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### NOTICE OF PUBLIC HEARING

Notice is hereby given that the MOUNT VERNON CITY COUNCIL will hold a public hearing on JUNE 11, 2008 at 7:00 p.m., or as soon thereafter as possible, in the multi-purpose room of the Police/Court Campus, 1805 Continental Place, Mount Vernon, to take public comment on the following:

Washington State enacted new legislation (Chapter 39.102 RCW) in 2006 creating the Local Infrastructure Financing Tool ("LIFT"). In essence, the LIFT legislation authorizes a local government to create by ordinance a revenue development area ("RDA") within which certain public infrastructure improvements may be financed through the allocation of various property and excise (sales and use) taxes. The City of Mount Vernon submitted a competitive application in 2007. The City will be submitting another competitive application in 2008 for a LIFT to the State of Washington's Community Economic Revitalization Board for our Downtown and Waterfront Improvement Project. **The City plans to adopt an ordinance recognizing the RDA that was established on June 20, 2007. The City has determined that conditions within the RDA have not significantly changed within the intervening year including future impacts to low-income housing and small businesses, and that the RDA as proposed should be re-established.** By re-establishing a RDA as proposed, Mount Vernon could qualify for a state contribution of approximately \$500,000 per year for 25 years to be used for repayment of bonds issued to finance eligible public improvements within the RDA. RDA boundaries are illustrated in the attached map. A complete legal description of the boundaries can be found in the draft RDA Ordinance on the City's website at [www.ci.mount-vernon.wa.us](http://www.ci.mount-vernon.wa.us).

Mount Vernon's Downtown and Waterfront Improvement Project is intended to provide many benefits to our downtown. The primary purpose is to protect the downtown area from flood damage up to and including the 100-year event on the Skagit River. In addition to flood protection, these benefits will include promoting a mixed-use redevelopment that will generate new jobs, providing an area for both housing and business development to occur in a manner that helps preserve the character of the downtown area. Infrastructure improvements will also include enhanced public access to the shoreline and river while maintaining the existing availability of parking. The project is further described at ([www.ci.mount-vernon.wa.us](http://www.ci.mount-vernon.wa.us)) under City of Mount Vernon Downtown & Waterfront Area Master Plan.

The flood control elements are not eligible for financing under LIFT. The contemplated public improvements eligible for LIFT financing within the RDA include the promenade on the waterfront, parking facilities, open space, trails, park amenities, utilities, and pedestrian and vehicular circulation improvements, with an estimated total cost of \$25 million. Approximately \$14 million, or 56%, including State and City contributions, is estimated to be borne by the local infrastructure financing. Other resources available to finance the improvements within the RDA, include the City of Mount Vernon General Fund property tax and sales tax, real estate excise tax funds, federal and state

appropriated funds, federal and state grant programs and other resources as they are secured.

The estimated period during which local infrastructure financing is contemplated to be used is 25 years, commencing on July 1, 2011 and concluding in 2035.

Per requirements set forth in RCW 39.102.080, the City of Mount Vernon has estimated the impact the public improvements will have on small businesses and low income housing units within the RDA and has developed a mitigation plan as a result of the findings. The detailed analysis and mitigation plans are located at [www.ci.mount-vernon.wa.us](http://www.ci.mount-vernon.wa.us).

The City of Mount Vernon's housing inventory indicates that there are 179 housing units in the RDA. Of those, 127 are multifamily units and 52 are single family units. Of the 127 multifamily units, 93 are identified as low income. Low income housing units are vulnerable due either to demolition or replacement of the units or to increases in rents or prices to levels that exceed income based limits. 38 multi-family units are owned by the Skagit County Housing Authority, and are likely to continue as low income units. 48 multi-family units are located south of Snoqualmie Street, a predominately residential area, isolated from the primary project improvements, and not likely to be affected in the foreseeable future. Only seven of the 93 identified low income multifamily units are likely to be impacted by projects within the RDA due to loss or conversion.

Based on the City's analysis, it is reasonable to assume most businesses will be positively impacted by the creation of the RDA. Although the overall impact is expected to be positive, some businesses may be at risk for displacement from the RDA. Of the 261 businesses located within the RDA, 256 have been identified as small businesses. 21 small businesses located west of Main Street will be directly impacted as the City purchases riverfront properties for the project. The City will assist these businesses in finding new locations, and moving. Other businesses may be affected over time as business opportunities expand, sites are developed, buildings are improved or redeveloped, and land and building prices change. The purpose of the public improvements in the district is two-fold: to reduce the threat of flooding and costs to business; and to increase the attractiveness of the area to potential customers and clients. Most of the existing businesses in the district should experience growth in revenue opportunities in response to the second objective.

To ensure minimal impact to those small businesses that may be negatively impacted, the City is committed to providing services to small businesses, as outlined in the mitigation plan, and developing a land use plan which encourages a healthy mix of business activity within the RDA.

The following information is provided for your review and reference at [www.ci.mount-vernon.wa.us](http://www.ci.mount-vernon.wa.us). This information addresses requirements of RCW 39.102.060, 39.102.070 and 39.102.080 regarding limitations, conditions and findings.

1. Chapter 39.102 RCW, State Law administering LIFT
2. Draft Revenue Development Area (RDA) Ordinance
3. Estimated Public Improvement Projects
4. Small Business and Low Income housing impact assessment and mitigation plan

For additional information, contact Alicia Huschka at 360-336-6241 (or [aliciah@mountvernonwa.gov](mailto:aliciah@mountvernonwa.gov)).