Island, and remaining rural areas) is estimated at \$9.9 million on an average annualized basis. Average annual damages from flood events affecting just the City of Mount Vernon are approximately \$6.4 million — representing approximately 64% of total Skagit River basin damages.

Focusing on the cost of specific types of flood events, the total damage associated with a 25-year flood in Mount Vernon is estimated at \$74.5 million, rising to \$104.1 million for a 50-year flood event. Damages can be expected to reach \$145 million from a 100-year flood event.

Since the year 1815, the Skagit River basin has experienced approximately eight 10-year floods, six 25-year floods, two 50-year floods, and two 100-year floods.

The following chart details average annual damages together with expected damages for various types of flood events as of November 1992 for each identified flood area in the City of Mount Vernon.

Figure 59. Expected Flood Damages by Flood Event

Area	Average Annual Damages All Events	Expected Damages (\$1,000)		
		25-Year Flood	50-Year Flood	100-Year Flood
West Mt. Vernon	\$787	\$8,000	\$14,600	\$24,200
North Mt. Vernon	\$1,050	\$8,700	\$20,500	\$37,400
Downtown Mt. Vernon	\$3,525	\$45,400	\$54,100	\$66,500
South Mt. Vernon	\$1,003	\$12,400	\$14,900	\$17,800
Total	\$6,365	\$74,500	\$104,100	\$145,900
# of events since 1815*		6	2	2

* Note: Data compiled by E.D. Hovee & Company, 1996. Number of events is based on recorded Skagit River discharges and estimated event sizes. The Skagit River basin has also experienced eight 10-year flood events during this period.

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993. Summary calculations performed by E.D. Hovee & Company, 1996.

CURRENT CONDITIONS

Consistent with the background information provided above, we now move to describe current flood control measures as well as the status of existing efforts to upgrade/improve the flood control system in Skagit County (including Mount Vernon).

Current Flood Control Measures

According to the U.S. Army Corps of Engineers, flood events and resulting flood damage can be expected to continue to affect the Skagit River Basin given the current configuration of flood control mechanisms. The Basin currently relies on a 43-mile network of levees extending from Burlington to the Skagit Bay and flood control by hydropower projects in the upper Skagit Basin.

The levee system was, for the most part, built over the years by landowners and is estimated to afford only 3-14 year flood protection (depending on location). Because the dikes are constructed of silt and sandy soils, levees frequently fail when saturated — resulting in potential for severe and unpredictable flooding. Urban areas, including Mount Vernon, have and will continue to sustain substantial flood damages as a result.

Skagit County participates in the National Flood Insurance Program (NFIP) and is subject to NFIP requirements for new development in the flood plain. These requirements include elevating new houses, and flood proofing or elevating other new buildings above the 100-year flood level.

Skagit Valley diking districts and Skagit County intend to improve the levees to a uniform 50-year flood protection level; however, this objective to date has been hampered by lack of necessary funding.

Status of Existing Improvement Efforts

As of 1993, the U.S. Army Corps of Engineers concluded that an economically feasible technical solution existed for flood damage reduction in the Skagit River basin (including Mount Vernon). The plan identified would reduce average annual flood damage in the Skagit River Basin by over \$4.2 million (from \$9.9 million to \$5.3 million) and would have a cost/benefit ratio of 1.1 to 1.

The proposed flood protection system includes a system of 100-year levees that would protect the incorporated areas of Burlington, Mount Vernon (including West Mount Vernon). In addition, new levee sections and upgraded existing rural levees would be designed to insure no flooding in the basin in less than a 25-year event and controlled flooding in greater than a 25-year event (U.S. Army Corps of Engineers, 1993).

The plan would reduce average annual flooding damages overall in the Skagit Basin by over 46% — while protecting Burlington and Mount Vernon from 100-year events and reducing average annual damage estimates there by nearly 63%.

The Corps recommended additional study of the above proposed project; however, no significant flood control improvements (e.g. new or upgraded dikes) have been constructed in Mount Vernon since 1993.

Currently, Skagit County is preparing to enter into an agreement with the Corps to proceed with a feasibility study of the proposed project as described above (e.g. plan specifications). According to Skagit County Public Works representatives, this agreement is expected in 1996. The feasibility study is expected to take at least two years, followed by financing efforts (e.g. bond issue), so project construction likely would not commence for several years.

The cost of the feasibility study is expected to be split 50-50% between the county and federal funding (estimated to cost \$2.5 million in 1992), while construction of the project likely will be allocated as 25% local/75% federal funding (estimated cost is \$44.0 million in 1992, of which \$11 million would be contributed by Skagit County, including land right-of-way acquisitions).

OTHER FLOOD CONTROL TOPICS

We conclude this research report with a review of other flood control related topics pertinent to the City of Mount Vernon. These topics include flood control goals and objectives, the flood plain zoning district, and residential or commercial development or renovation.

Flood Control Goals & Objectives

Flood control is discussed in the City's *Comprehensive Plan* which includes the goals and recommendations of the City's *Comprehensive Surface Water Management Plan*. The goals related to flood control issues appearing in the surface water plan and the Comprehensive Plan include:

Goal 1. Prevent property damage from flooding

- a. Objective - Require adequate peak flow controls for new development.
- b. Objective - Perform the necessary analysis and recommend solutions for existing flooding problems.
- c. Objective - Employ management strategies in flood prone areas to ensure that new development is not exposed to significant flood risk.

Goal 2. Develop a continuous and comprehensive program for management of surface water.

- a. Objective - Ensure funding source for program implementation.
- b. Objective - Coordinate the City program with the Skagit County program.

Flood Plain Zoning District

The City of Mount Vernon also has a F-1 Flood Plain District zoning designation. Within F-1 zoned areas, no uses are permitted, and no buildings or premises may be constructed without special permit from the city council — on recommendation of the planning commission and concurrent approval from the Corps of Engineers, the Federal Emergency Management Administration, and other state and federal agencies with jurisdiction. This designation is consistent with federal stipulations limiting development within the *floodway* portion of a 100-year flood plain.

Currently, primarily selected acreage that abuts the Skagit River between downtown and West Mount Vernon appears to be zoned F-1. Total acreage affected by this zoning designation is therefore relatively limited.

One topic that does not appear to be directly addressed in local flood control or comprehensive planning is the question of cumulative effects on downtown flood elevations from fill and/or flood control measures. For example, it is not clear to what degree the seeming increased frequency of flood events has been affected by past development or is primarily due to random storm events in excess of a long-term statistical benchmark.

Commercial & Residential Development or Renovations

Focusing on residential and commercial development in the 100-year flood plain within Mount Vernon city limits, new *residential* development must have the finished floor level above the 100-year event level. However, new *commercial* development can either raise finished floor level above the 100-year level or flood proof the portion of the structure below flood level (e.g. have the ability to keep water out or allow water in but have electrical service, plumbing etc. situated above flood level). The City of Mount Vernon views public use buildings as a commercial use for purposes of flood plain ordinance compliance.

The renovation of existing residential or commercial structures is not affected if the value of the renovation is less than 50% of the appraised value of the structure. However, if the value of the renovation (or the sum of renovations over a one year period) is greater than 50% of appraised value than the structure must be brought into compliance as if it were a new structure.

Effects of Flood Related Issues on Economic Development

The final step in our research has been to gather preliminary information based on contacts with local building officials, realtors and developers in Mount Vernon. Most of the land area in Mount Vernon that is located within the 100-year flood plain lies just 1-3 feet below the plain. Therefore most structures need only be raised 1-3 feet to be in compliance with flood plain ordinances.

Residential: The majority of new residential development is occurring in east Mount Vernon above the 100-year flood plain. Persons we have contacted note that few new residences are even being built below the 100-year flood plain, although at least one new housing development is currently being constructed in the flood plain (The Meadows). The effect of flood issues currently does not appear to be a significant deterrent to new residential development.

In general, flood plain issues have not been viewed as significant deterrents to residential renovations. Most residential structures can come into compliance by installing a cement foundation and raising the structure 1-3 feet. In some instances, however, the relatively low value of the residential structure is likely to preclude significant renovation.

A recent program undertaken by the City of Mount Vernon is expected to involve city acquisition of approximately ten flood-prone acres along the river in West Mount Vernon, relocation of existing residents, demolition of buildings, and redevelopment of the property as a

park. The \$3.6 million project is expected to be financed with a combination of state and federal grant money.

Commercial: As with residential, flood plain issues are not viewed as significant deterrents to new commercial development (e.g. Eagle Hardware). Typically, only 1-3 feet of fill is usually required to bring the building site above the 100-year flood plain, while parking lots are not required to be above the 100-year plain elevation. Contacts noted that other issues were often more significant such as wetlands or drainage of surface water.

In terms of commercial renovations, those contacted indicate that many of the building structures in downtown Mount Vernon are relatively old and require substantial renovation. The cost of renovation and flood plain compliance can be significant deterrents to redevelopment in some instances. However, several such renovations have been undertaken, with additional renovations in process. In some instances, it is believed that the cost of renovation in addition to the risk of flooding commercial structures could discourage potential investors.

APPENDIX E. LEVEL OF SERVICE

The level of service (LOS) designation characterizes a roadway's traffic flow and vehicular maneuverability levels. The LOS designation for signalized intersections is calculated based on the existing or projected traffic volumes to the capacity of the roadway at a given location. The highest level of service is LOS A, while the lowest is LOS F. The following figure describes traffic flow, comments, and maneuverability for different levels of service at signalized intersections.

Figure 60. Level of Service Designations for Signalized Intersections

Level of Service (LOS)	Traffic Flow	Comments	Maneuverability
A (Desirable)	Free	Traffic flows freely with no delays.	Drivers can maneuver easily and find freedom in operation.
B (Desirable)	Stable	Traffic flows smoothly with few delays.	Some drivers feel somewhat restricted within groups of vehicles.
C (Desirable)	Stable	Traffic generally flows smoothly but occasionally vehicles may be delayed through one cycle. Desired urban design level.	Backups may develop behind turning vehicles. Most drivers feel somewhat restricted.
D (Acceptable)	Approaching Unstable	Traffic delays may be more than one signal cycle during peak hours but excessive back-ups do not occur. Considered acceptable urban area design level.	Maneuverability is limited during short peak periods due to temporary back-ups.
E (Unsatisfactory)	Unstable	Delay may be great and up to several signal cycles. Short periods of this level may be tolerated during peak hours.	There are typically long queues of vehicles waiting upstream of intersections.
F (Unsatisfactory)	Forced	Excessive delay causes reduced capacity. Always considered unsatisfactory. May be tolerated in recreational areas where occurrence is rare.	Traffic is backed up and backups from other locations may restrict or prevent movement of vehicles at intersections.

Source: E.D. Hovee & Company. Based on LOS data for highway improvement projects conducted in Washington and Oregon.

APPENDIX F. HIGH SPEED RAIL

At the request of the Mount Vernon OEDP Committee, an analysis of the status and potential of high-speed rail in Mount Vernon was prepared. This appendix provides the results of that analysis.

Amtrak passenger rail service, called the Mount Baker International, has been serving Mount Vernon since October 1994. Passenger rail service had been discontinued in Mount Vernon since 1981 but in late 1992, the Federal Railroad Administration designated the Pacific Northwest rail Corridor as one of five high speed rail corridors in the United States.

The corridor extends 464 miles from Eugene, Oregon, through Portland and Seattle to Vancouver B.C. The rail line currently has stops in Albany, Salem, Portland, Vancouver, Kelso, Centralia, Olympia, Tacoma, Seattle, Edmonds, Everett, Mount Vernon/Burlington, Bellingham, New Westminster, and Vancouver.

The restoration of passenger rail service is part of a phased strategy jointly developed by Oregon, Washington, and British Columbia in response to the substantial growth pressures in the Pacific Northwest region. The corridor (which parallels Interstate 5) had a 1993 population of 7.7 million residing within 20 miles of the rail corridor. However, by the year 2020, population in the corridor is expected to increase by 40%, the number of jobs by 50%, and regional inter-city travel by 75%.

In support of inter-city commuting and transportation on the rail service, several cities including Olympia, Centralia, Kelso, Bellingham, Everett, Seattle, and Mount Vernon are developing, or have developed, multimodal facilities that provide connections between rail service and public transportation (e.g. busses, taxis, park and ride lots). In cities such as Seattle, Tacoma, Centralia and Portland, redevelopment of rail stations also serves as an important component of that community's downtown revitalization strategy.

MULTI-MODAL TRANSPORTATION CENTER

Multi-modal transportation centers are seen as essential to the success of high-speed rail in the Pacific Northwest corridor. Rail planners note that, "If the trains stations served by high-speed rail lack easy connections to passenger's final destinations, the entire high-speed concept will collapse" and "absent quick access to connecting modes of transportation — cabs, buses, light rail and airplanes — the ridership necessary to support high-speed rail will dissolve."²³

The *City of Mount Vernon Multimodal Facility Study* was conducted in 1993 to assess sites for the proposed multimodal center in Skagit County. Three sites were selected for final review including sites in downtown Mount Vernon, the existing train depot site in Mount Vernon, and downtown Burlington.

The existing train depot site (west side of the rail road tracks north of College Way) was recommended as the preferred location for the facility due primarily to land availability for a 100 car park-and-ride, Greyhound bus stalls and SKAT offices. In addition, the existing site would be easier to upgrade and able to handle future demand for services.

Construction of the facility is included in the city's Comprehensive Plan. Station construction is expected to cost \$1.1 million.

CURRENT & FUTURE PASSENGER RAIL SERVICE

As of May, 1996 the high-speed passenger rail service through Mount Vernon will have fixed capacity of 252 seats on one round trip per day from Seattle to Vancouver, B.C. In two years an additional train is expected — allowing two round trips per day.

By the year 1999, three round trips daily are expected and within 15 years, Amtrak plans to have seven trains per day. Passenger traffic on the high-speed rail service is forecast to increase from 100,000 annually (current levels) to over 350,000 passengers by the year 2015 .

Travel time from Seattle to Vancouver is expected to decrease from 3 hours and 55 minutes currently to 3 hours and 30 minutes in 1999, with increases in speed of 10 to 20 miles per hour throughout the corridor. To allow these higher speeds, WSDOT is spending approximately \$230 million on track improvements and upgrades.

Amtrak currently intends to add a baggage car fitted to transport bicycle traffic — focused on serving bike tourism which is especially suited for Mount Vernon and Skagit County.

In response to the economic development potential of high-speed rail in the city, the OEDP committee has identified high-speed rail as an important element of Mount Vernon's economic development strategy as both an infrastructure objective and project implementation priority.

APPENDIX G. FIBER-OPTICS & HIGH-TECH

At the request of the Mount Vernon OEDP Committee, an analysis of fiber-optics & high-tech potential for Mount Vernon was prepared. This appendix provides the results of that analysis.

A new wide-band fiber-optic cable linking Seattle and Vancouver B.C. has been recently installed through Mount Vernon by Starcom International Optics Corp. Fiber-optic cable is has also been installed along Highway 9 (AT&T), Old Highway 99 (U.S. West), and from Mount Vernon to Anacortes (GTE).

Firms connected to these lines could potentially utilize the large information carrying capacity of the fiber-optic cable — a prospect that may be particularly attractive to high-tech firms.

Two underlying trends provide the context for any potential high-tech development in the City of Mount Vernon. First are the current and emerging trends in the telecommunications industry which may be served by fiber-optic cable. Second is the changing regulatory structure of telecommunications in the United States — especially the Telecommunications Act of 1996.

CURRENT & EMERGING TRENDS IN TELECOMMUNICATIONS

The following discussion is drawn largely from *the Transportation Policy Plan for Washington State, Key Issues in 1994*, and contacts with City of Mount Vernon officials and service providers.

New communications technologies are now blurring the distinctions between formerly distinct industries such as telephone, cellular phone, and cable television by simultaneously transmitting large amounts of voice, data, and video signals. The speed and quantity of data transmission has lowered costs and propelled high technology into everyday life for many people.

In addition to more common technologies such as cellular phones, fax machines, pagers, and digital television, other recent trends in telecommunications technology include:

- Video conferencing — two way audio/visual communications in real time over large distances.
- Distance learning — education and course work for students using telecommunications.
- Distance medicine — processing information between medical professionals, patients, and hospitals over great distances in real time.
- Teleshopping — direct retail marketing on television
- Electronic Data Interchange — communication directly between computers eliminating manual data entry.
- Information Kiosks — automated self-service kiosks that allow continuous user access to information and services (e.g. job search and employment information, tourism information, and license renewal).
- Personal Communications Services — nationwide system of low power wireless systems allowing messages or data to be sent from personal communicators.

- Personal Digital Assistants — Hand held personal computers/calendars/communicators.
- Virtual Reality — virtual representations that allow users to experience “real” events such as touring houses, practice medical procedures or visit distant cities using audio/visual inputs from computers.
- Internet — worldwide network of computers linked together accessible by millions of persons. The Internet is often called the information superhighway.

Telecommunications technologies are changing very quickly. Individual users, businesses, and governments are often challenged to keep up with new technologies — often continuously upgrading and adjusting to new ways of working, communicating, marketing, and collecting and distributing information.

Telecommunications is also changing home and work environments as distances between workers and their jobs, or businesses and their customers becomes irrelevant. One aspect of this is telecommuting which allows employees to utilize telephones, fax machines, and computers to work at locations other than traditional workplaces — often working at home. More employees are now commuting between home/central office, satellite office/central office, neighborhood telework center/central office or have virtual offices.

CHANGING REGULATORY STRUCTURE IN TELECOMMUNICATIONS

In response to the rapid pace of technological change that is occurring in the telecommunications industry, the Federal government recently reformed the regulatory structure in the industry with passage of the Telecommunications Act of 1996.

In a nutshell, the Act draws fewer legal distinctions between the various media industries (e.g. cable, television, and broadcast) and allows competition between them. This means that industries who have not historically competed such as cable, local telephone, and radio will begin to do so. The Act relies on the premise that if the regulatory barriers between the industries are removed, then everyone will enter everyone else’s market, creating competition and removing the need for regulation to protect consumers from monopolies.

Specifically the act opens local telephone exchanges, allows the baby bells (e.g. U.S. West) to enter new lines of business, long distance, equipment manufacturing, and information services, allows cable operators into local telephone service and visa versa, and encourages new services (e.g. cellular, Direct Broadcast Satellite, and wireless cable) to compete with telephone and cable television companies.

In this new, relatively open, regulatory environment local municipalities may take a more active role in development and control of the provision of telecommunications services in their areas. For example, the city of Glasgow, Kentucky (1995 population of 14,000) has a municipally owned broadband network that provides:

- Cable television (with approximately 53 channels).
- A virtual computer network for Glasgow schools for instructional and administrative use.

- Distance learning between classrooms and homes.
- Local area networks that are designed, provided, and operated by the City for local customers.
- Internet access utilizing T1 speed (much faster than conventional modems).
- Traffic signal synchronization.
- Energy management activities throughout the city much like those carried out in individual office complexes.
- Municipally operated telephone service in direct competition with the traditional private provider.
- A citywide computer network that ties together all homes, schools, businesses, and government agencies.

CONCLUSIONS

Although the Glasgow experience may be a relatively extreme example of how far local municipalities can go with the new telecommunications technologies and regulatory environment — any municipality by itself or in conjunction with private firms, can provide one or all of the services above.

Focusing on Mount Vernon, the City has the ability, on its own or in partnership with someone with regulatory authority (e.g. Starcom, AT&T, U.S. West, GTE), to have a municipally operated local telephone system or provide any of the services above utilizing fiber-optic cable.

A different approach would be that suggested by the Mayor of Mount Vernon. In this approach the city would develop infrastructure, for example, to serve a high-tech industrial park in the city's southern urban growth area along Hickox Road. Infrastructure may include traditional services such as water, sewer, but also fiber-optic global communications access for high-tech companies.

Such infrastructure could be attractive to firms in the commercial electronics industry, research & development firms, software or computer chip developers. Many of the private users likely would be small (1-20 employees) expansion minded high-tech firms which need telecommunications access but have chosen not to locate in more urban areas.

Some high-tech firms which can utilize fiber-optic telecommunications are already located in Mount Vernon. For example, Pathfinder Learning Systems, a learning systems corporation that provides computer based learning curriculum for both public and private entities, has identified a need for fiber-optic communications, noting that it would allow them to be more competitive, enter new markets, and increase employment.

The cost of telecommunications infrastructure ranges approximately from \$50,000 to \$500,000 for access to the fiber-optic line and control equipment as well as an additional \$75 per foot for laying fiber-optic cable to service areas. The cost of laying fiber-optic cable may be relatively low in the case of just wiring a small high-tech industrial park (approximately 6 miles of cable costing \$2.3 million) or much higher if each household, business, school, and government agency (such as in Glasgow, Kentucky) were connected.

In response to the economic development potential of fiber-optics in Mount Vernon, the OEDP committee has identified installation of fiber-optic infrastructure as part of the city's economic development strategy as both an infrastructure objective and implementation project priority.

APPENDIX H. PERFORMING ARTS ASSESSMENT

Economic Development Assessment — Performing Arts Center

Strengths: The growing population of the City provides the possibility for much imagination in the formation of a performing arts center.

1. As the population of the city becomes more culturally diverse, the obligation to include the arts should be encouraged.
2. The quality of life and culture in urban cities is traditionally defined by the willingness of its people to support the arts.
3. Economic development interests are attracted to communities where the arts are flourishing or opportunities are strongly encouraged by citizens and local elected officials.

Weaknesses: Lack of performing arts center begs for the creation of a space that provides opportunities where our diverse talent may flourish.

1. By not finding and encouraging ways for the soul of the city to surface, diversity and multiplicity stay undeveloped and unappreciated.
2. Tourism is not encouraged by an artistically deficient climate.
3. Family entertainment suffers from the absence of cultural choices.
4. "Leakage" occurs when art patrons are required to travel to other destinations for their cultural enrichment (live theater, dance, music, museums, art galleries, etc.).

Opportunities:

1. A thriving arts community attracts both professionals and students thereby enriching the community.
2. Encourages residential settlement.
3. Has the potential for attracting supportive economic development (i.e. cafes, motels, and delis).
4. Provides employment opportunities.

Threats:

1. Difficulty in agreeing where to site a performing arts center.
2. Government cutbacks in funding for the arts.
3. Perceived lack of citizen interest in a performing arts center.
4. Lack of leadership in encouraging unity of effort among all sectors of the population (i.e. age, gender, race, religion, socio-economic status).

Source: Submitted by Citizens for Mount Vernon, September 9, 1996.

APPENDIX I. SENSITIVE AREAS INVENTORY & RIPARIAN ENHANCEMENT

A summary of the scope of work currently being completed for the City of Mount Vernon and its UGA follows. The project will be completed before year-end 1999.

Task 1 – Wetlands/stream inventory update. This task pulls together existing data, mapping, and literature in order to create an index map to be used as a base in gathering new information. On-site field verification will take place to review the accuracy of this map and to begin classifying wetlands according to Cowardin, et al. (1979). New data will then be digitized using GIS programming which will result in color maps of wetland polygons and streams.

Task 2 – Riparian area enhancement standards. Current city and county riparian enhancement standards and stream buffer requirements will be reviewed and insert buffers identified into the digitized map data. A stand-alone document will be drafted as guidelines for the city to use for compliance of future projects located within riparian areas or where mitigation for projects may enhance riparian areas.

Task 3 – Capital facilities program impacts. Introduce current projects from the Capital Facilities Plan into the GIS mapping data and produce a map in order for projects to be reviewed for impact on wetlands and riparian areas. Top six transportation projects and top four non-transportation projects are to be included. Quantify wetland and riparian area impacts from these projects and discuss mitigation requirements necessary for compliant implementation.

Task 4 – Assistance in the development of a wetland mitigation program. Publicly-owned parcels will be identified from Task 1. As many as four areas will be evaluated for potential as a wetland mitigation bank that may be used for public as well as private projects. These sites will be studied further to determine the potential for successful wetland mitigation area. CFP projects identified in Task 3 will be considered in the determination of site size and location within the drainage area that may be suitable for mitigation for public projects. A report containing method, assumptions, and limitations will be produced discussing sites — three public and one private — that may be considered for mitigation banks.

Task 5 – Endangered species support on planning and development activities. This task will consist of remaining on-call for planning and development activities that may involve the recent listing of Puget Sound Chinook and the proposed listing of bull trout. This may include attending meetings, reviewing and commenting on City policies concerning threatened and endangered (T&E) species, and making presentations to Council members on impacts of ESA and City activities.

APPENDIX J. HOSPITAL

Affiliated Health Services is researching the feasibility of remodeling the existing Skagit Valley hospital facility in Mount Vernon or rebuilding at a central location within the region. Though the facility continues to serve its patients, the demands of new technology, the increased size and sophistication of modern equipment, and changes in health care worker traffic flow patterns for efficient care have caused this issue to be of primary concern for future planning.

Skagit County is served by three main health care facilities serving three public health care districts: Skagit Valley Hospital in Mount Vernon (built in 1958), United General Hospital in Sedro-Woolley (built in 1966), and Island Health Northwest in Anacortes, in its present location since 1962. Affiliated Health carries out the combined administrative function for both Skagit Valley Hospital and United General.

The City of Mount Vernon is working closely with Affiliated Health, which has launched a community outreach campaign to learn the desires and needs of the local and regional residents. Affiliated Health is conducting an independent study to review the feasibility of each potential option.

With an employee base of 510 full-time equivalents (FTEs), Skagit Valley Hospital, along with all other health care and related facilities in the region, makes a positive and significant economic impact. These jobs offer professional, family-wage opportunities for Mount Vernon and Skagit County residents.

In 1997, Washington State Employment Security Department (ESD) reported that Health Services Covered Employment in Mount Vernon (zip codes 98273 and 98274) provided 2,231 jobs. More recently, the 1998 Skagit County Employment Report by Detailed Geography reports that number has increased to 2,515 jobs.²⁴ This represents nearly 6% of the jobs available in Mount Vernon.

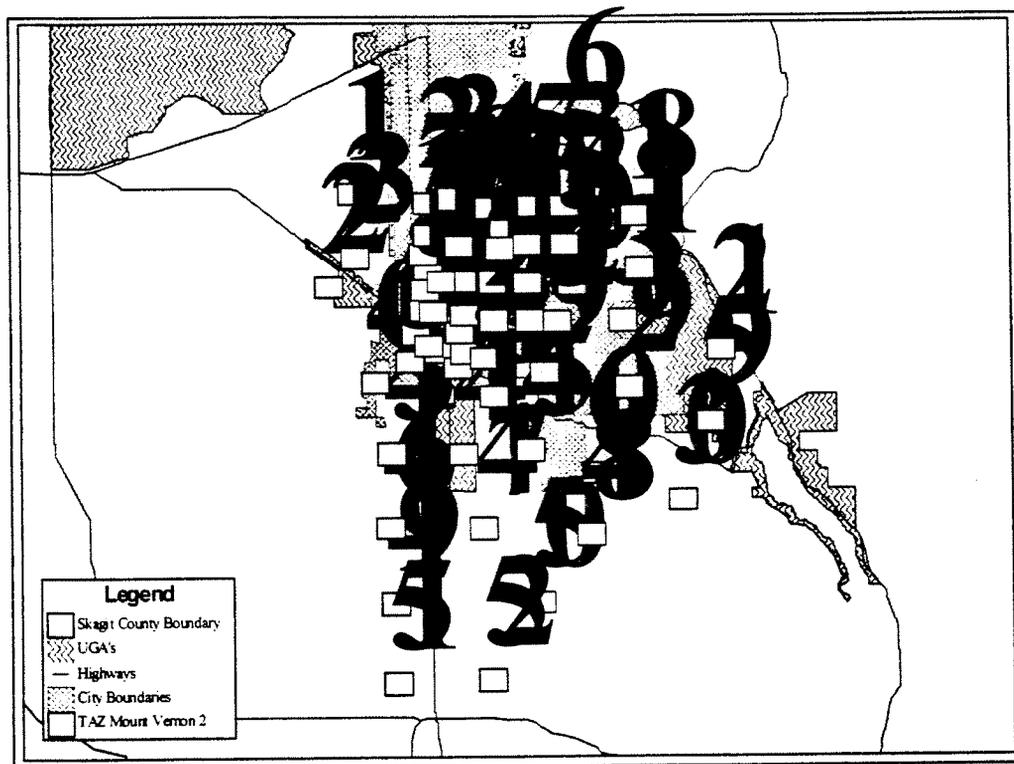
For 1997, ESD also reported that the health services jobs located within Mount Vernon averaged 9.2% higher than the average annual wage for all jobs available. And, a review of Existing & Projected Employment by Category, 1995-2015 (Figure 23 of the 1999 OEDP) reports that current projects show health care jobs are anticipated to increase at the greatest rate of all categories studied (89%).

The City of Mount Vernon Community and Economic Development Department is conducting ongoing reviews of the economic benefits generated by several sub-areas and industries within the city and UGA. This will allow for identification and implementation of needed projects and enhancements that will encourage economic development and opportunities.

APPENDIX K. MOUNT VERNON TRAFFIC ANALYSIS ZONES

The Skagit Council of Governments (SCOG) retained BST Associates to prepare detailed documentation of 1998 Skagit County employment by firm location. The intent was to identify every firm in Skagit County, classifying them by their primary activity (e.g., manufacturing, retail, etc.), map their physical location, and estimate the number of employees at each location. The location of each firm was then aggregated by Transportation Analysis Zone (TAZ).

Figure 61. Mount Vernon TAZ Map



Source: BST Associates

The following chart conveys preliminary information which is subject to change. The Skagit Council of Governments is presently revising the database because the location of a number of firms is off by as much as one-tenth of a mile. However, the information in this Appendix is the most accurate available. More detailed sector-by-sector data is available in the BST report, *1998 Skagit County Employment Report by Detailed Geography: Final Draft*, September, 1999.

Figure 62. Mount Vernon Employment by TAZ

TAZ	Agriculture	Mining	Construction	Manuf.	TCPU*	Wholesale Trade	Retail Trade	FIRE*	Services	Public Admin.	Other	All Sectors
1	-	-	182	5	12	44	343	6	154	9	21	776
2	6	-	41	8	12	50	603	90	443	83	149	1,485
3	-	-	2	-	-	-	38	1	25	-	-	66
4	-	-	108	7	1	1	13	14	122	5	10	281
5	-	-	2	-	-	-	-	1	44	-	-	47
6	44	-	3	-	-	-	1	2	10	-	-	60
7	1	-	25	3	-	7	368	24	140	23	2	593
8	3	-	44	53	14	24	54	41	205	25	149	612
9	-	-	5	1	3	2	45	9	89	3	-	157
10	3	-	2	-	-	-	672	40	103	-	1	821
11	-	-	29	1	-	2	32	1	14	1	1	81
12	-	-	21	22	-	1	22	3	45	-	-	114
13	2	-	20	1	61	10	896	29	243	23	1	1,286
14	2	-	20	1	1	2	59	10	111	43	-	249
15	-	-	10	-	-	2	26	36	462	1	8	545
16	8	-	2	-	-	13	23	3	266	-	-	315
17	3	-	4	2	-	1	16	2	100	1	2	131
18	-	-	-	-	-	-	10	-	2	-	120	132
19	-	-	3	4	-	-	6	4	15	1	-	33
20	-	-	3	-	-	17	-	1	11	-	-	32
21	-	-	-	-	-	-	-	-	1	-	-	1
22	6	-	156	8	19	44	155	33	422	3	2	848
23	15	-	68	11	1	14	7	-	34	1	-	151
24	2	-	11	140	7	45	38	97	471	4	1	816
25	-	-	4	-	-	-	15	347	41	-	-	407
26	3	-	12	1	-	6	10	1	75	-	4	112
27	10	-	19	19	5	1	46	12	156	8	16	292
28	6	1	56	4	1	3	250	8	556	12	5	902
29	-	-	5	-	-	-	36	-	2	-	-	43
30	-	-	1	-	-	-	-	-	1	-	-	2
31	1	-	9	24	1	1	11	117	21	15	-	200
32	-	-	2	-	-	1	2	-	4	-	-	9
33	-	-	-	3	1	1	26	1	17	1	2	52
34	1	-	1	1	35	1	53	10	149	1	1	253
35	1	-	12	-	4	-	12	5	158	73	4	269
36	-	-	11	-	6	1	34	2	4	-	-	58

TAZ	Agriculture	Mining	Construction	Manuf.	TCPU*	Wholesale Trade	Retail Trade	FIRE*	Services	Public Admin.	Other	All Sectors
37	-	-	-	-	-	-	1	-	3	-	-	4
38	-	-	1	-	-	-	1	1	3	-	3	9
39	-	-	8	-	-	1	1	55	72	15	3	155
40	27	-	15	4	16	24	34	2	108	7	-	237
41	1	-	7	-	-	-	43	-	18	-	-	69
42	-	-	-	-	-	-	-	-	-	-	-	-
43	40	-	4	12	64	195	124	2	55	-	20	516
44	2	-	7	23	11	49	24	2	12	3	-	133
45	1	-	10	18	-	1	8	-	14	1	-	53
46	2	-	-	-	-	-	1	-	35	-	-	38
47	8	-	2	-	-	-	-	-	5	-	-	15
48	-	-	-	-	-	6	-	-	-	-	-	6
49	1	-	1	-	-	-	8	-	1	-	-	11
50	22	-	-	-	-	-	-	-	3	-	-	25
51	4	-	40	5	-	68	72	31	40	-	-	260
52	4	-	-	-	-	-	-	-	35	-	-	39
53	-	-	4	-	1	1	1	26	64	-	1	98
54	2	-	5	-	-	-	4	2	18	3	-	34
55	-	-	-	1	216	6	42	7	181	1	1	455
56	-	-	15	1	-	261	-	3	4	1	-	285
57	1	-	8	-	19	63	-	3	25	-	-	119
58	-	-	-	-	39	-	3	-	22	-	1	65
59	-	-	10	1	-	-	-	-	1	-	-	12
60	-	-	-	-	-	-	-	-	-	2	-	2
61	3	-	36	10	7	53	314	92	429	28	2	974
UGA	235	1	1,066	394	557	1,022	4,603	1,176	5,864	397	530	15,845
City	83	-	766	325	466	641	4,293	1,113	5,302	375	493	13,857

Note: * TCPU refers to the transportation, communications, and public utilities sector, while FIRE refers to the finance, insurance, and real estate sector.

Source: BST Associates.

APPENDIX L. LIST OF REFERENCES

This appendix provides a list of documents referenced as background information for this 1999 OEDP process. Excluded from the list are primarily data oriented reports that are noted separately with the appropriate statistical table or graph.

Appendices to the 1996 City of Mount Vernon Overall Economic Development Plan, prepared for the City of Mount Vernon by E. D. Hovee & Company, August 1996. Appendices include: Chamber of Commerce Survey, Retail Trade & Service Sector Review, The Retail Power Center Concept, Flood Issues in Mount Vernon, Level Of Service, High Speed Rail, Fiber Optics & High Tech, and Performing Arts Center Assessment.

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Skagit County Urban Growth Area Analysis: Population, Employment & UGA Land Allocations by Jurisdiction. Prepared for Skagit County Administrative Services, E.D. Hovee & Company, July 1996.

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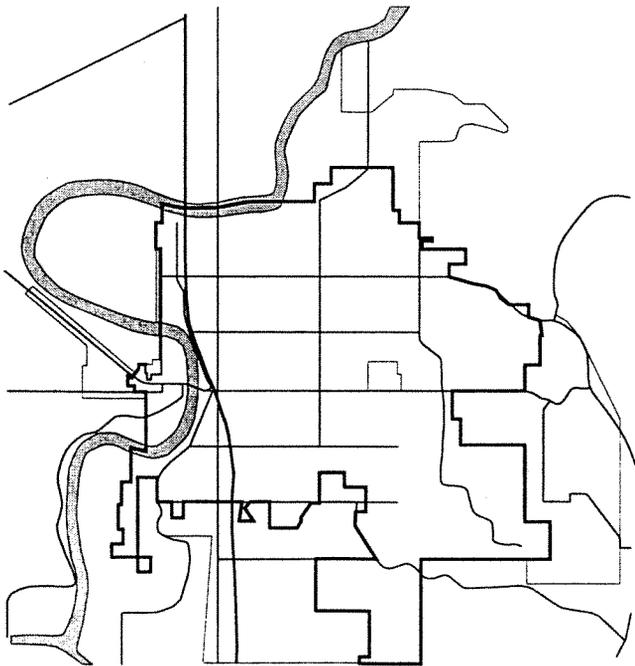
End Notes

- ¹ *The New Rating Guide To Life In America's Small Cities* by *Demographic Magazine* as reported in "Mount Vernon Named Best Small City in US," *Skagit Valley Herald*, September 26, 1997.
- ² The *economic profile* in this OEDP is drawn from a combination of published data sources and from contacts with persons knowledgeable about the area's economic development and community trends. Key data sources are as noted throughout the body of the report.
- ³ As reported in the *Overall Economic Development Plan for Skagit County, 1994*, the Citizens Advisory Committee members have noted that relocation of food processors to eastern Washington is due, in part, to less expensive land and labor and lower level of regulation. However, it is also noted that the "playing field is leveling out now" leading to renewed food processing opportunity for the western side of the state.
- ⁴ The Housing Affordability Index assumes a typical 20% down payment and 30 year mortgage at prevailing interest rates, and that 25% of income can be used to cover mortgage payments — excluding property taxes.
- ⁵ The first time index assumes a 10% down payment and a 30 year mortgage at prevailing interest rates, and that 25% of income can be used for principal and interest payments.
- ⁶ "Fed's Rate Cut Will Trickle Down," *Seattle Times*, September 30, 1998.
- ⁷ A new zip code (98274) was added to Mount Vernon as of May 1996, however, to make a comparison to 1994, Employment Security Department supplied 98273 data separately for 1997.
- ⁸ As noted in the Comprehensive Plan, current levels of employment were obtained from Washington State Employment Security Department. Employment levels were distributed across six employment categories by census tract and traffic analysis zone.
- ⁹ Additional discussion of the employment projection methodology and results is available in the *Mount Vernon Comprehensive Plan, 1995*.
- ¹⁰ For a more detailed discussion of countywide population and employment growth forecasts, see the *Skagit County Overall Economic Development Plan - 1995 Update*.
- ¹¹ By comparison, Mount Vernon is projected to accommodate added population of 20,143 over the 1995-2015 time period, representing 56% of population growth within Skagit County UGAs or 45% of population growth countywide including rural areas. OEDP Committee members have indicated concern over Mount Vernon's relatively low 33% share of countywide industrial and commercial land inventory. This is a concern that can be addressed at the time of the five-year review of the city's Comprehensive Plan.
- ¹² This section of the report provides a summary of environmental information as stipulated by the U.S. Economic Development Administration (EDA) OEDP formation. More detailed information is provided in a variety of other city planning documents, including the *Mount Vernon Comprehensive Plan*.
- ¹³ Sources are *Superfund Sites in the Pacific Northwest*, U.S. Department of Agriculture, Natural Resources Conservation Service, NRCS web site, June, 1996, and *US Environmental Protection Agency Superfund: National Priorities List*, updated February 16, 1999.
- ¹⁴ Additional information on sites of historical significance in Mount Vernon is available in the city's Comprehensive Plan.
- ¹⁵ The following discussion on sewer services is based largely on information contained in the City of Mount Vernon *Comprehensive Plan* and contacts with Mount Vernon Sewer Department representatives.
- ¹⁶ The following discussion on water services is based largely on information contained in the 1994 *Water System Plan for Public Utility District No. 1 of Skagit County* and contacts with PUD representatives.
- ¹⁷ Groundwater supplies available to PUD #1 are used only in emergencies and peak summer demands.

-
- ¹⁸ Discussion of transportation facilities is largely based upon information from two reports, the *Skagit Sub-Regional Transportation Plan* and *Countywide Air, Rail, Water, and Port Transportation Study*. These reports form the basis for countywide transportation infrastructure and development efforts over the next 20 years — to the year 2014.
- ¹⁹ The wetland and critical area discussion is drawn primarily from information provided in the city's Comprehensive Plan. Additional information and level of detail on wetlands and critical areas may be found in the City of Mount Vernon's *Comprehensive Plan*, January 1995.
- ²⁰ Additional information and level of detail (including mapping) about endangered species of plants or animals in Mount Vernon is available in the city's Comprehensive Plan.
- ²¹ "Salmon Hit Endangered List Today," *Seattle Times*, March 16, 1999.
- ²² Michael D. Beyard, senior director of research for the Urban Land Institute, is the author of the article "Power Centers: A Development and Investment Perspective" from which this excerpt is taken. This article is contained in the publication: *ULI on the Future: Creating Tomorrow's Competitive Advantage*, 1996.
- ²³ Source is Robert Goldfield, "Depot of the future needs to make the connection", *Portland Daily Journal of Commerce*, Vol. 82, No. 86, Dec 29, 1992.
- ²⁴ *1998 Skagit County Employment Report by Detailed Geography*, prepared by BST Associates for Skagit County Council of Governments, dated September 2, 1999.

MOUNT VERNON OVERALL ECONOMIC DEVELOPMENT PLAN

Appendices A-G



Prepared in cooperation with:

OEDP Committee
Mount Vernon Chamber of Commerce
City of Mount Vernon

Assistance in preparation by:

E.D. Hovee & Company

August 1996



Table of Contents

INTRODUCTION	1
APPENDIX A. CHAMBER OF COMMERCE SURVEY	2
APPENDIX B. RETAIL TRADE & SERVICE SECTOR REVIEW	5
APPENDIX C. THE RETAIL POWER CENTER CONCEPT	12
APPENDIX D. FLOOD ISSUES IN MOUNT VERNON	15
APPENDIX E. LEVEL OF SERVICE	25
APPENDIX F. HIGH SPEED RAIL	26
APPENDIX G. FIBER-OPTICS & HIGH-TECH	28

Table of Figures

Figure 1. Mount Vernon & Skagit County Retail Sales Trends (1990-1994)	6
Figure 2. Retail Sales by Industry & Community	6
Figure 3. Retail Sales Growth Comparisons by Jurisdiction	7
Figure 4. Retail Sales as a Percent of Effective Buying Income by Jurisdiction	9
Figure 5. Mount Vernon Future Retail Sales Potential & Land Demand	10
Figure 6. Mount Vernon Service Sector Leakage	11
Figure 7. Retail Formats Used by Shoppers (1995)	14
Figure 8. Skagit River Recorded Discharges (1815-1995)	15
Figure 9. Highest Recorded Peak Discharges (Regulated)	16
Figure 10. Discharge Frequency Data	17
Figure 11. Average Annual Damage Estimates, West Mount Vernon (1992)	18
Figure 12. Average Annual Damage Estimates, North Mount Vernon (1992)	18
Figure 13. Average Annual Damage Estimates, Downtown Mount Vernon (1992)	19
Figure 14. Average Annual Damage Estimates, South Mount Vernon (1992)	20
Figure 15. Expected Flood Damages by Flood Event	21
Figure 16. Level of Service Designations for Signalized Intersections	25



INTRODUCTION

The following appendices represent supplemental information to the 1996 Mount Vernon Overall Economic Development Plan (OEDP).

- Appendix A. Chamber of Commerce Survey
- Appendix B. Retail Trade & Service Sector Review
- Appendix C. The Retail Power Center Concept
- Appendix D. Flood Issues in Mount Vernon
- Appendix E. Level of Service
- Appendix F. High Speed Rail
- Appendix G. Fiber Optics & High-Tech

Many of the following discussions/analysis were requested by the OEDP Committee during the OEDP process as part of background documentation and project identification. The committee chose not to include these appendices in the OEDP report, but rather to make them available as a separate supplementary document.

For OEDP documents or more information on the City of Mount Vernon OEDP contact the Mount Vernon Chamber of Commerce or the City of Mount Vernon Planning Department.



APPENDIX A. CHAMBER OF COMMERCE SURVEY

In April/May of 1996, the Mount Vernon Chamber of Commerce organized a survey of Mount Vernon businesses designed to solicit information about the general business climate in Mount Vernon for use in the OEDP process and potential legislative action by the Chamber. This survey is the first of an expected annual survey of Mount Vernon businesses by the Chamber of Commerce.

Approximately 2,700 surveys were sent by fax and mail to businesses with Mount Vernon business licenses. A total of 83 businesses responded for a relatively low response rate of approximately 3%. As a result of the low response rate, the analysis has no statistical significance. However, the survey may be useful in identifying issues and trends important to Mount Vernon businesses.

Survey responses were compiled by Chamber staff and a synopsis was provided by the Chamber taking into consideration confidential information regarding type of business, maturity, location and activity level. The following is based largely on the Chamber's synopsis of survey results.

1. How do you feel about the Mount Vernon business climate?

- Most professionals downtown regard Mount Vernon well.
- Unique businesses appear positive.
- Businesses that are construction related, development companies, real estate, local businesses that have tried to physically expand, retail and some professional complained of tax burden, high fees, regulation, lack of "business-friendly" government, downtown parking limitations and overall poor business environment.
- Healthcare respondents appear most content except for federal and state mandates.
- Positive responses include attractive residential areas, I-5 proximity, recent population growth, and friendly people.
- Many respondents express concerns for Mount Vernon's economic future.

2. If starting over again would you locate here or recommend a friend locate here?

- Thirty-five said yes, twelve said yes with reservations (see #1 above) and 27 said no.
- The yes votes were mostly healthcare professionals, established legal professionals, accountants and those with unique businesses.
- When considering the yes votes "with reservations", the negative responses outweigh the positive and indicate a strong need for reform on all levels to attract new business to MV.

3. What most impacts your ability to run your business?

- Some respondents indicated business challenges such as weather and finding good employees.

- A majority of respondents indicated negative impacts that are government related (i.e. regulations, fees and taxation, lack of action, policies and results of previous government intervention).

4. What levels of government impact your business specifically and why?

- The greatest impact of government was taxes, fees and regulation.

5. List specific advantages in being in business in Mount Vernon.

While many Mount Vernon businesses faced economic challenges, most also have positive feelings about their town, common responses were:

- Center of population and of government for Skagit County.
- I-5 proximity.
- Relatively safe and friendly.
- Small town atmosphere.
- Attractive downtown.
- Attractive surroundings.

6. What ideas do you have to improve the business climate in Mount Vernon?

Ideas varied, but many included:

- Increase/improve parking downtown.
- Planning for economic development.
- Business friendly governments.
- Reducing cost and interference of government.
- Attracting family supporting jobs.
- Reducing flood risk.

7. What percentage of your market is Skagit County, Mount Vernon or other?

- Responses varied from 100% Skagit County, to 100% Mount Vernon residents, to 99% other.
- Overall, most survey respondents serve the Skagit and Mount Vernon markets, however; a significant portion serve non-local markets.

8. Is there anything the following entities could do to help the growth of your business?

A. Chamber of Commerce

- Help network small business.
- Be a voice for small business regarding government efforts.
- Promote businesses to new residents and protect Mount Vernon from retail sales leakage.

B. EDASC

- Continue to bring in new businesses and help promote existing businesses to outside markets.
- Be an advocate for business regarding government regulation.

C. City of Mount Vernon

- More parking, purchase from local vendors.
- Be business friendly.
- Reduce fees and regulations.

D. Skagit government

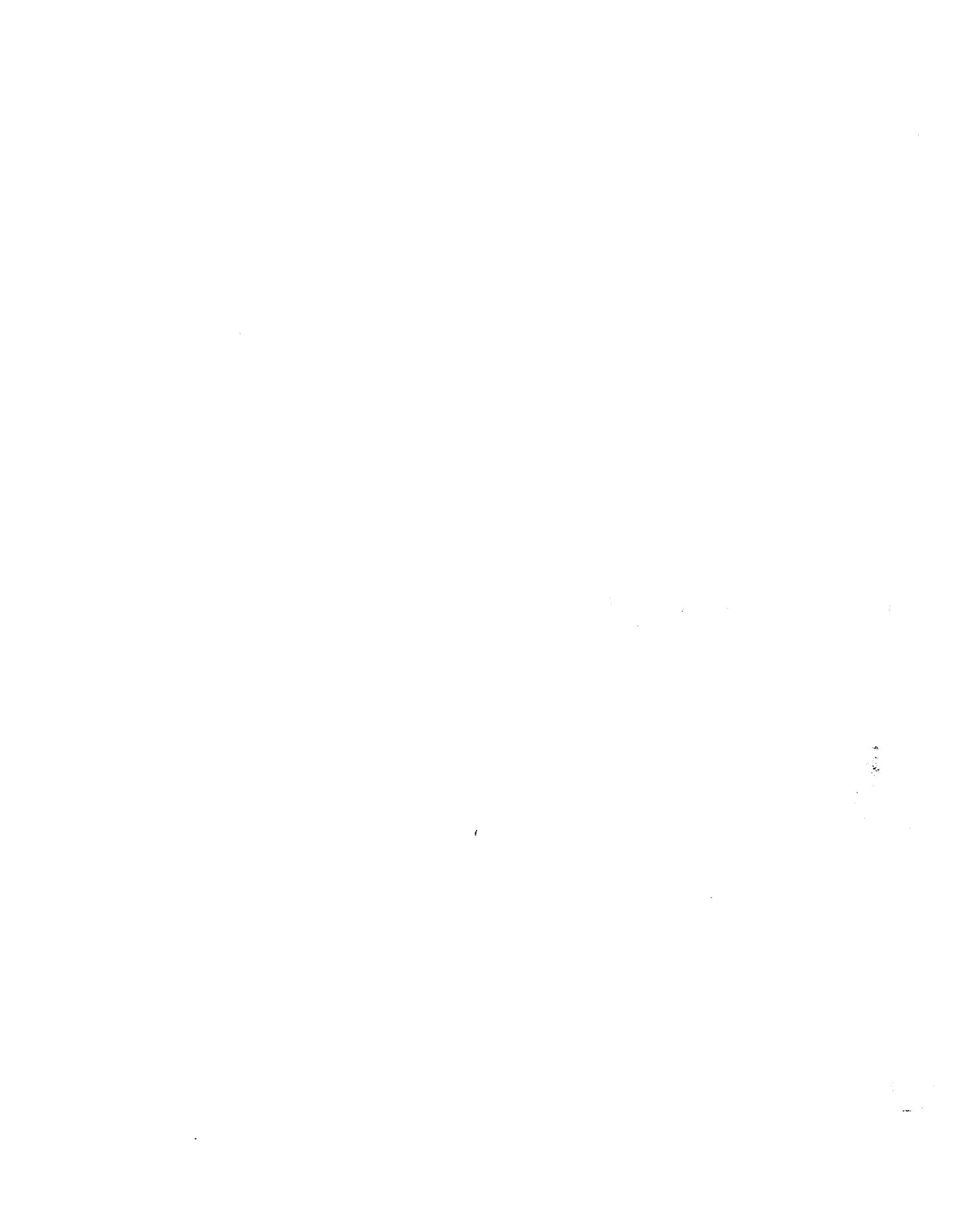
- Lower property taxes.
- Work to repeal GMA.
- Purchase from local vendors.

E. State of Washington

- Repeal GMA.
- Reduce regulations and lower taxes.

F. Federal

- Reduce regulations and taxes.



APPENDIX B. RETAIL TRADE & SERVICE SECTOR REVIEW

At the request of the Mount Vernon OEDP Committee, a more detailed analysis and forecast of retail sales potential for Mount Vernon was prepared. This appendix provides the results of that analysis.

Four alternative sources of relatively current tax data have been used for this analysis:

- Sales & Marketing Management (SMM) retail sales information which is provided on an annual basis for every county in the United States.
- Taxable Retail Sales — based on sales subject to state of Washington retail sales tax. A major deficiency of this data source is that grocery and pharmacy items are not subject to retail sales tax and therefore are not included as part of estimated sales figures. Items subject to sales tax include both sales of retail store merchandise as well as in-state sales from other companies ranging from wholesalers to manufacturers to contractors.
- State of Washington Gross Business Sales — covering all retail items, but only on a statewide rather than county specific basis.
- U.S. Census of Retail Trade — published every five years, available for every county and city in the United States.

For purposes of this analysis, both U.S. Census data and Sales & Marketing Management (SMM) data have been used as primary sources for estimating sales leakage and future retail potentials. This is for four reasons:

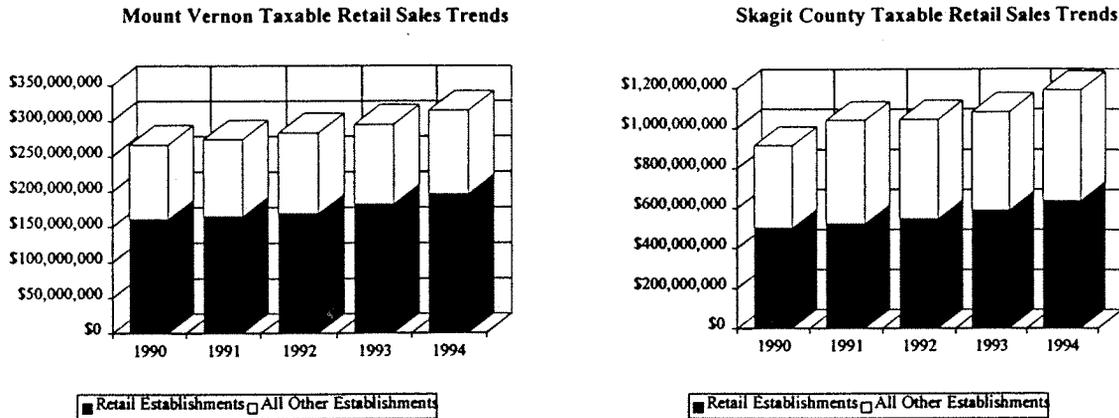
- U.S. Census data is available across all city and county jurisdictions in the U.S.
- SMM data is available for comparison across all counties in the U.S.
- SMM estimates sales for items not subject to retail sales tax.
- Estimates of sales throughout Washington State correspond closely using either SMM or Department of Revenue data.

Taxable Sales

For the four year period from 1990-1994, taxable sales in Mount Vernon increased 18% (to approximately \$314 million) while retail sales in Skagit County increased 30% (to approximately \$1,188 million).

In 1994, retail establishments accounted for 62% of total retail sales in the city, while countywide, retail sales establishments accounted for 54% of total retail sales. This reflects the city's role as a leading commercial and retail area in the county.

Figure 1. Mount Vernon & Skagit County Retail Sales Trends (1990-1994)



Source: *Quarterly Business Review*, Department of Revenue, calendar years 1990-1994. Data compiled by E.D. Hovee & Company, July, 1996.

Retail Store Sales

In 1992, Mount Vernon had an estimated \$235.3 million in total retail sales. Major components of retailing citywide (by store type) were auto dealers (at \$60.7 million) and food stores (at almost \$50.1 million). Other major retail categories include eating & drinking places (\$34.7 million), building materials & hardware (\$18.9 million), and specialty retail (\$18.3 million).

Figure 2. Retail Sales by Industry & Community

1992 Retail Sales by Establishment (1,000)

Store Group	Mount Vernon	Burlington	Skagit County	Washington State
Building Materials & Hardware	\$18,934	\$10,826	\$63,120	\$2,560,514
General Merchandise	\$0	\$63,076	\$65,866	\$5,452,239
Food Stores	\$50,136	(D)	\$154,814	\$8,192,938
Automotive Dealers	\$60,739	\$68,799	\$215,206	\$8,086,149
Gasoline Service Stations	\$16,153	\$19,089	\$65,010	\$2,665,662
Apparel & Accessories	\$4,085	\$35,741	\$45,528	\$2,040,977
Furniture & Home Furnishings	\$15,769	\$10,610	\$34,517	\$2,132,880
Eating & Drinking	\$34,737	\$11,817	\$87,481	\$4,406,802
Drug Stores	\$16,395	(D)	\$33,759	\$1,517,763
Specialty Retail	\$18,398	\$15,861	\$60,605	\$3,853,900
Non-Disclosed	\$0	\$44,803	\$0	\$0
Total	\$235,346	\$280,622	\$825,906	\$40,909,824

Note: D denotes industries for which sales volume could not be reported due to protection of confidential information for individual retail operators.

Source: 1992 Census of Retail Trade.

For the five year period from 1987-1992, total retail sales growth increased in Mount Vernon over \$12.7 million. Retail sectors with the largest increases included eating & drinking places (increased \$14.3 million), gasoline service stations (\$7.3 million), and automotive dealers (\$4.2 million). Sectors in which retail sales declined during the same period included apparel & accessories (declining \$9.9 million), and non-disclosed industries (declining \$10.3 million).

Figure 3. Retail Sales Growth Comparisons by Jurisdiction

Retail Sales Growth 1987-1992 (\$1,000)

Store Group	Mount Vernon	Burlington	Skagit County	Washington State
Building Materials & Hardware	\$3,642	\$5,640	\$29,819	\$1,018,502
General Merchandise	N/A	N/A	\$46,579	\$2,099,706
Food Stores	\$660	N/A	\$46,317	\$1,987,045
Automotive Dealers	\$4,194	\$60,801	\$111,584	\$2,745,632
Gasoline Service Stations	\$7,347	\$11,215	\$30,981	\$931,097
Apparel & Accessories	(\$9,934)	\$33,980	\$26,275	\$669,553
Furniture & Home Furnishings	N/A	\$9,421	\$18,598	\$776,172
Eating & Drinking	\$14,324	\$6,066	\$35,668	\$1,443,867
Drug Stores	\$917	N/A	\$9,296	\$479,607
Specialty Retail	\$1,907	\$13,746	\$31,257	\$1,508,842
Non-Disclosed *	(\$10,309)	\$94,876	\$0	\$0
Total	\$12,748	\$235,745	\$386,374	\$13,660,023

Note: Non-disclosed industries in Burlington are General Merchandise, Food, and Drug stores. Non-disclosed industries in Mount Vernon are General Merchandise and Furniture & Home Furnishings.

Source: 1987 & 1992 Censuses of Retail Trade.

Retail Sales Leakage

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

As of 1992, Mount Vernon had an estimated \$26.6 million in net retail sales leakage. Calculated sales leakage was concentrated in general merchandise (\$22.3 million) and to a lesser extent in apparel & accessories (\$4.3 million).

For all other retail store categories, Mount Vernon experienced a higher volume of retail sales than would generally be expected based on the purchasing power of local residents alone. These are retail categories for which Mount Vernon may be receiving net benefit from visitor spending — either as tourists or as residents of nearby cities or counties who view Mount Vernon as a primary shopping area.

Future Retail Potentials

Future retail sales potentials are based on the combination of: (a) recapturing existing leakage in general merchandise; and (b) increased local population and income growth. Total estimated added sales potential (in 1992 dollars) over the 20 year period from 1995-2015 is \$296 million. This translates into land demand of 178 acres using typical measures of expected retail sales per square foot and building site coverage ratios.

Expanded Trade Area Analysis

Skagit County also receives significant traffic from residents of Island and San Juan Counties who travel to Skagit for shopping or accessing I-5. Because businesses in Skagit County, especially in the Mount Vernon/Burlington areas, may potentially capture retail sales leakage from Island and San Juan Counties, leakage rates in the two counties are important components of Mount Vernon's economic development strategy.

Estimated retail sales leakage in San Juan County is \$55.5 million for all retail establishments. Sales leakage for San Juan is largely in automotive dealers (21.0 million), general merchandise (\$14.9 million), and non-disclosed industries (\$26.3 million). Retail sales leakage in Island County is estimated at \$242.1 million with leakage focused in automotive dealers (\$58.1 million), general merchandise (\$50.0 million), specialty retail and drug stores (\$41.4 million), and non-disclosed industries (\$98.7 million).

Service Sector Leakage

A similar analysis of sales leakage can also be prepared for the service sector, and was requested by the OEDP Committee. As of 1992, Mount Vernon had an estimated \$13.7 million in net service sector retail sales leakage. Calculated sales leakage was concentrated in engineering, accounting & research (\$6.7 million); and business services (\$4.6 million); and to a lesser extent in lodging (\$1.5 million) and selected educational services (\$0.5 million).

For all other service sector categories, Mount Vernon experienced a higher volume of retail sales than would generally be expected based on the purchasing power of local residents alone. These are service categories for which the city may be receiving net benefit from visitor spending — either as tourists or as residents of nearby cities or counties who view Mount Vernon as a primary shopping area for services.

Figure 4. Retail Sales as a Percent of Effective Buying Income by Jurisdiction

Store Group	1992 Sales as a Percent of EBI			Estimated Sales Leakage (\$1,000)			
	Mount Vernon	Burlington	Skagit County	Washington State	Mount Vernon	Burlington	Skagit County
Building Materials & Hardware	5.6%	9.6%	4.9%	3.1%	\$0	\$0	\$0
General Merchandise	0.0%	56.1%	5.1%	6.6%	\$22,339	\$0	\$18,666
Food Stores	14.7%	NA	12.0%	9.9%	\$0	N/A	\$0
Automotive Dealers	17.8%	61.2%	16.7%	9.7%	\$0	\$0	\$0
Gasoline Service Stations	4.7%	17.0%	5.0%	3.2%	\$0	\$0	\$0
Apparel & Accessories	1.2%	31.8%	3.5%	2.5%	\$4,277	\$0	\$0
Furniture & Home Furnishings	4.6%	9.4%	2.7%	2.6%	\$0	\$0	\$0
Eating & Drinking	10.2%	10.5%	6.8%	5.3%	\$0	\$0	\$0
Drug Stores	4.8%	NA	2.6%	1.8%	\$0	N/A	\$0
Specialty Retail	5.4%	14.1%	4.7%	4.6%	\$0	\$0	\$0
Non-Disclosed *	0.0%	39.9%	0.0%	0.0%	\$0	\$0	\$0
Total	69.1%	249.8%	64.1%	49.2%	\$26,616	\$0	\$18,666

Note: Non-disclosed industries in Burlington are food and drug stores.

Source: 1992 Census of Retail Trade and Sales & Marketing Management 1993 Survey of Buying Power.

Figure 5. Mount Vernon Future Retail Sales Potential & Land Demand

Store Group	Sales			Added Total Retail Sales Potential by 2015	Typical Sales per Square Foot	Citywide	
	Current Retail Sales Leakage	Supported By Pop Growth (to 2015)	Supported			Retail Square Footage Supported	Assumed Floor Area Ratio
Building Materials & Hardware	\$0	\$19,486,000	\$19,486,000	\$19,486,000	\$100	195,000	22.40
General Merchandise	\$22,339,000	\$22,990,000	\$45,329,000	\$45,329,000	\$120	378,000	43.40
Food Stores	\$0	\$51,598,000	\$51,598,000	\$51,598,000	\$275	188,000	21.60
Automotive Dealers	\$0	\$62,510,000	\$62,510,000	\$62,510,000	\$450	139,000	16.00
Gasoline Service Stations	\$0	\$16,624,000	\$16,624,000	\$16,624,000	\$190	86,000	9.90
Apparel & Accessories	\$4,277,000	\$8,606,000	\$12,883,000	\$12,883,000	\$150	86,000	9.90
Furniture & Home Furnishings	\$0	\$16,229,000	\$16,229,000	\$16,229,000	\$200	81,000	9.30
Eating & Drinking	\$0	\$35,750,000	\$35,750,000	\$35,750,000	\$175	204,000	23.40
Drug Stores	\$0	\$16,873,000	\$16,873,000	\$16,873,000	\$175	96,000	11.00
Specialty Retail	\$0	\$18,934,000	\$18,934,000	\$18,934,000	\$200	95,000	10.90
Total	\$26,616,000	\$269,600,000	\$296,216,000	\$296,216,000	\$191	1,548,000	177.80

Source: E.D. Hovee & Company based on data from 1992 Census of Retail Trade, State of Washington Office of Financial Management, Sales & Marketing Management, and Urban Land Institute.

Figure 6. Mount Vernon Service Sector Leakage

SIC	Service Sector	1992 Receipts (\$1,000)		Receipts as % of EBI		Estimated Leakage	
		Mount Vernon	Washington State	Mount Vernon	Washington State	Percent	Mount Vernon (\$1,000)
70 ex 704	Lodging (ex. membership)	\$2,812	\$1,056,849	0.8%	1.3%	0.4%	\$1,518
72	Personal Services	\$3,414	\$815,726	1.0%	1.0%	0.0%	\$0
73	Business Services	\$14,515	\$4,665,184	4.3%	5.6%	1.4%	\$4,599
75	Auto Repair & Parking	\$6,812	\$1,451,438	2.0%	1.7%	-0.3%	\$0
76	Miscellaneous Repair	\$4,132	\$631,733	1.2%	0.8%	-0.5%	\$0
78, 78, & 84	Amusement, Recreational Services, & Theaters	\$6,639	\$1,327,352	2.0%	1.6%	-0.4%	\$0
80	Health Services	\$59,902	\$5,401,049	17.6%	6.5%	-11.1%	\$0
81	Legal Services	\$13,392	\$1,614,467	3.9%	1.9%	-2.0%	\$0
823, 4, & 9	Selected Educational Services	\$250	\$188,202	0.1%	0.2%	0.2%	\$521
83	Social Services	\$3,982	\$396,211	1.2%	0.5%	-0.7%	\$0
87 ex 8733	Engineering, Accounting, Research, Management, and Related Services (ex noncommercial research)	\$8,607	\$3,735,319	2.5%	4.5%	2.0%	\$6,697
	All Other Service Sectors	\$285	\$164,559	0.1%	0.2%	0.1%	\$389
	All Service Sectors	\$124,742	\$21,448,089	36.6%	25.8%		\$13,724

Source: 1992 Census of Service Industries.



APPENDIX C. THE RETAIL POWER CENTER CONCEPT

During the course of its discussions, the OEDP Committee raised questions regarding the definition and trends related to what are termed retail *power centers*. This appendix is intended to briefly define the term and provide examples of power centers that may be useful as a frame of reference.

Definition: In a May 1993 article of Urban Land published by the national Urban Land Institute (ULI) organization, the term is defined as follows: "Power centers generally are considered to be 250,000 - 750,000 square-foot or larger strip centers with as many as 12 anchor tenants. Large tenants usually occupy 60 percent or more of the center — sometimes nearly 100 percent."

A more detailed description of the genesis and characteristics of power centers is provided as follows:

"With maturation of the retail sector over the years, the shopping center industry has responded with new and varied real estate products to accommodate and advance emerging retail trends. One of the most talked about of these products is the *power center*, which emerged in the 1980s as a strong competitor to existing regional and community shopping centers.

"Although no universally accepted definition exists of a power center in the shopping center industry, the Urban Land Institute describes it as a type of super community shopping center in which at least 75 to 90 percent of the selling space is devoted to multiple, off-price, category-killer anchors and a discount department store or warehouse club. It is the 'power' of its numerous anchors that has given this type of center its name. These centers offer depth and breadth of merchandise at discount prices for selected types of hard and soft goods, such as electronics, furniture, books, hardware, toys, food, and housewares."

*ULI on the Future, Creating Tomorrow's Competitive Advantage*¹

While there are exceptions, such as Auburn's Supermall of the Great Northwest, power centers typically are not enclosed malls. Each store is accessed from its own entrance facing onto a parking lot. In some centers, store spaces are physically linked in traditional strip center fashion.

As noted, power centers typically are dominated by several large anchor stores. Examples include discount department stores, warehouse clubs or so-called big-box or category killer retailers.

Large stand-alone stores can be anywhere from 25,000 square feet to over 100,000 square feet in size. Often, the larger tenants are situated on freestanding sites, even though these sites may be located in a master planned development with shared parking. There typically are only a minimal number of small specialty stores as part of a power center development.

Related Terms: As indicated above, there are at least two other terms that are part of the industry jargon typically associated with power centers:

Big Box — refers to large stand-alone stores of 25,000 square feet or more. Typically, these national or regional chains offer great depth of selection within their merchandise categories. The so-called big box phenomenon took hold in the late 1980s as national specialty retailers began to focus on luring an increasingly cost conscious public. For a number of the national chains, the Pacific Northwest was somewhat late in experiencing this type of development, as concepts developed elsewhere expanded into this market by the early to mid 1990s.

Category Killers — are stores owned by major national retailers whose wholesale purchasing power makes it possible to offer broad selection and low prices. Their domination of a *particular market segment* can have the effect of making it difficult for other stores carrying similar merchandise, particularly independent retailers or smaller chains, to enter or remain in the same geographic trade area.

Typical Power Center Retailers: Examples of retail stores commonly seen in power centers throughout the Pacific Northwest include:

- Barnes & Noble (books)
- Best's (discount general merchandise)
- Circuit City (home electronics)
- Computer City (computers & software)
- Copeland's Sports (sporting goods)
- Good Guys (household electronics)
- Home Base (building materials & household furnishings)
- Home Depot (building materials & household furnishings)
- Incredible Universe (electronics)
- Linens 'n Things (household furnishings)
- Marshall's (apparel)
- Office Depot (office supplies)
- Office Max (office supplies)
- Petco (pets & pet supplies)
- Silo (home electronics)
- Staples (office supplies)
- Target (discount general merchandise)
- Toys R Us (toys)

One other discount retailer — Wal-Mart — represents a somewhat similar type of retailer. However, Wal-Mart typically (though not always) develops on free-standing sites rather than as part of a master-planned, multi-store power center.

Another note of importance relates to the intense level of competition between stores offering similar merchandise, with the winners so far tending to be national chains, those with larger square footage formats and/or better capitalization. Smith's Home Furnishings is an example of a recent casualty of this competition. Ernst Home Centers are currently in the press as struggling to

survive in a market with competitors typically in larger store formats (such as Home Depot, Home Base and Eagle Hardware & Garden).

Shopper Preferences: Much of the impetus for power center retailing is the result of changing shopper preferences. Two major factors behind these changes are consumer desires to spend less time shopping and obtain more value (i.e. lower prices). The results of a survey of 1,000 shoppers conducted by the Gallup Organization in November 1995 clearly indicate the continued trend toward discount department stores, followed by warehouse clubs. The survey also illustrates continued erosion of consumer preference for enclosed mall shopping.

Figure 7. Retail Formats Used by Shoppers (1995)

Type of Retail Format	Shopping More	Shopping Less	Shopping the Same
Discount Department Stores	46%	10%	38%
Warehouse Club	28%	20%	22%
Catalog	23%	28%	22%
Off-Price	20%	21%	24%
Enclosed Malls	18%	35%	39%
Manufacturers' Outlet	17%	21%	22%

Source: International Council of Shopping Centers, *ICSC Research Quarterly*, Spring 1996.

Examples of Power Centers: In the Pacific Northwest, power center retailing is occurring in three ways: (a) development of new master planned developments; (b) development of free-standing store sites often in close proximity to existing enclosed malls; and (c) redevelopment of former enclosed mall or strip mall sites.

Big-box retailing around the Bellis Fair mall site in Bellingham involves a combination of (a) and (b). Aurora Village in Seattle and Jantzen Beach in Portland are examples of redevelopment, i.e. category (c).

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APPENDIX D. FLOOD ISSUES IN MOUNT VERNON

At the request of the Mount Vernon OEDP committee, an analysis of the flood plain and flood control issues in the City of Mount Vernon was prepared. This appendix provides the results of that analysis.

History of Flooding

The following discussion of flood plain issues in the City of Mount Vernon is largely based upon results of *the Reconnaissance Report for the Skagit River, Washington, Flood Damage Reduction Study* by the Seattle District of the U.S. Army Corps of Engineers, April 1993 as well as telephone conversations with City of Mount Vernon and Skagit County Public Works representatives.

This research into flood plain issues is preliminary and subject to change based on further discussion with the Mount Vernon OEDP Committee and pertinent regulatory agencies.

The Skagit River valley has experienced flooding since the area was settled in the mid-1800s. Below Sedro-Woolley, the maximum safe channel capacity varies from 100,000-146,000 cubic feet per second (cfs). This level has been exceeded several times in the past century.

The following figure provides a approximate chronology of flood events in the Skagit River basin by location, including the date of occurrence and river flow. Event size (e.g. 10-year or 50-year flood) has also been estimated.

Figure 8. Skagit River Recorded Discharges (1815-1995)

Location	Date	Flow (1,000 cfs)	Estimated Event Size (approximate)*
Concrete	1815	500	100-year
Sedro-Woolley	1815	400	100-year
Sedro-Woolley	1856	300	100-year
Sedro-Woolley	Nov. 16, 1896	185	25-year
Sedro-Woolley	Nov. 19, 1897	190	25-year
Sedro-Woolley	Nov. 16, 1906	180	25-year
Sedro-Woolley	Nov. 30, 1909	220	50-year
Sedro-Woolley	Dec. 30, 1917	195	25-year
Sedro-Woolley	Dec. 13, 1921	210	50-year
Concrete	Feb. 27, 1932	147	10-year
Concrete	Nov. 13, 1932	116	<10-year
Concrete	Dec. 22, 1933	101	<10-year
Concrete	Nov. 5, 1934	131	10-year
Sedro-Woolley	Jan 25, 1935	127	<10-year
Concrete	Nov. 27, 1949	154	10-year
Sedro-Woolley	Nov. 27, 1949	112	<10-year

Location	Date	Flow (1,000 cfs)	Estimated Event Size (approximate)*
Sedro-Woolley	Feb. 10, 1951	144	10-year
Mount Vernon	Feb. 11, 1951	144	10-year
Sedro-Woolley	Cot 25, 1955	87	<10-year
Sedro-Woolley	Nov. 3, 1955	110	<10-year
Sedro-Woolley	Apr. 30, 1959	92	<10-year
Sedro-Woolley	Nov. 24, 1959	91	<10-year
Mount Vernon	Dec. 4, 1975	129	10-year
Mount Vernon	Dec. 19, 1979	112	<10-year
Mount Vernon	Dec. 27, 1980	114	10-year
Mount Vernon	Nov. 11, 1989	89	<10-year
Mount Vernon	Dec. 5, 1989	96	<10-year
Mount Vernon	Nov. 11, 1990	142	10-year
Mount Vernon	Nov. 25, 1990	152	25-year
Mount Vernon	Nov. 9, 1995	92	<10-year
Mount Vernon	Nov. 30, 1995	151	25-year

*Note: Estimates compiled by E.D. Hovee & Company, 1996. Estimates are based on discharge frequency data from the Corps of Engineers, *Reconnaissance Report*, 1993 and are approximations only.

Source: Skagit County Public Works, 1996, FEMA *Flood Insurance Study*, 1984, and U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

For the 20 year period from 1975-1995, the Skagit River basin has experienced three 10-year floods and two 25-year floods (including the November 1995 flood not shown in the figure below). In other words, there has been a 10-year flood event about every five years on average. The highest recorded peak discharges for Concrete and Mount Vernon are provided below. The data represent discharges that were regulated by Ross and Upper Baker dam flood control operations.

Figure 9. Highest Recorded Peak Discharges (Regulated)

Skagit River/Concrete		Skagit River/Mount Vernon	
Date	Flow (cfs)	Date	Flow (cfs)
Nov. 10, 1990	149,000	Nov. 25, 1990	152,000
Dec. 26, 1980	148,700	Nov. 11, 1990	142,000
Nov. 25, 1990	146,000	Dec. 4, 1975	129,000
Dec. 18, 1979	135,800	Dec. 27, 1980	114,000
Dec. 04, 1975	122,000	Dec. 12, 1979	112,000

Note: Data represent flows that were (at least partially) regulated by Ross and Upper Baker dams formal flood control operations. However, 62% of basin drainage occurs below the dam projects and is currently uncontrolled.

The data do not reflect the November, 1995 flows of 151,000 cfs in Mount Vernon.

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993 and Skagit County Public Works.

Current estimates for flood level events by location are provided in the following table. For example, the Nov. 25, 1990 flood event in Mount Vernon (152,000 cfs) was estimated by the Corps of Engineers to be about a 35-year event — a 25-year event has a flow estimated at 146,000 cfs.

Figure 10. Discharge Frequency Data

Flood Event Size	Skagit River/Concrete Flow (cfs)	Skagit River/Sedro-Woolley Flow (cfs)	Skagit River/Mount Vernon Flow (cfs)
10-Year	137,000	137,000	114,000
25-Year	175,000	175,000	146,000
50-Year	205,000	205,000	158,000
100-Year	236,000	236,000	180,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

Flood Damage Estimates

The following discussion focuses more closely on specific areas of flooding in the Mount Vernon area and estimates of economic loss (or damage) associated with flooding on an *annual average* basis. These areas include west, north, downtown, and south Mount Vernon.

All damage estimates represent the average annual costs of damages for flood events and reflect 1992 price levels. *Note:* These estimates provide costs averaged to an annualized figure, even though flooding occurs less frequently. Damage from an actual flood event is therefore greater than what is represented by an annual average figure. Current research by our firm has been unable to ascertain the number of years over which the annual costs provided below have been averaged (e.g. over a 25-year period or 100-year period).

West Mount Vernon

This area is located across the Skagit River west of downtown Mount Vernon. Flooding in this area occurs as a low spot on SR 536 is over-topped when the river reaches approximately 117,000 cfs (just over a 10-year event). Flows from 117,000-144,000 cfs are expected to cause relatively minor damage. However, flows over a 25-year event (146,000 cfs) would be expected to cause significant damage due to levee failures.

Annual flood damage is estimated to average \$787,000. The damage is primarily associated with residential structures and contents, as well as to commercial and industrial establishments.

Figure 11. Average Annual Damage Estimates, West Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$234,000
Residential Contents	105,000
Commercial/Industrial	354,000
Public	40,000
Emergency Aid	43,000
Agriculture	3,000
Other	8,000
Total	\$787,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

North Mount Vernon

This is also known as the Big Bend area and is located on the left bank of the Skagit River, northeast of the downtown area and corresponds to Dike District #17. This area is bounded to the north, west, and south by the river, and to the east by high ground. Along the I-5 corridor, this area is commercial, while the western portion is more rural.

Flood damage for this area will occur at approximately a 20-year event (138,000 cfs), while levee failure has been estimated at a 25-year event (144,000 cfs). Annualized damages estimates do not differ significantly between these two events.

Expected annual damages are \$1,050,000, which occurs for the most part, in residential structures, commercial and industrial establishments, public expenditures, and emergency aid.

Figure 12. Average Annual Damage Estimates, North Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$127,000
Residential Contents	56,000
Commercial/Industrial	383,000
Public	111,000
Emergency Aid	321,000
Agriculture	41,000
Other	11,000
Total	\$1,050,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

Downtown Mount Vernon

This area is located along the I-5 corridor on the left bank of the Skagit River until the split between the North and South Fork. This is the most highly developed area within the flood zone within the City of Mount Vernon.

The flooding occurs south of the West Mount Vernon Bridge when a parking revetment is over-topped. This occurs at approximately a 10-year event (117,000 cfs).

Average annual damage estimates are \$3,525,000. The damage estimates are relatively high, compared to other areas in the city, and are focused on residential structures and contents, commercial and industrial establishments, and emergency aid.

Figure 13. Average Annual Damage Estimates, Downtown Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$1,238,000
Residential Contents	\$582,000
Commercial/Industrial	998,000
Public	99,000
Emergency Aid	550,000
Agriculture	6,000
Other	52,000
Total	\$3,525,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

South Mount Vernon

Geographically, this area begins south of Mount Vernon and continues along the I-5 corridor through Conway to Skagit Bay. The area is bordered on the west by the South Fork of the Skagit River and on the east by high ground.

Flooding occurs when the parking revetment in downtown Mount Vernon is over-topped during a 10-year event (or approximately 117,000 cfs). This area contains a mix of agricultural and rural/suburban development.

Flood damage is estimated to average \$1,003,000 on an annualized basis. Flood damage is comprised for the most part of residential structures and contents, and agricultural damage.

Figure 14. Average Annual Damage Estimates, South Mount Vernon (1992)

Damage Type	Average Annual Flood Damage Estimate
Residential Structures	\$212,000
Residential Contents	144,000
Commercial/Industrial	141,000
Public	198,000
Emergency Aid	46,000
Agriculture	238,000
Other	24,000
Total	\$1,003,000

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993.

All Areas

Economic damage associated with flooding for the entire Skagit River basin (including Mount Vernon, Burlington, Sedro-Woolley, Nookachamps, Clear Lake, Fir Island, and remaining rural areas) is estimated at \$9.9 million on an average annualized basis. Average annual damages from flood events affecting just the City of Mount Vernon are approximately \$6.4 million — representing approximately 64% of total Skagit River basin damages.

Focusing on the cost of specific types of flood events, the total damage associated with a 25-year flood in Mount Vernon is estimated at \$74.5 million, rising to \$104.1 million for a 50-year flood event. Damages can be expected to reach \$145 million from a 100-year flood event.

Since the year 1815, the Skagit River basin has experienced approximately eight 10-year floods, six 25-year floods, two 50-year floods, and two 100-year floods.

The following chart details average annual damages together with expected damages for various types of flood events as of November 1992 for each identified flood area in the City of Mount Vernon.

Figure 15. Expected Flood Damages by Flood Event

Area	Average Annual Damages All Events	Expected Damages (\$1,000)		
		25-Year Flood	50-Year Flood	100-Year Flood
West Mt. Vernon	\$787	\$8,000	\$14,600	\$24,200
North Mt. Vernon	\$1,050	\$8,700	\$20,500	\$37,400
Downtown Mt. Vernon	\$3,525	\$45,400	\$54,100	\$66,500
South Mt. Vernon	\$1,003	\$12,400	\$14,900	\$17,800
Total	\$6,365	\$74,500	\$104,100	\$145,900
# of events since 1815*		6	2	2

* Note: Data compiled by E.D. Hovee & Company, 1996. Number of events is based on recorded Skagit River discharges and estimated event sizes. The Skagit River basin has also experienced eight 10-year flood events during this period.

Source: U.S. Army Corps of Engineers, *Reconnaissance Report*, April 1993. Summary calculations performed by E.D. Hovee & Company, 1996.

Current Conditions

Consistent with the background information provided above, we now move to describe current flood control measures as well as the status of existing efforts to upgrade/improve the flood control system in Skagit County (including Mount Vernon).

Current Flood Control Measures

According to the U.S. Army Corps of Engineers, flood events and resulting flood damage can be expected to continue to affect the Skagit River Basin given the current configuration of flood control mechanisms. The Basin currently relies on a 43-mile network of levees extending from Burlington to the Skagit Bay and flood control by hydropower projects in the upper Skagit Basin.

The levee system was, for the most part, built over the years by landowners and is estimated to afford only 3-14 year flood protection (depending on location). Because the dikes are constructed of silt and sandy soils, levees frequently fail when saturated — resulting in potential for severe and unpredictable flooding. Urban areas, including Mount Vernon, have and will continue to sustain substantial flood damages as a result.

Skagit County participates in the National Flood Insurance Program (NFIP) and is subject to NFIP requirements for new development in the flood plain. These requirements include elevating new houses, and flood proofing or elevating other new buildings above the 100-year flood level.

Skagit Valley diking districts and Skagit County intend to improve the levees to a uniform 50-year flood protection level; however, this objective to date has been hampered by lack of necessary funding.

Status of Existing Improvement Efforts

As of 1993, the U.S. Army Corps of Engineers concluded that an economically feasible technical solution existed for flood damage reduction in the Skagit River basin (including Mount Vernon). The plan identified would reduce average annual flood damage in the Skagit River Basin by over \$4.2 million (from \$9.9 million to \$5.3 million) and would have a cost/benefit ratio of 1.1 to 1.

The proposed flood protection system includes a system of 100-year levees that would protect the incorporated areas of Burlington, Mount Vernon (including West Mount Vernon). In addition, new levee sections and upgraded existing rural levees would be designed to insure no flooding in the basin in less than a 25-year event and controlled flooding in greater than a 25-year event (U.S. Army Corps of Engineers, 1993).

The plan would reduce average annual flooding damages overall in the Skagit Basin by over 46% — while protecting Burlington and Mount Vernon from 100-year events and reducing average annual damage estimates there by nearly 63%.

The Corps recommended additional study of the above proposed project; however, no significant flood control improvements (e.g. new or upgraded dikes) have been constructed in Mount Vernon since 1993.

Currently, Skagit County is preparing to enter into an agreement with the Corps to proceed with a feasibility study of the proposed project as described above (e.g. plan specifications). According to Skagit County Public Works representatives, this agreement is expected in 1996. The feasibility study is expected to take at least two years, followed by financing efforts (e.g. bond issue), so project construction likely would not commence for several years.

The cost of the feasibility study is expected to be split 50-50% between the county and federal funding (estimated to cost \$2.5 million in 1992), while construction of the project likely will be allocated as 25% local/75% federal funding (estimated cost is \$44.0 million in 1992, of which \$11 million would be contributed by Skagit County, including land right-of-way acquisitions).

Other Flood Control Topics

We conclude this research report with a review of other flood control related topics pertinent to the City of Mount Vernon. These topics include flood control goals and objectives, the flood plain zoning district, and residential or commercial development or renovation.

Flood Control Goals & Objectives

Flood control is discussed in the City's *Comprehensive Plan* which includes the goals and recommendations of the City's *Comprehensive Surface Water Management Plan*. The goals related to flood control issues appearing in the surface water plan and the *Comprehensive Plan* include:

Goal 1. Prevent property damage from flooding

- a. Objective - Require adequate peak flow controls for new development.
- b. Objective - Perform the necessary analysis and recommend solutions for existing flooding problems.
- c. Objective - Employ management strategies in flood prone areas to ensure that new development is not exposed to significant flood risk.

Goal 2. Develop a continuous and comprehensive program for management of surface water.

- a. Objective - Ensure funding source for program implementation.
- b. Objective - Coordinate the City program with the Skagit County program.

Flood Plain Zoning District

The City of Mount Vernon also has a F-1 Flood Plain District zoning designation. Within F-1 zoned areas, no uses are permitted, and no buildings or premises may be constructed without special permit from the city council — on recommendation of the planning commission and concurrent approval from the Corps of Engineers, the Federal Emergency Management Administration, and other state and federal agencies with jurisdiction. This designation is consistent with federal stipulations limiting development within the *floodway* portion of a 100-year flood plain.

Currently, primarily selected acreage that abuts the Skagit River between downtown and West Mount Vernon appears to be zoned F-1. Total acreage affected by this zoning designation is therefore relatively limited.

One topic that does not appear to be directly addressed in local flood control or comprehensive planning is the question of cumulative effects on downtown flood elevations from fill and/or flood control measures. For example, it is not clear to what degree the seeming increased frequency of flood events has been affected by past development or is primarily due to random storm events in excess of a long-term statistical benchmark.

Commercial & Residential Development or Renovations

Focusing on residential and commercial development in the 100-year flood plain within Mount Vernon city limits, new *residential* development must have the finished floor level above the 100-year event level. However, new *commercial* development can either raise finished floor level above the 100-year level or flood proof the portion of the structure below flood level (e.g. have the ability to keep water out or allow water in but have electrical service, plumbing etc. situated above flood level). The City of Mount Vernon views public use buildings as a commercial use for purposes of flood plain ordinance compliance.

The renovation of existing residential or commercial structures is not affected if the value of the renovation is less than 50% of the appraised value of the structure. However, if the value of the

renovation (or the sum of renovations over a one year period) is greater than 50% of appraised value than the structure must be brought into compliance as if it were a new structure.

Effects of Flood Related Issues on Economic Development

The final step in our research has been to gather preliminary information based on contacts with local building officials, realtors and developers in Mount Vernon. Most of the land area in Mount Vernon that is located within the 100-year flood plain lies just 1-3 feet below the plain. Therefore most structures need only be raised 1-3 feet to be in compliance with flood plain ordinances.

Residential: The majority of new residential development is occurring in east Mount Vernon above the 100-year flood plain. Persons we have contacted note that few new residences are even being built below the 100-year flood plain, although at least one new housing development is currently being constructed in the flood plain (The Meadows). The effect of flood issues currently does not appear to be a significant deterrent to new residential development.

In general, flood plain issues have not been viewed as significant deterrents to residential renovations. Most residential structures can come into compliance by installing a cement foundation and raising the structure 1-3 feet. In some instances, however, the relatively low value of the residential structure is likely to preclude significant renovation.

A recent program undertaken by the City of Mount Vernon is expected to involve city acquisition of approximately ten flood-prone acres along the river in West Mount Vernon, relocation of existing residents, demolition of buildings, and redevelopment of the property as a park. The \$3.6 million project is expected to be financed with a combination of state and federal grant money.

Commercial: As with residential, flood plain issues are not viewed as significant deterrents to new commercial development (e.g. Eagle Hardware). Typically, only 1-3 feet of fill is usually required to bring the building site above the 100-year flood plain, while parking lots are not required to be above the 100-year plain elevation. Contacts noted that other issues were often more significant such as wetlands or drainage of surface water.

In terms of commercial renovations, those contacted indicate that many of the building structures in downtown Mount Vernon are relatively old and require substantial renovation. The cost of renovation and flood plain compliance can be significant deterrents to redevelopment in some instances. However, several such renovations have been undertaken, with additional renovations in process. In some instances, it is believed that the cost of renovation in addition to the risk of flooding commercial structures could discourage potential investors.

APPENDIX E. LEVEL OF SERVICE

The level of service (LOS) designation characterizes a roadway's traffic flow and vehicular maneuverability levels. The LOS designation for signalized intersections is calculated based on the existing or projected traffic volumes to the capacity of the roadway at a given location. The highest level of service is LOS A, while the lowest is LOS F. The following figure describes traffic flow, comments, and maneuverability for different levels of service at signalized intersections.

Figure 16. Level of Service Designations for Signalized Intersections

Level of Service (LOS)	Traffic Flow	Comments	Maneuverability
A (Desirable)	Free	Traffic flows freely with no delays.	Drivers can maneuver easily and find freedom in operation.
B (Desirable)	Stable	Traffic flows smoothly with few delays.	Some drivers feel somewhat restricted within groups of vehicles.
C (Desirable)	Stable	Traffic generally flows smoothly but occasionally vehicles may be delayed through one cycle. Desired urban design level.	Backups may develop behind turning vehicles. Most drivers feel somewhat restricted.
D (Acceptable)	Approaching Unstable	Traffic delays may be more than one signal cycle during peak hours but excessive back-ups do not occur. Considered acceptable urban area design level.	Maneuverability is limited during short peak periods due to temporary back-ups.
E (Unsatisfactory)	Unstable	Delay may be great and up to several signal cycles. Short periods of this level may be tolerated during peak hours.	There are typically long queues of vehicles waiting upstream of intersections.
F (Unsatisfactory)	Forced	Excessive delay causes reduced capacity. Always considered unsatisfactory. May be tolerated in recreational areas where occurrence is rare.	Traffic is backed up and backups from other locations may restrict or prevent movement of vehicles at intersections.

Source: E.D. Hovee & Company. Based on LOS data for highway improvement projects conducted in Washington and Oregon.



APPENDIX F. HIGH SPEED RAIL

At the request of the Mount Vernon OEDP Committee, an analysis of the status and potential of high-speed rail in Mount Vernon was prepared. This appendix provides the results of that analysis.

Amtrak passenger rail service, called the Mount Baker International, has been serving Mount Vernon since October 1994. Passenger rail service had been discontinued in Mount Vernon since 1981 but in late 1992, the Federal Railroad Administration designated the Pacific Northwest rail Corridor as one of five high speed rail corridors in the United States.

The corridor extends 464 miles from Eugene, Oregon, through Portland and Seattle to Vancouver B.C. The rail line currently has stops in Albany, Salem, Portland, Vancouver, Kelso, Centralia, Olympia, Tacoma, Seattle, Edmonds, Everett, Mount Vernon/Burlington, Bellingham, New Westminister, and Vancouver.

The restoration of passenger rail service is part of a phased strategy jointly developed by Oregon, Washington, and British Columbia in response to the substantial growth pressures in the Pacific Northwest region. The corridor (which parallels Interstate 5) had a 1993 population of 7.7 million residing within 20 miles of the rail corridor. However, by the year 2020, population in the corridor is expected to increase by 40%, the number of jobs by 50%, and regional inter-city travel by 75%.

In support of inter-city commuting and transportation on the rail service, several cities including Olympia, Centralia, Kelso, Bellingham, Everett, Seattle, and Mount Vernon are developing, or have developed, multimodal facilities that provide connections between rail service and public transportation (e.g. busses, taxis, park and ride lots). In cities such as Seattle, Tacoma, Centralia and Portland, redevelopment of rail stations also serves as an important component of that community's downtown revitalization strategy.

Multi-Modal Transportation Center

Multi-modal transportation centers are seen as essential to the success of high-speed rail in the Pacific Northwest corridor. Rail planners note that , "If the trains stations served by high-speed rail lack easy connections to passenger's final destinations, the entire high-speed concept will collapse" and "absent quick access to connecting modes of transportation — cabs, buses, light rail and airplanes — the ridership necessary to support high-speed rail will dissolve."²

The *City of Mount Vernon Multimodal Facility Study* was conducted in 1993 to assess sites for the proposed multimodal center in Skagit County. Three sites were selected for final review including sites in downtown Mount Vernon, the existing train depot site in Mount Vernon, and downtown Burlington.

The existing train depot site (west side of the rail road tracks north of College Way) was recommended as the preferred location for the facility due primarily to land availability for a 100

car park-and-ride, Greyhound bus stalls and SKAT offices. In addition, the existing site would be easier to upgrade and able to handle future demand for services.

Construction of the facility is included in the city's Comprehensive Plan. Station construction is expected to cost \$1.1 million.

Current & Future Passenger Rail Service

As of May, 1996 the high-speed passenger rail service through Mount Vernon will have fixed capacity of 252 seats on one round trip per day from Seattle to Vancouver, B.C. In two years an additional train is expected — allowing two round trips per day.

By the year 1999, three round trips daily are expected and within 15 years, Amtrak plans to have seven trains per day. Passenger traffic on the high-speed rail service is forecast to increase from 100,000 annually (current levels) to over 350,000 passengers by the year 2015 .

Travel time from Seattle to Vancouver is expected to decrease from 3 hours and 55 minutes currently to 3 hours and 30 minutes in 1999, with increases in speed of 10 to 20 miles per hour throughout the corridor. To allow these higher speeds, WSDOT is spending approximately \$230 million on track improvements and upgrades.

Amtrak currently intends to add a baggage car fitted to transport bicycle traffic — focused on serving bike tourism which is especially suited for Mount Vernon and Skagit County.

In response to the economic development potential of high-speed rail in the city, the OEDP committee has identified high-speed rail as an important element of Mount Vernon's economic development strategy as both an infrastructure objective and project implementation priority.

APPENDIX G. FIBER-OPTICS & HIGH-TECH

At the request of the Mount Vernon OEDP Committee, an analysis of fiber-optics & high-tech potential for Mount Vernon was prepared. This appendix provides the results of that analysis.

A new wide-band fiber-optic cable linking Seattle and Vancouver B.C. has been recently installed through Mount Vernon by Starcom International Optics Corp. Fiber-optic cable is has also been installed along Highway 9 (AT&T), Old Highway 99 (U.S. West), and from Mount Vernon to Anacortes (GTE).

Firms connected to these lines could potentially utilize the large information carrying capacity of the fiber-optic cable — a prospect that may be particularly attractive to high-tech firms.

Two underlying trends provide the context for any potential high-tech development in the City of Mount Vernon. First are the current and emerging trends in the telecommunications industry which may be served by fiber-optic cable. Second is the changing regulatory structure of telecommunications in the United States — especially the Telecommunications Act of 1996.

Current & Emerging Trends in Telecommunications

The following discussion is drawn largely from *the Transportation Policy Plan for Washington State, Key Issues in 1994*, and contacts with City of Mount Vernon officials and service providers.

New communications technologies are now blurring the distinctions between formerly distinct industries such as telephone, cellular phone, and cable television by simultaneously transmitting large amounts of voice, data, and video signals. The speed and quantity of data transmission has lowered costs and propelled high technology into everyday life for many people.

In addition to more common technologies such as cellular phones, fax machines, pagers, and digital television, other recent trends in telecommunications technology include:

- Video conferencing — two way audio/visual communications in real time over large distances.
- Distance learning — education and course work for students using telecommunications.
- Distance medicine — processing information between medical professionals, patients, and hospitals over great distances in real time.
- Teleshopping — direct retail marketing on television
- Electronic Data Interchange — communication directly between computers eliminating manual data entry.
- Information Kiosks — automated self-service kiosks that allow continuous user access to information and services (e.g. job search and employment information, tourism information, and license renewal).

- Personal Communications Services — nationwide system of low power wireless systems allowing messages or data to be sent from personal communicators.
- Personal Digital Assistants — Hand held personal computers/calendars/communicators.
- Virtual Reality — virtual representations that allow users to experience “real” events such as touring houses, practice medical procedures or visit distant cities using audio/visual inputs from computers.
- Internet — worldwide network of computers linked together accessible by millions of persons. The Internet is often called the information superhighway.

Telecommunications technologies are changing very quickly. Individual users, businesses, and governments are often challenged to keep up with new technologies — often continuously upgrading and adjusting to new ways of working, communicating, marketing, and collecting and distributing information.

Telecommunications is also changing home and work environments as distances between workers and their jobs, or businesses and their customers becomes irrelevant. One aspect of this is telecommuting which allows employees to utilize telephones, fax machines, and computers to work at locations other than traditional workplaces — often working at home. More employees are now commuting between home/central office, satellite office/central office, neighborhood telework center/central office or have virtual offices.

Changing Regulatory Structure in Telecommunications

In response to the rapid pace of technological change that is occurring in the telecommunications industry, the Federal government recently reformed the regulatory structure in the industry with passage of the Telecommunications Act of 1996.

In a nutshell, the Act draws fewer legal distinctions between the various media industries (e.g. cable, television, and broadcast) and allows competition between them. This means that industries who have not historically competed such as cable, local telephone, and radio will begin to do so. The Act relies on the premise that if the regulatory barriers between the industries are removed, then everyone will enter everyone else’s market, creating competition and removing the need for regulation to protect consumers from monopolies.

Specifically the act opens local telephone exchanges, allows the baby bells (e.g. U.S. West) to enter new lines of business, long distance, equipment manufacturing, and information services, allows cable operators into local telephone service and visa versa, and encourages new services (e.g. cellular, Direct Broadcast Satellite, and wireless cable) to compete with telephone and cable television companies.

In this new, relatively open, regulatory environment local municipalities may take a more active role in development and control of the provision of telecommunications services in their areas.

For example, the city of Glasgow, Kentucky (1995 population of 14,000) has a municipally owned broadband network that provides:

- Cable television (with approximately 53 channels).
- A virtual computer network for Glasgow schools for instructional and administrative use.
- Distance learning between classrooms and homes.
- Local area networks that are designed, provided, and operated by the City for local customers.
- Internet access utilizing T1 speed (much faster than conventional modems).
- Traffic signal synchronization.
- Energy management activities throughout the city much like those carried out in individual office complexes.
- Municipally operated telephone service in direct competition with the traditional private provider.
- A citywide computer network that ties together all homes, schools, businesses, and government agencies.

Conclusions

Although the Glasgow experience may be a relatively extreme example of how far local municipalities can go with the new telecommunications technologies and regulatory environment — any municipality by itself or in conjunction with private firms, can provide one or all of the services above.

Focusing on Mount Vernon, the City has the ability, on its own or in partnership with someone with regulatory authority (e.g. Starcom, AT&T, U.S. West, GTE), to have a municipally operated local telephone system or provide any of the services above utilizing fiber-optic cable.

A different approach would be that suggested by the Mayor of Mount Vernon. In this approach the city would develop infrastructure, for example, to serve a high-tech industrial park in the city's southern urban growth area along Hickox Road. Infrastructure may include traditional services such as water, sewer, but also fiber-optic global communications access for high-tech companies.

Such infrastructure could be attractive to firms in the commercial electronics industry, research & development firms, software or computer chip developers. Many of the private users likely would be small (1-20 employees) expansion minded high-tech firms which need telecommunications access but have chosen not to locate in more urban areas.

Some high-tech firms which can utilize fiber-optic telecommunications are already located in Mount Vernon. For example, Pathfinder Learning Systems, a learning systems corporation that provides computer based learning curriculum for both public and private entities, has identified a

need for fiber-optic communications, noting that it would allow them to be more competitive, enter new markets, and increase employment.

The cost of telecommunications infrastructure ranges approximately from \$50,000 to \$500,000 for access to the fiber-optic line and control equipment as well as an additional \$75 per foot for laying fiber-optic cable to service areas. The cost of laying fiber-optic cable may be relatively low in the case of just wiring a small high-tech industrial park (approximately 6 miles of cable costing \$2.3 million) or much higher if each household, business, school, and government agency (such as in Glasgow, Kentucky) were connected.

In response to the economic development potential of fiber-optics in Mount Vernon, the OEDP committee has identified installation of fiber-optic infrastructure as part of the city's economic development strategy as both an infrastructure objective and implementation project priority.

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- ¹ Michael D. Beyard, senior director of research for the Urban Land Institute, is the author of the article "Power Centers: A Development and Investment Perspective" from which this excerpt is taken. This article is contained in the publication: *ULI on the Future: Creating Tomorrow's Competitive Advantage*, 1996.
- ² Source is Robert Goldfield, "Depot of the future needs to make the connection", *Portland Daily Journal of Commerce*, Vol. 82, No. 86, Dec 29, 1992.

APPENDIX H. PERFORMING ARTS CENTER ASSESSMENT

Economic Development Assessment - Performing Arts Center

Strengths: The growing population of the City provides the possibility for much imagination in the formation of a performing arts center.

1. As the population of the city becomes more culturally diverse, the obligation to include the arts should be encouraged.
2. The quality of life and culture in urban cities is traditionally defined by the willingness of its people to support the arts.
3. Economic development interests are attracted to communities where the arts are flourishing or opportunities are strongly encouraged by citizens and local elected officials.

Weaknesses: Lack of performing arts center begs for the creation of a space that provides opportunities where our diverse talents may flourish.

1. By not finding and encouraging ways for the soul of the city to surface, diversity and multiplicity stay undeveloped and unappreciated.
2. Tourism is not encouraged by an artistically deficient climate.
3. Family entertainment suffers from the absence of cultural choices.
4. "Leakage" occurs when art patrons are required to travel to other destinations for their cultural enrichment (live theater, dance, music, museums, art galleries, etc.).

Opportunities:

1. A thriving arts community attracts both professionals and students thereby enriching the community.
2. Encourages residential settlement.
3. Has the potential for attracting supportive economic development (i.e. cafes, motels, delis).
4. Provides employment opportunities.

Threats:

1. Difficulty in agreeing where to site a performing arts center.
2. Government cutbacks in funding for the arts.
3. Perceived lack of citizen interest in a performing arts center.
4. Lack of leadership in encouraging unity of effort among all sectors of the population (i.e. age, gender, race, religion, socio-economic status).

Source: Submitted by Citizens for Mount Vernon, September 9, 1996