

ORDINANCE NO. 3410

**AN ORDINANCE OF THE CITY OF MOUNT VERNON AMENDING
ORDINANCE 3364 RE-ESTABLISHING THE REVENUE DEVELOPMENT
AREA TO BE KNOWN AS THE DOWNTOWN MOUNT VERNON REVENUE
DEVELOPMENT AREA PURSUANT TO CHAPTER 39.102 RCW KNOWN AS
THE LOCAL INFRASTRUCTURE FINANCING TOOL PROGRAM.**

WHEREAS, the Local Infrastructure Financing Tool Program set forth in RCW 39.102 et. seq.,(hereinafter referred to as the “Program”) is a local infrastructure financing tool program created to assist local governments in financing authorized public infrastructure projects designed to promote economic development in the jurisdiction; and

WHEREAS, the Program provides that the City of Mount Vernon as a sponsoring local government (“City”) may apply to the Community Economic Revitalization Board, created under chapter 43.160 RCW, to receive benefits of the Local Infrastructure Financing Tool (“LIFT”) a limited form of tax increment financing, which has been used successfully in states throughout the nation to promote positive economic development; and

WHEREAS, the Program provides that a sponsoring local government must create a revenue development area (“RDA”) within which certain specified public improvements may be financed through the allocation of various property and excise taxes, as set forth in the Program; and

WHEREAS, the Program requires, pursuant to RCW 39.102.040, that prior to applying for a LIFT, that a sponsoring local government must designate a revenue development area within the limitations set forth in RCW 39.102.060 and, after appropriate certification, public notice and public hearing, pass an ordinance adopting a revenue development area as required in RCW 39.102.090 to qualify for a state contribution up to a total amount of one million dollars per year; and

WHEREAS, redeveloping Mount Vernon’s downtown and waterfront area will provide numerous benefits for all of Skagit County. These benefits include: (1) promoting mixed-use redevelopment that will help generate new family-wage jobs; (2) providing an area for both housing and business development to occur in a manner that helps preserve the County’s limited supply of agricultural and natural resource lands; (3) helping reduce traffic congestion by allowing more people to live near where they work-instead of having to commute long distances; and (4) providing protection of downtown’s infrastructure (including interstate highways, historic buildings, and government offices) from flooding thereby increasing the fair market value of real property in the area which will, in turn, attract private investment and private development in the region; and

WHEREAS, a revenue development area would provide significant assistance in carrying out the redevelopment of Mount Vernon's downtown and waterfront area; and

WHEREAS, After appropriate certification, public notice and public hearing, to pass an ordinance adopting a revenue development area, on June 20, 2007, the City Council passed Ordinance Number 3364 creating a revenue development area to qualify for a LIFT; and

WHEREAS, The City Council has determined that a revenue development area continues to provide significant assistance in carrying out the redevelopment of Mount Vernon's downtown and waterfront area; and

WHEREAS, Since the adoption of Ordinance 3364, the City has studied whether or not conditions have changed within the existing RDA for low-income housing and small businesses; and

WHEREAS, The City Council finds that conditions within the City and the RDA have not significantly changed and that the impacts including future impacts on low-income housing and small businesses has not significantly changed in the intervening year since the adoption of Ordinance 3364; and

WHEREAS, The City Council has determined that no changes to the boundaries of the RDA are merited and that it seeks to re-establish the RDA by amending Ordinance 3364 after appropriate certification, public notice and public hearing to include new information required under RCW 39.102.090; and

WHEREAS, the City Council determines that 2009 should be used as the base year from which to measure the incremental future taxes for purposes of the Program; and

WHEREAS, prior to passage of this ordinance, the City Council held a public hearing on June 11, 2008; and

WHEREAS, prior to passage of this ordinance, public notice was published in the Skagit Valley Herald, the legal newspaper of general circulation within the proposed revenue development area, at least ten days before the public hearing, and notice of which was posted in at least six conspicuous public places located in the proposed revenue development area, a copy of which forms of notices are attached as Attachment A-1 and Attachment A-2; and

WHEREAS, notice of the public hearing in the form attached as Attachment A-3 was sent by United States mail to the property owners listed on Attachment B-1, and to all identifiable community-based organizations involved in the revenue development area and business enterprises listed on Attachment B-2, incorporated herein by reference, such notices being sent at least thirty days prior to the public hearing; and

WHEREAS, a certified copy of the proposed form of this ordinance was delivered to the Skagit County Treasurer, as well as to the Washington State Community and Economic Revitalization Board and to the Washington Department of Revenue; and

WHEREAS, the City Council heard testimony at the public hearing and carefully considered the comments and opinions presented; and

WHEREAS, the City Council finds that this ordinance complies with the Program and that the re-establishment of a revenue development area thereunder is in the best interest of the City of Mount Vernon and its citizens;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNT VERNON DO ORDAIN:

Section 1. Statement of Purpose.

The purpose of this Ordinance is to recognize that the RDA boundaries previously created by Ordinance 3364 remain in effect and the City remains compliant and eligible for the Local Infrastructure Financing Tool Program as set forth in RCW 39.102 et. seq. by undergoing appropriate certification, public notice and public hearing consistent with RCW 39.102 et. seq., finding that there have been no significant changes in circumstances since the adoption of Ordinance 3364 including impacts and future impacts to low-income housing and small businesses, and to provide new and updated information required to be included in the Revenue Development Area adoption ordinance.

Section 2. Ordinance 3364 is amended to read as follows:

Section 2.1. Incorporation of Recitals and Attachments. The recitals set forth above are incorporated herein by reference as if set forth in this section in full. All attachments to this ordinance are incorporated herein by reference.

Section 2.2. Description of Public Improvements. The public improvements currently estimated to be made in the Downtown Mount Vernon RDA are described in Attachment C (“Public Improvements”). This list does not imply City Council approval of any specific projects at this time. City Council will consider and finalize the list of approved public improvements as part of the ongoing environmental review for flood protection alternatives and the downtown master plan process.

Section 2.3. Description of Boundaries. The City Council adopts the boundaries of the Downtown Mount Vernon RDA as described and depicted in Attachment D.

LIFT Area Boundary Description:

Measurements are inclusive of entire right of way and alley widths mentioned herein except for those portions, if any lying within Interstate Highway No. 5. Beginning at the intersection of Freeway Drive and Cameron Way, then easterly along Cameron Way to the intersection with the west right of way line of Interstate Highway No. 5, then south along the west right of way line of Interstate Highway No. 5 to the intersection with East Section Street, said point also being the intersection with the south line of Section 20, in Township 34 North, Range 4 East, W.M., then west along East Section Street and said south line of Section 20 to the Southwest corner of Section 20, said point also being the dividing point between East Section Street and West Section Street, then continuing west along West Section Street, said line also being the south line of Section 19 in Township 34 North, Range 4 East, W.M. to the intersection with Harrison Street, then continuing west along the south line of Section 19 to the intersection with South First Street, then south along the west right of way line of South First Street to the intersection with the south line of parcel number P26505, then westerly along the south line of said parcel P26505 to the east bank of the Skagit River, then northerly along the east bank of the Skagit River to the intersection with the north line of parcel number P26542 said parcel being more commonly know as Lions Park, then east along said north line of P26542 to the intersection with Freeway Drive, then south along Freeway to the intersection with Cameron Way said intersection being the point of beginning.

Section 2.4. Estimates of Costs. As further described in Attachment C, the current estimated cost of the Public Improvements is approximately \$25,000,000 in 2008 dollars, and the current estimated portion of this cost to be financed by local infrastructure financing, including LIFT State funding and local government LIFT contributions consistent with the Program, is \$14,000,000 of debt issuance, which will be repaid over 25 years.

Section 2.5. Time of Tax and Revenue Collection. The estimated time during which local excise tax allocation revenues, local property tax allocation revenues, and other revenues from local public sources are to be used as part of the local infrastructure financing for the Downtown Mount Vernon RDA is 25 years (2011-2035).

Section 2.6. Date for Commencement of Use of Revenues. The City's use of local excise tax allocation revenues and local property tax allocation revenues with respect to the Downtown Mount Vernon RDA will commence on January 1, 2011.

Section 2.7. Findings Required by RCW 39.102.070 of the Program. The City Council finds and determines that the conditions set forth in RCW 39.102.070 of the Program are met with respect to the Downtown Mount Vernon RDA. Specifically, the City Council finds and determines that:

- (a) No Funds will be used to finance, design, acquire, construct, equip, operate, maintain, remodel, repair, or reequip public facilities funded with taxes collected under RCW 82.14.048;
- (b) The Public Improvements are projects that are or will be identified within the appropriate elements of the City's comprehensive plan under Chapter 36.70A RCW;
- (c) The Public Improvements are expected to encourage private development within the RDA and to increase the fair market value of real property within the Downtown Mount Vernon RDA;
- (d) The City expects to enter into a contract with a private developer(s) relating to the development of private improvements within the Downtown Mount Vernon RDA;
- (e) Private development is anticipated to occur within the Downtown Mount Vernon RDA, as a result of the public improvements, which will be consistent with the countywide planning policies adopted by Skagit County under RCW 36.70A.210 and the City's comprehensive plan and development regulations adopted under Chapter 36.70A RCW;
- (f) The local infrastructure financing with respect to the Downtown Mount Vernon RDA is not expected to be used for the purpose of relocating a business from outside the RDA but within Washington State, into the RDA, and the Downtown Mount Vernon RDA will improve the viability of existing business entities within the Downtown Mount Vernon RDA;
- (g) The Public Improvements are reasonably likely to (i) increase private residential and commercial investment within the Downtown Mount Vernon RDA; (ii) increase employment within the Downtown Mount Vernon RDA; (iii) improve the viability of existing communities that are based on mixed-use development within the Downtown Mount Vernon RDA; and (iv) generate, over the period of time that local option sales and use taxes will be imposed under RCW 82.14.475, state excise tax allocation revenues and state property tax allocation revenues (as defined in the Program) derived from the Downtown Mount Vernon RDA that are equal to or greater than the respective state contributions made under the Program;
- (h) The local infrastructure financing will only be used in the Downtown Mount Vernon RDA, which is an area deemed by the City to be in need of economic development or redevelopment and is within the City's boundaries.

Section 2.8. Findings Required by RCW 39.102.080 of the Program. Pursuant to RCW 39.102.080 of the Program, the City has estimated the impact of the Downtown Mount Vernon RDA on small business and low-income housing, and developed a mitigation plan in relation thereto which is attached as Attachment E, which is hereby adopted.

Section 3. General Authorization. The Mayor and other appropriate City officers are each hereby authorized and directed to do such things as may be necessary and appropriate in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

Section 4. Section Headings or Captions. The section headings or captions of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.

Section 5. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance.

Section 6. Ratification of Prior Acts. All acts taken pursuant to the authority of this ordinance but prior to its effective date are ratified and confirmed.

PASSED AND ADOPTED this 11th day of June, 2008.

BUD NORRIS, Mayor

SIGNED AND APPROVED this 12th day of June, 2008.

ALICIA D. HUSCHKA, Finance Director

Approved as to form:

Kevin Rogerson, City Attorney

Published: 6/16/2008

ORDINANCE ATTACHMENTS

- A-1 Notice of Public Hearing (Skagit Valley Herald)
- A-2 Notice of Public Hearing (Posted in public places)
- A-3 Notice of Public Hearing (Mailed)
- B-1 List of property owners mailed notice of public hearing
- B-2 List of community-based organizations and businesses mailed notice of public hearing
- C Estimated Public Improvement projects
- D Downtown Mount Vernon RDA boundaries
- E Small business and low income housing impact assessment and mitigation plan