RESOLUTION NO. 727

A RESOLUTION OF THE CITY OF MOUNT VERNON, WASHINGTON; ADOPTING THE E.D. HOVEE REPORT AND MEMO REGARDING COMMERCIAL AND INDUSTRIAL LAND NEEDS.

WHEREAS the WWGMHB in its final decision and order in Furturewise v. Skagit County, no. 05-2-0012, on September 21, 2005 ruled that while Skagit's Countywide Planning Policy (CPP) 1.1, which establishes allocations of commercial and industrial acres for Mount Vernon's Urban Growth Area (UGA), is large enough to accommodate projected future growth it fails to show that the allocated acres are large enough to meet a projected need for additional land in the Mount Vernon UGA; and

WHEREAS the WWGMHB found that the projected need for additional lands in the Mount Vernon UGA must be supported by an analysis including, whether or not there are infill opportunities, supported by and dependent on population forecasts and allocated urban population distributions; and

WHEREAS RCW 36.70A.110 (2) of Washington's Growth Management Act allows local jurisdictions to examine reasonable land market supply factors, ranges of urban densities and uses, and consider their own local circumstances when making an urban growth area determination; and

WHEREAS RCW 36.70a.110 (2) of Washington's Growth Management Act recognizes that Cities and Counties have discretion in their comprehensive plans to make many choices accommodating growth; and

WHEREAS in 2005 the City conducted a complete buildable lands analysis to identify existing urban densities and infill opportunities and has adopted this as an element in its comprehensive plan; and

WHEREAS the City of Mount Vernon has hired E.D. Hovee and Associates to complete a report, supported by population projections made for Skagit County by the Office of Financial Management, which provides an updated policy forecast for employment and associated commercial and industrial land needs for the Mount Vernon UGA through 2025; and

WHEREAS the City Council finds that this report, provides an approach that uses land market supply factors, recognizes local circumstances such as current employment to housing ratios and that the UGA has developed in a manner not contemplated when it was established; and that this report supports and further establishes a desirable balance needed to assist the City Council in determining the policy question of Mount Vernon's current and future land needs; and

WHEREAS the policy employment forecast this report recommends incorporates both observed growth trends and policy targets to increase the UGA's commercial job capture and its jobs/housing balance; and

WHEREAS the City Comprehensive Plan policy calls for a healthy jobs housing balance which the report defines and makes recommendations regarding the acreage needed to achieve this Citywide policy and goal; and

WHEREAS the City has been allocated through previous Countywide Planning Processes, 322 gross commercial and industrial acres which have yet to be assigned through necessary UGA expansions; and

WHEREAS it is the discretion of the City Council to make policy decisions regarding land needs to fulfill the economic goals as outlined in the City's Comprehensive Plan; and

WHEREAS, the Council has determined that the analysis and report prepared by E.D. Hovee and Associates is sound technical information that will guide and support the City's efforts to provide the necessary acreage for commercial and industrial growth for the next 20 years;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON: That the City of Mount Vernon adopt the E.D. Hovee Commercial and Industrial Land Needs Analysis and August 8, 2006 Memo, Mount Vernon Commercial & Industrial Land Allocation Summary attached as Exhibits "A" and "B" respectively.

ADOPTED by the City Council of the City of Mount Vernon, Washington, and APPROVED by its Mayor, at a regularly scheduled meeting held on the 13th day of September, 2006.

BUD NORRIS, Mayor

ALICIA D. HUSCHKA, Finance Director

Approved as to form:

KEVIN ROGERSON, City Attorney

CITY OF MOUNT VERNON
COMMERCIAL & INDUSTRIAL
LAND NEEDS ANALYSIS

Prepared for:
City of Mount Vernon

September 2006

E. D. Hovee
& Company, LLC

Economic and Development Services

City of Mount Vernon
Commercial & Industrial
Land Needs Analysis

Final Draft

Prepared for:

City of Mount Vernon
PO Box 809
317 Milwaukie Street
Mount Vernon, WA 98273
(360) 336-6214

Prepared by:

E.D. Hovee & Company, LLC
P.O. Box 225
2408 Main Street
Vancouver, Washington 98666
(360) 696-9870

Eric Hovee, Principal
Tess Jordan, Economic Planner

September 2006

EXECUTIVE SUMMARY

This report provides an updated policy forecast for employment and associated commercial and industrial land needs for the Mount Vernon UGA through 2025. What follows are principal observations and findings detailed in the body of the report.[1]

Employment Trends. Between 1995 and 2005, Mount Vernon area employment increased at an average rate of 1.8% annually to total just over 17,000 jobs as of 2005. The UGA's annual job growth rate was below that of Skagit County and the adjacent City of Burlington, which has rapidly increased its commercial jobs base and has captured an increasing share of employment growth within the three nearby UGAs of Mount Vernon, Burlington and Sedro-Woolley. Mount Vernon's employment base is bolstered by the government sector, which comprised roughly one quarter of the City's employment total as of 2005, well above the County average for government employment.

2025 Jobs Forecast. The Mount Vernon *employment policy forecast* provided with this analysis anticipates an increased growth rate to 2025. This policy forecast is based both upon observed trends and target goals for improving the City's jobs/housing balance and in particular its share of commercial employment. These goals reflect the policies and objectives of the City's Comprehensive Plan. The forecast is comprised of three primary elements:

1. Trending commercial and government growth according to the average annual job growth realized over the past ten years;
2. Assuming a midline rate of increase in the manufacturing sector, rather than a continued decline as Mount Vernon experienced between 1995 and 2005; and
3. Then increasing total projected employment so that government jobs represent 21% of the total (the County average) rather than the 25% share it would represent if observed trends were carried forward without adjustment. The resulting increase in total Mount Vernon UGA jobs is assigned to the commercial sector. These adjustments represent policy decisions to target a healthy jobs/housing balance and diversify Mount Vernon's employment base to capture increased commercial employment – key to providing revenue for city services – and decreases reliance on the government employment that has historically bolstered the City's employment base.

Total employment of 31,388 is projected for 2025, an increase of 14,344 jobs over 2005 employment. This job increase is then translated into land demand.

2025 Land Demand. Assumptions that influence the land demand analysis include:

- Employment density by job sector to translate jobs into net land demand;
- 2005 vacant land supply (which is subtracted from 2025 projected land demand); and
- Adjustment of net land demand into gross land demand, including factors such as environmental constraints, infrastructure requirements, land in holding (not made

available for development) and a market factor (ensuring diversity of supply and competitive pricing).

The 2005 available land supply figures are available via the recently completed Mount Vernon 2005 Buildable Lands Analysis, which is attached to this report as Appendix A. For this analysis, only parcels greater than one acre were included as being potentially suitable for industrial development, and only parcels greater than one-quarter acre for commercial development. While market trends strongly favor larger parcel sizes – and new land brought into the UGA is recommended to primarily include larger parcels – smaller parcels within the existing inventory can meet the demand for smaller infill sites that may arise over the next 20 years. In addition, Map 2 identifies parcels within the existing inventory that could be aggregated to create larger parcels, although these aggregations should be considered less 'market ready' than single-parcel large lots. The provision of ample, large-size commercial parcels in adjacent jurisdictions (e.g. Burlington) has successfully led to a significant increase in commercial jobs.

The 2005 Buildable Lands Analysis reports a total of 361 net acres currently available within the Mount Vernon UGA within the parcel size range this report considers to be viable for development. This consists of 27 industrial and 334 commercially designated acres. No land zoned for public uses was identified as available. All land within the existing inventory – including those parcels below the size threshold this analysis considers viable – are illustrated in Map 1.

When translated into land demand, projected Mount Vernon UGA job growth by 2025 calls for a total of 827 net acres. Subtracting 2005 net land supply results in an unmet need for 466 net acres by 2025. Adjusted for the factors listed above – and detailed within the report – this unmet demand for net acres translates into an unmet demand for **809 gross acres**. More than half of this demand – 450 gross acres – is for commercially zoned property. Commercially zoned land is expected to accommodate both commercial employment and a portion of government employment (the non school-related portion of government employment, estimated at 60%). To accommodate industrial job growth, an estimated additional 359 gross acres will be needed by 2025.

Existing & Recommended Parcel Size. The Buildable Lands Analysis illustrates that for both industrial and commercial parcels, Mount Vernon's inventory is slanted towards small parcel sizes.

- For commercial lots considered within this report – which excluded the smallest of lots, under one-quarter acre – 26% average one-half acre in size and another 40% average two acres.
- This report did not consider industrial lots below one acre. Above this size cut-off, 72% of industrial lots average just over two acres in size.

It is recommended that the size distribution for new parcels brought into the UGA focus heavily on larger lots for both commercial and industrial uses to accommodate current market trends – e.g. half of all retail development in 2005 nationwide was classified as either big box or regional

mall – and to encourage the significant development necessary to impact Mount Vernon's commercial job capture and jobs housing balance. For commercial uses, this recommendation means 93% of newly assigned parcels should be larger than 10 acres; for industrial use, it is recommended that 62% of parcels are in the 5-10 acre range and 21% are larger than 10 acres. Mount Vernon's existing inventory can accommodate demand for smaller in-fill sites; larger sites are needed to compliment this inventory and significantly impact growth in both jobs and local tax revenue.

The City completed an analysis of sites that can be aggregated to create larger parcels; this is attached with Map B. Nine parcel aggregations were identified that range from around five to 25 net acres, made up of up to five ownerships. The extent of property owner or developer interest in pursuing these aggregations – so that the UGA's existing land supply better matches the market's interest in large sites – is yet unknown.

Mount Vernon Land Allocation History. Mount Vernon's UGA has not been amended since its initial adoption in 1996. Planning processes since 1996 have allocated additional commercial and industrial acreage to the City, but these allocations have not been mapped by the city.

- Between 2000 and 2006, two processes have called for an increase in Mount Vernon's UGA of 188 (net) acres; these acres were never assigned. These allocations account for market factor but not critical areas or public infrastructure. Translated to gross land area according to the methodology advocated in this study – with appropriate adjustments for holding factor, environmental constraints and infrastructure – the 188 acres previously allocated equate to 279 acres of *gross* acreage required.
- The original 1996 UGA estimate describes 1,260 acres in commercial and industrial zoning (both developed and vacant). The 2005 Buildable Lands Analysis concludes that 1,218 acres are in commercial and industrial zoning, a difference of 43 acres. Together, these discrepancies call for an increase of 322 additional gross acres of commercial and industrial zoned land within Mount Vernon's UGA (279 acres + 43 acres = 322 acres).

While this report diverges from the methodology of previous county-wide employment forecasts, its results are consistent with this previous work. The percent of county *employment* capture this report recommends (48%) is only slightly higher than the percent of County *population* capture allocated to Mount Vernon through the 2003 Population & Employment Allocation process (42%). The 2003 Population & Employment Allocation, by Berryman & Henigar, Inc. in association with Michael J. McCormick, is attached as Appendix B. The discrepancy in employment versus population capture is justified by Mount Vernon's need to compensate for past population growth that has outpaced employment growth, eroding its jobs/housing balance and ability to support services for its growing residential base.

This current report represents a fresh look at both supply and demand based on 2005 employment, 2025 employment projections and 2005 land supply via a city-specific analysis. As such, previously allocated acres should not be construed as being *in addition* to the demand for additional acres documented with this updated analysis.

However, Mount Vernon's history of past demonstrated need without any corresponding actual land assignment does provide an important context to understanding the challenge the City has faced in providing the job base needed for local economic vitality. Of particular importance has been the inability to provide land zoned for employment uses in parcels large enough both to meet market demand and to sufficiently increase the community's commercial jobs share. The result has been inadequate growth of jobs and services to support Mount Vernon's rapidly growing residential population.

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I. INTRODUCTION

This report provides an updated policy forecast for employment and associated commercial and industrial land needs for the Mount Vernon Urban Growth Area (UGA) through 2025. This analysis is based on land supply as of 2005 and employment growth projected over the period between 2005 and 2025. It constitutes a fresh approach to the question of Mount Vernon's current and future land needs, and a divergence from the employment allocation approach Skagit County has pursued in the past.

The policy employment forecast this report recommends incorporates both observed growth trends and policy targets to increase the UGA's commercial job capture and its jobs/housing balance. To achieve these important policy goals, Mount Vernon must provide sufficient land both to accelerate its recent job growth rate and to accommodate the market's interest in large parcels (10+ acres at a minimum).

Terminology. Key terms used in this report include the following:

- *Employment Land* – refers to land zoned for both industrial and commercial uses. Less detailed analysis is provided for the forms of public sector employment (such as schools) that typically do not require location on industrially- and commercially-zoned property.
- *Net Acres* – Acreage required to accommodate employment growth, not adjusted to reflect factors that decrease the amount of land actually available for development. Net acres can be thought of as describing a platted landscape in which roads and environmental constraints have been removed from consideration, and all that remains are subdivided, buildable sites. It also does not account for market and holding factors, both of which are adjustment factors intended to better match supply to market demand.
- *Gross Acres* – Acreage required to accommodate employment growth adjusted for factors that decrease the amount of undeveloped land actually available for development. Factors considered in this report include infrastructure, environmental constraints and holding and market factors. Gross acres can be thought of as describing a scenario in which undeveloped land – without roads or other improvements – is first brought into urban usage.
- *Urban Growth Area (UGA)* – defined for purposes of this analysis to include land within the existing city limits *plus* the unincorporated portion of an urban growth area.

Employment Policy Forecast Relation to Population Projection. Mount Vernon's role as a growth center was highlighted through the latest round of population allocations that the City adopted as part of their state mandated 2005 Comprehensive Plan update.

Mount Vernon's population projections derive from a countywide population projection of 149,080; this is 2% below the midpoint of the Office of Financial Management's (OFM) 2025 low and medium forecasts. The County, Cities and Technical Advisory Committee agreed to this countywide population projection after considering a variety of allocation methodologies. This countywide total was then allocated to UGAs as outlined within the *Skagit County Population &*

Employment Allocation Final Report, December 2003, which is attached to this report as Appendix B.

Through the population allocation process, the City of Mount Vernon was allocated 19,568 people, representing a 69% increase in its UGA's population between 2005 and 2025. This projected growth rate was exceeded only for the Bayview UGA (which is projected to increase its population by 229%, from 1,700 to 5,600). The population base of Sedro-Woolley and Burlington were projected to grow by 45% and 37% respectively. A comparison of projected population growth rates for Skagit County UGAs is provided below.

Figure 1. 2005 – 2025 Population Allocations for Skagit County UGAs

Jurisdiction	2000 Population	2025 Allocation	Net Increase	% Increase from 2000 Population	Increase as % of County Total Increase	Increase as % of Urban Total Increase
Bayview	1,700	5,600	3,900	229%	8%	11%
Mount Vernon	**28,332**	**47,900**	**19,568**	**69%**	**42%**	**53%**
Hamilton	309	450	141	46%	0%	0%
Sedro-Wooley	10,358	15,000	4,642	45%	10%	13%
Concrete	960	1,350	390	41%	1%	1%
Burlington	8,728	12,000	3,272	37%	7%	9%
Swinomish	2,664	3,650	986	37%	2%	3%
Lyman	409	550	141	34%	0%	0%
Anacortes	14,647	18,300	3,653	25%	8%	10%
LaConner	761	950	189	25%	0%	1%
Total Urban	68,868	105,750	36,882	54%	80%	100%
Total Rural	34,110	43,330	9,220	27%	20%	-
Total County	102,978	149,080	46,102	45%	100%	-

Source: City of Mount Vernon 2005 Comprehensive Plan Update, Land Use Element.

Mount Vernon is projected to capture 42% of the county's total population growth between 2005 and 2025; 53% of the growth within UGAs. Increasing local jobs and particularly commercial employment is key to the city's ability to support this population growth.

Additional information with regard to the population allocation that the City of Mount Vernon received through the 2005 update to its Comprehensive Plan and how that allocation compares to other cities within Skagit County can be found within the City's Land Use Element of the Comprehensive Plan which is attached and labeled as Appendix C.

The remainder of this report is organized as follows:

Employment Trends
2025 Jobs Forecast
2025 Land Demand & Supply
Existing and Recommended Parcel Size
Mount Vernon Land Allocation History

II. EMPLOYMENT TRENDS

As of 2005 there were approximately 17,044 jobs within the Mount Vernon UGA. This equates to an average annual growth rate of 1.8% over the past 10 years, slightly above the state's average growth of 1.6% but below Skagit County's average annual growth of 2.5% and Burlington's rate of 3.0%.

Figure 2. Mount Vernon UGA Vicinity Employment Trends

	Total Jobs			
	Commercial	Industrial	Government	Total
1995	6,399	4,890	3,033	14,322
2000	9,133	4,174	3,419	16,726
2005	9,162	3,651	4,231	17,044

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Employment data for Mount Vernon has been obtained from the Washington Employment Security Department (WES) via a special data run according to three generalized jobs categories that reflect the aggregation of numerous more detail employment sectors. For data from 2000 and 2005, these aggregations are based on the North American Industrial Classification System (NAICS) as follows:

Broad Industrial Aggregation:

- Agriculture: Agriculture, forestry, fishing & hunting.
- *Construction & Resources:* Construction; Mining.
- *Manufacturing:* Manufacturing.
- *WTU:* Wholesale Trade; Transportation & warehousing; Utilities.

Broad Commercial Aggregation:

- *Retail trade:* Retail Trade.
- *FIRE:* Finance and insurance; Real estate and rental and leasing.
- *Services:* Information, Professional, scientific and technical services; Management of companies and enterprises; Administrative and support and waste management and remediation services; Health care and social assistance; Art, entertainment and recreation; Accommodation and food services; Education; and Other services.

Broad Government Aggregation:

- *Government*: Local, state and federal employment. Includes public school employment.

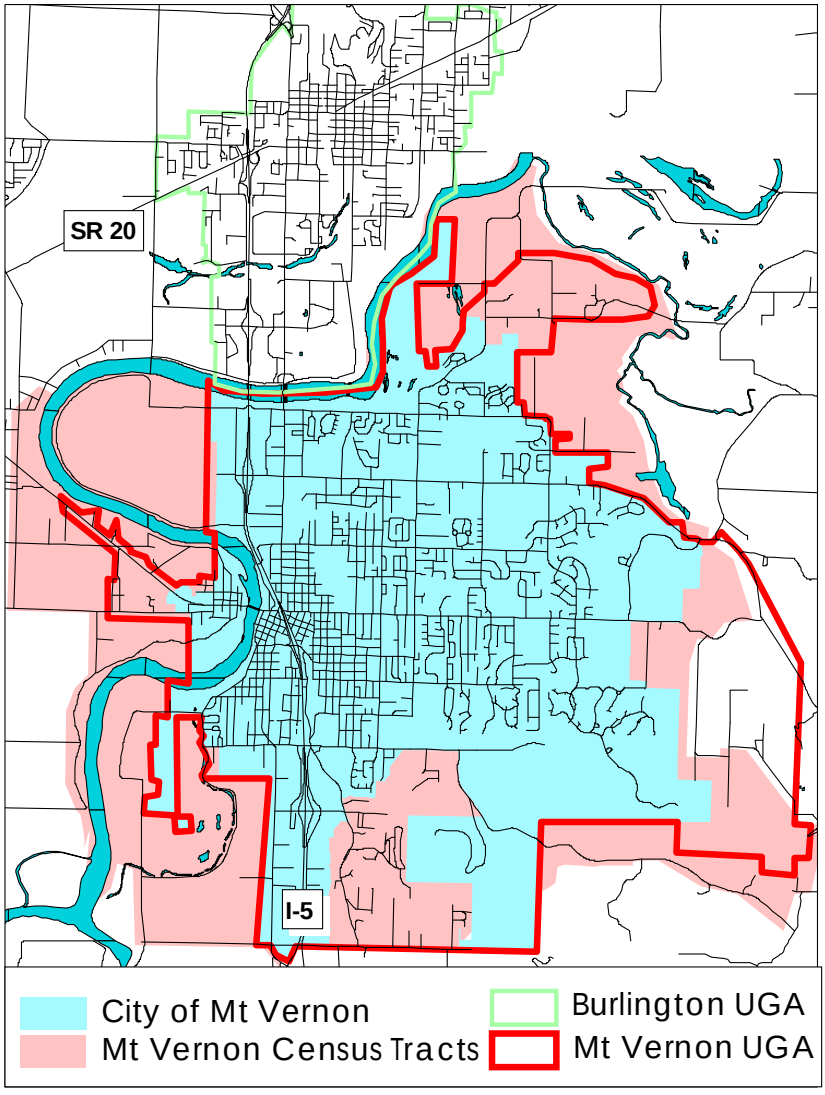
Data from 1995 is based upon the Standard Industrial Classification (SIC) system – replaced by NAICS since about 2000. Comparing data from these two classification systems at any level of aggregation introduces some unknown level of error. However, at this highly aggregated level

the margin of error is considered to be fairly minimal, and this approach provides the only readily available means to compare employment trends pre-2000 to current conditions.

Also noted is that employment data does not correspond to UGA boundaries exactly, but to census tracts that generally approximate UGA boundaries. Census tracts were the best available geography for which WES could provide data.

The following map illustrates the relationship between the census tract geography upon which employment numbers are based and the actual UGA. Given Skagit County's predominately rural nature outside of designated UGAs, it is expected that the impact of this geographic discrepancy on employment allocation is relatively minor.

Figure 3. Map of Employment Geography



Note: Available water coverage (e.g. the Skagit River) is incomplete but is included for reference.

Source: City of Mount Vernon, Skagit County GIS, E.D. Hovee & Company, LLC.

The next charts compare Mount Vernon jobs with adjacent UGAs to illustrate how Mount Vernon's share of the area's jobs base has shifted.

Mount Vernon's employment base has been strongly influenced by its status as the county seat and the county jobs that this designation brings to the City. Government sector jobs comprised 25% of total Mount Vernon UGA jobs in 2005 (Figure 4), as opposed to 21% for the County as a whole. Burlington's government jobs base, in comparison, is only 9%. Sedro-Woolley also reports a relatively high representation of government sector jobs at 33% of its employment total.

From 1995-2005, government increased from 21% to 25% of Mount Vernon's employment. The commercial share of total jobs also increased, while the industrial job share declined.

Figure 4. Adjacent UGA Trends

	Burlington UGA Vicinity				Sedro-Woolley UGA Vicinity				Three UGAs			
Year	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
1995	3,575	3,088	522	7,185	1,533	1,193	720	3,446	11,507	9,171	4,275	24,953
2000	4,528	2,261	702	7,492	1,717	1,154	794	3,665	15,379	7,590	4,915	27,883
2005	6,392	2,451	853	9,696	1,505	1,108	1,312	3,925	17,059	7,210	6,396	30,665

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Figure 5. Sectoral Distribution within UGAs

	Mount Vernon UGA Vicinity				Burlington UGA Vicinity				Sedro-Woolley UGA Vicinity			
Year	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
1995	45%	34%	21%	100%	50%	43%	7%	100%	44%	35%	21%	100%
2000	55%	25%	20%	100%	60%	30%	9%	100%	47%	31%	22%	100%
2005	54%	21%	25%	100%	66%	25%	9%	100%	38%	28%	33%	100%

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Figure 6. Share of Three UGA Employment by UGA

	Mount Vernon UGA Vicinity				Burlington UGA Vicinity				Sedro-Woolley UGA Vicinity			
Year	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total	Comm	Indust	Govmnt	Total
1995	56%	53%	71%	57%	31%	34%	12%	29%	13%	13%	17%	14%
2000	59%	55%	70%	60%	29%	30%	14%	27%	11%	15%	16%	13%
2005	54%	51%	66%	56%	37%	34%	13%	32%	9%	15%	21%	13%

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Mount Vernon's share of the three UGAs employment total declined very slightly between 1995 and 2005, from 57% to 56%. While Mount Vernon represented 58% of the three UGAs' job base in 1995, it captured only 48% of the UGAs' job growth over the following 10 years.

In contrast, Burlington's share of total three UGA employment increased from 29% to 32%. Burlington represented 28% of the job base in 1995 but captured 44% of the UGAs' jobs growth over the next ten years. Much of this capture occurred as a result of substantial Burlington area commercial development.

Overall job growth rates tell the same story: Burlington grew at a faster rate than adjacent UGAs and added an average of 251 jobs per year, close to Mount Vernon's average growth of 272 jobs per year despite its smaller base.

Figure 7. Employment Trends (1995 – 2005)

	Average Annual Growth Rate				Average Annual Increase			
UGA Vicinity	**Comm**	**Indust**	**Govmnt**	**Total**	**Comm**	**Indust**	**Govmnt**	**Total**
Mount Vernon	3.7%	-2.9%	3.4%	1.8%	276	-124	120	272
Sedro-Woolley	-0.2%	-0.7%	6.2%	1.3%	-3	-9	59	48
Burlington	6.0%	-2.3%	5.0%	3.0%	282	-64	33	251
Three UGAs	4.0%	-2.4%	4.1%	2.1%	555	-196	212	571

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

These trends provide a context for developing a jobs forecast for the Mount Vernon UGA that reflects both market trends and appropriate local public policy objectives.

III. 2025 JOBS FORECAST

The forecasting process involves review of alternative methodologies – including trend forecasting and an alternative recommended trend plus policy approach.

Trend Forecasts. Two basic approaches to projecting job growth from observed trends have been utilized for this analysis, as illustrated below. The *straightline* approach continues to add the average number of jobs that were added each year between 1995 and 2005; in contrast, extrapolating an average *annual growth rate* (AAGR) projects compounding growth and often results in a higher future jobs figure.

Figure 8. Employment Trends Extrapolated to 2025

Trend Extrapolation Method	Comm	Indust	Govmnt	Total	Basis
Avg. Annual Growth Rate (AAGR)	18,782	2,035	8,233	29,050	Compounded annual growth rate of 1.8% on 2005 base.
Distribution	*65%*	*7%*	*28%*	*100%*	
Straightline (Constant increase)	14,688	1,172	6,627	22,487	Annual increase of 272 (total jobs) on 2005 base.
Distribution	*65%*	*5%*	*29%*	*100%*	

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

Neither of these approaches is recommended without adjustment. One disadvantage of both approaches is that they carry forward the significant reduction in manufacturing jobs that Mount Vernon has realized over the past ten years. Both forecasts also continue to increase the dominance of the government sector within Mount Vernon's jobs mix.

Trend & Policy Approach. The recommended forecast for the Mount Vernon UGA combines observed employment trends with the policy objectives of increasing commercial sector jobs and maintaining the UGA's jobs-housing ratio. These policy objectives are intended to better serve adopted goals, policies, and objectives of the City's Comprehensive Plan.

Figure 9. Recommended Mount Vernon UGA Jobs Forecast, 2025

Steps in Forecast Generation	Commercial	Industrial	Government	Total
Project each sector to 2025 based on trend review				
1. Straight line commercial & government sectors	14,688	–	6,627	–
2. Increase industrial by 1.8% annually		5,170		
Employment Totals	14,688	5,170	6,627	26,485
Sectoral distribution	55%	20%	25%	100%
Set government job share equal to countywide share – overall increase allocated to commercial				
3. 2025 Policy Projection	19,591	5,170	6,627	31,388
Increase from step 2	4,903	-	-	4,903
New sectoral distribution	62%	16%	21%	100%
Change from 2005				
Job Increase	10,429	1,519	2,396	14,344
Percent Change	114%	42%	57%	84%
Avg. Annual Growth Rate	3.7%	1.7%	2.2%	3.0%

	Year	Estimated Households	Jobs Housing Balance	
Job: Housing Balance	2000	10,019	1.67	Observed
	2025	17,416	1.80	Goal

Note: Year 2000 Households in Mount Vernon UGA is estimate based on 2000 household size for city and 2000 population reported in ***Skagit County Population & Employment Allocation Final Report, December 2003.***

Source: Washington Employment Security, E.D. Hovee & Company, LLC.

As illustrated by the chart above, key steps involved in creating the *Recommended Forecast* are as follows. Numbered paragraphs correspond to numbers in the chart above.

1. A job forecast for each of the three primary job sectors (commercial, industrial and government) was calculated independently. *An initial trend extrapolation through 2025* was applied to the commercial and government sectors independently using a straight line approach, or constant annual increase. This means that for these two job sectors, annual job increase between 2006 and 2025 was assumed to be equal to the job increase (number of new jobs per year) observed between 1995 and 2005.

2. *Rather than projecting a continuing downward trend for industrial jobs, the 2005 industrial job base was increased by the annual average total job growth for Mount Vernon, 1995 – 2005 (1.8%).* This reflects a policy commitment to maintain and grow the city's industrial jobs base and to maintain a strong source of higher paying jobs. This commitment is reflected in the Economic Development Element of the City of Mount Vernon's 2005 Comprehensive Plan Update, which is attached as Appendix D:

- Objective ED 1.3 Sustain and expand the current industrial and manufacturing employment base.

- Policy ED 1.1.3 Increase the diversity of employment opportunities within the City.

The end result of these two steps is a total 2025 jobs figure of 26,485. However, the total jobs figure generated by this approach results in a jobs-housing balance of 1.52 in 2025, a decline from the estimated 2000 level of 1.67.[2] A declining jobs-housing balance indicates that households are growing more rapidly than jobs, leading to increased out-commuting, regional traffic congestion and decreased revenue to support the public services the City provides. City policy calls for a healthy jobs housing balance; the Land Use Element of the City of Mount Vernon's Comprehensive Plan (found in Appendix C) includes the following language:

- Objective LU-25.1 Balance residential, commercial, industrial and public land uses within the City.
- Policy LU-25.1.3 Provide adequate capacity for the City's projected residential growth and provide enough commercial/industrial areas within the City to balance residential growth.

3. *Finally a policy-based adjustment was made to improve both the UGA's target jobs-housing balance and its representation of commercial jobs in 2025* – as both variables are important to the City's economic well-being and ability to fund public services. While industrial jobs are important for wage stability, commercial (particularly retail sector) activity has become of increased importance for local government revenues due to statewide voter-approved property tax limitations. Mount Vernon has been negatively affected by the gravitation of commercial development to Burlington**.** This is due in large measure to lack of suitable development sites in Mount Vernon. Policies within the City's Economic Development Element of the Comprehensive Plan (found in Appendix D) seeking to rectify this situation include:

- Policy ED 1.2.1 Encourage retail business that increases the sales tax base of the City.
- Policy ED 1.2.4 Promote regional office and commercial enterprises in core areas of the City.

The recommended 2025 forecast targets strong commercial job growth to increase job opportunities and services available to city residents, and businesses that will provide sales tax revenue critical to fund local public services. Commercial employment also includes office-related professional, business, and health services – which can be expected to increase as local and county-wide population growth provides more of a *critical mass* necessary to support such services.

Total jobs projected (26,485) was adjusted upwards so that by 2025 government sector jobs would approximate 21% of the new total, as opposed to the 25% this sector would otherwise be anticipated to represent. This adjustment calls for a more balanced economy, and one that provides greater revenue to support local services.

This adjustment increased total Mount Vernon employment in 2025 by 4,900 jobs, to a new total of 31,388. These additional jobs were allocated to the commercial sector, bringing that sector's share of total 2025 jobs to 62%. The recommended 62%

commercial sector share is well above the original 52% share projected for the commercial sector, but still below Burlington's commercial share of 66% in 2005.

The end result is a projected average annual growth rate for Mount Vernon commercial jobs of 3.7%, equal to that sector's growth rate between 1995 and 2005. The industrial and government sectors, in contrast, are slated to diverge from historic average annual growth rates (industrial is projected to grow more rapidly, government less rapidly).

The resulting jobs/housing balance in 2025 is 1.80, representing a modest but important increase from the city's estimated 2005 level of 1.67. A strong jobs-housing balance should be expected given the countywide employment draw that government jobs represent, due to Mount Vernon's role as the largest incorporated city and service center for all of Skagit County, and due to the population allocation that the city accepted as part of the 2005 update to its Comprehensive Plan as discussed in the Introduction portion of this report.

Job growth anticipated by 2025 pursuant to this recommended forecast methodology is 14,344, which brings the UGA's 2025 employment total to 31,388. Employment growth is comprised primarily of commercial sector jobs (10,429), followed by government sector jobs (2,396) and industrial jobs (1,519).

The next step of this analysis translates projected new job growth into additional land demand by 2025.

IV. 2025 LAND DEMAND & SUPPLY

This section of the analysis converts projected employment growth to demand for commercial and industrial land. This demand is then compared to existing supply based on the existing 2005 Buildable Lands Analysis (found in Appendix A). Key assumptions in the conversion of land to employment, and net acres to gross acres, are outlined below.

Net Land Need. The 2025 land demand table translates jobs into land by combining the job forecast with assumptions about the density of future development. Existing land supply is subtracted from future land needs to determine the *net need* for additional UGA commercial and industry acreage by 2025. This initial calculation of land demand is then adjusted to reflect land constraints and other adjustments (outlined below), resulting in an estimate of *gross* land demand.

Employment Density. The density assumptions this report employs were developed as urban density standards for the 1995 Overall Economic Development Plan for Skagit County completed by E.D. Hovee & Company; which is attached as Appendix E. These assumptions are also reflected in the *2003 Updated Skagit County Employment & Land Demand Forecasts* memo, November 21, 2003; which is also attached as Appendix F.

Environmental Constraints. This report employs assumptions about average percent of land impacted by environmental constraints based upon City of Mount Vernon observed experience in recent citywide development. In its 2005 Buildable Lands Analysis report (found in Appendix A), the City provides a summary of recent single family and multi-family subdivisions and commercial and industrial parcel development. Average percent of land impacted by environmental constraints – including wetlands, streams and buffers – ranged from 10% to 17%. Using this city specific data, this report employs the weighted average of 13%.

Infrastructure. The infrastructure adjustment is also based on observed local experience. Data is available for recent residential subdivisions and commercial and industrial developments; infrastructure allotments ranged from 13% to 23% (again, included in the 2005 Buildable Lands Analysis appendices). This report employs the weighted average of 20%.

Market Factor. This adjustment reflects the fact that even within the pool of properties offered for sale or lease, not all will be equally suited to the needs of businesses looking to site or expand in the area. A market factor provides a cushion to the supply of available land to better assure that prospective users and land owners will find a match and that land pricing competitive with alternative sites regionally and beyond can be maintained.

The importance of providing both adequate holding/market factors and an inventory with a substantial representation of large, well-located sites is illustrated by Burlington's successful capture of large scale commercial development in recent years – just to the north of Mount Vernon. A factor of 25% is employed for both commercial and industrially zoned land – well within the bounds of what has been used by other Washington Counties. (For instance, Clark, Lewis, Kitsap and Mason Counties have all applied a 50% market factor to industrial lands.)

Holding Factor. This adjustment factor reflects the likelihood that a certain portion of landowners whose land is included in a UGA expansion will be uninterested in developing their land in accordance with new zoning. A factor for land in holding is recommended for Mount Vernon in part because the UGA's land supply analysis includes both vacant lots and portions of larger lots on which some development already exists. According to the 2005 Buildable Lands Analysis, 46% of all vacant land within the parcel size range this report considers is located within a remainder parcel, or a parcel on which there is existing development. Development of remainder lots requires either expansion of an existing business located on that lot, development of space for lease by the existing land owner or subdivision and sale of the undeveloped portion of the lot.

Application of a holding factor to the UGA's commercial and industrial land supply accounts for the fact that a portion of landowners will likely not be interested in developing or subdividing their lots due to factors such as an owner holding land for future (long-term) business expansion, lack of market appeal for the site, or simply lack of interest in the development opportunity. In the 2005 Mount Vernon Buildable Lands Report a similar adjustment factor was employed for residential land – of the developed properties that could be subdivided, it was assumed that 30% of property owners would not chose to do so. The Municipal Research and Services Center of Washington provided the City with examples of other jurisdictions that had utilized a similar factor to account for a property owner's unwillingness to develop his property even if zoning allows for further development.

The potential discrepancy between zoning vacant land for development and development interest on the part of landowners also exists for lots that are vacant in their entirety. This discrepancy is difficult to quantify and little empirical research has been done on the topic. This analysis employs a holding factor of 15% applied to all land as a conservative estimate to account for the fact that a portion of the land within the vacant land supply will not actually be offered for sale/development on the market.

The combined effects of these factors are illustrated by the calculations provided with Figure 10 on the following page.

Figure 10. 2025 Mount Vernon Commercial & Industrial Land Demand

	Industrial	Commercial	Government	Total Non-Industrial*	Notes
Assumptions					
Employees/net acre	6.5	20	20		Based on assumptions for urban densities in the Skagit countywide 2003 land need forecast
Land adjustments (net to gross)					
Environmental constraints	13%	13%	13%		Weighted average of documented Mount Vernon developments (Buildable Lands Analysis appendices)
Infrastructure	20%	20%	20%		Weighted average of documented Mount Vernon developments (Buildable Lands Analysis appendices)
Market factor	25%	25%	25%		To account for varying market preferences & user requirements
Land in holding	15%	15%	15%		To account for land not offered for sale
Land Demand by 2025					
Job growth by 2025	1,519	10,429	1,438	11,866	Based on 2025 employment projection. 40% of government increase excluded to approximate for school employment
Net acres needed by 2025	234	521	72	593	Total job growth divided by employees/net acre
2005 net acres supply	27	334	-	334	Existing supply is reported in net acres (2005 Buildable Lands Analysis)
Difference: net acres	207	187	72	259	Net acres needed by 2025 minus 2005 net acre supply
Adjustments to Land Demand by 2025: Net to Gross					
Environmental constraints	234	212	81	293	Adjustment to net acre demand by 2025
Infrastructure	282	255	98	353	Adjustment to net acre demand by 2025
Market factor	352	319	122	442	Adjustment to net acre demand by 2025
Land in holding	405	367	141	508	Adjustment to net acre demand by 2025
Difference: gross acres	359	325	125	450	UGA expansions will be determined in gross acreage
Total acres needed	809				

*Note: Total non-industrial is the sum of the commercial and government columns.

Source: E.D. Hovee & Company, LLC; City of Mount Vernon 2005 Buildable Lands Analysis*; Historic Commercial & Industrial Land Allocation*, EDH memo February 22, 2005.

Future employment growth (and the land it requires) will in part be accommodated by land available for development as of 2005. The 2005 Buildable Lands Analysis indicates that a total of 361 acres are currently available in lots within a potentially usable size range (27 industrial acres in parcels greater than one acre; 334 commercial acres in parcels greater than one-quarter acre). While new development interest is expected to focus on much larger size lots – based on broker and economic development council (EDASC) input as described in the following section – smaller existing lots have been included in the inventory of viable sites as they will accommodate (likely more limited) interest in smaller, infill sites. No available vacant land was identified in the report as being currently available for public (government sector) uses.

In summary, this analysis indicates need for an additional 809 *gross* acres of commercial and industrially designated land. Net land demand was translated into gross land demand through the adjustments outlined in the preceding text and Figure 10.

More than half of the identified need is for commercial zoning, 450 gross acres. Demand for commercial acres is generated through both commercial and government job growth, as many government sector jobs are sited within typical office buildings developed on commercially zoned land. (60% of total government sector jobs were estimated to locate within commercially zoned land.)

Demand for additional industrial acreage (future need minus existing supply) is estimated at 321 gross acres. Depending on precise zoning categories, it is possible that some industrial acreage may also accommodate a portion of commercial needs. An example would be Mount Vernon's combined Commercial-Limited Industrial (C-L) zone, offering greater flexibility and responsiveness to changing market conditions as they arise.

To satisfy these needs for additional commercial and industrial acreage, Mount Vernon will need to look primarily outside the existing UGA as substantial opportunities for redevelopment or re-zoning within the existing UGA are relatively limited. A particular priority for this analysis is to also address the City's policy priority for larger sites competitive in the regional market. This is based on the recognition that much of the existing inventory – dominated by small parcels – is not suitable for substantial industrial and commercial development. A discussion of parcel size appropriate to accommodate market demand follows.

IV. EXISTING AND RECOMMENDED PARCEL SIZE

A final remaining consideration is the parcel sizes associated with Mount Vernon's existing land supply. In addition to total acres, to attract and accommodate development an urban growth area's land supply should be configured in appropriately sized parcels. 'Appropriate' includes a range of sizes to meet market demand and can vary by specific industrial/commercial land use.

Existing Parcel Size Distribution. The City's existing inventory of vacant commercial and industrial lands is detailed in the following table, classified both by parcel size and whether the parcel is vacant in its entirety or is a portion of a larger parcel on which some development exists – these are referred to as remainder parcels. The table excludes industrially-zoned parcels under one acre and commercially-zoned parcels under one-quarter of an acre.

It is noted that these relatively small parcel size thresholds should not be expected to adequately address that majority of the City's employment growth needs over the 2005-2025 period. While smaller firms can utilize some smaller parcels and there may be some opportunities to assemble contiguous parcel, the majority of the need should be anticipated to be met by substantially larger parcels.

Parcel Size Limitations. Inventory results indicate that for both industrial and commercial parcels, Mount Vernon's inventory is slanted towards small parcel sizes. For commercial lots considered within this report – which excluded the smallest of lots, under one-quarter acre – 26% average one-half acre in size and another 40% average two acres.

As illustrated by the next section to this report, shifting to much larger acreage sites is recommended to be more broadly competitive to meet current commercial center requirements. Recommended is that 85% of the commercial inventory be in 10+-acre sites.

This analysis does not consider industrial lots below one acre in size – due to lack of market viability at this small size for most industrial uses. Above this size cut-off, 72% of industrial lots average just over two acres in size. Even at two acres, the inventory is substantially *out of synch* with current and anticipated market requirements. As illustrated by the next section, greater emphasis is needed in the parcel size ranges of 5-10 acres and 10+ acres.

Of the total inventory of 361 industrial and commercial acres it is noted that:

- Close to one half of the acreage is comprised of remainder rather than stand-alone parcels; these may be less likely to develop, especially for firms not currently in the Mount Vernon area.
- Mount Vernon currently has no industrial parcels of 10+ acres in size and no commercial parcels of 15+ acres in size; lack of larger parcels limits competitiveness for both uses.
- The City has identified and evaluated nine areas in which contiguous parcels with developable land (within the existing UGA) may be aggregated to form bigger parcels ranging from approximately five to 25 *net* acres under up to five ownerships. This evaluation is detailed in the narrative accompanying Map B. Aggregations are another constructive approach to shifting the UGA's vacant land supply to better match market

demands. However, these potential aggregations are not reflected within Figure 11 as aggregating parcels – particularly under separate ownerships – introduces numerous additional hurdles into the development process, and the extent of property owner interest has yet to be ascertained.

The remainder of this section of the report compares the size distribution of the UGA's existing inventory with market input on parcel sizes that would best match market demand.

Figure 11. Land Supply by Parcel Size (2005)

	10,000 sf - 1 acre		1 - 5 acres		5 - 10 acres		10 – 15 acres		15 - 20 acres		>20 acres		Total	
Type of Lot	**Parcels**	**Acres**	**Parcels**	**Acres**	**Parcels**	**Acres**	**Parcels**	**Acres**	**Parcels**	**Acres**	**Parcels**	**Acres**	**Parcels**	**Acres**
Stand Alone Parcels													93	180
Commercial	56	32	27	57	5	30	5	60	-	-	-	-	4	14
Industrial			3	6	1	8	-	-	-	-	-	-	97	193
Total	56	32	30	63	6	38	5	60	-	-	-	-	155	154
Remainder Parcels														
Commercial	117	53	35	76	2	12	1	12	-	-	-	-	155	154
Industrial			6	13	-	-	-	-	-	-	-	-	6	13
Total	117	53	41	89	2	12	1	12	-	-	-	-	161	168
All Parcels														
Commercial	173	85	62	133	7	43	6	72	-	-	-	-	248	334
Industrial			9	15	1	8	-	-	-	-	-	-	10	27
Total	173	85	71	153	8	50	6	72	-	-	-	-	258	361
Per. of acres stand alone*		60%		41%		76%		83%					38%	54%

*Note: Describes percent of existing inventory represented by parcels vacant in their entirety as opposed to remainder parcels.

Source: City of Mount Vernon, E.D. Hovee & Company, LLC.

INDUSTRIAL LAND PARCEL SIZING

Market Input. Key factors in the provision of industrial land are cost and accessibility. Don Wick, Executive Director of the Economic Development Association of Skagit County (EDASC), states that the average cost of Skagit County land is around $4 per square foot. Prices tend to be well above this range within Mount Vernon, around $8 per square foot, in part due to the location of many industrial lots along the freeway. Much of this land is along I-5 in South Mount Vernon.

To encourage new industrial investment within Mount Vernon, Wick sees providing lower cost land options as being of fundamental importance. Current development patterns for higher priced Mount Vernon land indicate a relatively slow development pace for this higher cost land. Development that does occur is limited to those industrial or manufacturing companies that most need direct freeway visibility. Land that is not developed is under pressure to transition to commercial zoning.

In terms of access, EDASC does not see Mount Vernon as necessarily better positioned than other areas of Skagit County outside of the city. The biggest need regarding access is for *larger sites* served by rail; Wick describes demand for these sites as on the rise – which corresponds with recent experience generally throughout the Pacific Northwest and U.S.

The most typical request for industrial sites currently is within the five to ten acre range. Anything below three acres is considered 'very small' for industrial development, particularly for manufacturing employment (which tends to be higher density and higher income).

EDASC receives inquiries for land above the 10 acre range as well. Although these are less frequent, Mount Vernon has virtually no inventory of these parcels at present. In effect, EDASC is most frequently unable to work with such requests given the historic unavailability of this parcel size.

Existing & Recommended Supply. Mount Vernon's existing land supply includes only a single parcel of land zoned for industrial use larger than five acres (the parcel is eight acres). An additional nine parcels are available in the one to five acre range; the average size of these parcels is 2.1 acres, below the size range of the bulk of industrial land inquiries.

In light of this mismatch between the city's existing supply and market demand, it is recommended that industrial lands brought into the City's UGA consist primarily of larger parcels. The following table illustrates one potential distribution to reach the city's estimated land need. Total acres are equivalent to 2025 demand for gross industrial acres (359) minus infrastructure (20%). Acreage ranges are intended to describe actual parcel size, deducting for roads but not for environmental constraints.

Figure 12. Recommended Industrial Parcel Size Distribution

	# of Parcels	Avg Size (acres)	Total Acres	% of Total
3-5 acres	12	4	48	17%
5-10 acres	22	8	176	62%
10+ acres	4	15	60	21%
	38	7	284	100%

Source: E.D. Hovee & Company, LLC.

COMMERCIAL LAND PARCEL SIZING

Market Input. The appropriate range for commercial sites is more difficult to generalize, as it varies by retail type. Commercial real estate brokerage firms describe numerous types of retail currently missing from not only the Skagit County market, but the entire region north of Seattle. These retail types could be targets for growth, and include hard goods – automobiles, boats, motorcycles – and retailers that target disposable income, such as higher quality home furnishings, clothing and electronics.

Mount Vernon is geographically well-positioned to serve as a retail hub for a multi-county region, and retailers have yet to catch up with the changing demographics of northwest Washington State. The key question is whether area incomes will continue to increase on their current trajectory to attract retailers that have previously by-passed the Skagit County and in some cases the entire northern Puget Sound market.

In terms of the form that new retail development would take, one commercial realtor stated that the largest need for Mount Vernon retail space is for a large format lifestyle center. This center type is currently the dominant forms of retail development, comprising 43% of new retail construction nationwide in 2005. A power center and/or lifestyle center would require around 20 – 40 acres (corresponding to a building size range of 250,000 to 450,000 square feet at a 0.30 lot coverage ratio). One commercial realtor stated that retailers tend to follow one another and lifestyle centers are the current trend. Mount Vernon currently has no parcels available in this size range.

Urban retail is another prominent development type at 30% of nationwide construction (Shopping Centers Today, January 2006). Urban retail development has clustered in regions in which in which the urban core is supported by strong housing growth and demographics. In less densely developed areas, larger format retailers tend to dominate local commercial construction trends.

Smaller retail centers have become less successful over the past few years, largely due to the financial struggles of their traditional anchor – the neighborhood grocery store. For example, large format grocers (Wal-Mart, Costco) have exerted pressure on mid-size and mid-priced grocers such as Safeway and Albertsons, evidenced in their recent quarterly losses (last two quarters of 2005), struggles to maintain market share, closure of weaker stores and lack of new store expansion.

Neighborhood centers comprised just 8% of retail construction in 2005. Even these smaller neighborhood centers generally require anywhere from 10 – 25 acres. While Mount Vernon does have commercial sites in the 10-15 acre range, none are available at 15+ acres.

In terms of capturing new retailers and significantly impacting Mount Vernon's retail sales tax base, targeting larger format retailers and centers that will house higher-end retailers may be the City's best bet.

Reinvestment in existing commercial space is another important component of accommodating commercial growth and ensuring responsible land use. Downtown Mount Vernon was described as having sufficient and appropriately sized leasing opportunities but as in need of investment (including flood protection and parking improvements) to help it serve more effectively as a more substantial retail destination. Additional housing units, parking and the completing of the on-going waterfront revitalization effort were also cited as keys to supporting downtown commercial space.

The other commercial hub cited as in need of additional investment was the Riverside Drive and East College Way area, where buildings have not been upgraded in 20 years and at this point are behind current retail trends. The aging character of this corridor coupled with lack of consistent reinvestment will draw tenants away from the commercial corridor and towards newer space opportunities.

Existing & Recommended Supply. The City's supply of commercial space, like its industrial land inventory, is dominated by small lots – one-quarter average 0.5 acres, another 40% average two acres. For commercial use, lots smaller than one acre have not been omitted given the in-fill potential they represent.

A recommended distribution of new land focuses exclusively on parcels larger than five acres, and includes several very large parcels (three at 40 acres) to accommodate and provide market selection for a possible regional lifestyle or other format retail center.

Figure 13. Recommended Commercial Parcel Size Distribution

Parcel Size	# of Parcels	Avg Size (acres)	Total Acres	% of Total
5 acres	5	5	25	7%
10 acres	11	10	110	31%
20 acres	5	20	100	28%
40 acres	3	40	120	34%
Total	24	15	355	100%

Source: E.D. Hovee & Company, LLC.

Use of larger parcels is not limited only to retail use. In particular, parcels in the 20-40 acre range can be appropriate candidates for office and business parks. The target total commercial square footage is equal to the 2025 gross demand for commercial land (450 acres including government jobs in commercial settings) minus a 20% deduction for roads and infrastructure. Again,

recommended size distribution is intended to describe actual parcel size, deducting for roads but not for environmental constraints.

COMMERCIAL & INDUSTRIAL PARCEL LOCATION

While evaluating the suitability of unincorporated land surrounding Mount Vernon's existing UGA is beyond the scope of this report, realtors interviewed did express opinions about what locations are most viable from a market perspective.

For commercial development, highway access and highway visibility were consistently cited as key criteria. These characteristics are especially important to large format retailers and larger retail centers (e.g. lifestyle centers). Mount Vernon's ability to attract these retail types is in part dependent on the provision of sufficiently large commercial lots with easy arterial/highway access and highway visibility.

In contrast, for many industrial businesses highway visibility is not as important. More important is land that is priced right – within the $4 per square foot range. Second to this may be access, the ability for materials to move in and out of the site with ease. Access via arterials and highways is important. Parcels with rail access are especially hard to come by; rail access should be a criteria considered in allocating future industrial land.

Evaluating the accompanying Map A and taking the above-referenced factors into account (i.e., highway visibility, availability of large lots and easy access), it appears that the City will be need to look outside of the existing UGA to site the needed commercial and industrial acreage. Areas to the east of Interstate 5 are largely zoned for residential uses needed to accommodate the population that the City is slated to receive through the year 2025. While the City's Buildable Lands Analysis does indicate that the City has a supply of residentially zoned land slightly in excess of what may be needed, the location of the undeveloped residentially zoned land – generally in the eastern portion of the City – is undesirable for siting commercial or industrial developments given its indirect access and for commercial uses, lack of visibility.

VII. MOUNT VERNON LAND ALLOCATION HISTORY

This needs analysis concludes with a review of land allocation for industrial and commercial use dating to the inception of planning pursuant to the 1994 statewide Growth Management Act. This section summarizes that history to provide a context for understanding and documenting Mount Vernon's continued shortage of commercial and industrial land. Attachment G is a 2005 E.D. Hovee & Company memo analyzing the City's historic commercial and industrial land allocations.

Initial GMA Plan. Mount Vernon's UGA boundary has not been amended since its initial adoption in 1996. Upon adoption in compliance with the Growth Management Act (GMA), Mount Vernon's UGA was understood to include 771 acres of vacant commercial and industrial land and 489 acres of developed commercial and industrial land. In the past 10 years, numerous studies have been completed with the intent to better define the City's available land supply and to demonstrate the need for additional commercial/industrial land allocations.

2000 Update. In 2000, Mount Vernon was allocated 98 acres of commercial/industrial land via the Countywide Planning Policies adoption. However, this allocation was never actually assigned (the actual UGA boundary was never changed). Translated to gross acres – meaning increasing the allocation to account for environmental constraints, infrastructure and a holding factor – this equates to roughly 146 acres. The 98 acre figure already incorporated a market factor.

Current Update Process. A second Mount Vernon UGA allocation process is currently underway. With this process, 90 acres are proposed to be allocated to Mount Vernon as part of the county's 2005 Comprehensive Plan update. The anticipated completion date for that project is August 2006. These acres are not associated with actual parcels at this stage; the assignment of specific parcels would be a second step. As proposed, the allocation also describes net acres (but including market factor); it corresponds to roughly 134 gross acres according to the methodology employed in this report.

Figure 14. Discrepancies in Mount Vernon UGA Land Assumptions

Acres	Notes
489	Original UGA estimate, for *developed* commercial and industrial land as of UGA adoption
771	Original UGA estimate, *vacant* for commercial and industrial land as of UGA adoption
1,260	Original UGA estimate, *total* for commercial and industrial land
146	Gross acre equivalent of recommended 98 net acre increase for vacant commercial and industrial land via Countywide Planning Policies 1.1 (adopted in 2000). Acreage recommended was never assigned.
134	Gross acre equivalent of anticipated 90 acre allocation for vacant commercial and industrial land via the 2005 Skagit County Comprehensive Plan update. Represents net rather than gross acres. Update anticipated complete in August 2006; acreage not yet assigned.
1,5390	Theoretical UGA total for commercial and industrial land, 2006
1,218	Actual UBG total for commercial and industrial land, 2006
322	Difference between planning documents and actual land inventory.

Source: *Historic Commercial & Industrial Land Allocations, February 22, 2005*, E.D. Hovee & Company; interview with Skagit County planning department staff; City of Mount Vernon; City of Mt Vernon 2005 Buildable Lands Analysis.

Report's Relation to Previous Work. While this report diverges from the methodology of previous county-wide employment forecasts, its results are consistent with previous work. The percent of County *employment* capture this report recommends is only slightly higher than the percent of County *population* capture allocated to Mount Vernon through the 2003 Population & Employment Allocation process, detailed in the report attached as Appendix B.

County planning staff has described the on-going 90 acre allocation as derived from a countywide employment and land demand forecast completed by E.D. Hovee & Company in 2003 (Appendix F). That report called for a total of 65,100 countywide jobs (excluding self-employed residents) by 2025, a population-driven projection that increased labor force participation slightly according to state trends but otherwise held the jobs to population ratio constant. A portion of countywide projected employment growth and associated land needs (the majority) was then allocated to Mount Vernon as follow-up to that study.

This report contrasts with the 2003 Countywide Employment Forecast in that it provides a policy-driven, city-specific employment projection incorporating both observed job growth trends and policy objectives to increase the City's jobs/housing ratio and its share of the region's commercial employment. It calls for 31,388 jobs within the Mount Vernon UGA by 2025, or 48% of the 2025 countywide employment total projected through the 2003 E.D. Hovee & Company study.

With the recommended allocation, Mount Vernon's 2025 share of countywide employment (projected in 2003) is thus only slightly higher than Mount Vernon's share of 2025 countywide population growth as allocated through the 2005 Skagit County population allocation process (see Figure 1). The 2005 Skagit County population allocation process called for Mount Vernon to capture 42% of countywide population growth by 2025.

The discrepancy between these capture rates – 48% of countywide job growth and 42% of countywide population growth – is justified by Mount Vernon's need to compensate for past

population growth that has outpaced employment growth, eroding its jobs housing balance and ability to support services for its growing residential base.

Summary Notes. This updated 2006 *Commercial & Industrial Land Needs Analysis* represents a fresh look at both supply and demand based on 2005 employment, 2025 employment projections and 2005 land supply via a city-specific perspective. As such, previously allocated acres should not be construed as being *in addition* to the need for additional acres by 2025 documented with this updated analysis.

However, Mount Vernon's history of past demonstrated need without any corresponding actual land assignment does provide an important context to understanding the challenge the City has faced in providing the job base needed for local economic vitality. Of particular importance has been the inability to provide land zoned for employment uses in parcels large enough both to meet market demand and to sufficiently increase the community's commercial jobs share. The result has been inadequate growth of jobs and services to support Mount Vernon's rapidly growing residential population.

ENDNOTES

[1] Information for this report has been compiled from sources that are specifically cited within the body of this report. E.D. Hovee & Company, LLC does not guarantee the accuracy of information from third party sources.

The findings and conclusions contained in this report are those of the author. They should not be construed as representing the opinion of any other party prior to their express approval – whether in whole or in part.

[2] The 2000 Mount Vernon UGA jobs-housing figure was derived from the 2000 UGA population estimate as reported by Berryman & Henigar and the 2000 UGA job count as reported by Washington State Employment Security. The average City of Mount Vernon household size (Census) was applied to the UGA population to determine households within the UGA geography.

2005 Buildable Lands Analysis

Prepared By:
Development Services Department
910 Clevelend Ave. / P.O. Box 809
Mount Vernon, WA 98273
(360) 336-6214
Fax: (360) 336-6283
Contact: Jana Hanson or Rebecca Bradley

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BACKGROUND

There are six (6) counties in Washington State that are mandated to complete buildable lands inventories per an amendment to the Growth Management Act (GMA) in 1997 (RCW 36.70A.215); however, Skagit County is not one of the six (6). Even though there is not a State mandate to do so, the City feels strongly that the only way to decide the future vision of the City is to have an accurate account of the existing lands available for development. To this end, the City made a commitment to complete an in-depth inventory of the available buildable land within the City limits and the urban growth areas (UGAs) during its 2005 Comprehensive Plan update.

After looking at the way in which other counties in the State have inventoried their buildable lands, the City devised a methodology and data collection system that is described in the following sections. The methodology utilizes what was deemed as the best available information and reasonable methodological assumptions have been made. All information sources are cited and the methodological assumptions are explained in this document.

This inventory will provide the City with a coordinated system for collecting and monitoring data with regard to growth and development occurring within the City and the UGAs even after the 2005 Comprehensive Plan update process. City staff will be able to update this inventory as often as needed to provide City officials with the information they will need in the future to recommend sound planning policies.

BUILDABLE LANDS TARGET

The Buildable Lands analysis shows that the City is able to accommodate the additional residential growth anticipated through the year 2025. The following table shows the population allocation that was agreed to in 2003 by the Growth Management Act Steering Committee, which is comprised of City and County representatives.

Table 1.1: Population Allocation and Target

Jurisdiction (City & UGAs)	2000 Population	2025 Allocation	Population to Accommodate	Less Population Accommodated from 2000 to 2003	Target Population	Target Population Converted to Dwelling Units
Mount Vernon	28,332	47,900	19,568	2,857	16,711	6,076

Between 2000 and 2003 the City issued 1,039 residential building permits. The 2000 census established that the average household size in the City is 2.75 people. Using this information, it can be assumed that the City accommodated 2,857 people between 2000 and 2003. So, the number of people that the City is tasked with accommodating through the year 2025 can be reduced to 16,711 people. By taking the average household size of 2.75 the City can calculate the number of households needed, which would be 6,076.

The following analysis took into account the 1,039 residential building permits issued between 2000 and 2003 to make sure that these units were not counted as parcels were additional homes could be constructed to meet the 6,076 household target.

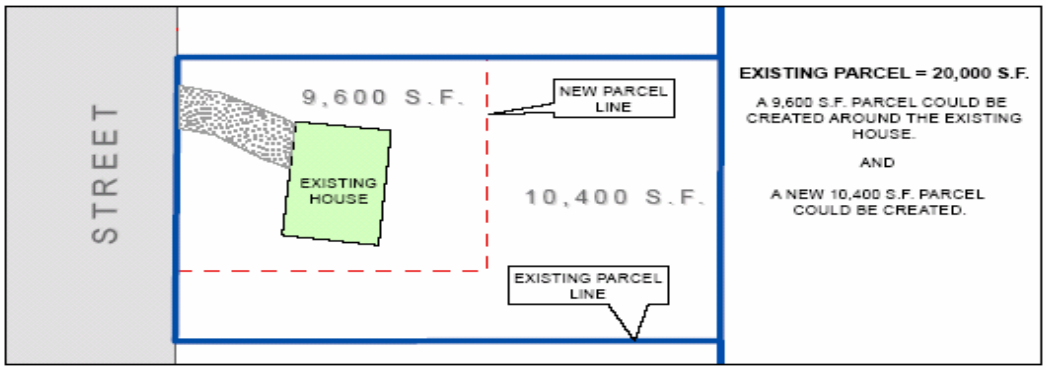
RESIDENTIAL LANDS

To quantify the amount of land currently occupied with residential structures, and the amount of land available for future residential development, a current Skagit County Assessor's parcel map with an aerial photograph overlay was downloaded into the City's Geographic Information System (GIS). For each parcel zoned Residential Agricultural (R-A), Single-Family Residential District (R-1), Two-Family Residential District (R-2), Multifamily Residential District (R-3) and (R-4) and Residential Office (R-O) the following base information was tabulated:

- Lot size.
- Minimum lot size for the zoning district in which the parcel is located.
- Approximate square footage of residential structures including any accessory structures such as garages or storage buildings greater than 200 square feet in size. Structures 200 square feet in size or less were not quantified as they are not regulated by the City building code and these types of structures are generally movable.
- Approximate square footage of critical areas including wetlands, streams, floodways or areas of geologic hazard, and their associated buffers. Please see the section labeled: *Critical Areas and their Buffers*, for additional information on how these areas were identified and quantified.

Following the collection of the above-referenced "base information" each **vacant** parcel zoned R-A, R-1, R-2 and R-O was then evaluated to see if there was land on that same parcel equal to the minimum lot size of the zoning designation of the parcel not encumbered by the applicable base data. If there was square footage over the minimum zoning requirements, the minimum lot size was divided into the square footage not encumbered by the "base data" to see how many lots could be created up to nine (9) additional lots.

If there was an existing structure on a parcel, the minimum lot size of the zoning district in which the house was located was subtracted from the gross parcel area to see if additional lots could be created on the parcel. For example, if a parcel zoned Residential-1, with a 9,600 square foot minimum lot size was 20,000 square feet it size and it had an existing home on it, the existing home would be tabulated and it would be assumed that one (1) additional lot could be created.



Parcels that had existing structure(s) that were found to have enough square footage to create additional lots were also evaluated to make sure that the placement of the existing structure(s) did not preclude additional development on the parcel. There were over 200 parcels within the Residential zones were further development was not possible because the existing structure(s) were placed in a way (generally near the middle of the parcel) making it impossible to subdivide and construct another home.

In situations where more than nine (9) lots could be created on a parcel after taking out the "base data" and dividing the "left over" square footage by the minimum lot size dictated by the zoning of the site; an additional twenty percent (20%) of the square footage was taken out of the area that could be used to create lots to account for the roads and stormwater facilities necessary to serve these lots. The threshold of nine (9) lots was chosen as the City allows short plats up to nine (9) lots and the City allows private streets to serve short plat developments. Private streets are usually located within easements and the area of the private street is part of the lot that is created.

The twenty percent (20%) roads and stormwater facilities figure was determined by looking at the streets and detention areas needed to serve ten (10) plats located throughout the City. All of the plats chosen, with the exception of the Rosewood P.U.D., were submitted to the City between 2002 and 2005. Each of the plats was analyzed to see how much of the original parcel was necessary to provide for streets and utilities. On average, it was found that 23% of the gross site area was needed for roads and stormwater facilities. To account for future technologies and reduced right-of-way widths for roads (that will likely be utilized in the future) twenty percent (20%), instead of twenty-three percent (23%) was used for this calculation. Reduced right-of-way widths on developments will be utilized to a greater extent in future developments because in January 2005 the City adopted new road standards that in most cases will reduce right-of-way widths from 60 feet to 47 feet, or less on some types of roads within a plat. Copies of the referenced plats and calculations are contained in **Appendix A**.

For parcels zoned R-2 and R-2A that were between 6,000 and 7,599 square feet in size it was assumed that one (1) single-family home would be constructed, per the City zoning ordinance. On parcels 7,600 square feet or larger, 7,600 was divided into the area of the parcel to determine how many duplex units could be constructed.

The City's Comprehensive Plan allows for a density of between 12 and 18 dwelling units per acre on sites zoned R-3 and R-4. The range in density is due to the fact that increases in density can be achieved by going through a planned review process, by providing parking under the proposed apartment buildings or by developing affordable housing. For parcels with these zoning designations a density of 13 dwelling units per acre was calculated from the gross acreage of the parcel if it was greater than 7,600 square feet in size. This density was determined by analyzing five (5) multi-family developments that had been submitted between 1998 and 2004 in the City and taking an average of the densities on these developments. **Appendix B** contains a table of the multi-family development that were analyzed.

For parcels zoned R-3 and R-4 that were between 6,000 and 7,599 square feet in size, per the City zoning ordinances, it was assumed that one (1) dwelling unit would be constructed, and for parcels that were 7,600 square feet in size it was assumed that a duplex unit would be constructed.

Within developments that have had Master Plans approved by the City Council; such as the Eaglemont and Skagit Highlands P.U.D.s, the future development potential was ascertained by evaluating the densities that their respective Master Plan allowed for, because these plans have the most accurate site specific information as they have already completed a planned process.

The City has 239 parcels which equal approximately 576 acres of property currently zoned Residential-Agricultural (RA) within the current City limits. Of the 239 RA zoned properties, 227 have an existing Comprehensive Plan designation of: Medium or High Density Single Family or Low to Medium High Density Multi-family. These parcels were categorized into the zoning designation that is consistent with their Comprehensive Plan designations. For example, parcels that had a Comprehensive Plan designation of Medium Density Single-Family were assumed as having a zoning designation of Single-Family Residential with a 9,600 square foot minimum lot size. Through the 2005 Comprehensive Plan update process the City will be putting Goals, Policies and Objectives and development regulations into effect that will encourage the rezoning of these RA properties. In addition, through the 2006 Comprehensive Plan update process the City will contact the property owners of all of these parcels and offer to complete a City initiated rezone to make all of these parcels consistent with their Comprehensive Plan designations.

COMMERCIAL, INDUSTRIAL AND RETAIL LANDS

To quantify the amount of land currently occupied with commercial, industrial and retail structures and the amount of land available for these types of developments; again a current Skagit County Assessor's parcel map with an aerial photograph overlay was downloaded into the City's Geographic Information System (GIS). For each parcel zoned Professional Office (P-O), Limited Commercial (LC), Central Business (C-1), General Commercial (C-2), Community Commercial (C-3), Neighborhood Commercial (C-4), Commercial/Limited Industrial (C-L), Light Manufacturing and Commercial (M-1) and Industrial (M-2) the following base information was tabulated:

- Lot size.
- Approximate square footage of any structures including any accessory structures such as garages or storage buildings greater than 200 square feet in size. Structures 200 square feet in size or less were not quantified as they are not regulated by the City building code and they are generally movable.
- Approximate square footage of discernable impervious surfaces such as driveways or parking lots.
- Approximate square footage of any detention or water quality facilities on the site.
- Approximate square footage of critical areas including wetlands, streams, floodways or areas of geologic hazard and their associated buffers.

Following the collection of the above-referenced "base information" each parcel was then evaluated to see if there was at least 10,000 square feet of contiguous land available on the same parcel that was not encumbered by the base data. If there was more than 10,000 square feet of land not encumbered by the base data, ten percent (10%) of the square footage was taken out to account for roads and utilities. The remaining square footage was then tabulated.

The ten percent (10%) that is taken out of the square footage for roads and utilities was determined by evaluating three (3) commercial/industrial developments within the City's UGA that were created between 1997 and 2003. These developments were utilized instead of developments within the City because Skagit County (who had jurisdiction over the development standards on these parcels) required that stormwater facilities for all of the proposed lots within the development be constructed prior to the subdivision of the sites. The City of Mount Vernon does not require this when a site is developed; instead the City requires stormwater facilities on a site by site basis following the subdivision of a parcel. The road and infrastructure requirements are comparable between the City and Skagit County as both jurisdictions mandate the use of the 1992 Department of Ecology's, Stormwater Manuel for the Puget Sound Basin, and the commercial/industrial road standards are similar. In **Appendix C** is a table of the three (3) above-referenced developments.

A 10,000 square foot lot size was chosen as the minimum lot size for a stand alone development after looking at 73 commercial/industrial lots within the City and finding that the average lot size of these lots was 1.44 acres. A table of these lots is contained in **Appendix D**. The smallest lot found in these developments was 10,000 square feet in size. Therefore, the assumption was that if a commercial/industrial lot with an existing development had between one (1) and 9,999 square feet of land not encumbered by the base data, that this area will be utilized by the existing development for future expansion. For lots that did not have any existing development; the square footage of these lots was tabulated even if they were less than 10,000 square feet in size.

The configuration of the commercial, industrial and retails lands available for development was also taken into consideration, because there were parcels where even through there appeared to be enough square footage for either an expansion of an existing building or for a new building to be constructed, the shape of the individual lot would prohibit it. The columns labeled "Summary" within **Table 1.4** has this square footage taken out the totals shown in these two columns.

PUBLIC LANDS

To quantify the amount of land currently occupied with public uses, which include areas with Comprehensive Plan designations of: Government Center (G), Churches, Community College, Schools (CH, CC, S), Community Park, Neighborhood Park (CP) and Open Space / Cemetery (OS); which usually have a zoning designation of Public (P), again a current Skagit County Assessor's parcel map with an aerial photograph overlay was downloaded into the City's Geographic Information System (GIS). For each of these parcels the following base information was tabulated:

- Lot size.
- Approximate square footage of any structures including any accessory structures such as garages or storage buildings greater than 200 square feet in size. Structures 200 square feet in size or less were not quantified as they are not regulated by the City building code and they are generally movable.
- Approximate square footage of discernable impervious surfaces such as driveways or parking lots.
- Approximate square footage of any detention or water quality facilities on the site.
- Approximate square footage of critical areas including wetlands, streams, floodways or areas of geologic hazard and their associated buffers.

The publicly zoned areas where tabulated; but not analyzed as areas for future development because for existing church and school sites a majority of the parcels analyzed showed that most of the site is currently utilized or Master Plans have been completed showing that future development is envisioned. In the case of parks, the open space areas are just that, open space, where development will likely not occur. Cemeteries were also not considered as developable areas as it is likely that unused land within existing cemeteries will be used for future burial sites.

CRITICAL AREAS AND THEIR BUFFERS

The City has several general mapping tools that identify potential critical areas within the City. For the purposes of this inventory, critical areas that were evaluated include streams, wetlands, floodways and steep slopes.

Streams

In 2001, the City hired Shannon & Wilson (S&W) to inventory the existing streams within the City and to provide general locations of suspected wetlands. A majority of the stream segments were walked from their confluence to their headwaters by biologists from S&W. There were instances where private property access did not allow a biologist to walk a stretch of stream; however, aerial mapping was used to fill in these areas. As a result of this work, the City has a useful set of maps with the locations of our stream systems shown.

In 2003, the City hired Jones & Stokes to complete a critical area update for the City. Part of this update included categorizing streams within the City and assigning new buffer widths. To date, Jones and Stokes has categorized the streams within the City as fish bearing, perennial and intermittent. Figures 1 through 4 identify the mapped streams. The streams shown in red are the fish bearing streams, the orange streams are perennial and the yellow streams are intermittent.

Exclusively for the purposes of this inventory, it was assumed that the inner management zones recommended by the initial work completed by Jones and Stokes would be considered undevelopable. This in no way implies that the City will adopt these buffer widths in 2006 when the development regulations for critical areas are officially adopted.

This means that for fish bearing streams (shown in red) a 75-foot buffer, for perennial streams (shown in orange) a 50-foot buffer, and for intermittent streams (shown in yellow) a 35-foot buffer was identified and assumed unusable for development. The buffer widths applied to both sides of a stream.

Table 1.2: Jones and Stokes Stream Buffers Utilized

Stream Type	Color on Map	Inner Buffer Width
Fish Bearing Stream	Red	75 feet
Perennial	Orange	50 feet
Intermittent	Yellow	35 feet

Wetlands

The City had reconnaissance level wetland mapping done by Shannon & Wilson (S&W) in 2000. This information proved to be the most difficult element to factor into the buildable lands analysis. This information was difficult to use because it is far more general than the stream, floodway or steep slope information is. The S&W wetland mapping is a compilation of soil information from the U.S. Soil Conservation Service, the National Wetland Inventory maps, the Department of Natural Resources mapping, a handful of actual delineation reports that had been previously submitted to the City, aerial photography, and windshield surveys by S&W biologists. This report states that, "this inventory is only an approximation of wetlands within the City limits and the UGA boundary" (1).

Comparing the wetlands shown on the S&W mapping and actual wetland reports and delineations generally shows that the S&W maps identify more wetland areas on a site than what is actually found when the site is evaluated by a biologist. **Appendix E** contains a table of 17 plats, P.U.D.s and developments and compares the approximate percentage of the site shown as wetlands by the S&W mapping and the known percentage of wetlands plus their buffers that have actually been delineated on each site. On the sites where more wetlands were shown than delineated by a biologist, on average, the S&W mapping showed 68% more wetland areas.

Even though a majority of the sites evaluated showed more wetlands on the S&W maps than what was actually delineated, there were exceptions. For instance, the area where the Plat of T.J. Townhouses was developed (Section 16, Township 34 North, Range 4 East, W.M.) there was only a 4% difference between what was shown on the S&W map and what was delineated, and the Plat of Big Fir (Section 28, Township 34 North, Range 4 East, W.M.) has 2% more wetlands delineated on the site versus what was shown on the S&W map.

Because of the significantly stronger trend of the S&W map to identify more wetland areas than actually exist, and because a property owner could go through the necessary steps to obtain approvals from the Corps of Engineers and the Department of Ecology to fill portions of wetlands that may exist on their property, it was assumed that if a wetland was shown on a parcel forty percent (40%) of what was shown was considered undevelopable.

After completing the first run of the buildable lands model assuming that forty percent (40%) of an identified wetland area would be considered un-developable, a second run was completed to ensure that the analysis did not understate the amount of wetlands that could be delineated within the City. The second run of the analysis assumed that sixty percent (60%) of an identified wetland area would be considered un-developable.

Floodways

Areas that have been classified on a Flood Insurance Rate Map (FIRM), which is mapped by the Federal Emergency Management Agency (FEMA), as being a floodway have been deemed undevelopable for this inventory as FEMA will not allow new development within these areas. There are areas in the City where there is existing development in areas designated as floodways; and these areas were tabulated, but as stated above, it was assumed that no new development would occur on these parcels.

The area located to the north of East Stewart and Hoag Roads, east of Interstate-5 and west of the Burlington-Northern railroad tracks was not considered as an area where additional homes would be constructed due to the close proximity of the existing levee system to the Skagit River. The analysis only tabulated the existing homes in this area.

Steep Slopes

Digital orthophotographic mapping was created for the City in the summer of 2000 by Entranco and Triathlon Mapping. This mapping was then used to create topographic maps for the City. The digital topographic maps were utilized to identify slopes over forty percent (40%) that were then considered undevelopable for this inventory. In addition, and in accordance with the current Mount Vernon Municipal Code (MVMC) 15.40.150, a 25-foot buffer from the top, toe and sides of any areas with a slope over forty percent (40%) was also deemed undevelopable.

CONCLUSIONS

The following tables identify the zoning designations within the City, the type and amount of development on those parcels, and the amount of land left for development.

Table 1.3, the Buildable Lands Residential Summary, shows that 11,207 additional residential lots could be created within the City and its associated UGAs. Utilizing the average household size of 2.75 people per household (which was calculated by the 2000 U.S. Census) 11,207 lots would equal a population of 30,816. This is in excess of the 16,711 people that the City has been tasked to accommodate through the year 2025.

To make certain the Buildable Lands Analysis does not overstate the number of additional lots that could be created, several factors have been applied to the base residential calculation. The first factor assumes that thirty percent (30%) of the potential lots would not be created due to a property owner's unwillingness to subdivide their property even if the City's zoning code would allow it. The second factor increased the assumption with regard to the amount of wetlands assumed present within the City from a forty percent to a sixty percent (40% to 60%) assumption. With the application of both factors the number of potential lots is reduced to 7,495 which would accommodate a population of 20,608, which is 3,897 people more than what the City has been tasked to accommodate.

In addition to the factors applied to the available residentially zoned lands discussed above, a total of 155 acres of residentially zoned lands were also subtracted out of the UGAs to account for future public uses. It was assumed that the Mount Vernon School District would need 55 acres for future schools (this breaks down to 20 acres for two (2) new elementary schools, 15 acres for one (1) additional meddle school, and twenty acres for another middle or high school

site). A total of 50 acres was subtracted out for future police, fire or other City or public uses; and another 50 acres was subtracted out for public uses such as churches and parks. The number of lots and the population information provided in **Table 1.3** reflects the subtraction of the 155 acres.

Additional controls were applied to the methodology utilized in determining the number of additional potential residential lots to make sure that the calculations were conservative. First, all calculated numbers were rounding down. Second, density increases that could be utilized by a developer such as the twenty percent (20%) density increase for a Planned Unit Development or the additional unit per acre that could be achieved by purchasing Transfer of Development Rights (TDRs) was not taken into account at all within the methodology. In addition, within the C-1, C-3 and C-4 districts it is possible to permit residential development and these possible housing units have also not been taken into consideration.

In conclusion, the Buildable Lands Analysis clearly shows that the City will be able to accommodate the residential growth allocated to the City through the year 2025. As areas are developed within the City the density achieved will be monitored and the Buildable Lands Analysis will be updated yearly to ensure that the densities projected within this document are realized.

TABLE 1.3: BUILDABLE LANDS INFORMATION FOR RESIDENTIAL LANDS

EXISTING ZONING	TOTAL NUMBER OF EXISTING PARCELS	TOTAL ACREAGE	TOTAL NUMBER OF EXISTING RESIDENCES	TOTAL NUMBER OF VACANT PARCELS THAT ARE BUILDABLE		TOTAL NUMBER OF ADDITIONAL POTENTIAL LOTS		ADDITIONAL POPULATION (ADDITIONAL POTENTIAL LOTS MULTIPLIED BY THE AVERAGE HOUSEHOLD SIZE (2.75 PERSONS PER 2000 CENSUS))	
				40% WETLAND FIGURE	60 % WETLAND FIGURE	40% WETLAND FIGURE	60 % WETLAND FIGURE	40% WETLAND FIGURE	60 % WETLAND FIGURE
Restidential-1, 6.0 (6,000 s.f. lot size)	1,996	441	1,828	91	91	348	348	957	957
Restidential-1, 6.0 (6,000 s.f. lot size) in UGA	162	79	149	13	13	208	194	572	533
Residential -1, 7.6 (7,600 s.f. lot size)	1,479	406	1,385	22	22	312	303	858	833
Residential -1, 7.6 (7,600 s.f. lot size) in UGA	1	20	1	0	0	42	38	115	104
Residential-1, 9.6 (9,600 s.f. lot size)	1,918	1,526	1,616	119	119	2,664	2,594	7,326	7,133
Residential-1, 9.6 (9,600 s.f. lot size) in UGA	775	2,269	563	145	145	5,375	5,069	14,781	13,939
Residential -1, 13.5 (13,500 s.f. lot size)	958	666	843	73	73	1,017	1,015	2,796	2,791
Residential -2 and Residential-2A (duplexes and townhouses)	99	39	144 units	1	1	38	29	104	79
Residential-3 (Multi-family)	815	258	2,500 units	27	27	608	527	1,672	1,449
Residential-4 (Multi-family)	61	34	381 units	5	5	71	66	195	181
Residential –Office (residential office)	3	1	1	1	1	2	2	5	5
Eaglemont Planned Unit Development	1	650	258	N/A	N/A	522	522	1,435	1,435
Mobile Home Park	61	113	701 mobile homes	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS:	**8,329 parcels**	**6,502 acres**	**10,370 residences plus 701 mobile homes**	**498 parcels**	**498 parcels**	**11,207 lots**	**10,707 lots**	**30,816 people**	**29,439 people**
Thirty Percent (30%) Reduction in Lots and Population to Account for Property Owners Who Would Not Subdivide Their Property Even If They Could Per the City's Zoning Ordinance:						**7,845 lots**	**7,495 lots**	**21,572 people**	**20,608 people**
Number of Lots and Population Over Target Identified in Table 1.1:						**1,769 lots**	**1,419 lots**	**4,861 people**	**3,897 people**

TABLE 1.4: BUILDABLE LANDS INFORMATION FOR COMMERCIAL, INDUSTRIAL AND RETAIL ZONED LAND

EXISTING ZONING	TOTAL NUMBER OF EXISTING PARCELS	TOTAL ACREAGE	NUMBER AND SQUARE FEET OF VACANT STAND ALONE PARCELS < 2,000 S.F. [1]		NUMBER AND SQUARE FEET OF VACANT STAND ALONE PARCELS BTWN. 2,000 AND 10,000 [1] S.F.		NUMBER AND SQUARE FEET OF DEVELOPED PARCELS THAT HAVE < 2,000 S.F. [1] OF LEFT OVER AREA		NUMBER AND SQUARE FEET OF DEVELOPED PARCELS THAT HAVE BTWN. 2,000 AND 10,000 S.F. [1] OF LEFT OVER AREA		NUMBER AND SQUARE FEET OF PARCELS BTWN.10,000 S.F. AND 43,560 S.F. (1 AC.) [1] STAND ALONE OR DEVELOPED		NUMBER AND SQUARE FEET OF PARCELS BTWN. 43,560 S.F. (1 AC.) AND 217,800 S.F. (5 AC.) [1] STAND ALONE OR DEVELOPED		NUMBER AND SQUARE FEET OF PARCELS 217,800 S.F. (5 AC.) [1] AND GREATER STAND ALONE OR DEVELOPED		SUMMARY STAND ALONE AND DEVELOPED PARCELS 2,000 TO 10,000 S.F. NUMBER OF PARCELS AND S.F. OF PARCELS THAT COULD BE UTILIZED [2]		SUMMARY STAND ALONE AND DEVELOPED PARCELS 10,000 S.F. AND LARGER NUMBER OF PARCELS AND S.F. OF PARCELS THAT COULD BE UTILIZED [2]	
			NUMBER	S.F.	NUMBER	S.F.	NUMBER	S.F.	NUMBER	S.F	NUMBER	S.F	NUMBER	S.F	NUMBER	S.F.	NUMBER	S.F.	NUMBER	S.F.
Central Business (C-1)	250	45	42	9,606	8	49,961	156	38,286	38	161,151	6	51,664	0	0	0	0	8	48,592	2	20,580
General Commercial (C-2)	569	519	17	12,618	32	177,255	280	113,356	135	627,808	74	1,486,266	20	1,965,278	11	2,795,247	62	679,084	79	5,252,927
Community Commercial (C-3)	6	3	0	0	1	6,503	3	1,480	0	0	2	61,394	0	0	0	0	0	0	2	26,916
Neighborhood Commercial (C-4)	11	10	0	0	0	0	1	1,802	5	41,213	4	61,742	1	45,818	0	0	3	26,164	4	89,065
Professional Office (P-O)	70	32	6	3,120	4	30,103	19	8,241	29	127,348	11	297,272	1	72,768	0	0	7	39,377	12	341,219
Limited Commercial (LC)	1	.5	0	0	0	0	0	0	0	0	1	10,993	0	0	0	0	0	0	1	10,993
Commercial/ Limited Industrial (C-L)	282	455	24	4,631	23	133,035	50	24,506	62	366,739	78	1,710,018	38	3,506,354	7	2,224,944	85	499,774	117	7,327,370
Light Manufacturing and Commercial (M-1)	96	49	21	2,840	9	58,151	31	8,844	21	103,813	13	229,782	0	0	1	333,158	30	161,964	14	562,940
Industrial (M-2)	102	90	13	2,074	15	99,641	19	8,774	15	63,669	27	514,136	13	898,094	0	0	14	90,988	21	593,050
Community Retail (C-R)	11	14	2	494	3	18,357	0	0	0	0	4	103,868	2	216,634	0	0	3	10,944	6	320,502
TOTALS:	**1,398 parcels**	**1,217.5 acres**	**125 parcels**	**35,383 s.f. or .81acre**	**95 parcels**	**573,006 s.f. or 13.15 acres**	**559 parcels**	**205,289 s.f. or 4.71 acres**	**305 parcels**	**1,491,741 s.f or 34.24 acres**	**220 parcels**	**4,527,135 s.f or 103.92 acres**	**75 parcels**	**6,704,946 s.f. or 153.92 acres**	**19 parcels**	**5,353,349 s.f. or 122.89 acres**	**212 parcels**	**1,556,887 s.f. or 35.74 acres**	**258 parcels**	**14,555,562 s.f. or 333.92 acres**

[1] *Values without "base data", as defined within the text of the 2005 Buildable Lands Analysis..*

[2] *Values Without "base data" (as defined within the text of the 2005 Buildable Lands Analysis) plus the configuration of the area without the base data was analyzed and only areas configured in such a way as to allow expansion of an existing structure or the sting of another structure were included in the summary information.*

TABLE 1.5: BUILDABLE LANDS INFORMATION FOR PUBLIC DESIGNATIONS

EXISTING USE	TOTAL ACREAGE
Churches - Public	48.98 acres
City Parks	656.33 acres
City Property	78.21 acres
Skagit Valley College	59.75 acres
Private Ownership	178.37 acres
Public Entity (YMCA, Dike District, PUD #1, etc.)	85.92 acres
Schools	191.59 acres
Skagit County	35.08 acres
Public Lands Total:	**1,334 acres** (258 parcels)

APPENDIX A
RESIDENTIAL SUBDIVISIONS

Plat Name	Gross Site Area	Number of Building Lots Created	Gross Density in dwelling units per acre (du/acre)	Area of Delineated Wetlands, Streams and their Associated Buffers	Area of Road and Utilities	% of Site Encumbered by Wetlands, Streams and their Associated Buffers	% of Site Encumbered by Roads and Utilities
Big Fir North P.U.D. 28, 34N, 4E	12.87 acres	52	4.0 du/acre	1.73 acres	3.87 acres	13%	30%
Rosewood P.U.D. 9, 34N, 4E	37.02 acres	152	4.1 du/acre	4.87 acres	7.7 acres	13%	20%
Plat of Northwoods 9, 34N, 4E	9.70 acres	33	3.4 du/acre	None	1.9 acres	N/A	20%
Kulshan Ridge P.U.D. 17, 34N, 4E	7.67 acres	33	4.3 du/acre	1.70 acres	1.97 acres	22%	26%
Plat of Gilbert's Addition 21, 34N, 4E	5.3 acres	23	4.3 du/acre	.629 acres	.464 acres	12%	17% of lots 1-14 which it serves
Trumpeter Meadows 16, 34N, 4E	8.4 acres	34	4.0 du/acre	.4 acres	1.9 acres	5%	23%
Trumpeter Meadows, Phase II [1] 16, 34N, 4E	3.9 acres	15	3.8 du/acre	.02	1.04 acres	< 1%	27%
Eastgate South [1] 21, 34N, 4E	7.8 acres	27	3.5 du/acre	.36 acres	1.72 acres	5%	22%
Spinnaker Cove, Div. 2[1] 15, 34N, 4E	6.47 acres	14	2.2 du/acre	2.23 acres	1.09 acres	34%	17%

Highland Greens[1] 9,34N, 4E	52.04 acres	262	5.0 du/acre	.4 acre	15.18 acres	.01 %	29%
TOTALS:	**151.17 acres**	**645**		**12.34 acres**	**36.83 acres**		
AVERAGES:						**10.4%**	**23%**

[1] Plat has received preliminary approval but not final approval as of January 2005.

APPENDIX B
MULTI-FAMILY DEVELOPMENTS

Name of Development	Zoning Utilized	Gross Site Area	Number of Units Constructed or Permitted	Comprehensive Plan Density Allowed	Actual Density
LaVenture Apartments LU04-086	R-4	3.99 acres	68	12-18[1] du/acre	17 du/acre
Archdiocesan Apartments CUP99-3	R-3	4.2 acres	50	10-18[2] du/acre	11 du/acre
Kulshan Apartments CUP98-1	R-3	3.69 acres	38	10-18[2] du/acre	10 du/acre
Salem Village Apartments CUP98-2	R-4	7.9 acres	90	12-18[1] du/acre	11 du/acre
Vintage Apartments CUP02-007	R-4	7.8 acres	154	12-18[3] du/acre	19 du/are
TOTALS:		**23.88 acres**	**321**		
AVERAGES:					**13.6 du/acre**

[1] The range in density is due to considerations being given for planned review and/or the provision of affordable housing.

[2] The range in density is due to considerations being given for planned review, providing affordable housing and parking under the proposed buildings.

[3] This development received a density bonus for specialized housing for the elderly.

APPENDIX C
COMMERCIAL/INDUSTRIAL DEVELOPMENTS WITH INFRASTRUCTURE

BSP Name	Site Zoning & Entire Site Area	Number of Lots Created	Area of Road and Utilities	Area of Delineated Wetlands, Streams and their Associated Buffers	% of Site Encumbered by Wetlands, Streams and their Associated Buffers	% of Site Encumbered by Roads and Utilities
Western Peterbilt BSP L99-0003 32, 34N, 4E	C-L 21.35 acres	9	3.49 acres	1.09 acres	5%	16%
Anderson Road LLC PL03-0071 29, 34N, 4E	C-L 7.5 acres	4	.87 acre	1.02 acres	14%	12%
Hilde Commercial Facility BSP 97-0361 29, 34N, 4E	C-L 24 acres	12	2.96 acres	N/A	N/A	12%
TOTALS:	**52.85 acres**	**25**	**7.32 acres**	**2.11 acres**		
AVERAGES:					**9.5%**	**13%**

APPENDIX D
COMMERCIAL/INDUSTRIAL DEVELOPMENTS

BSP Name	Site Zoning	Number of Lots Created	Size of Lots Created
M.G. Hollander, etal MV-3-93 18, 34N, 4E	C-2	4	1.5 acres 3.4 acres 2.1 acres 1.9 acres
Alvin R. Aiken MV-2-94 17, 34N, 4E	C-2	2	.23 acre .36 acre
College Way Marketplace MV-1-94 18, 34N, 4E	C-2	14	5.0 acres .40 acre .87 acre .69 acre .77 acre .65 acre 3.9 acres 1.4 acres .74 acre .72 acre 4.3 acres 4.3 acres 4.2 acres 1.0 acre
Dai Sung Enterprise MV-1-99 18, 34N, 4E	C-2	4	1.7 acres .63 acre .52 acre .52 acre
Keith S. Johnson BSP 5-99 17, 34N, 4E	C-2	2	.98 acre 1.2 acres
Olsen College Way Property, LLC MV-3-00 17, 34N, 4E	C-2	2	.84 acre .82 acre
Mount Vernon Elks Lodge MV-4-01 18, 34N, 4E	C-2	3	2.4 acres .86 acre 1.2 acres
Jefferson Land Company, LLC MV-BSP-02-001 17, 34N, 4E	C-2	5	.81 acre 1.43 acres .48 acre .48 acre .48 acre

Scott Wammack MV-01-03BSP 17, 34N, 4E	C-2	2	.57 acre .77 acre
Riverside Business Park – BSP MV-01-01 17, 34N, 4E	C-2	1	.76 acre
BSP MV 1-98 BSP 17, 34N, 4E	C-2	7	.45 acre .40 acre .61 acre .61 acre .61 acre .36 acre .36 acre
Riverside Business Park – BSP MV-01-01 17, 34N, 4E	M-1	2	.84 acre 1.1 acres
Western Peterbilt BSP L99-0003 32, 34N, 4E	C-L	9	1.0 acre 1.0 acre 1.1 acres 1.8 acres 1.0 acre 1.0 acre 1.0 acre 4.5 acres 4.5 acres
Anderson Road LLC PL03-0071 29, 34N, 4E	C-L	4	1.6 acres 1.7 acres 1.3 acres 1.5 acres
Hilde Commercial Facility BSP 97-0361 29, 34N, 4E	C-L	12	.92 .6 1.05 1.24 1.21 1.22 1.26 4.00 1.02 1.84 1.40 5.31
TOTALS:		**73**	**105.29 acres**
AVERAGES:			**1.44 acres**

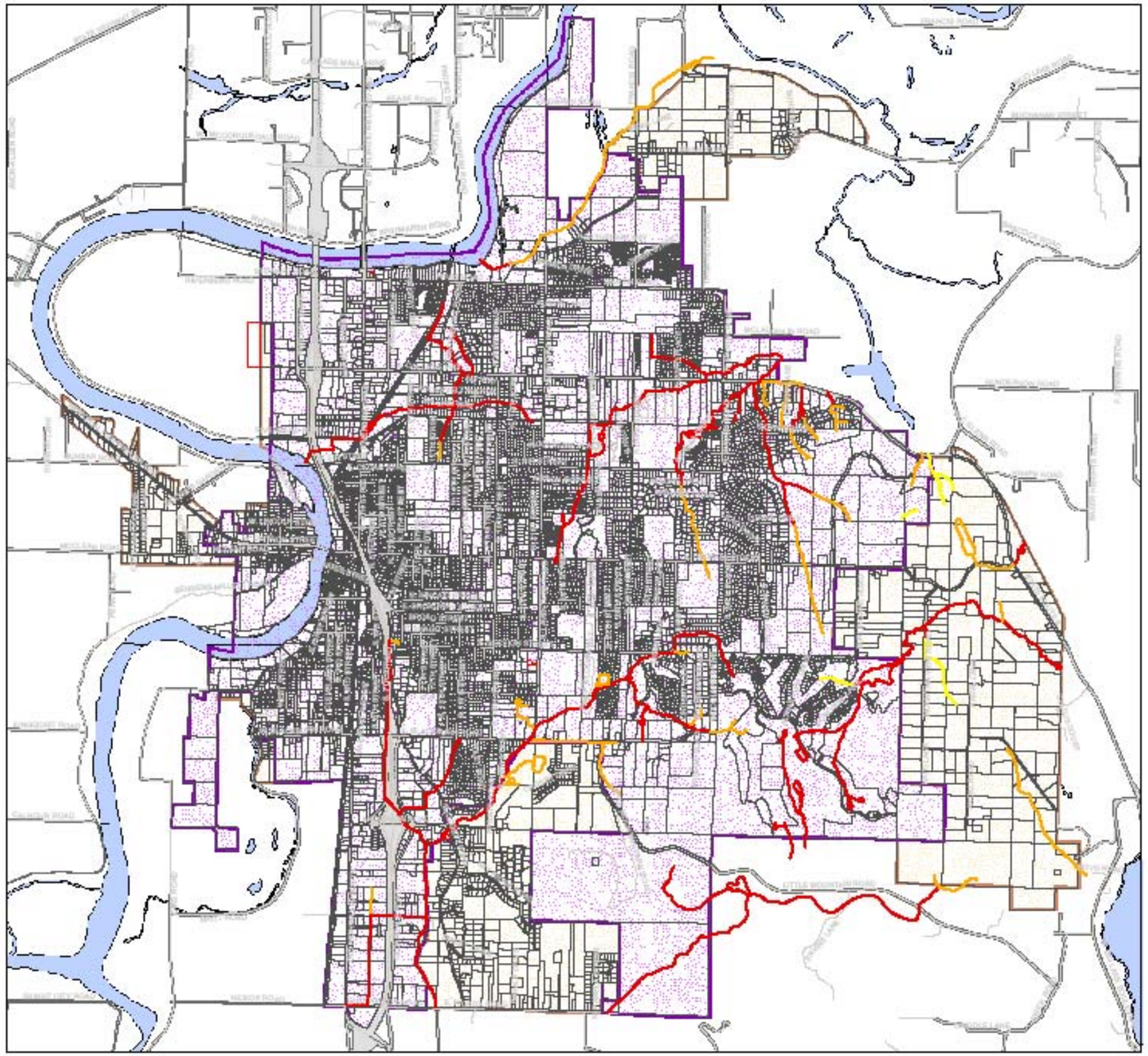
APPENDIX E
DEVELOPMENTS WITH DELINEATED WETLANDS

Plat Name	Gross Site Area	Number of Building Lots Created	Area of Delineated Wetlands Associated Buffers	% of Site Encumbered by Wetlands and Associated Buffers	~ % of Site Shown Encumbered by Wetlands on the City Indicator Map	Difference between Actual Wetland and Buffers and What is Identified on City Indicator Map
Rosewood P.U.D. 9, 34N, 4E	37.02 acres	152	4.87 acres	13%	100%	87%
Plat of Gilbert's Addition 21, 34N, 4E	5.3 acres	23	.629 acres	12%	35%	38%
Trumpeter Meadows 16, 34N, 4E	8.4 acres	34	.4 acres	5%	90%	85%
Trumpeter Meadows, Phase II [1] 16, 34N, 4E	3.9 acres	15	.02	< 1%	90%	89%
Eastgate South [1] 21, 34N, 4E	7.8 acres	27	.36 acres	5%	100%	95%
Spinnaker Cove, Div. 1 15, 34N, 4E	1.66 acres	7	0 acres	N/A	100%	100%
Spinnaker Cove, Div. 2[1] 15, 34N, 4E	6.47 acres	14	2.23 acres	34%	85%	51%
Highland Greens[1] 9,34N, 4E	52.04 acres	262	.4 acre	.01 %	60%	59%

Kulshan Ridge P.U.D. 17, 34N, 4E	7.67 acres	33	1.18 acres	15%	100%	85%
Plat of TJ Townhouses 16, 34N, 4E	2.19 acres	35	1.89 acres	86%	90%	4%
Security Investors Short Plat 9, 34N, 4E	2.09	2	0 acres	N/A	100%	100%
Plat of Northwoods 9, 34N, 4E	9.70 acres	33	0 acres	N/A	80%	80%
Big Fir P.U.D. 28, 34N, 4E	12.87 acres	52	.24 acre	2%	0%	2% (more on-site than shown on City indicator map)
Olsen College Way Property, LLC 17, 34N, 4E	1.66 acres	2	.01 acre	1%	45%	44%
Keith S. Johnson BSP 17, 34N, 4E	2.17 acres	2	.19 acre	9%	40%	31%
College Way Pump Station Site 15, 34N, 4E	.37 acre	N/A	0 acres	N/A	100%	100%
Short Plat PL01-0915 23, 34N, 4E	9.53 acres	2	1.81[2]	19%	65%	46%
TOTALS:	**170.84 acres**	**695**	**14.23 acres**			
AVERAGES:				**16.75%**	**80%**	**68%**

[1] Plat has received preliminary approval but not final approval as of January 2005.

[2] Wetland areas without buffers as the area of the buffers could not be calculated from the plat map.



LEGEND

STREAM CATEGORIES

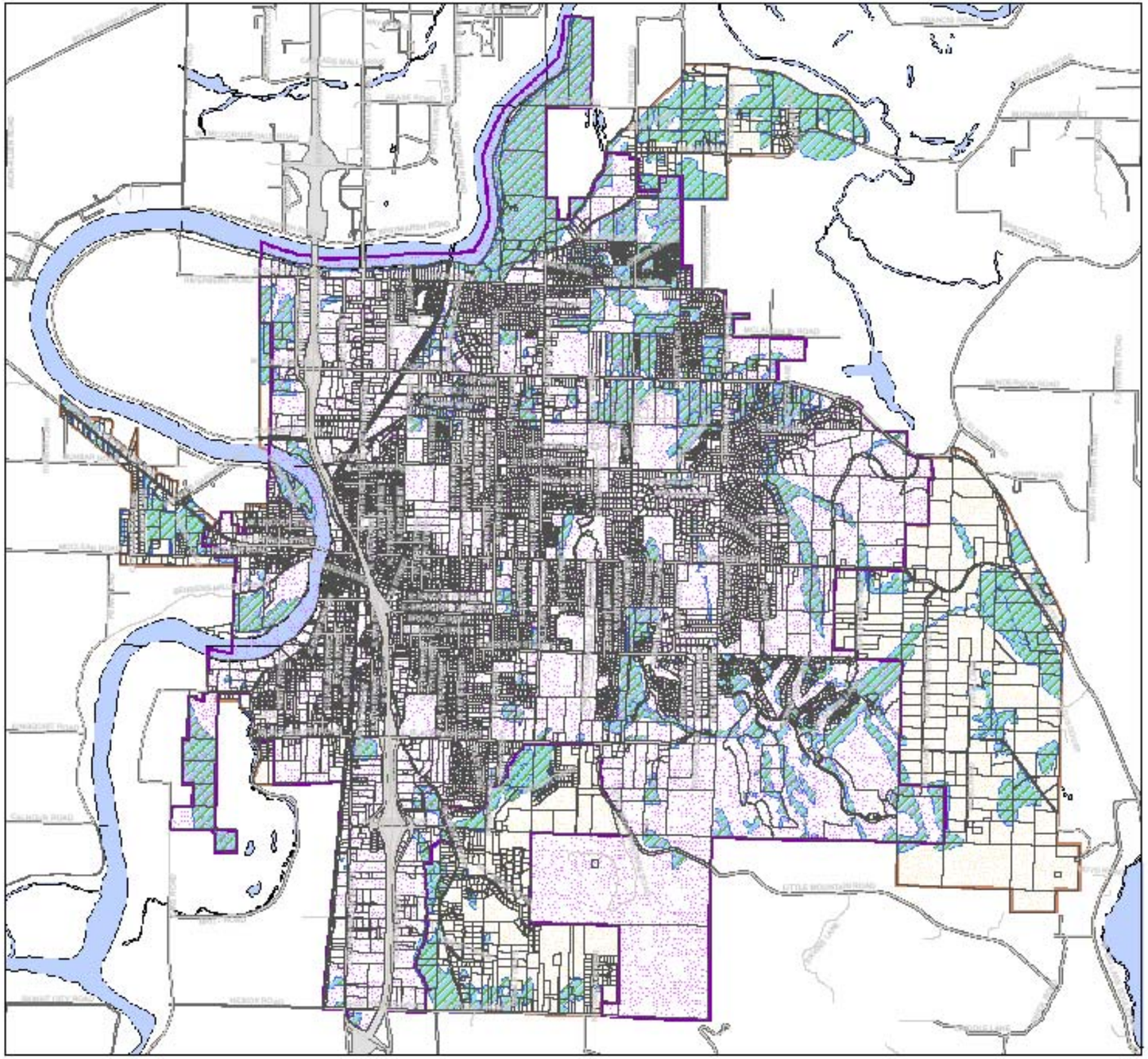
- FISH BEARING
- PERENNIAL
- INTERMITTENT
- INCORPORATED CITY LIMITS
- URBAN GROWTH AREAS

MAP 1

0 0.5 1 Miles

N W E S

CITY OF MOUNT VERNON
STREAMS CATEGORIZED BY
JONES & STOKES



LEGEND

WETLANDS
INCORPORATED CITY LIMITS
URBAN GROWTH AREAS

MAP 2

0 0.5 1 Miles

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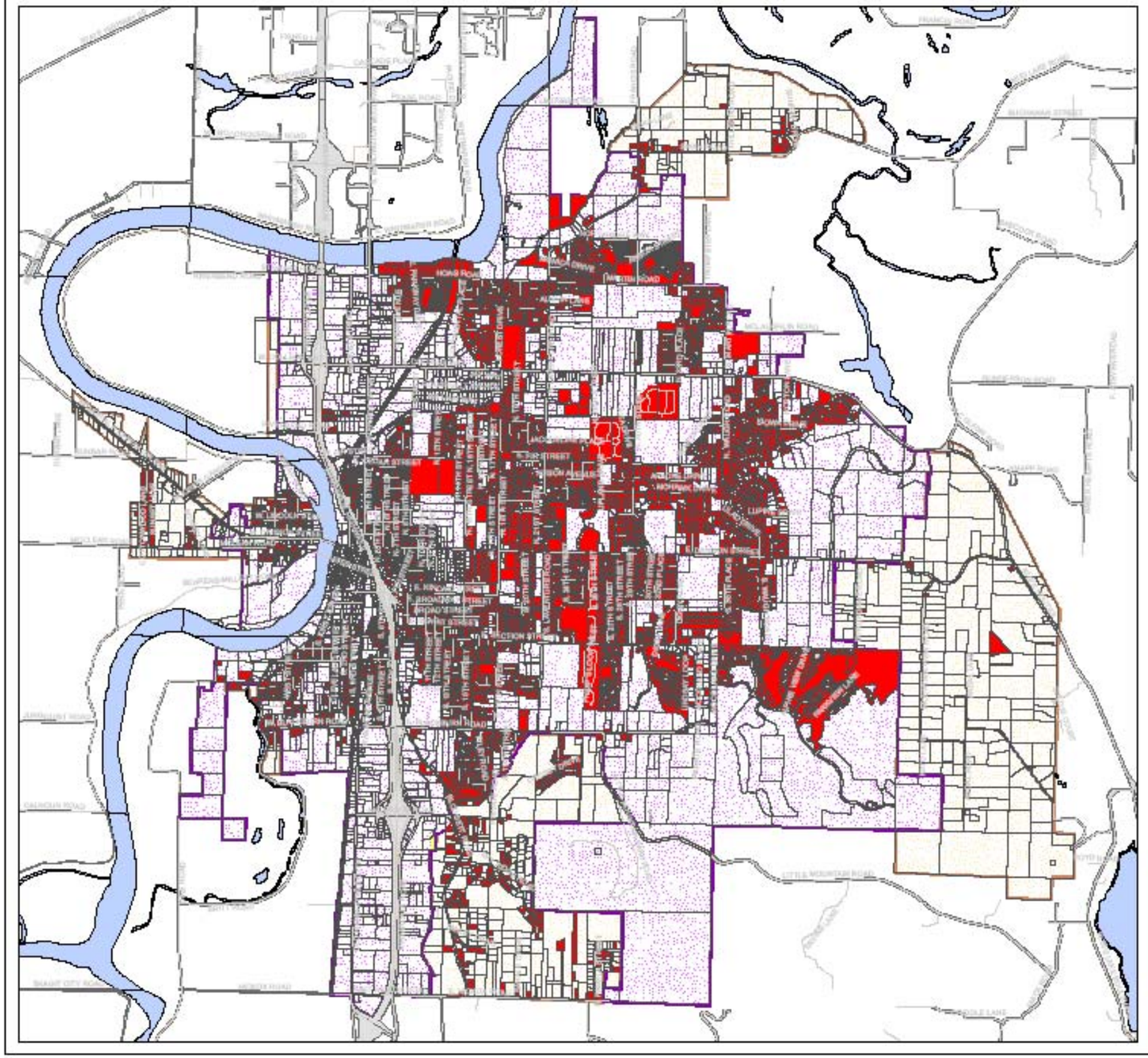
CITY OF MOUNT VERNON
WETLANDS IDENTIFIED BY
SHANNON & WILSON



LEGEND

NO DEVELOPMENT POTENTIAL

INCORPORATED CITY LIMITS

URBAN GROWTH AREAS

MAP 3

0 0.5 1 Miles

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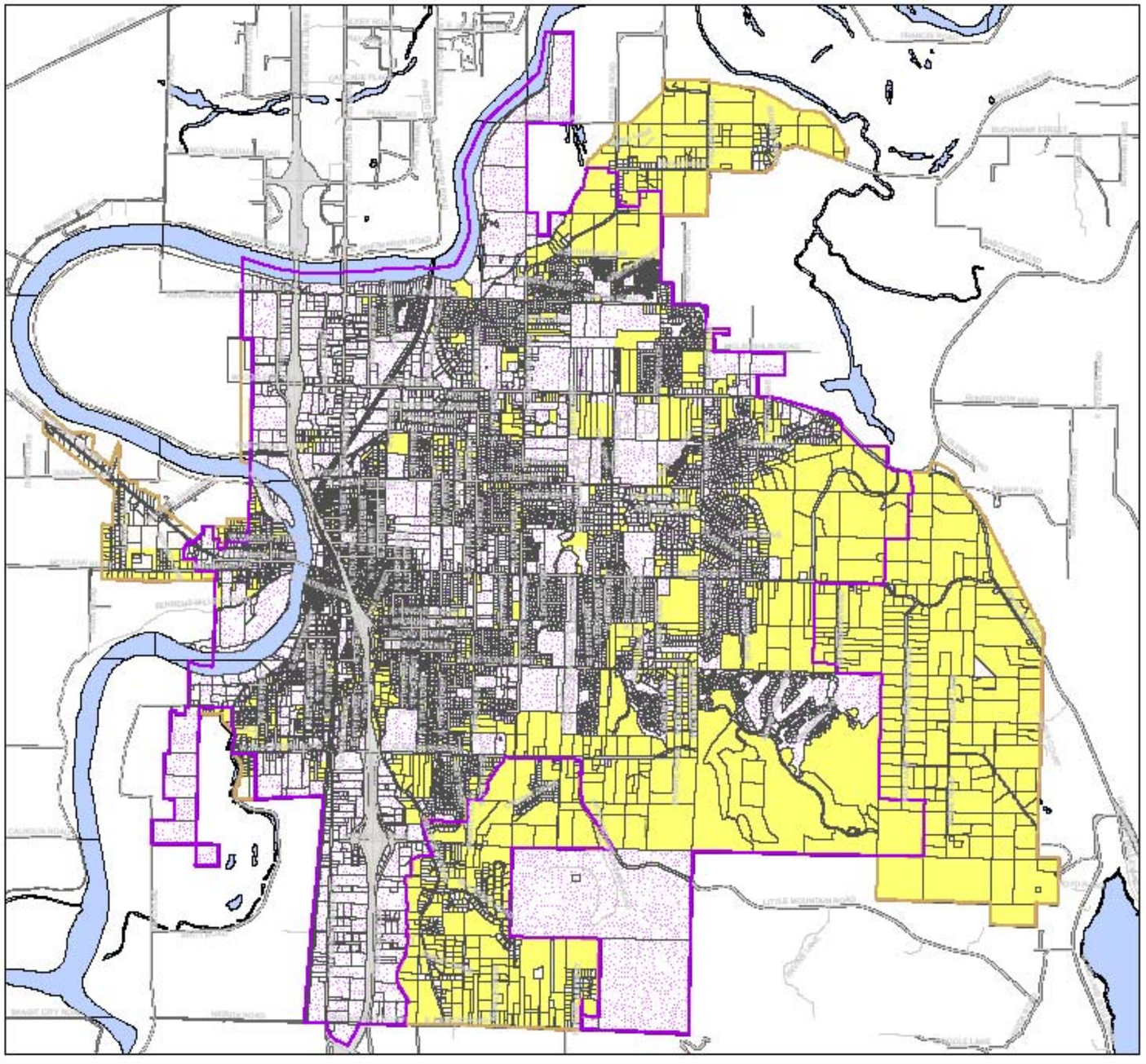
CITY OF MOUNT VERNON
RESIDENTIAL PARCELS WITH
NO DEVELOPMENT POTENTIAL



LEGEND

DEVELOPMENT POTENTIAL
INCORPORATED CITY LIMITS
URBAN GROWTH AREAS

MAP 4

0 0.5 1 Miles

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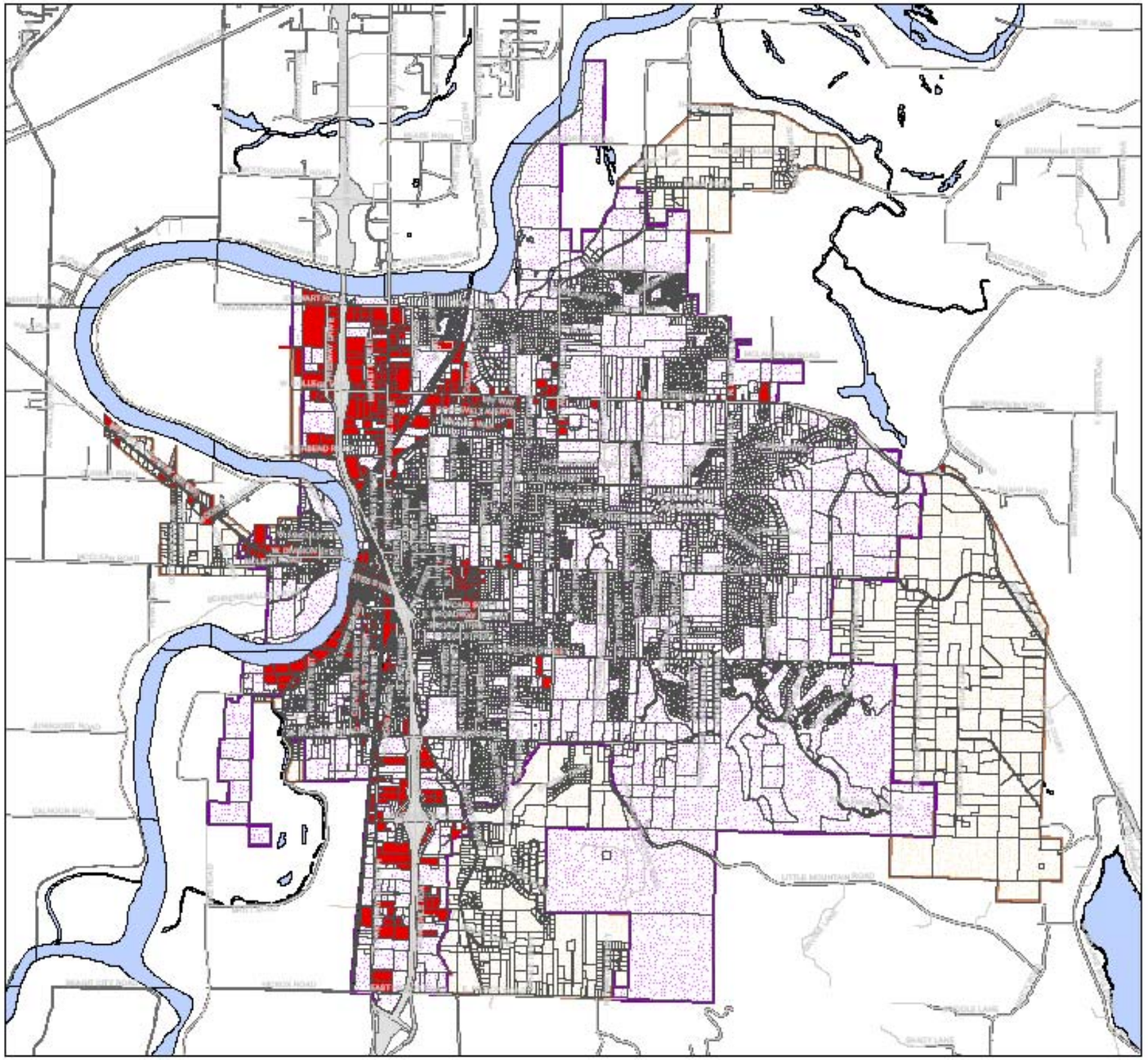
CITY OF MOUNT VERNON
RESIDENTIAL PARCELS WITH
DEVELOPMENT POTENTIAL



LEGEND

NO DEVELOPMENT POTENTIAL

INCORPORATED CITY LIMITS

URBAN GROWTH AREAS

MAP 5

0 0.5 1 Miles

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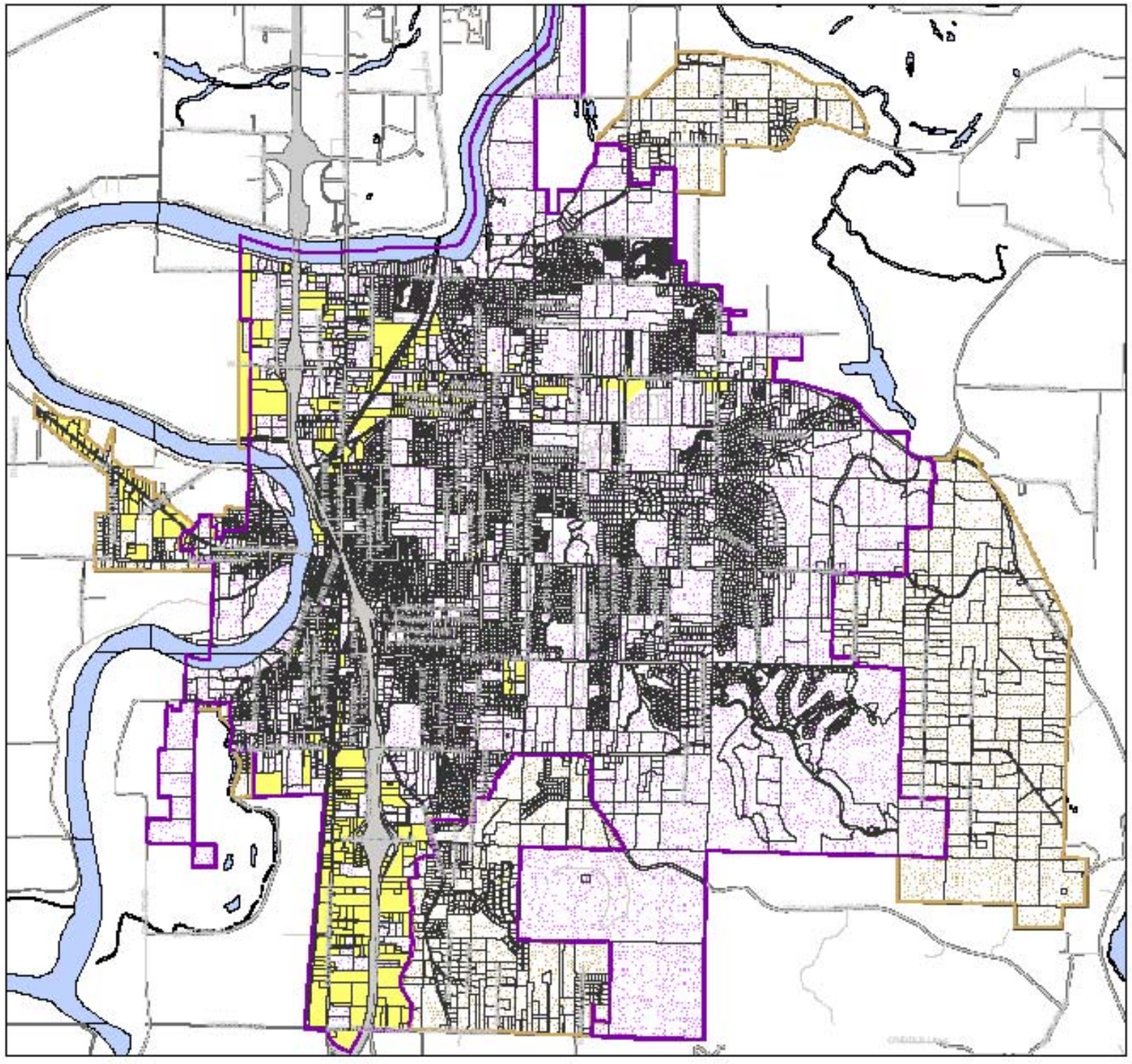
CITY OF MOUNT VERNON
COMMERCIAL PARCELS WITH
NO DEVELOPMENT POTENTIAL



LEGEND

DEVELOPMENT POTENTIAL

INCORPORATED CITY LIMITS

URBAN GROWTH AREAS

MAP 6

0 0.5 Miles

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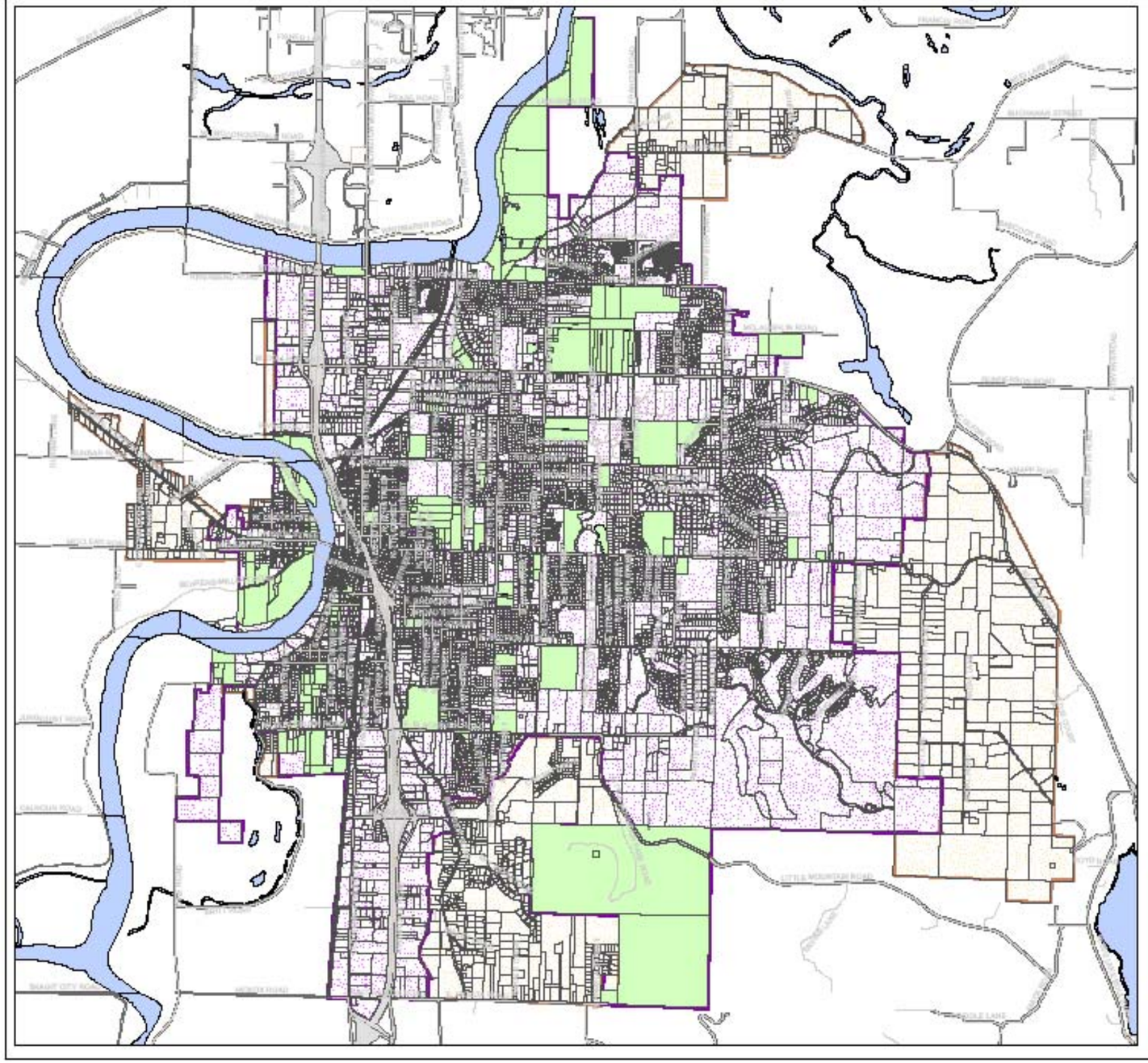
CITY OF MOUNT VERNON
COMMERCIAL PARCELS WITH
DEVELOPMENT POTENTIAL



LEGEND

PUBLIC LANDS

INCORPORATED CITY LIMITS

URBAN GROWTH AREAS

MAP 7

0 0.5 1 Miles

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CITY OF MOUNT VERNON
PUBLIC LANDS

POPULATION & EMPLOYMENT FORECASTING & ALLOCATION 2025

Skagit County, Washington
and the cities of
Anacortes
Burlington
Concrete
Hamilton
La Conner
Lyman
Mount Vernon
Sedro-Woolley

December, 2003

Berryman & Henigar, Inc. in association with Michael J. McCormick

ACKNOWLEDGEMENTS

Skagit County Growth Management Act Steering Committee

Kenneth A. Dahlstedt, Don Munks, & Ted W. Anderson,
Skagit County Commissioners
H. Dean Maxwell, Mayor of Anacortes
Roger "Gus" Tjeerdsma, Mayor of Burlington
Eron Berg, Mayor of La Conner
Skye Richendrfer, Mayor of Mount Vernon
Sharon Dillon, Mayor of Sedro-Woolley

Skagit County Growth Management Act Technical Advisory Committee

Gary Christensen AICP, Skagit County
Ian Munce, City of Anacortes
Margaret Fleek, City of Burlington
John Doyle, Town of La Conner
Elizabeth Sjostrom, City of Mount Vernon
Jeroldine Hallberg, City of Sedro-Woolley

Skagit Council of Governments

Kelley Moldstad

Project Manager

Kirk Johnson AICP, Skagit County Planning & Permit Center

Consultants

Roger Wagoner FAICP, Berryman & Henigar, Inc.
Michael J. McCormick FAICP

SKAGIT COUNTY
POPULATION & EMPLOYMENT ALLOCATION
FINAL REPORT

INTRODUCTION

This report summarizes the process, findings, conclusions, and recommendations of the consulting services provided to Skagit County and the Skagit Council of Governments (SCOG) by Berryman & Henigar, Inc. in association with Michael J. McCormick during the period March, 2002 to September, 2003. The services included technical analysis and process facilitation to assist the jurisdictions in adopting new population and employment allocations in the Countywide Planning Policies that support updating the comprehensive plans.

Purpose
Under the Growth Management Act (GMA), all local jurisdictions in Skagit County are required to update their comprehensive plans by December 1, 2005. The updates are required to include *"analysis of the population allocated to a city or county from the most recent ten-year population forecast by the Office of Financial Management (OFM) [RCW 36.70A.130(1)(b)]."* OFM issued new high-, medium-, and low county-level population forecasts in January, 2002 that were the basis for this work. In addition to the 20-year population allocations for Skagit County jurisdictions, the County-wide Planning Policies (CPP) also include allocations for commercial and industrial land development over the 20-year planning period.

Process
Under the direction of the County Planning and Permit Center, the consultants analyzed the bases for the adopted SCPP, the new OFM forecasts, results of the 2000 U.S. Census, the *Growth Management Indicators Report* and related information provided by the County and the cities to prepare discussion papers and technical memoranda for consideration by the SCOG planners. During the assignment, the consultants attended many of the monthly SCOG meetings and engaged in telephonic and electronic mail dialogue with the planners. The County planning staff, and the GIS/Mapping Services Department provided a wealth of data and analysis support. Mark Personius, author of the Indicators Report, and Eric Hovee, consultant to the Skagit Council of Governments (SCOG) also provided assistance. The city planners contributed information specific to their jurisdictions and offered valuable comments and suggestions.

Results
Elected officials of the jurisdictions acting as the Skagit County Growth Management Act Steering Committee (GMASC) adopted the 2025 county population target 149,080 and resulting allocations as shown on p. 7 based on recommendations forwarded by the Technical Committee (GMATC) which is the same as the SCOG planners' group.

Report Organization
This report has two major divisions. The first part describes the results of the population forecasting and allocation work, including the SCOG approach to the OFM forecast ranges, the analysis of existing conditions and growth trends throughout the County, and the formulation of the allocation. The second part describes the results of the employment analysis. A "conclusions" section summarizes the current status of the population and employment allocation process. Behind the report, a chronological compilation of discussion papers and other work products of the assignment has been included to provide further detailed information.

2025 POPULATION FORECAST AND ALLOCATION

OFM Forecast Basis

As mandated by the GMA, the state Office of Financial Management (OFM) has developed low, medium, and high population forecasts for each county. The GMA requires each county and its cities and towns to plan to use these forecasts as the basis for updating their comprehensive plans for the 20-year planning horizon. OFM suggests that the medium forecast be considered the "most likely." The 2025 population number adopted by the County, in consultation with the cities and towns, must fall within the OFM range. How the specific number is selected and how the total is distributed between Urban Growth Areas (UGAs) and the remaining rural area is a local decision within the parameters of the GMA.

The OFM low, medium, and high forecasts for Skagit County for the years 2015 and 2025 are as follows:

Table 1
OFM FORECAST RANGE

Adopted SCPP 1.1 2015	OFM Forecast Range - 2015		OFM Forecast Range - 2025	
	High:	154,785	High:	198,992
137,700	Medium:	135,717	Medium:	164,797
	Low:	121,467	Low:	139,253

The currently adopted Skagit Countywide Planning Policy 1.1 establishes a target of 137,700 for the year 2015. That is slightly higher than the OFM 2015 medium projection of 135,717, as shown above. The current CPP 1.1 forecast for 2015 is 1% below the OFM Low forecast for 2025, fully 10 years later, indicating that using the Low forecast for planning purposes would not be consistent with the currently-adopted growth assumptions, nor with the trends of recent growth.

County-Wide Growth Patterns

The county population for the year 2000, according to the U.S. Census, was 102,979 – an increase of 23,434 or 29.5% over 1990. This number is consistent with the OFM's 1995 mid-range estimate, contained in the 1997 County Comprehensive Plan, that the County's population in 2000 would be 103,475.

OFM 1995 Mid-Range Estimate of County Population in 2000	**103,475**
County Population in 2000 Per U.S. Census	**102,979**

The Census figure for 2000 reflects an annual average growth rate of about 2.8% per year. Recent countywide growth was about 1% in the year April 1, 2001 to April 1,

2002, and 1.5% in the year April 1, 2002 to April 1, 2003 - most likely reflecting the general economic slowdown. The total estimated county population as of April 1, 2002 was 105,100 and as of April 1, 2003 was 106,700.

To some, the fact that the growth rate has dropped to 1% is reason to adopt a conservative or low estimate through 2025. They argue that the relatively rapid pace of growth through the 1990s is not likely to continue over the next 20 year period, as the recent slowdown illustrates. Starting with the higher end of the OFM range would require cities and the county to plan for expensive and possibly unnecessary infrastructure, at a time when they are having difficulty providing for current levels of population growth. Some jurisdictions maintain that their current city limits or surrounding UGAs do not have the physical land base or capacity to accommodate increased growth as projected by the OFM mid-range estimate.

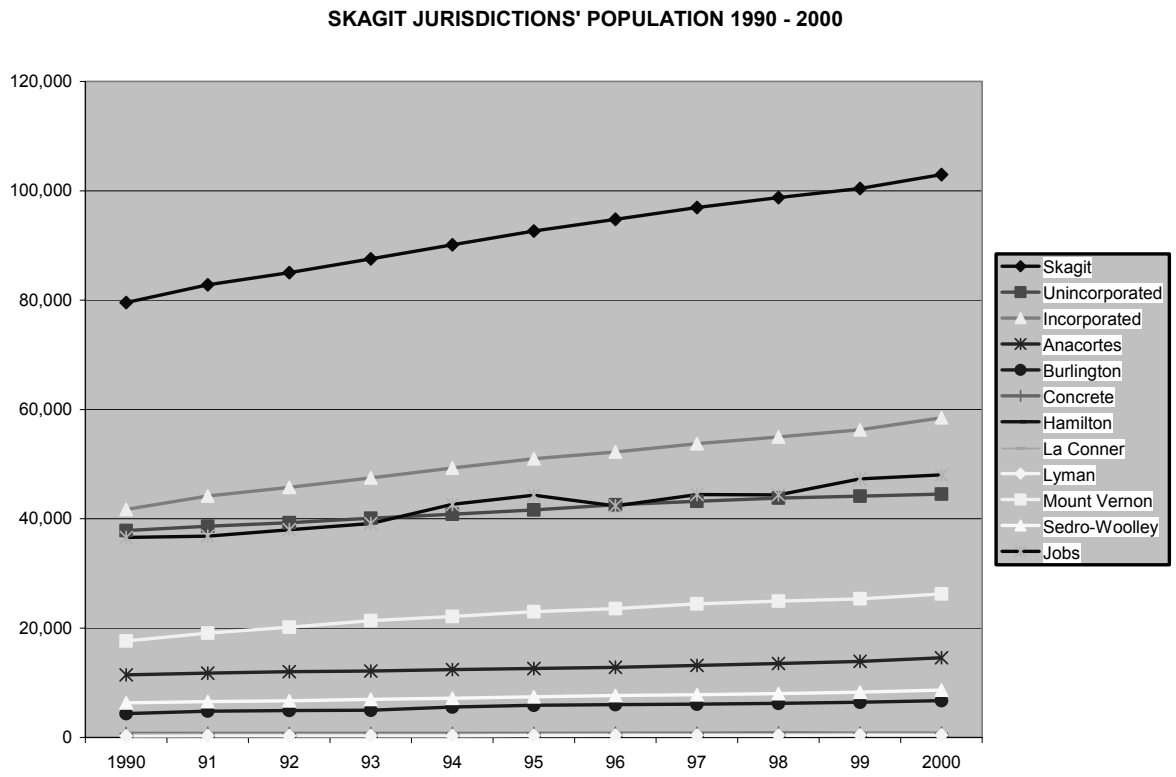
Others believe that the low forecast is unrealistic given that overall growth in the past 12 years has closely tracked the OFM medium-range estimates and that the recent downturn is not expected to continue. They point out that the OFM low forecast for 2025 (139,253) is nearly identical to the county's adopted CPP 1.1 population forecast of 137,700 for 2015, making the low forecast highly inconsistent with currently adopted plans and with their expectations of the future. They also point out that the county is required by GMA to adopt a population projection within the OFM range resulting in a "floor and ceiling" for the county, and then allocate that population accordingly, rather than selecting an overall county number that simply matches the wishes of individual jurisdictions. The OFM range is assumed to be "reasonable" and it is up to the jurisdictions to work within it and be prepared to "show their work".

Growth Trends within the County

Actual growth within the county has varied from UGA to UGA. Burlington, Hamilton, and Lyman have already exceeded their CPP 1.1 targets for 2015, and Anacortes and Sedro-Woolley are closing in. Since the county has not yet completed the Bayview Ridge UGA plan, the effect of that area on the overall county growth can only be preliminarily estimated.

All areas of the county – urban and rural, except La Conner, appear to have sufficient capacity to accommodate significant residential growth relative to their current sizes. Analysis of the development capacity within the UGAs was prepared during this process and will continue to be refined as the jurisdictions commence updating their respective plans. The *Growth Management Indicators Report* includes measures that monitor the results of adopted goals, policies, and strategies in the Plans. The indicators show that:

- ✓ At least 80% of the overall net 1995-2001 population growth has occurred in the urban areas, consistent with SCPP 1.2.
- ✓ Between 70% and 80% of all new housing has been permitted in the UGAs in the same period.
- ✓ The density of new net residential development within the UGAs meets and exceeds the minimum of 4 units per acre.
- ✓ The amount of land designated for resource uses has remained constant.



Countywide 2025 Target

In October 2002, after reviewing the initial analysis of population growth trends and development capacity measures, the GMASC directed the Technical Committee to proceed with allocating the 2025 population target using the midpoint between the OFM Low and Medium forecasts, which is 152,025. Using this as a starting point, the focus of the analysis turned to establishing other assumptions that all jurisdictions could support. This included estimating the capacity of buildable residential land within the UGAs (cities' and County's) as well as the 2000 baseline population in those areas. Each city worked with the county staff to calculate these estimates using the most up-to-date maps and census block information. Some jurisdictions had completed land use inventories and were therefore able to be more precise than others. However, the overall level of detail necessary for developing the targets was sufficient. In addition, the Technical Committee agreed that the

adopted "urban/rural" split for new growth should remain at 80/20 as verified in the *Growth Management Indicators Report.* As a result of this work, the 2025 countywide target population was adjusted to 149,080, 2% below the midpoint of the OFM Low and Medium forecasts.

Allocations

Once the countywide total target was established, and the land capacity estimates were substantially completed, the Technical Committee proceeded with discussion of how to allocate the total urban 2025 population of 105,750. The following summarizes the basis for the urban target:

Table 2
URBAN POPULATION TARGET COMPUTATION

2000 Rural Population using urban population estimate of UGAs (2000 total county pop. – 2000 urban pop. = 2000 rural population)	**102,980 – 68,870 = 34,110**
Growth in Urban Population 2000-2025 (Projected 2025 urban pop. – 2000 urban pop. = growth in urban pop. 2000 – 2025)	**105,750 – 68,870 = 36,880**
Total County Growth 2000-2025, assuming 80% urban factor per CPP. (Projected growth in urban pop. 2000–2025 divided by 80% urban growth factor = 46,100 total County growth)	**36,880 ÷ 0.8 = 46,100**
Growth in Rural Population 2000-2025 assuming 20% factor per CPP. (Total county growth – urban growth = rural growth 2000 – 2025)	**46,100 – 36,880 = 9,220**
Total County Population in 2025: (2025 Urban Population + 2000 Rural Population + 2000-2025 Rural Growth)	**149,080** (105,750 + 34,110 + 9,220)

Three "scenarios" of allocations were prepared for discussion. These were based on different factors.

- The Proportionate Method assumed that the proportion of each UGA to the total urban population in 2025 would be same as it was in 2000, e.g. Mount Vernon at 41% down to Hamilton at 0.45%.
- The Capacity Method assumed that the 2025 population for the city UGAs would be 70-90% of the current estimated land capacities and that the balance of the urban population would be allocated to the county UGAs (Bayview and Swinomish).
- The Corridor Method assumed that the UGAs within the I-5 corridor (Burlington, Mount Vernon, Sedro-Woolley, and Bayview) would receive 80% of the urban population based on OFM's conclusions that growth tends to occur predominantly on major transportation routes.

After reviewing and discussing these approaches, the Technical Committee achieved consensus on the following allocation:

Table 3
ADOPTED 2025 POPULATION ALLOCATION

JURISDICTION (Cities & UGA)	2000 POPULATION	2025 ALLOCATION
Anacortes	14,647	18,300
Burlington	8,728	12,000
Concrete	960	1,350
Hamilton	309	450
La Conner	761	950
Lyman	409	550
Mount Vernon	28,332	47,900
Sedro-Woolley	10,358	15,000
Subtotal Cities & UGAs	64,504	96,500
Swinomish	2,664	3,650
Bayview	1,700	5,600
Subtotal County UGAs	4,364	9,250
TOTAL URBAN	68,868	105,750
TOTAL RURAL	34,110	43,330
TOTAL COUNTY	102,978	149,080

This allocation was presented to the GMASC at the March 19, 2003, meeting, where it was adopted as the basis for the comprehensive plan updates and amendment to the CPP.

EMPLOYMENT FORECAST AND ALLOCATION

Forecast Basis

Unlike population forecasting and allocation, there is no similar basis in the form of a state forecast range. The legislature amended the GMA in 2002 to require local comprehensive plans to include an "*economic development element establishing local goals, policies, objectives and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) a summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, work force, housing, and natural/cultural resources; and (c) an identification of policies, programs and projects to foster economic growth and development and to address future needs."*(SSHB 2697) This requirement "*shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130."*

The land use element must designate "*the proposed general distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, commerce, industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth."* (RCW 36.70A.070) The GMA procedural criteria (365-195-305 WAC) elaborate slightly: "*(d) Estimation using available data of the future population growth for the planning area and a projection of the level of commercial, industrial, and residential development likely to be experienced over at least the next twenty years."* And, "*(e) Selection of commercial, industrial and residential densities sought to be achieved and their distribution for the purposes of accommodating the anticipated growth."*

Therefore, the basis for extending the forecast and allocation of employment to 2025 is dependent upon the Skagit county jurisdictions acting together, using available information. The sources for this include the "*Skagit County Urban Growth Area Analysis", July 1996 (updated March 1997)," Skagit County Employment Report by Detailed Geography", May 2000,* and "*Skagit County Overall Economic Development Plan", February 2000 (updated May 2001 and July 2003 as the "Comprehensive Economic Development Strategy").* These sources have been used to explore employment and non-residential land demand in a variety of ways.

Countywide Policy

The current adopted Countywide Planning Policy SCPP 1.1 contains a target land demand of 3,336 acres for the year 2015, based on the 1996/97 UGA analyses. Of

this, 584 acres is designated for the rural area and the balance of 2,752 acres for the UGAs. This figure uses a "market factor" of 25%, so that the combined net urban commercial/industrial demand target is 2,202 acres.

Employment Growth Trends

Skagit County has seen employment increase by more than 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The average annual change ranged between –1.46% and +4.4% depending upon the industry sector. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time and self-employment positions. The following table shows total jobs in 1990 and 2000 and the relative changes by type of employment.

Table 4
EMPLOYMENT TRENDS

Category	1990	2000	Growth	Percent Change	Average Annual Change (%)
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.22
Farm	2,692	2,876	184	6.8	0.66
Nonfarm	40,505	56,443	15,938	39.3	3.37
Private	34,060	47,610	13,550	39.8	3.41
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	3.53
Mining	70	100	30	42.9	3.63
Construction	3,301	4,674	1,373	41.6	3.54
Manufacturing	4,941	6,387	1,446	29.3	2.60
Transportation & Public Utilities	1,782	2,219	437	24.5	2.22
Wholesale Trade	1,337	1,745	408	30.5	2.70
Retail Trade	8,798	11,722	2,924	33.2	2.01
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.22
Services	9,630	14,931	5,301	55.0	4.48
Government	6,445	8,833	2,388	37.1	3.20
Federal, Civilian	444	466	22	5.0	0.48
Military	440	380	-60	-13.6	-1.46
State & Local	5,561	7,987	2,426	43.6	3.69
State	1,264	1,394	130	10.3	0.98
Local	4,297	6,593	2,296	53.4	4.37

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Employment Forecasts and Analyses

A series of employment analyses has been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions.

The most recent employment forecast was prepared in 2003 by E.D. Hovee & Company (EDH) for the SCOG contained in the November 21 *Project Memorandum*. This forecast is based on the 2025 county wide population forecast target adopted by the GMASC. That number of 149,080 urban residents was used to calculate the urban employment forecast of 65,100 wage and salary jobs, an increase of 49% over the 2001 figure of 43,759. EDH estimates that self-employment would add an additional 6,290 jobs for a grand total of 71,390 in 2025.

Table 5
EDH 2025 EMPLOYMENT FORECAST

		Increase	Average Annual Rate
Total 2000 Jobs	47,880		
Forecast 2015 Jobs	59,110	11,230 (2000-2015)	1.41%
Forecast 2025 Jobs	71,390	12,280 (2015-2025)	1.91%

Source: E.D. Hovee & Company, November, 2003.

These growth rates are more conservative than the 1990-2000 average annual rate of 3.22% shown above.

This forecast method is based on the adopted 2025 population target of 149,080 residents and uses a number of assumptions to establish the work force; factor in "out-commuters", "in-commuters", and multiple job holders. The ratio of total jobs to households (using an average household size of 2.5) would be 1.2.

The EDH analysis resulted in conclusions similar to those prepared as part of this assignment, which used and interpolated work by EDH for the County in 1996 and 1997.

The EDH analysis also breaks the growth forecast into major land use types.

Table 6
EMPLOYMENT FORECAST DISTRIBUTION

Land Use Type	2025 Jobs	% of Covered Employment
Commercial (C)	24,952	38.3
Industrial (I)	15,540	23.9
Natural Resource (NR)	3,770	5.8
Agriculture (AG)	2,610	4.0
Public/Institutional (P)	18,227	28.0
Covered Employment	65,100	100.0
Self-Employment	6,290	
Total Employment	71,390	

Source: E.D. Hovee & Company, November, 2003.

Land Demand
Using the employment density factors listed below, EDH calculated the demand for land to accommodate new non-residential development between 2000 and 2025

based on the distribution of new jobs cited above. Adding a 25% market factor to be consistent with the SCPP, the gross demand for 2025 would be 2,430 urban acres and 516 rural acres for a total of 2,946. EDH also calculated the likely employment and land demand from 1995-2000. This allows a direct comparison between the previous land demand estimates for 2015, which were based on a starting year of 1995, and the current land demand estimates for 2025, which are based on a starting year of 2000. This "catch-up" land demand estimate indicates a need between 1995 and 2000 for approximately 411 acres of commercial and industrial land (without market factor) to support the creation of 3,370 added jobs over the five year period. Application of the market factor to this estimate would increase the total industrial/commercial need for urban and rural lands from approximately 411 to 514 acres. Adding this to the 2,946 acre land demand calculated by EDH between 2000 and 2025, results in a total land demand acreage number of approximately 3,460 acres between 1995 and 2025, with market factor. This is approximately 125 acres more than the 3,336 acres indicated by SCPP 1.1 for 2015.

Table 7
EDH LAND DEMAND FORECAST

	Employment Growth		Density (jobs/net acre)		Land Demand (net acres)	
Land Use	**Urban**	**Rural**	**Urban**	**Rural**	**Urban**	**Rural**
Commercial	**9,063**	**579**	**20.0**	**6.0**	**453**	**96**
Industrial	**4,682**	**–**	**6.5**	**—**	**720**	**–**
Natural Resource & Rural Ind.	**844**	**793**	**2.5**	**2.5**	**338**	**317**
Public/Institutional	**5,180**	**–**	**12.0**	**–**	**432**	**–**
Total 2025 Demand	**19,769**	**1,372**	**–**	**–**	**1,943**	**413**

Source: E.D. Hovee & Company November 2003, based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown below. This is compared to the estimated demand created by the jobs forecast shown above. Some of the land supply estimates (Hamilton, Bay View Ridge, and Rural) do not distinguish between commercial and industrial land, and there is no estimate of land specifically designated for natural resource uses in any of the estimates.

Table 8
LAND SUPPLY

JURISDICTION (Cities & UGAs)	TOTAL SUPPLY (2002)	2015 POLICY (2000)*	2025 DEMAND FORECAST**
Anacortes	420	558	
Burlington	189	242	
Concrete	0	28	
Hamilton	26	60	
La Conner	1.7	2	
Lyman	0	0	
Mount Vernon	587	869	
Sedro Woolley	109	243	
Subtotal Cities and UGAs	1,224	2,002	
Swinomish	**	0	
Bay View Ridge	373	750	
Subtotal County UGAs	373	2,752	
Subtotal Urban	1,597	2,752	2,430
Rural	210	584	516
TOTAL	1,807	3,336	2,946

* With 25% market factor
**Swinomish Reservation contains land designated for industrial and commercial uses

This table enables some preliminary conclusions:

- County-wide, more land area will be needed to support economic development in the future, although there is a considerable supply of land that can accommodate growth for a number of years.
- Concrete and Lyman appear to need to consider means to create land supply for growth, if the jobs/housing balance concept is adopted.
- The relationship of rural/urban land supply and demand may require further policy analysis.

The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 22 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

In 1997, EDH came up with a county-wide figure of 4,394 acres of commercial/industrial land based on calculations of "existing supply" within each jurisdiction. The EDH analysis did not include the Urban Reserve or rural non-UGA

areas. The following table shows the comparison of those EDH results and the adopted CPP 1.1 allocations. The "Growth Rate" column is the 18-year rate using the 1997 and 2015 figures. None of this analysis takes into account the more complex factors such as annexations and other changes to the land base during this period.

Table 9
1997-2015 SUPPLY/DEMAND COMPARISON

Jurisdiction	1997 Use (Acres)	2015 CPP 1.1 Allocation (Less Market Factor)	2015 Use (Acres)	% Growth 1997-2015	Growth Rate (%)
Anacortes	2,367	558 (446)	2,813	18.8	1.0
Burlington	671	242 (194)	865	28.9	1.4
Concrete	0	28 (22)	22	2,200	23.4
Hamilton	9	60 (48)	57	6.3	10.8
LaConner	90	2 (2)	92	1.0	0.1
Lyman	10	0	10	0	0
Mt. Vernon	545	869 (695)	1,240	228.0	4.7
Sedro-Woolley	280	243 (194)	474	169.0	3.0
Bayview Ridge	370	750 (600)	970	262.0	5.5
Swinomish	52	0	52	0	0
Reserve	?	0	?		0
TOTAL	4,394	2,752 (2,201)	6,593	150.0	2.3

In conclusion, we recommend that the CPP be amended to establish a commercial/industrial land demand "target" of 3,000 acres for 2025, broken down into 2,500 urban acres and 500 rural acres. These numbers are rounded from the estimate described on the previous page. This target should then be the basis for further analysis by the jurisdictions as part of their comprehensive plan updates. More specific assessment of buildable land characteristics, local development trends, and the effects of economic development policies and strategies should contribute to a better understanding of the demand and supply for these lands, and therefore produce a better basis for subsequent forecasting.

Preliminary Allocation Alternatives
The following presents 3 alternative approaches to the allocation of the 2025 target commercial/industrial land demand described above. For the purposes of this exercise the following assumptions are used:

- Total county land demand is 3,000 acres
- Rural demand is 500 acres
- County (non-city-oriented including Swinomish) UGA demand is 400 acres.
- City (& UGAs) aggregate demand is 2,100 acres.

The allocations do not distinguish between commercial and industrial land.

Table 10
2025 COMMERCIAL/INDUSTRIAL LAND ALLOCATION ALTERNATIVES

Jurisdiction (Cities & UGAs)	2015 Allocation	2025 Allocation		
		SUPPLY-BASED	DEMAND-BASED	CLUSTER
Anacortes	558	625	240	546
Burlington	242	281	210	309
Concrete	28	42	30	20
Hamilton	60	89	34	60
La Conner	2	3	12	3
Lyman	0	25	30	25
Mount Vernon	869	873	1,253	959
Sedro Woolley	243	162	291	178
Subtotal Cities and UGAs	2,002	2,100	2,100	2,100
Subtotal County UGAs	750	400	400	400
Subtotal Urban	2,752	2,500	2,500	2,500
Rural	584	500	500	500
TOTAL	3,336	3,000	3,000	3,000

The "Supply-Based" allocation distributes the 2,100 city + UGA total based on proportionate increases to the 2002 supply figures as shown in Table 8. The allocation for Concrete is based on the 2015 allocation since the city has no current supply.

The "Demand-Based" allocation is based on the relationships identified in earlier estimates made in 1996 and 1997 and which resulted in the 2015 allocation.

The "Cluster" allocation starts with an initial allocation to cities and groups of cities based on geography. In this method, Anacortes and LaConner are considered to stand alone due to their settings, while the Burlington/MountVernon/Sedro-Woolley and Concrete/Hamilton/Lyman clusters are characterized by their locations and relationships to each other. The following shows the initial cluster allocations starting with ranges using professional judgment, and the subsequent breakdowns. Then, the cluster allocations were further broken down into the individual city portions above. This method could be used by the cluster jurisdictions to further consider their individual allocations during the comprehensive planning update process.

Table 11
"CLUSTER ALLOCATION"

Cluster	Range	Allocation
Anacortes	500-600	550
La Conner	2-4	3
Burlington/Mt. Vernon/Sedro-Woolley	1,400-1,500	1,447
Concrete/Hamilton/Lyman	90-105	100
TOTAL		2,100

Jobs-Housing Balance

The previous discussion of employment planning policy was based on the forecasted targets of the demand for buildable commercial and industrial land using the analyses prepared by the County in consultation with the cities and the Skagit Council of Governments (SCOG). The following offers a different approach for comparative purposes.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. Some other counties have adopted this approach in their countywide planning policies. Using Census and state Employment Security Department data, the following shows the recent trends and relationships of "jobs/housing balance" for King, Pierce and Snohomish Counties and the state. The last several years have been volatile due to the "dot-compost" and Boeing lay-offs. These are "non-agricultural wage & salary jobs". All areas show increases in job growth vs. household growth. Generally, the closer to "1" for new growth, the better. Job or population growth to compensate for prior years' imbalances may be individual communities' policy question.

Table 12
JOBS/HOUSING BALANCE COMPARISONS
(Jobs ÷ Housing Units)

AREA	1995 Ratio	2000 Ratio	95-00 Ratio	COMMENT
King County	**1.4**	**1.61**	**4.93**	A huge change reflecting the tech boom in jobs and the related high cost of housing that drove households out of the county (6.2% growth in housing vs. 21.6% job growth)
Snohomish County	**0.89**	**0.91**	**1.13**	Stable, but this reflects admirable gains in jobs to match the substantial performance in increasing employment (11.8% housing increase vs. 15.1 job increase)
Pierce County	**1.2**	**0.9**	**1.58**	Also fairly stable (6.3% housing increase vs. 11.9% job increase – although this might be skewed by Army and Air Force changes at Fort Lewis and McChord AFB)
3 Counties	**1.18**	**1.31**	**3.15**	Aggregating the 3 counties partially evens out the King County impact, and indicates the sustained overall pattern of jobs/housing relationships. The 3 Puget Sound counties had 73% of the entire state job growth and 50% of the housing growth. Also, 53% of the population growth.
State	**1.03**	**1.07**	**2.17**	Since most of the rest of the State had much less job growth, the fact that the ratio has remained "positive" indicates the influence of the Puget Sound economy and signals a trend that could help to sustain Skagit County's economic performance .

Source: King County 2003 Annual Growth Report

The following displays Skagit County's jobs/housing ratios in 1990 and 2000 as well as the implied ratios of the 2025 forecast targets. These ratios include all jobs, but since the number of agricultural jobs is such a small portion of the total, their impact on the ratios is minimal. This indicates that Skagit County has performed well compared with Snohomish and Pierce counties, and even King County. The 2025 ratio is a function of the population and jobs forecasts described above. It reflects the importance of continued monitoring and evaluation to test the assumptions and the relationships between the variables. This will enable the jurisdictions and the Economic Development Association of Skagit County to work on local and regional policies and strategies to affect the implied ratio.

Table 13
SKAGIT COUNTY JOBS/HOUSING BALANCE TRENDS

1990	**1.42**
2000	**1.70**
2025 Total	**1.20**
2000-2025 Growth	**1.27**

This analysis may be useful in how the County considers approaches to amending the SCPPs. Adoption of a target ratio for the anticipated 20-year growth would be a way to provide an additional measure for monitoring the success of economic development goals, policies, and strategies. For example, this could be framed to adopt the 1.20 overall County ratio as a "bottom line" with an objective of working to sustain the 2000 ratio by updating the plans to produce a higher ratio for new growth.

CONCLUSION

As this report indicates, Skagit County and the cities within the county have used the process described in this report to reach agreement on the 2025 population forecast and population allocations for Skagit County as a whole and the various jurisdictions within the County. These numbers have been adopted by the Growth Management Act Steering Committee (GMASC) for use in updating Countywide Planning Policy 1.1. For non-residential growth the Technical Committee has used two analytical approaches to estimate commercial/industrial land needs for 2025 with similar conclusions. These projections and proposed allocations have yet to be presented to the GMASC for discussion. The current Skagit County policy uses a specific allocation of commercial/ industrial land for 2015, as reflected in SCPP 1.1. This land allocation approach is not a GMA requirement nor is it used in most other countywide planning policies which generally use employment-based *targets* to guide their planning and economic development efforts.

This report offers several alternative approaches for allocating commercial/ industrial acreage among the various jurisdictions in the county, including the concept of "Jobs/Housing Balance." This is a method utilized in jurisdictions including King County, Snohomish County, and Pierce County to address the goal of balancing growth by working to create new job opportunities to match the creation of new households. The concept is useful to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. Some members of the Technical Committee have expressed support for using this approach to allocate commercial/industrial growth among local jurisdictions, to

address a perceived *lack* of balance in the existing location of jobs relative to housing.

The choice of which method to use in allocating commercial/industrial acreage is ultimately a decision for the elected officials who make up the GMASC, based on a variety of objectives and considerations. The planning process discussed in this report has provided planners and elected officials with a variety of tools for approaching the issue and for making planning decisions that benefit their individual jurisdictions and the County as a whole.

POPULATION APPENDIX

Skagit County Population Forecast and Allocation

RECOMMENDED

The Technical Committee has proposed a 2025 population forecast of 149,080 for Skagit County. This is essentially the mid-point between the Office of Financial Management's Low and Medium Projections. Based on the 80% urban/20% rural goal for new growth, this works out to 105,750 urban residents and 43,330 rural residents in 2025.

The following table shows the 2025 allocation recommended by the Technical Committee. Based on the Corridor Method, it assumes that cities and UGAs within the I-5 corridor will receive at least 80% of the urban growth. This is based on OFM's conclusions that growth tends to be focused on major transportation routes. The Committee achieved consensus on this recommendation following some minor modifications to meet a few cities' and the County's wishes. More specific assumptions include:

- Swinomish UGA annual growth rate is assumed to be 1.0% for the Low Allocation
- Bayview allocation is based on the County's subarea plan.
- Mid Range and Intermediate allocations are straight line projections based on the Low figures.

All numbers have been rounded to the nearest 50.

JURISDICTION (Cities & UGA)	2000 POPULATION	LOCATION	RECOMMENDED 2025 ALLOCATION
Anacortes	14,647		18,300
Burlington	8,728	Corridor	12,000
Concrete	960		1,350
Hamilton	309		450
La Conner	761		950
Lyman	409		550
Mount Vernon	28,332	Corridor	47,900
Sedro-Woolley	10,358	Corridor	15,000
Subtotal Cities & UGAs	64,504		96,500
Swinomish	2,664		3,650
Bayview	1,700	Corridor	5,600
Subtotal County UGAs	4,364		9,250
TOTAL URBAN	68,868		105,750
TOTAL RURAL	34,110		43,330
TOTAL COUNTY	102,978		149,080

This allocation, if adopted by the GMASC, will be the basis for each jurisdiction to proceed with its comprehensive planning process to meet the December 1, 2005 GMA deadline. If further analysis indicates a need to revisit this allocation due to more refined conclusions about land or infrastructure capacity, the Technical Committee will reconvene. During the planning, other factors such as zoning densities, urban growth area configurations, and community visioning will be considered as well.

Berryman & Henigar

MEMO

Date: 2/14/03

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: POPULATION 30176

This memo explains how the Revised *Recommended Draft Population Allocation, 2/11/03* relates to the overall 2025 population target.

The recommendation results in an urban population of 105,750. Based on that, the total population would be 149,080 (rounded).

Rural Population in 2000 using Urban Population estimated in SCOG Process	102,980 – 68,870 = 34,110
Growth in Urban Population 2000-2025	105,750 – 68,870 = 36,880
Total County Growth 2000-2025, assuming 80% urban factor per CPP.	36,880 ÷ 0.8 = 46,100
Growth in Rural Population 2000-2025 assuming 20% factor per CPP.	46,100 – 36,880 = 9,220
Total County Population in 2025: Urban Population + 2000 Rural Population + 2000-2025 Rural Growth	105,750 + 34,110 + 9,220 = 149,080

This total is 2,945 persons fewer or 2% less than the mid-point between the OFM Low and Intermediate projections.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

SKAGIT COUNTY GROWTH MANAGEMENT
POPULATION ALLOCATION
TECHNICAL COMMITTEE RECOMMENDATIONS

The Skagit County Growth Management Act Steering Committee (GMASC) has directed the Technical Committee to prepare draft population allocations for the Year 2025. The allocations are to be considered based on the mid-point between the state Office of Financial Management (OFM) "Low" and "Intermediate" forecasts described in the October 8 *Briefing Paper, Selecting an Updated 20-Year Population Forecast for Skagit County* discussed at the November 6 GMASC meeting.

This paper is in two parts: The first part presents an approach to the allocation analysis in tabular form to expedite review. The table features two columns, "Assumptions/Factors" and "Discussion". The first column presents the basic points that have driven the analysis. The second column provides rationale and comparative information related to the assumptions and factors.

The second part of the paper is the Technical Committee's recommended 2025 population allocation.

Population allocation under the GMA involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. While under the GMA it is acceptable to plan for more growth than is forecasted or allocated, it is not acceptable to plan for less than the OFM "Low" county-wide number. Within the County, individual jurisdictions may elect to plan for lower or higher numbers so long as the aggregate is at or above the OFM "Low".

Part One – Assumptions and Factors

The midpoint between OFM "Low" and "Intermediate" is 152,025. For comparison purposes, we have also generated analyses based on the OFM "Low" and "Intermediate" numbers to show the range as indicated in line ***1***. The resulting 25 year growth from 2000 would be similar to the historic growth of the past 25 years (**2**). This amount of future growth would be significantly less in terms of percentage, compared to the past 25 years (***3,4***). Under current policy and consistent with actual urban/rural growth activity per the *Growth Management Indicators Report*, we will assume that 80% of the growth will be in the urban areas (cities and UGAs). This would result in the need to plan for between 29,019 and 49,454 new urban residents over the next 25 years (***5,6***). At

an average household size of 2.5, this would generate the development of 11,608 to 19,782 new dwelling units (*7,8*). This level of development would be much lower than recent housing production rates.

A baseline for the allocation work will be the current land capacity estimates for the cities and the UGAs. Line ***9*** shows the estimated capacity for these areas.

	ASSUMPTIONS/FACTORS	DISCUSSION
1	Proposed 2025 Allocation Baselines: • 139,253 • 152,025 • 164,797	These are the OFM Low and Intermediate projections and the mid-point between them.
2	Growth between 2000 and 2025 would be: • 36,274 • 49,046 • 61,818	In the past 25 years, Skagit County grew by 48,879 people (1975-2000)
3	The percent of growth for the scenarios would be: • 35.2 • 47.6 • 60.0	The population increase over the past 25 years was 90.3%
4	The average annual growth rate for the scenarios would be: • 1.4% • 1.9% • 2.4%	The average annual growth rate over the past 25 years was 3.6%
5	Rural population growth is assumed to be: • 7,255 • 9,809 • 12,364	This is based on the 20% policy
6	Urban population growth is assumed to be: • 29,019 • 39,237 • 49,454	Total minus Rural
7	New urban households would be: • 11,608 • 15,695 • 19,782	Using an average household size of 2.5.

	ASSUMPTIONS/FACTORS	DISCUSSION
8	New households would generate annual urban demand for: • 464 DU • 628 DU • 791 DU	During the 1990's county-wide average housing production was 910 DU/year. The city rate was 579 and the unincorporated rate was 331.
9	Estimated residential land capacity in terms of population is: • Anacortes & UGA 3,300 • Burlington & UGA 2,808 • Concrete & UGA 300 • Hamilton & UGA 0 • La Conner 450 • Lyman 18 • Mt. Vernon & UGA 28,270 • Sedro Woolley & UGA 8,828 • Non-City UGAs ?	Figure subject to change Bayview Ridge preliminary capacity is 5,600 subject to outcome of subarea planning and EIS

Using the above, we examined several allocation scenarios based on the above assumptions and factors. The urban growth will be allocated to the cities + UGAs and county UGAs. The following describes the methods.

Proportionate
Allocate population for 2025 using the same proportions of population that existed in 2000.

Capacity
Allocate population to the jurisdictions (cities + UGAs and county UGAs) based on estimated land capacity. Allocate up to, but no more than 70-90% of capacity. The balance of the total would be allocated to non-city UGA.

I-5 Corridor
Based on OFM's conclusions that growth will follow the freeway, allocate 80% of the population to the areas contiguous to I-5. This would put most of the growth into Burlington, Sedro-Woolley, Bayview Ridge and Mt. Vernon, with correspondingly lesser amounts into the other jurisdictions.

The resulting allocations were discussed by the Technical Committee at the January 10 and February 7 meetings at which some fine-tuning changes were

made resulting in the modified I-5 Corridor emerging as the recommended allocation.

MEMO

Date: 1/2/03

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: PRELIMINARY POPULATION ALLOCATIONS 30176

This transmits a first iteration of population allocations. The *"Assumptions and Factors"* paper describes the approach used to generate these numbers.

We have developed this material for discussion purposes only. It should not be distributed outside of the Technical Committee (SCOG) until the Committee members have reviewed and commented. I will attend the January 10 meeting to answer any questions and participate in the discussion. That should lead to any necessary refinements and transmittal to the GMASC. Following this, we will prepare similar materials on employment allocations.

Capacity estimates for the cities and their UGAs may need further refinement as well.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

Skagit County Draft Population Allocation

PROPORTIONATE METHOD

The following table shows a 2025 allocation distribution that assumes each jurisdiction's share of the population is the same percentage that it is today (2000). This is primarily for comparison purposes in evaluating the other scenarios.

JURISDICTION (Cities & UGA)	2000 POPULATION	PERCENT	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	21.27	20,570	22,744	24,917
Burlington	8,728	12.67	12,253	13,548	14,842
Concrete	960	1.39	1,344	1,486	1,628
Hamilton	309	0.45	435	481	527
La Conner	761	1.10	1,064	1,176	1,289
Lyman	409	0.59	571	631	691
Mount Vernon	28,332	41.14	39,786	43,991	48,193
Sedro-Woolley	10,358	15.04	14,545	16,082	17,619
Subtotal Cities & UGAs`	64,504	93.65	90,568	100,139	109,706
Swinomish	2,664	3.87	3,743	4,138	4,535
Bayview	1,700	2.47	2,389	2,641	2,894
Subtotal County UGAs	4,364	6.34	6,132	6,779	7,429
TOTAL URBAN	68,868	100	96,700	106,918	117,135

Skagit County Draft Population Allocation

CORRIDOR METHOD

The following table shows a 2025 allocation distribution that assumes that cities and UGAs within the I-5 corridor will receive 80% of the urban growth. This is based on OFM's conclusions that growth tends to be focused on major transportation routes. More specific assumptions include:

- Swinomish UGA annual growth rate is assumed to be 1.0% for the Low Allocation
- Bayview Low allocation is based on the implied annual growth rate from 2000 Census Population (1700) to the adopted 2015 target (3,420 + the 909 "Reserve"), or 10.3%. This rate is extrapolated over the 25 year planning period resulting in 6,078.
- Mid Range and Intermediate allocations are straight line projections based on the Low figures.

JURISDICTION (Cities & UGA)	2000 POPULATION	LOCATION	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647		18,757	20,739	22,720
Burlington	7,552	Corridor	10,684	11,813	12,941
Concrete	960		1,230	1,360	1,490
Hamilton	309		396	438	480
La Conner	761		974	1,077	1,180
Lyman	409		524	579	635
Mount Vernon	28,332	Corridor	40,084	44,319	48,554
Sedro-Woolley	10,358	Corridor	14,654	16,202	17,750
Subtotal Cities & UGAs`	63,328		87,303	96,527	105,750
Swinomish	2,664		3,330	3,682	4,034
Bayview	1,700	Corridor	6,078	6,720	7,363
Subtotal County UGAs	4,364		9,408	10,402	11,397
TOTAL URBAN	67,692		96,711	106,929	117,147

Skagit County Draft Population Allocation

CAPACITY METHOD

The following table shows a 2025 allocation distribution that assumes up to, but no more than 70-, 80-, and 90% of each city's capacity will be absorbed by 2025. The balance will be absorbed by the County UGAs.

JURISDICTION (Cities & UGA)	2000 POPULATION	CAPACITY	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	3,300	16,957	17,287	17,617
Burlington	8,728	2,808	9,518	9,798	10,079
Concrete	960	300	1,170	1,200	1,230
Hamilton	309	0	309	309	309
La Conner	761	450*	1,076	1,121	1,166
Lyman	409	18	422	423	425
Mount Vernon	28,332	28,270	48,121	50,948	53,775
Sedro-Woolley	10,358	8,828	16,537	17,420	18,303
Subtotal Cities & UGAs`	64,504	43,974	94,110	98,506	102,904
Swinomish	2,664	None?	0	2,720**	2,720*
Bayview	1,700	3,630***	2,601	5,703	11,522
Subtotal County UGAs	4,364	?***	2,601	8,423	14,242
TOTAL URBAN	68,868		96,711	106,929	117,146

Notes:
* Subject to change
** 2015 allocation used
*** Subject to outcome of subarea planning and EIS

MEMO

Date: 12/26/02

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: INITIAL DRAFT – ALLOCATIONS 30176

This transmits our first round of allocations using the three scenarios or methods. I have just a few observations based on this.

- The Proportionate Method is neutral with respect to capacity or policy. It merely reflects the results if all areas were to maintain the same proportions of population in 2025 as they had in 2000. This would put most growth in the cities and their UGAs and would probably also require expansion of most of the city UGAs.

- The Capacity Method reflects the estimated amount of growth that can presumably be accommodated in the city UGAs as currently calculated. This scenario indicates that the county Bayview UGA would have to be significantly expanded or densified to absorb the remaining urban portion of the OFM projection.

- The Corridor Method seeks to balance city-county growth and would also involve expansion of all UGAs or other strategies such as up-zoning, density bonuses, etc. to accommodate the growth.

After you, Gary and Connie have had a chance to review this submittal, I look forward to your comments and suggestions on both the format and content and how to proceed with getting the word out to the Technical Committee.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

Skagit County Draft Population Allocation

CORRIDOR METHOD

The following table shows a 2025 allocation distribution that assumes that cities and UGAs within the I-5 corridor will receive 80% of the urban growth. This is based on OFM's conclusions that growth tends to be focused on major transportation routes. More specific assumptions include:

- Swinomish UGA annual growth rate is assumed to be 1.0% for the Low Allocation
- Bayview Low allocation is based on the implied annual growth rate from 2000 Census Population (1700) to the adopted 2015 target (3,420 + the 909 "Reserve"), or 10.3%. This rate is extrapolated over the 25 year planning period resulting in 6,078.
- Mid Range and Intermediate allocations are straight line projections based on the Low figures.

JURISDICTION (Cities & UGA)	2000 POPULATION	LOCATION	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647		18,757	20,739	22,720
Burlington	7,552	Corridor	10,684	11,813	12,941
Concrete	960		1,230	1,360	1,490
Hamilton	309		396	438	480
La Conner	761		974	1,077	1,180
Lyman	409		524	579	635
Mount Vernon	28,332	Corridor	40,084	44,319	48,554
Sedro-Woolley	10,358	Corridor	14,654	16,202	17,750
Subtotal Cities & UGAs`	63,328		87,303	96,527	105,750
Swinomish	2,664		3,330	3,682	4,034
Bayview	1,700	Corridor	6,078	6,720	7,363
Subtotal County UGAs	4,364		9,408	10,402	11,397
TOTAL URBAN	67,692		96,711	106,929	117,147

Skagit County Draft Population Allocation

CAPACITY METHOD

The following table shows a 2025 allocation distribution that assumes up to, but no more than 70-, 80-, and 90% of each city's capacity will be absorbed by 2025. The balance will be absorbed by the County UGAs.

JURISDICTION (Cities & UGA)	2000 POPULATION	CAPACITY	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	3,300	16,957	17,287	17,617
Burlington	7,552	2,808	9,518	9,798	10,079
Concrete	960	300	1,170	1,200	1,230
Hamilton	309	0	309	309	309
La Conner	761	450*	1,076	1,121	1,166
Lyman	409	18	422	423	425
Mount Vernon	28,332	28,270	48,121	50,948	53,775
Sedro-Woolley	10,358	8,828	16,537	17,420	18,303
Subtotal Cities & UGAs`	63,328	43,974	94,110	98,506	102,904
Swinomish	2,664	None?	0	2,720**	2,720*
Bayview	1,700	?***	2,601	5,703	11,522
Subtotal County UGAs	4,364		2,601	8,423	14,242
TOTAL URBAN	67,692		96,711	106,929	117,146

Notes:
* Subject to change
** 2015 allocation used
*** Subject to outcome of subarea planning and EIS

Skagit County Draft Population Allocation

PROPORTIONATE METHOD

The following table shows a 2025 allocation distribution that assumes each jurisdiction's share of the population is the same percentage that it is today (2000). This is primarily for comparison purposes in evaluating the other scenarios.

JURISDICTION (Cities & UGA)	2000 POPULATION	PERCENT	2025 POPULATION		
			LOW	MID RANGE	INTERMEDIATE
Anacortes	14,647	21.64	20,928	23,139	25,350
Burlington	7,552	11.16	10,793	11,933	13,073
Concrete	960	1.42	1,373	1,518	1,663
Hamilton	309	0.46	445	492	539
La Conner	761	1.12	1,083	1,198	1,312
Lyman	409	0.60	580	642	703
Mount Vernon	28,332	41.85	40,474	44,750	49,026
Sedro-Woolley	10,358	15.3	14,797	16,360	17,923
Subtotal Cities & UGAs`	63,328	93.55	90,473	100,032	109,589
Swinomish	2,664	3.94	3,810	4,213	4,616
Bayview	1,700	2.51	2,427	2,684	2,940
Subtotal County UGAs	4,364	6.45	6,237	6,897	7,556
TOTAL URBAN	67,692	100	96,710	106,929	117,145

Briefing Paper
for the
Skagit County Growth Management Act Steering Committee

Selecting an Updated 20-Year Population Forecast for Skagit County

Prepared by Berryman & Henigar in association with
Michael J. McCormick
September 27, 2002

INTRODUCTION

This paper provides information and seeks to frame the discussion to help the Skagit County Growth Management Act Steering Committee (GMASC) select a population projection for growth management planning to the Year 2025. All jurisdictions within the county are required to update their comprehensive plans addressing growth to that year. The updates must be completed by 2005.

As one of the first steps in this process, Skagit County, in consultation with the cities and towns, needs to decide what the 2025 countywide population target will be for planning purposes. This will set the stage for the planners to divide the overall target into recommended allocations for the city and county UGAs and the remaining rural area. As reflected in recent discussions by the Skagit Council of Governments (SCOG) planners group, some jurisdictions appear to favor selecting a population forecast toward the lower end of the Office of Financial Management (OFM) range, while other jurisdictions favor a number toward the middle of the range.

This decision has important implications for possible revisions to Countywide Planning Policy (CPP) 1.1 affecting population and employment allocations to the various jurisdictions for the next 20-year planning period. Therefore, planners have recommended that the decision should be made by the Growth Management Act Steering Committee (GMASC) created by the newly adopted 2002 Framework Agreement.

OFM Population Forecasts

Under state law, the OFM has developed low, medium, and high population forecasts for each county in the state. (See Appendix A for a detailed description of how these forecasts are developed.) The Growth Management Act requires each county and its cities and towns to plan to accommodate this new 20-year population forecast. As noted above, OFM provides a range with the mid-range number being considered the "most likely." The population number adopted by the county, in consultation with the cities and towns, must fall within the OFM range. How the specific number is selected and how the total is distributed between Urban Growth Areas and the Rural Areas is a local decision—within the parameters of the GMA. The specific outcome is to select an overall number that falls within the OFM range and to distribute that number among the respective UGAs and the Rural portion of the county.[1]

The OFM low, medium, and high forecasts for Skagit County for the years 2015 and 2025 are as follows:

[1] The county may petition OFM to revise the official projection if it feels the projection does not accurately reflect what is likely to transpire.

Adopted CPP 1.1 for 2015	OFM 2015 Forecasts	OFM 2025 Forecasts
	High: 154,785	High: 198,992
137,700	Medium: 135,717	Medium: 164,797
	Low: 121,467	Low: 139,253

The currently adopted Countywide Planning Policy 1.1 establishes a target of 137,700 for the year 2015. That is slightly higher than the OFM 2015 medium projection of 135,717, as shown above. The current CPP 1.1 for 2015 is only slightly below the OFM Low forecast for 2025, fully 10 years later, showing what a significant departure the Low forecast would be from currently-adopted planning assumptions.

County-Wide Growth Patterns

The county population for the year 2000, according to the U.S. Census, was 102,979 – an increase of 23,434 or 29.5% over 1990. This number is generally on track with the OFM's 1995 mid-range estimate, contained in the 1997 County Comprehensive Plan, that the County's population in 2000 would be 103,475, as shown in the table below:

OFM 1995 Mid-Range Estimate of County Population in 2000	103,475
County Population in 2000 Per U.S. Census	102,979

The Census figure for 2000 reflects an annual average growth rate of about 2.8% per year. The countywide growth rate declined to about 1% for the period of April 1, 2001 to April 1, 2002, most likely reflecting the general economic slowdown. The total estimated county population as of April 1, 2002 was 105,100.

To some jurisdictions, the fact that the growth rate has dropped to 1% over the past year is reason to adopt a "conservative" or low estimate through 2025. They argue that the relatively rapid pace of growth through the 1990s is not likely to continue over the next 20 year period, as the recent slowdown illustrates. Starting with the higher end of the range will require cities and the county to plan for expensive and possibly unnecessary infrastructure, at a time when they are having difficulty providing for current levels of population growth. Some jurisdictions maintain that their current city limits or surrounding UGAs do not have the physical land base or "capacity" to accommodate increased growth as projected by the OFM mid-range estimate.

Other jurisdictions believe that the low forecast is unrealistic given that overall growth in the past 12 years has closely tracked the OFM medium-range estimates. The downturn of the past year is not expected to continue. They point out that the OFM "low" forecast for 2025 (139,253) is nearly identical to the county's adopted CPP 1.1 population forecast of

137,700 for 2015, making the "low" forecast highly inconsistent with currently adopted plans and with the likely reality in the future. These jurisdictions also point out that the county is required by GMA to adopt a population projection within the OFM range resulting in a "floor and ceiling" for the county, and then allocate that population accordingly, rather than selecting an overall county number that simply matches the wishes of individual jurisdictions. The OFM range is assumed to be "reasonable" and it is up to the jurisdictions to work within it and be prepared to "show their work".

Growth Trends within the County

Actual growth within the county has varied from UGA to UGA. Burlington, Hamilton, and Lyman have already exceeded their CPP 1.1 targets for 2015, and Anacortes and Sedro-Woolley are closing in. Since the county has not yet completed the Bayview Ridge UGA plan, the effect of that area on the overall county growth can not be estimated.

All areas of the county – urban and rural – appear to have sufficient capacity to accommodate significant growth. Further analysis on the capacity within the UGAs is being developed. A Land Use/Growth Benchmark analysis is producing measures that will be used to monitor the results of adopted goals, policies, and strategies that are included in the adopted plans. A preliminary report provides the following conclusions:

- ✓ At least 80% of the overall net 1995-2001 population growth has occurred in the urban areas, consistent with CPP 1.2.
- ✓ Between 70% and 80% of all new housing has been permitted in the UGAs in the same period.
- ✓ The density of new net residential development within the UGAs meets and exceeds the minimum of 4 units per acre.
- ✓ The amount of land designated for resource uses has remained constant.

Further information about these and other conclusions can be found in the preliminary report _____.

The Issue and the Outcome

There are a number of issues which need to be discussed, considered and, in some cases, resolved before the desired outcome of an adopted 20-year population allocation policy can be completed:

1. The CPPs adopted by Skagit County contain more specific policies to guide future growth and development. Following adoption of the overall county projection and prior to adoption of the allocations to jurisdictions, the current policies need to be reviewed to determine their current appropriateness. If changes are to be

made, they may affect the range of options available for allocating the new growth.

2. The ability of any city or town to accept new residential growth is partially dependent upon the remaining capacity of their current UGA. This, in turn, is dependent upon the amount of vacant or redevelopable land, the density of new residential development, and ultimately, the ability of the jurisdiction to provide urban services. It is essential that each jurisdiction assess the amount of development and the amount of available land that can be used to accommodate future residential development.

3. The GMA is quite clear about what must be done if a jurisdiction can not demonstrate that it can finance the necessary infrastructure; it must reconfigure the land use patterns until it can. The reality of this provision is now apparent in ways it was not in the first iteration of GMA planning for many cities and towns. There are two ways to limit a city or town's exposure to infrastructure concurrency: Limit the development in the existing UGA; and/or accept the minimum amount of new growth—both as a total number for the county and as an individual jurisdiction's share.

Adopting this approach to limit potential problems for individual jurisdictions raises some additional interesting questions:

A. What are the consequences of selecting an "low" population target number for the county? Is it better to select a target nearer the middle of the range and deal with the consequences now or to pick a low number and delay dealing with the consequences?

B. How about equity and fairness? Should one or a small number of jurisdictions be allowed to refuse to accept their "fair share" of the new population?

C. If there are jurisdictions with physical constraints which preclude their acceptance of a "fair share," is there a way for them to compensate those jurisdictions which absorb their share?

Ultimately, the County will adopt new target numbers following the consultative process currently being negotiated. The ease of this process and the subsequent planning undertaken by each jurisdiction will depend, in part, on the cooperation and collaboration of all the parties.

First Step

Initially, the Skagit jurisdictions, through the Growth Management Act Steering Committee, need to decide what the 2025 countywide population target for planning should be, considering the preceding discussion. This will set the stage for the planners

to work on dividing the overall target into recommended allocations for the city and county UGAs and the remaining rural area.

Appendix A

The following quote from OFM's publication *"Washington State County Population Projections for Growth Management"* explains the assumptions used by the Office of Financial Management in determining its High, Medium, and Low forecasts:

> *Washington and its counties, as can be seen in various tables and graphs in this publication, have tended to exhibit growth spurts interrupted by periods of slower growth, stagnation, and sometimes even decline. Furthermore, these spurts are not uniform in time and space. One example is the well-known "Boeing Bust" of the early 1970s that affected the central Puget Sound area. Some other parts of the state experienced rapid growth during the same period. These revised projections incorporate the impact of a "rural rebound" growth trend experienced by most of the western states in the early 1990s. It was an exodus of two million people leaving California during a severe economic recession that caused this trend. Rural and nonmetropolitan growth in Washington during the early 1990s was far greater than anticipated, but quickly slowed as California's economy recovered in the mid-1990s.*
>
> *History shows us that growth spurts or contractions usually do not last long. Such a situation creates uncertainty, and alternative projections are a solution. While the intermediate population projection is assigned the distinction of reflecting the most likely trend—most near term growth, for most counties, is not expected to track "right on" the intermediate expectations. Population growth is simply not likely to follow any single set of numbers. Growth will most likely be somewhat higher, or lower—or both higher and lower over the long term.*
>
> *Aside from the near term growth in the state model, no attempt is made to predict the timing and magnitude of spurts. Recent growth patterns are blended into general tendencies. General tendencies are based on (1) 1960-2000 trends in relative population growth, and (2) a set of assumptions that is both grounded in past experience and which seems reasonable, given what is known about the economic, demographic, and social character of each of the 39 counties. These assumptions are:*
>
> - *Major growth, in terms of numbers, if not rates, will be through accretion of existing population centers. Rates of growth will be smaller (or potentially negative) at the center sand high on the periphery.*
>
> - *This accretion will occur along existing transportation corridors and spurs, primarily the interstate highways and similar roadways.*

- *Non-corridor growth has been happening due to in migration of retirees and perhaps telecommuters. This is expected to continue for counties where sustained historical growth has been recorded.*

- *Counties that are remote, and that have inconsistent growth histories, are assumed to have lower prospects for substantial future growth despite population jumps in the early 1990s.*

The "population centers" noted above are Seattle, Spokane, Yakima, Tri-Cities, and Portland. Growth assumptions for individual counties are largely manifested in the migration numbers presented in the tables. In practice, the assumptions are not rigidly applied. They serve as guidelines for modifying various migration and population share trends out towards the projection horizon It should be noted that detailed migration data by age and gender from Census 2000 will not be released until mid-2002 and therefore could not be incorporated in the revised projections. However, OFM's treatment of migration includes several noteworthy technical features. One is that special in/out -migrating populations related to the presence of colleges, military facilities, prisons, and mental hospitals are handled separately from other migrants for counties that are significantly impacted by such populations. Population pyramids for each county were examined to ensure that the age-sex characteristics of all counties, and particularly those with colleges, correctional facilities, or other special populations, were successfully carried forward through 2025.

High and Low Projection Alternatives. *GMA specifications require that county projections be expressed as a "reasonable" range developed within the state high and low projection series. State high and low projections are based on probable economic and other assumptions. State growth assumptions do not carry forward extreme economic conditions or other factors that have resulted in relatively short periods of extremely high population gains or losses. County projection growth ranges, developed within the state framework, were established on the same general basis and show moderate variations.*

County high and low projection alternatives reflect uncertainty bands. They are not, in a formal sense, alternative scenarios. In general, the uncertainty band will be larger for smaller counties than large ones. It will be larger for faster growing than slower growing areas. It will be larger for counties with erratic growth in the past and smaller for counties that have had steadier growth. It will be larger for counties that may be impacted by changes in variable military, college, correctional, or other special populations. Both series sum to statewide low and high projections similar to the intermediate series.

Berryman & Henigar

MEMO

Date: 11/18/02

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: Forecasting "Data Points" 30176

Kirk, the attached spreadsheets are intended to be the baseline for the forecasts. The include FACTS and ASSUMPTIONS that need to be completed and verified. The Population table is pretty straightforward. The Employment version is less so.

Population

Col. 1 – We've used the population numbers for the unincorporated UGAs that came from the GIS maps. Where the census divisions and the UGA boundaries don't line up, we interpolated.

Col. 2 – We don't have numbers of households for the unincorporated UGAs. If they are easy to generate, that would be good.

Col. 7 – These capacity numbers should include the cities' estimates and the County's for the unincorporated UGAs. I think that this is the stuff that Connie is working on.

Col. 8 – The "system capacity" would be any information regarding sanitary sewer treatment, water supply, etc. issues that might affect growth estimates.

Employment

Col. 2 – This is the only recent distribution of jobs by jurisdiction that we have found. If it's suspect, we might not want to use it.

Col. 3 – As I know, there is not information yet on employment by jurisdiction from the census or any other source unless Kelly has something.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

Col. 5 – Again, we will hopefully be able to get newer information from the cities, Connie & GIS to supplement this '97 work by Eric Hovee.

Col. 6 – Same as with population, anything that we should know about that would affect forecasting.

SKAGIT COUNTY DATA POINTS FOR POPULATION & EMPLOYMENT FORECASTING

POPULATION

AREA	2000 CENSUS POPULATION (1)	2000 HH	2000 HH SIZE (CITIES)	2002 ESTIMATE OFM (CITIES)	GROWTH RATE 90 - '00 (%)	2015 TARGET (CITY & UGA)	LAND CAPACITY (DU)	SYSTEM CAPACITY	NOTES
Anacortes	14557	6086	2.37	14910	2.7				
Anacortes UGA	90					18300			
Burlington	6757	2398	2.74	7190	5.2				
Burlington UGA	795					7065			
Concrete	790	300	2.63	790	0.7				
Concrete UGA	170					1560			
Hamilton	309	117	2.64	340	3.6				
Hamilton UGA						315			
LaConner	761	372	2.05	775	1.1	930			
LaConner UGA									
Lyman	409	161	2.54	415	4.9				
Lyman UGA						370			
Mt. Vernon	26232	9276	2.75	26670	4.9				
Mt. Vernon UGA	2100					41725			
Sedro-Woolley	8658	3205	2.62	8805	3.7				
Sedro-Woolley UGA	1700					12030			
Swinomish	2664	1112	2.4			2720			
Bayview Ridge	1700					3420			
Reserve						910			
TOTAL URBAN	67692	23027		59895		89345			
			2.655						

(1) Estimates for UGAs based on Census Blocks

SKAGIT COUNTY POPULATION ALLOCATION FRAMEWORK

#		2002 POPULATION (ESTIMATED)	2015 ADOPTED POLICY	2022 OFM LOW	2022 OFM MEDIUM	2022 OFM HIGH
1	Total County	105,100	137,700	134,200	156,200	185,300
2	Rural		48,355	47,655	52,055	57,875
3	Urban		89,345	86,545	104,145	127,425
4	County UGAs		7,050	6,830	8,220	10,055
5	City UGAs	65,222	82,295	79,715	95,925	117,370
6	Anacortes	14,910	18,300	17,730	18,300	18,300
7	Burlington	8,728	7,065	6,845	8,570	10,940
8	Concrete	860	1,560	1,510	1,890	2,415
9	Hamilton	340*	315	305	380	485
10	LaConner	775	930	900	1,130	1,440
11	Lyman	415*	370	360	450	570
12	Mt. Vernon	28,621	41,725	40,415	50,610	64,595
13	Sedro-Woolley	10,573	12,030	11,650	14,590	18,625

NOTES:
All numbers rounded to nearest 5

*No data for unincorporated UGA

1. Current OFM 2015 projections are 121,467 / 135,717 / 154,785
2. 2022 rural population assumes 20% of county growth
3. 2022 urban population = total - rural
4. 2022 county UGAs assumes same proportion to total as 2015 adopted policy
5. City UGAs = urban - county UGAs
6. Anacortes @ 2022 "Low" assumed same proportion of City UGA as adopted policy. Anacortes @ 2022 "Medium" & "High" assumes holding at 2015 number.

7-13 Other city UGAs for 2022 "Medium" and "High" assumed proportional after Anacortes is subtracted from city UGA total.

SKAGIT COUNTY POPULATION

	Census		OFM		CWPP	SR 20 Model		Comments
AREA	1990	2000	2001	2002	2015	2020	2025	
Anacortes City	11,451	14,557	14,840	14,910				
Anacortes UGA					18,300	19,314	20,509	
Burlington City	4,449	6,757	6,995	7,190				
Burlington UGA					7,065	8,130	9,167	
Concrete City	735	790	790	790				
Concrete UGA					1,561	1,891	2,181	
Hamilton City	228	309	325	340				
Hamilton UGA					315	362	409	
LaConner City	686	761	765	775				
LaConner UGA					930	975	975	
Lyman City	275	409	410	415				
Lyman UGA					370	426	480	
Mt. Vernon City	17,647	26,232	26,460	26,670				
Mt. Vernon UGA					41,725	48,994	55,756	
Sedro-Woolley City	6,333	8,658	8,700	8,805				
Sedro-Woolley UGA					12,030	14,104	15,904	
Swinomish Res.	2,282	2,664			2,720	3,182	3,588	
Upper Skagit Res.	180	238						
Bayview Ridge					3,420	3,988	4,497	
Reserve					909*			*Includes Similk LAMRID?
Total UGA					89,345	101,366	113,465	
Rural					48,355*	51,446	54,471	*Includes Upper Skagit Res?
TOTAL	79,545	102,979	104,100	105,100	137,700	152,812	167,936	
OFM RANGE					154,785 135,717 134,174	176,627 150,499 130,891	198,992 164,797 139,253	
Straight Line @ 2.294%					142,080	159,140	178,250	1992-2002 Actual Rate

Berryman & Henigar

MEMORANDUM

Date: 7/30/02

To: Kirk Johnson

From: Roger Wagoner

Re: August 15, 2002 SCOG Meeting

This transmits a package of materials in support of the next SCOG meeting to discuss population allocations. Since it has been several months since we have met, most of the package includes materials that have been previously distributed.

Update

The state Office of Financial Management recently released its estimates of population as of April 1, 2002. For Skagit County and the cities, OFM estimates that 1,000 new residents were added since April 1, 2001. This one year growth rate is about 1%, significantly lower that the average annual rate experienced over the past decade. The '01-'02 growth occurred primarily in the cities (610) vs. the unincorporated area (390). OFM does not distinguish between unincorporated UGA and rural population. The distribution of growth was as follows:

JURISDICTION	APRIL 1, 2002 ESTIMATE	2001 – 2002 GROWTH
Anacortes	14,910	70
Burlington	7,190	195
Concrete	790	0
Hamilton	340	15
LaConner	775	10
Lyman	415	5
Mt. Vernon	26,670	210
Sedro-Woolley	8,805	105
INCORPORATED	59,895	610
UNINCORPORATED	45,205	390
TOTAL COUNTY	105,100	1,000

More information from the 2000 Census is now available in "profiles" of general

demographic characteristics, selected social characteristics, selected economic characteristics, and selected housing characteristics for each county, city, reservation and other "census designated places". These can be downloaded from the OFM website at www.ofm.wa.gov/census2000/index.htm. While we have not discussed the reservations before, the Census reports show that the Swinomish Reservation 2000 population was 2,664 and the Upper Skagit Reservation population was 238. Reservation population does not appear to be explicitly addressed in the current Countywide Planning Policies.

Background

The following (attached) products the status of our work to this point. A quick review of this material prior to the meeting should expedite the discussion and direction for further analysis.

February 22 Workshop Paper
This paper provided some initial conclusions about growth trends; asked questions pertaining to methods for framing the allocation process; and described the information sources necessary to base allocations on.

March 25 Household Trends Analysis
This table shows the changes in household characteristics between the 1990 and 2000 Census'.

March 25 Permit Activity Analysis
This table summarizes the results of our analysis of County-provided permit data for the period 1995 through the first two months of 2002.

Next Steps

The process must balance several forces. These include:

- What the total county target for 2022 should be;
- Urban vs. rural population distribution;
- Community visions regarding growth;
- UGA capacities; and
- LAMIRDs

Data and analysis needs vary among these forces. Several on-going efforts are being made. City permit activity data are being acquired and reviewed. County GIS maps showing 2000 census population distribution and permit activity within the unincorporated UGAs are being developed. Information non-residential capacity is being developed.

The outcome of the meeting should be that everyone is generally comfortable with the approach and the analysis completed to date, and a clear understanding of what is to come and who is responsible.

HOUSEHOLD TRENDS

JURISDICTIONS	1990				2000				TRENDS 1990-2000				ANNEXATIONS		
	Pop In HH	Occupied DU	Vacant DU	HH Size	Pop In HH	Occupied DU	Vacant DU	HH Size	Pop In HH	Occupied DU	Vacant DU (% Total)	HH Size	Pop	Occupied DU	Vacant DU
SKAGIT COUNTY	77,945	30,573	3,007	2.55	101,138	38,852	3,829	2.60	23,193 30%	8,279 27%	1990: 9 2000: 9	0.05 2%			
Unincorporated	37,350	14,141	2,126	2.64	42,665	16,937	2,565	2.52	5315 14%	2,796 20%	1990: 13.1 2000: 13.2	-0.12 -5%	-718	-263	-26
Incorporated	40,595	16,432	881	2.47	58,473	21,915	1,264	2.61	17,878 44%	5,483 33%	1990: 5.1 2000: 5.5	0.14 6%			
Anacortes	11,220	4,669	323	2.40	14,557	6,086	465	2.37	3,337 30%	1,417 30%	1990: 6.5 2000: 7.1	-0.03 -1%	56	26	14
Burlington	4,277	1,749	69	2.45	6,757	2,398	133	2.74	2,480 58%	648 37%	1990: 3.8 2000: 5.3	0.29 12%	263	107	5
Concrete	735	276	37	2.66	790	300	35	2.63	55 7%	24 9%	1990: 11.8 2000: 10.5	-0.03 -1%	0	0	0
Hamilton	228	88	19	2.59	309	117	18	2.64	81 36%	29 33%	1990: 17.8 2000: 13.3	0.05 2%	0	0	0
La Conner	651	291	29	2.24	761	372	62	2.05	110 17%	81 28%	1990: 9.1 2000: 14.3	-0.19 -8%	0	0	0
Lyman	275	118	8	2.33	409	161	12	2.54	134 49%	43 36%	1990: 6.3 2000: 6.9	0.21 9%	8	3	0
Mt. Vernon	17,189	6,885	282	2.50	26,232	9,276	410	2.75	9,043 53%	2,391 35%	1990: 3.9 2000: 4.2	0.25 10%	364	117	5
Sedro-Woolley	6,020	2,356	114	2.56	8,658	3,205	129	2.62	2,638 44%	849 36%	1990: 4.6 2000: 3.9	0.06 2%	27	10	2

NOTES FOR THE TABLE OF "HOUSEHOLD TRENDS"

This table is a working document intended for compiling data pertaining to growth trends in Skagit County from 1990-2000. The relationships between and among the variables will be used to formulate assumptions to support forecasting future population growth.

1. The table contains U.S. Census data describing housing and residential population for the two census periods. The city information is for the incorporated areas only.
2. The population shown here does not include people living in "group quarters".
3. The shaded "Trends" section of the table includes comparisons that may inform the forecasting process. Growth rates of population and housing for all of the cities were equal to, and generally significantly greater than, the County overall. Burlington and Mt. Vernon had the highest growth rates, somewhat attributable to annexations.
4. Vacancy rates, which contribute to "market factor" are fairly consistent .
5. Household sizes have increased in the cities with the exception of Anacortes, Concrete, and La Conner.

HOUSING UNIT PERMIT ACTIVITY
Skagit County Unincorporated UGAs and Rural Area
1995 - 2002 Including Mobile Homes

AREA	1995	1996	1997	1998	1999	2000	2001	2002	TOTAL	Pending
Anacortes UGA	0	0	0	0	2	0	0	0	2	0
Burlington UGA	2	0	0	0	3	4	3	1	13	1
Concrete UGA	0	0	0	1	1	0	0	0	2	0
Hamilton UGA	0	0	0	0	0	0	0	0	0	0
La Conner UGA	0	0	0	0	0	0	0	0	0	0
Lyman UGA	0	0	0	0	0	2	6	2	0	0
Mount Vernon UGA	14	17	5	12	5	12	13	2	80	7
Sedro-Woolley UGA	0	0	2	35	19	5	5	2	68	5
Bayview UGA	0	1	0	0	0	0	0	0	1	0
Swinomish UGA	23	10	5	14	6	3	7	0	68	4
TOTAL UGAs	39	28	12	62	36	26	34	7	234	17
Rural Area	189	237	185	187	187	250	185	20	1440	154
"No Data"	9	17	2	8	6	1	2	0	45	2
TOTAL	237	282	199	257	229	277	221	27	1719	173

DISCUSSION DRAFT - 3/25/02 - Berryman & Henigar w/ Michael J. McCormick

Comments

Most of the UGA is designated for industrial uses

No UGA

No UGA

SKAGIT COUNCIL OF GOVERNMENTS
POPULATION ALLOCATION WORKSHOP
February 22, 2002

Introduction

This first workshop is intended to be an ice-breaker that introduces the consultants; establishes contact protocols; and introduces the process and outcomes.

Overall Objective

Consider the range of options pertaining to growth targets for the next 20 years and come to agreement on a recommended amendment to the Countywide Planning Policies.

2/22 Objective

- Provide the consultants with direction regarding the scope of work, schedule, and products.
- Discuss cities' concerns with schedule and data needs.

Workshop Approach

We propose that the workshop be a combination of presentation and discussion. Mike McCormick will be the facilitator and Roger Wagoner will provide some information to fuel the discussion.

It's our intention for this to be a collaborative effort. We want to help you develop a policy framework for population allocation decisions so that each community can move confidently on with planning.

Process Issues

Following are some issues to be discussed regarding the project's scope of work, schedule, and related considerations:

- Project timeframe and deadlines
- Risks and potential consequences of not meeting current 2002 Update deadlines (and likelihood of an extension)
- Project scope of work and city "buy off"
- Potential difficulties for cities of meeting consultant data needs
- Involvement of city and county elected officials in approving project outcomes (and intermediate steps)

FACTS AND ASSUMPTIONS

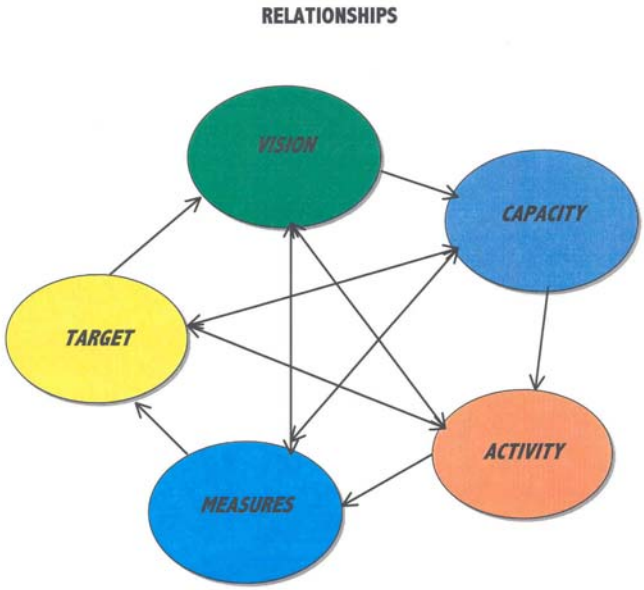
The following is a brief synopsis of the technical side of providing information that will support the eventual amendment to the CWPPs.

Questions to be addressed:

- How much growth? - The allocations/targets/projections are necessary for GMA compliance. OFM's "projections" provide ranges that are supposed to define the limits for the updates. There are options available for working outside of the OFM numbers, but we don't see a need to consider them at this time.

- Where should the growth be? - This should be a much more informed discussion and decision since it involves the issues of urban vs. rural, size and location of the UGAs, community visions, and market reality. We hope to discuss these and other factors within the context of our collective GMA experience and its application in Skagit County.

- Why and How to Grow? - In answering the first two questions, we need to consider the capacity of land and infrastructure, annexation activity, density and competitiveness among the jurisdictions – and what the plans say about these factors. The fiscal side is important too.



As to Question 1 – How Much Growth?

Countywide Growth

Adopted ***2015*** target:	137,700 (65% Urban, 35% Rural split; based on adopted CWPP goal of 80% of new growth to UGAs, 20% to Rural Area)
New OFM ***2015*** Projections	154,785 (High) {17,085 greater than SCOG} 135,717 (Medium) {1,983 lower that SCOG} 121,467 (Low) {16,233 lower than SCOG}
New OFM ***2022*** Projections	185,254 (High) {~4.9%/year, 2015-2022} 156,151 (Med) {~1.9%/year, 2015-2022} 134,174 (Low) {Forget it}
Recent Growth Rate ***(1990-2001)***	~2.8%/year
Straight line extension @ 2.8% ***(2015-2022)***	~164,700

So, as a start, we could consider testing the countywide number for 2022 in the range of 155,000 to 170,000.

As to Question 2 – Where should the growth be?

Cities & Urban Growth Areas

Since we don't have population numbers for the cities' UGAs, at this point we can just look at the 1990-2001 growth within the incorporated areas. The table shows those numbers, the respective annual growth rates, and for comparison purposes, the adopted 2015 allocations.

	1	*2*	*3*	*4*	*5*
	CITY POPULATIONS				
Cities & Unincorporated UGAs	1990	2000	2001	'90-'01 City Rate (%)	2015 CWPP UGA ALLOCATIONs
Anacortes	11,451	15	14,840	2.7	
Burlington	4,449	6,757	6,995	5.2	,065
Concrete		79	790	0.7	
Hamilton	228	309	32	3.9	315
	686	761	765	1.0	930
	275	409	41	4.5	370
ernon	17,647	26,232	26,460	4.5	41,725
Woolley	6,333	8,658	8,700	3.4	
Total City Populations	41,804	58,473	59,285	3.8	
Unincorporated UGAs					
Bayview Ridge					
Swinomish					2,720
Reserve					909
Total UGAs					89,345
Rural					48,355
TOTAL COUNTY	79,545	102,979	104,100	2.8	137,700

We do have some UGA numbers going beyond the adopted 2015 targets to work with. These come from the December, 2001 *SR-20: " Sharpes Corner to SR 536 NEPA Pilot Project"* prepared for WSDOT that has 2020 and 2025 forecasts for the UGAs and rural area. (Table 3-3 "Forecast Agreed to With SCOG Planners".)

And, for the sake of discussion . . .

The following is an illustration of some approaches we can explore in addressing new targets. This combines some of the above information with some "number-smithing" to see some of the implications of using growth rate assumptions and other factors.

	4	*5*	*6*	*7*	*8*	*9*
AREAS	**'90-'01 City Rate (%)**	**2015 CWPP UGA ALLOCATIONS**	**2022 @ 2.8%**	**2022 @ City Rates**	**2022**	***Notes to Column 8***
Anacortes	**2.7**	**18,300**	**19,410**	**19,250**	**19,800**	***Using the SR 20 Study, we interpolated between the 2020 and 2025 forecasts***
Burlington	**5.5**	**7,065**	**9,150**	**10,995**	**8,545**	
Concrete	**0.7**	**1,561**	**1,035**	**850**	**2,005**	
Hamilton	**3.9**	**315**	**425**	**465**	**380**	
LaConner	**1.0**	**930**	**1,000**	**850**	**975**	
Lyman	**4.5**	**370**	**535**	**610**	**450**	
Mt. Vernon	**4.5**	**41,725**	**34,610**	**39,560**	**51,700**	
Sedro-Woolley	**3.4**	**12,030**	**11,380**	**11,955**	**14,825**	
Total City UGAs	**3.8**	**82,296**	**77,545**	**84,535**	**96,680**	
Unincorporated UGAs						
Bayview Ridge		**3,420**			**4,190**	
Swinomish Reserve		**2,720 909**			**3,345 0**	
Total UGAs		**89,345**	**88,000**	**95,405**	**104,215**	
Rural		**48,355**	**48,160**	**52,210**	**52,655**	
TOTAL COUNTY	**2.8**	**137,700**	**136,160**	**147,615**	**156,870**	

EMPLOYMENT APPENDIX

Berryman Henigar

MEMORANDUM

Date: **9/24/03**

To: **Kirk Johnson**

From: **Roger Wagoner**

Re: **JOBS/HOUSING BALANCE**

"This just in" . . . Some new numbers from the 2003 King County Annual Growth Report (you can find it on the web www.co.king.wa.us).

Using Census and state Employment Security Department data, they show the following trends and relationships of "jobs/housing balance" for King, Pierce and Snohomish Counties and the state (Chapter III, Page 26). Of course, the last several years changes resulting from the "dot-compost" and Boeing lay-offs have some side affects). These are "non-agricultural wage & salary jobs".

AREA	1995	2000	5 YEAR	COMMENT (RW's)
King	1.4	1.61	4.93	A huge change reflecting the tech boom in jobs and the related high cost of housing that drove households out of the county (6.2% growth in housing vs. 21.6% job growth)
Snohomish	0.89	0.91	1.13	Pretty stable, but this reflects admirable gains in jobs to match the substantial performance in increasing employment (11.8% housing increase vs. 15.1 job increase)
Pierce	0.83	0.9	1.58	Also fairly stable (6.3% housing increase vs. 11.9% job increase – although this might be skewed by Army and Air Force changes at Fort Lewis and McChord AFB)
3 Counties	1.18	1.31	3.15	Putting the 3 counties together somewhat evens out the King County impact, but does indicate the sustained overall pattern of jobs/housing relationships. The 3 Puget Sound counties had 73% of the entire state job growth and 50% of the housing growth. Also, 53% of the population growth.
State	1.03	1.11	2.17	Since most of the rest of the State had much less growth, these ratios are pretty compelling.

Berryman & Henigar

MEMORANDUM

Date: 6/17/03

To: Kirk Johnson

From: Roger Wagoner

Re: EMPLOYMENT ALLOCATIONS

I looked at the 1997 EDH *"Urban Growth Area Analysis Update"* to examine its conclusions and compare with the recent work and discussion.

EDH came up with a county-wide figure of 2,344 acres of commercial/industrial land "available for development" based on calculations of "existing supply" within each jurisdiction. Using a 25% market factor, that would generate a figure of 2,930 acres. The EDH analysis did not include the Urban Reserve or Non-UGA areas. The following table shows the comparison of the EDH results and the adopted CPP 1.1 allocations. The "Growth Rate" column is the 18-year rate using the 1997 and 2015 figures. None of this analysis takes into account the more complex factors such as annexations and other changes to the land base during this period.

JURISDICTION	1997 USE	1997 EDH ALLOCATION	2015 CPP 1.1 ALLOCATION (less 25% market factor)	2015 USE	GROWTH RATE (%)
Anacortes	2,367	502	558 (446)	2,813	1.0
Burlington	671	322	242 (194)	865	1.4
Concrete	0	0	28 (22)	22	23.4
Hamilton	9	33	60 (48)	57	10.8
LaConner	90	2	2 (2)	92	0.1
Lyman	10	0	0	10	0
Mt. Vernon	545	771	869 (695)	1,240	4.7
Sedro-Woolley	280	217	243 (194)	474	3.0
Bayview Ridge	370	497	750 (600)	970	5.5
Swinomish	52	0	0	52	0
Reserve	?	0	0	?	0
TOTAL	4,394	2,344	2,752 (2,201)	6,593	2.3

One approach to looking at 2025 would be to extrapolate these growth rates for another 10 years beyond 2015. That would look like:

JURISDICTION	2015 CPP 1.1 ALLOCATION (less 25% market factor)	2015 USE	1997-2015 JURISDICTION GROWTH RATE (%)	2025 JURISDICTION RATE x 2015 ALLOCATION	2025 COUNTY-WIDE RATE x 2015 ALLOCATION
Anacortes	558 (446)	2,813	1.0	616	700
Burlington	242 (194)	865	1.4	278	304
Concrete	28 (22)	22	23.4	229	35
Hamilton	60 (48)	57	10.8	167	75
LaConner	2 (2)	92	0.1	2	2.5
Lyman	0	10	0	10	10
Mt. Vernon	869 (695)	1,240	4.7	1,376	1,091
Sedro-Woolley	243 (194)	474	3.0	327	305
Bayview Ridge	750 (600)	970	5.5	1,281	941
Swinomish	0	52	0	0	0
Reserve	0	?	0	0	0
TOTAL	2,752 (2,201)	6,593	2.3	4,286	3,464

The existing estimated Swinomish capacity of 420 acres could be added to these 2025 totals bringing them to 3,884 – 4,706 acres. Or, 368 of the Swinomish acres could be used to reduce the totals since this land was not factored into the CPP. That would result in total 2025 allocations of 3,096 – 3,918 acres.

What does that mean with respect to current UGAs? Using the estimated inventory figures we now have, the following could be concluded:

JURISDICTION	2025 ALLOCATION	2002 INVENTORY	SURPLUS (SHORTAGE)
Anacortes	616-700	420	(196-280)
Burlington	278-304	189	(89-115)
Concrete	35-229	0	(35-229)
Hamilton	75-167	26	(49-141)
LaConner	2-2.5	1.7	(O.3-0.8)
Lyman	10	0	(10)
Mt. Vernon	1,091-1,376	219	(872-1,157)
Sedro-Woolley	305-327	109	(196-218)
Bayview Ridge	941-1,281	630	(311-651)
Swinomish	0	420	420
TOTAL	3,464-4,286	2,015	(1,449-2,271)

Using this analysis, we can estimate that Skagit County jurisdictions will have to double the amount of commercial/industrial land that is "available for development" during the next 20 years.

Berryman & Henigar

MEMO

Date: 6/10/03

To: SCOG Planners

From: Roger Wagoner

RE: EMPLOYMENT ALLOCATIONS 30176.01

This memo is a progress report on the analysis leading towards updating CPP 1.1 to extend the commercial/industrial land allocation policy to the year 2025. At this time, we should be completing the assignment so that all jurisdictions have the CPP basis for initiating their individual comprehensive plan updates.

Next Steps

1) Confirm current inventory of developable land within each jurisdiction;
2) Determine the most effective way to allocate; and
3) Ensure consistency with the CEDS.

Approach

For discussion purposes, we would like to advance the following proposal based on the findings and conclusions included in the balance of this memo.

a) Establish a minimum requirement for all jurisdictions to have a 5 (or 7) years' supply of buildable commercial and industrial land available at all times. During the next 18 months leading to the 2005 GMA update deadline, jurisdictions would be charged with determining whether their current inventory is adequate and is served by urban services as indicated by 6-year capital facilities planning, and if not, how they propose to meet the requirement. This could be through UGA expansions or through "reasonable measures" such as infill strategies, upzoning, etc.

b) The updates should also include further forecasts and policy direction for 20 year commercial and industrial land needs, guided by the GMA changes in the 2002 legislation (SSHB 2697) mandating an economic development element (if legislative funding is made available), and by the CEDS.

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

c) Require that all jurisdictions collaborate on implementing a land use monitoring database that would enable periodic assessment of commercial and industrial land absorption.
d) Following the 2005 adoption process, the SCOG would then revisit how the plans have addressed the CPP, and whether there should be further amendments prior to the next cycle of comprehensive plan updates.

March Discussion Paper

Following the completion of the population allocation work, the *"Skagit County Growth Management Employment Allocation"* discussion paper was drafted for SCOG review. That paper, dated March 14, described employment trends in the County, summarized information produced in prior reports, and outlined alternative methodologies for allocating employment land demand for the 20-year planning period.

In the paper and at SCOG meetings, we discussed the data "gaps" or inconsistencies inherent to this process. This includes the nature of the different ways that jobs are counted (covered, sole proprietors, part-time, etc.); the generalization of employment density factors used to compute land demand; and the uncertainty of the current status of land supply for commercial and industrial uses in the urban area(s).

Since March, the following conclusions have been developed that need scrutiny by the SCOG planners. Direction from the planners is necessary to establish the guidance needed to provide a draft policy recommendation.

Conclusions

1) As currently written, CPP 1.1 is not clear about the meaning of the commercial/ industrial land allocations. Are these "goals" for land absorption by 2015? Or, are they merely "targets" of land supplies to be available for development? Is this land inventory that is supposed to be maintained by the addition of "new" land as "current" land is absorbed? According to County planners, these allocations reflect the total amount of new commercial and industrial acreage each jurisdiction has available for development over the target period. If a jurisdiction exhausts its allocated supply ahead of schedule, it would need to obtain a greater allocation through revisions to the CPPs, but it could not unilaterally enlarge its UGA to accommodate additional commercial/industrial development. Each jurisdiction's allocation falls within a larger, countywide control total. CPP 1.1 should be amended to make this intent clear.
2) The current adopted OEDP contains a policy *"In cooperation with local jurisdictions, Skagit County shall maintain a minimum five year inventory of read(y)-to-build industrial sites at all times through the duration of the Comprehensive Plan."* There is no similar policy for commercial land or for the cities and towns.

3) Since the GMA has been amended to require comprehensive plans to be reviewed at least every 7 years, Skagit jurisdictions should consider whether to continue with the 5 year policy and whether there should be a similar policy for commercial land and for the cities/towns.
4) While we are still awaiting finalization of the current inventory estimates, it appears that the supply contains about 2,000 acres. Using absorption rates described below, this supply would appear to be sufficient in round numbers for the next 20+ years. However, it may not be in the right locations and it may not be distributed according to some jurisdictions' expectations.
5) Policies and regulations do not have much direct influence on the marketplace (unless they prohibit development outright, or make it financially unfeasible). However, comprehensive strategies and actions can have significant influences if they show local governments' willingness to support development by ensuring proper infrastructure, streamlining permit processes, or even selling or leasing public land at less-than-market prices. A long way of saying that the simple act of adopting land allocations has limited utility in making things happen.

CEDS

It was determined that the employment allocation work should be coordinated with the SCOG's updating of the Comprehensive Economic Development Strategy (formerly, the OEDP). Working Draft #1 of the CEDS has been distributed and will be discussed at the June 12 meeting. The update draft acknowledges the SCOG's pending decision on employment allocation as part of the CPP amendment process. The draft describes economic trends and concludes that job growth throughout the County has resulted in there being twice as many jobs now than existed in 1980, an annual growth rate of 3.4%. The draft states that *"Skagit County historical job growth trends do not align with its population growth, which was more rapid in the 90s. In contrast, overall job growth was stronger in the 1980s. This suggests the possibility of resurgent employment growth locally – particularly with recovery from the current economic downturn."*

The following discussion has been prepared to supplement our earlier discussion paper and may provide further information describing the background work we have done.

Land Use Analysis

CPP 1.1 establishes a "goal" of 3,336 new acres of commercial/industrial land to be available and/or developed throughout the County between 1995 and 2015. Of this, 584 acres is for the rural area and the remaining 2,752 acres is for the urban area(s). This came out of the 1996/97 studies and assumes a 25% market factor. Deducting the 25% market factor, the net urban acreage goal is 2,200A. The November, 2002 *"Growth Management Indicators Report"* summarizes commercial/industrial

development permit activity for the period 1995-2001, or ¼ of the planning period. For that period, all Skagit County jurisdictions reported permitting of more than 5 million square feet of building area. The following table shows the distribution of this activity.

COMMERCIAL/INDUSTRIAL BUILDING PERMIT ACTIVITY
Skagit County 1995 - 2001

Incorporated City	Square Feet
Anacortes	546,236
Burlington	1,839,923
Concrete	0
Hamilton	0
La Conner	64,720
Lyman	0
Mount Vernon	903,343
Sedro-Woolley	326,155
Subtotal	**3,680,377**
Unincorporated UGA	
Anacortes UGA	39,033
Burlington UGA	3,960
Concrete UGA	0
Hamilton UGA	0
La Conner UGA	0
Lyman UGA	0
Mount Vernon UGA	140,234
Sedro-Woolley UGA	136,110
Bayview UGA	738,932
Swinomish UGA	0
Subtotal	**1,058,269**
Unincorporated Rural	
Subtotal	**398,778**
TOTAL COUNTY	**5,137,424**
Sub-Total Urban	**4,738,646**
Sub-Total Rural	**398,778**

Note: Total for Unincorporated Rural Lands excludes public purpose facilities and utilities
Sources: Cities, Skagit County, Earth Tech, Inc.

Some observations can be made:

- The permit data used to develop this report did not show the land absorption involved in these projects.
- 70% of the permitted development was inside the cities of Anacortes (11%), Burlington (39%), and Mount Vernon (19%). Most of the permitted development in the non-city UGA was in Bayview.

A gross building "footprint" factor common to much commercial and industrial development is 30-35%. That is, 65-70% of the total site area is devoted to parking, stormwater management facilities, landscaping, etc. If that factor were applied to the reported 1995-2001 building permit data, then something like 340-400 acres of land would have been absorbed. That's about 70-80 acres per year.

Other Information

The Swinomish Tribe has provided information describing current employment and land supply. There are 6 enterprises occupying tribal land (including the casino and tribal government). Together these enterprises employ 460 full-time equivalents and occupy 124 acres of land for an employee density of 3.7. The Tribe has an additional 421 acres of commercial land available for development.

The April, 2003 Draft Bayview Ridge Subarea Plan and DEIS indicates the County's current thinking regarding the nature of the land supply for commercial and industrial uses within that area. There are 779 "developable" acres of industrial-zoned land now. This is after critical areas have been accounted for, but not land necessary for roads and utilities. All of the alternatives would retain this amount of industrial land, due to the current adopted CPP. The DEIS estimates that employment within the subarea will increase from 1,456 in 1998 to 3,301 in 2015 and 4,305 in 2025. New jobs in that 27 year period would total 2,850.

State Forecast

The State of Washington recently released new county-level employment forecasts for the period 2000-2010. For Skagit County, it estimates that 5,800 new jobs will be created. The following table shows the distribution of those new jobs by industry:

INDUSTRY	NEW JOBS 2000 – 2010	LAND AREA (A)*
Manufacturing	**470**	**72**
Construction & Mining	**250**	**38**
Transportation, Communications & Utilities	**160**	**8**
Wholesale & Retail Trade	**1,160**	**58**
Finance, Insurance & Real Estate	**210**	**11**
Services	**2,270**	**114**
Government	**1,320**	**66**
TOTAL	**5,840**	**367**

*Using job/acre factors of 6.5 for the first two industries and 20 for the remaining, the forecasted new jobs would require 367 acres of land. Assuming these are net acres, then the forecast would mean absorption of 37 acres per year.

To compare the Skagit County 5 year data with this interpretation of the state's 10 year forecast, we get a range of 37-80 acres absorbed per year. Even at the high end of the range, the supply of commercial/industrial acreage currently allocated by CPP 1.1 through 2015 would appear to be sufficient in round numbers for the next 20+ years.

Skagit County Jurisdictions
ESTIMATED 2002 COMMERCIAL/INDUSTRIAL LAND SUPPLY
(Acres)
6/12/2003

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY		TOTAL SUPPLY (2002)	2015 POLICY (1994)
	Commercial	Industrial		
Anacortes	0	420	420	558
Burlington	41	148	189	242
Concrete	0	0	0	28
Hamilton	26		26	60
La Conner	0.1	1.6	1.7	2
Lyman	0	0	0	0
Mount Vernon	219		219	869
Sedro Woolley	28	81	109	243
Subtotal Cities and UGAs			965	2,002
Swinomish	420		420	0
Bay View Ridge	630		630	750
Subtotal County UGAs			1,050	2,752
Subtotal Urban			2,015	2,752
Rural	210		210	584
TOTAL			2,225	3,336

Berryman Henigar

MEMORANDUM

Date: 4/22/03

To: File 30176.01

From: Roger Wagoner

Re: EMPLOYMENT FORECASTS

The state forecasts growth of 5,840 nonagricultural jobs in Skagit County between 2000 and 2010 within the following industry categories:

INDUSTRY	NEW JOBS 2000 – 2010	LAND AREA (A)*
Manufacturing	470	72
Construction & Mining	250	38
Transportation, Communications & Utilities	160	8
Wholesale & Retail Trade	1,160	58
Finance, Insurance & Real Estate	210	11
Services	2,270	114
Government	1,320	66
TOTAL	5,840	367

*Using job/acre factors of 6.5 for the first two industries and 20 for the remaining, the forecasted new jobs would require 367 acres of land. Using a market factor of 25%, the total land requirement would be 459 acres.

SKAGIT COUNTY GROWTH MANAGEMENT
EMPLOYMENT ALLOCATION

Introduction

In response to the Skagit County Growth Management Act Steering Committee (GMASC), the Technical Committee has prepared recommended draft population allocations for the Year 2025. This paper describes the assumptions and methods used to prepare related allocations for employment growth in Skagit County jurisdictions.

Employment allocation under the GMA, like population allocation, involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. It is not, however, bound by control totals provided by the state Office of Financial Management. Since the GMA does not (yet) require local plans to have economic development elements, the primary purpose for jobs analysis is to assist in estimating land needs for growth of commercial and industrial business.

This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. Skagit Countywide Planning Policy #1.1 establishes commercial/industrial land allocations in acres for the year 2015. This totals 3,336 acres county-wide, resulting from considerable analysis performed over the past 5-6 years. That total land demand "target" includes 584 "non-urban" acres. The remaining urban land demand of 2,752 acres is allocated to the city and county UGAs. The following builds on that work to extend the planning horizon out to 2025. The allocation is intended to be a guideline for the County and cities to use in maintaining their respective comprehensive plans and coordination of economic development activities through the Skagit Council of Governments and the Economic Development Association of Skagit County. It is not intended that land suitable for development must <u>currently</u> be available in every jurisdiction to meet the targets established by the adopted allocation.

INTERIM REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Jobs-Housing Balance

The previous work was based on analysis of zoned capacity of buildable land prepared by the County in consultation with each city and the Skagit Council of Government (SCOG) Overall Economic Development Plan. This paper uses that information, as updated, but also proposes an alternate method for estimating future job growth.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. The following analysis has been prepared to show how such an approach would result in the allocation of new employment growth.

Table 1 displays the relationships between jobs and housing in 1990 and 2000 and then applies the ratios of jobs per household to the OFM population totals and the recommended population target developed during the population allocation process. The table shows the range of jobs that would result from applying the 1990 and 2000 jobs/housing ratios to the estimated 2025 households resulting from the OFM forecasts and the Skagit County population target.

Table 1
JOBS/HOUSING BALANCE ANALYSIS
Skagit County

1990 Jobs/Housing Balance	1.42 jobs per household (30,573 Households)
2000 Jobs/Housing Balance	1.7 jobs per household (34,973 Households)
2000 Population In Households	98%
2000 Average Household Size	2.6
OFM 2025 Low Population	52,490 Households = 74,535 - 89,230 Jobs
OFM 2025 Medium Population	62,115 Households = 88,200 - 105,595 Jobs
OFM 2025 High Population	75,005 Households = 106,505 - 127,505 Jobs
Skagit County 2025 Target Population	56,310 Households = 79,960 – 95,725 Jobs

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The result of this analysis indicates new job growth between 2000 and 2025 would be in the range of 20,640 to 36,405, with the mid-point at 28,520. Table 2 demonstrates how this methodology could be used to distribute employment at the jurisdictional level based on the recommended population targets.

Table 2
THEORETICAL DISTRIBUTION OF NEW JOBS
(Jobs/Housing Balance)
2000 – 2025

JURISDICTION (Cities & UGA)	POPULATION GROWTH	HOUSEHOLD GROWTH (2.6 per HH)	JOBS @ 1.42 (per HH)	JOBS @ 1.7 (per HH)	% TOTAL
Anacortes	3,620	1,390	1,975	2,368	8
Burlington	3,180	1,225	1,740	2,080	7
Concrete	390	150	215	255	1
Hamilton	140	55	75	90	0.3
La Conner	190	75	105	125	0.4
Lyman	140	55	75	90	1
Mount Vernon	19,000	7,305	10,375	12,420	42
Sedro-Woolley	4,505	1,730	2,455	2,940	10
Subtotal Cities & UGAs	31,165	11,985	17,020	20,365	69
County UGAs	4,885	1,880	2,670	3,195	11
TOTAL URBAN	36,050	13,865	19,690	23,560	80
RURAL	9,220	3,545	5,035	6,025	20
TOTAL COUNTY	45,210	17,410	24,720	29,585	100

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The mid-point between these to projections is 27,150 jobs. The difference between the results of this table and results of Table 1 is in how the population in households per jurisdiction here and the county-wide percentage used in Table 1 affects the number of jobs. The next step is to see how this compares with trends and other recent employment forecasts.

Trends

Skagit County has seen employment increase by more then 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The annual change ranged between -4.5% and +9%. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time and self-employment positions. Table 3

shows total jobs in 1990 and 2000 and the relative changes by type of employment.

INTERNAL REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Table 3
EMPLOYMENT TRENDS 1990 - 2000
Skagit County

CATEGORY	1990	2000	GROWTH	PERCENT CHANGE	AVERAGE ANNUAL PERCENT CHANGE
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.22
Farm	2,692	2,876	184	6.8	0.66
Nonfarm	40,505	56,443	15,938	39.3	3.37
Private	34,060	47,610	13,550	39.8	3.41
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	3.53
Mining	70	100	30	42.9	3.63
Construction	3,301	4,674	1,373	41.6	3.54
Manufacturing	4,941	6,387	1,446	29.3	2.60
Transportation & Public Utilities	1,782	2,219	437	24.5	2.22
Wholesale Trade	1,337	1,745	408	30.5	2.70
Retail Trade	8,798	11,722	2,924	33.2	2.01
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.22
Services	9,630	14,931	5,301	55.0	4.48
Government	6,445	8,833	2,388	37.1	3.20
Federal, Civilian	444	466	22	5.0	0.48
Military	440	380	-60	-13.6	-1.46
State & Local	5,561	7,987	2,426	43.6	3.69
State	1,264	1,394	130	10.3	0.98
Local	4,297	6,593	2,296	53.4	4.37

Source: U.S. Department of Commerce, Bureau of Economic Analysis

INTERNAL REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Forecasts and Analyses

A series of employment analyses have been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions. Sources include:

- *1998 Skagit County Employment Report by Detailed Geography, (SCOG) BST Associates, May 24, 2000.*
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The first analysis (BST), documented 1998 employment by industry and geography. Jobs were defined in terms of full-time equivalents. Analysis of employment in the UGAs was based on the transportation analysis zones (TAZs). Table 4 summarizes the conclusions of this study. The percentage distribution of 1998 jobs shown in the last column can be compared to the similar column in Table 2 which shows the percentage of new jobs by jurisdiction at 2025 if the jobs/housing balance method of forecasting were adopted.

INTERNAL REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Table 4
1998 EMPLOYMENT DISTRIBUTION
Skagit County

JURISDICTION	JURISDICTION FTEs	URBAN GROWTH AREA FTEs	TOTAL FTEs	% OF TOTAL
Anacortes	4,303	1,235	5,538	14.7
Burlington	5,304	203	5,507	14.6
Concrete	293		293	0.8
Hamilton	120		120	0.3
La Conner	1,291		1,095	2.9
Lyman	66		66	0.2
Mount Vernon	13,206	1,460	14,666	38.9
Sedro Woolley	3,553	736	4,289	11.4
Total Cities & UGAs	28,136	3,634	31,574	83.8
County UGA			1,074	2.8
TOTAL URBAN			32,648	86.7
Rural			5,022	13.3
TOTAL			37,670	100

Source: BST
Associates May 2000

The most recent employment forecast was prepared in 2001 by E.D. Hovee & Company (EDH) for the SCOG (May 4, 2001 Project Memorandum). Two

methods were used. In this analysis, EDH forecasts a range of between 37,700 and 39,300 total new jobs between 1997 and 2025. Interpolating this growth to the 2000-2025 period would result in approximately 29,910 to 35,800 new jobs. It should be noted that EDH's estimate of 1997 does not include farm jobs and uses a ratio to compute "self-employment" jobs. This results in 43,516 "total jobs" compared the U.S. Department of Commerce, Bureau of Economic Analysis number of 50,483 "total full-time and part-time" jobs, excluding farm jobs, in 1997.

The EDH estimate of job growth out to 2025 would result in an aggregate of 81,210 to 82,800 total jobs. This compares favorably with the jobs/housing balance method forecast of 79,960 to 95,725 jobs (including farm jobs) since the final total of jobs in 2025 will depend on a wide range of variables including land capacity, access, market forces, and Skagit County's competitiveness.

The EDH analysis also breaks the growth forecast into land use types (not including farms) as follows:

Table 5
JOB GROWTH PROJECTIONS
BY LAND USE & FORECAST ALTERNATIVE
(1997–2025)

INTERNAL REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Land Use Type	Methodology Pop-Driven	Shift-Share	% of Total
Commercial (C)	13,595	14,189	36.1
Industrial (I)	8,373	8,739	22.2
Natural Resource (NR)	1,981	2,082	5.3
Agriculture (AG)	275	341	0.7/0.9
Public/Institutional (P)	9,276	9,732	24.6/24.8
Covered Employment	33,500	35,083	88.9/89.3
Self-Employment (SE)	4,200	4,200	11.1/10.7
Total Employment	37,700	39,283	100

Source: E.D. Hovee & Company, May 2001.

The mid-point between these two projections is 38,490 jobs.

Land Demand

Using the following employment density factors, EDH estimated land demand for commercial and industrial job growth that resulted in the adopted countywide planning policy allocations of 3,336 acres for the year 2015. Those density factors are:

- Commercial Land 20 Employees/Acre
- Industrial Land 6.5 Employees/Acre
- Natural Resource Land 2.5 Employees/Acre

Land demand for rural uses such as agriculture, and public and institutional uses, and self-employment was not calculated. (Skagit County uses the following density factors for rural uses: commercial – 6; industrial – 3; natural resources – 1.5; and rural industrial/natural resource – 2.5. The Port of Skagit uses a density factor of 11.1 for its property.) A 25% market factor was applied to account for land that is expected to be unavailable for development and use.

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Using the urban densities and the market factor, the percentage distribution of jobs forecasted in the commercial, industrial, and natural resource sectors, and the range of job forecasts, we have compared the resulting land demands below:

Table 6
2025 COMMERCIAL/INDUSTRIAL
LAND DEMAND COMPARISON

TYPE	DENSITY	% TOTAL JOBS	EDH FORECAST* Net + Market Factor Acres	BALANCE FORECAST** Net + Market Factor Acres
Commercial	20	36.1	595 + 150	515 + 130
Industrial	6.5	22.2	1,120 + 280	975 + 245
Natural Resource	2.5	5.3	695 + 175	605 + 150
TOTAL			2,410 +605	2,095 + 525

* Average of shift-share and population-driven methods + 25% market factor
** Average of 1990 and 2000 jobs/housing ratios + 25% market factor

Thus, the range of land demand based on this analyis is 2,620 to 3,015 acres

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown in Table 7. This is compared to the estimated demand created by the jobs forecast shown above. Some of the land supply estimates (Hamilton, Bay View Ridge, and Rural) do not distinguish between commercial and industrial land, and there is no estimate of land specifically designated for natural resource uses in any of the estimates.

The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 23 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

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Table 7
COMMERCIAL/INDUSTRIAL LAND SUPPLY-DEMAND
(Acres)

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY		TOTAL SUPPLY (2002)	2015 POLICY (1994)*	2025 DEMAND FORECAST**
	Commercial	Industrial			
Anacortes	0	420	420	558	210-240
Burlington	41	148	189	242	185-210
Concrete	0	0	0	28	25-30
Hamilton		26	26	60	10
La Conner	0.1	1.6	1.7	2	10
Lyman	0	0	0	0	25-30
Mount Vernon	350	237	587	869	1,100-1,270
Sedro Woolley	28	81	109	243	260-300
Subtotal Cities and UGAs			1,224	2,002	1,825-2,100
Swinomish	***		***	0	***
Bay View Ridge	373		373	750	290-330
Subtotal County UGAs			373	2,752	290-330
Subtotal Urban			1,597	2,752	2,115-2,430
Rural	210		210	584	525-605
TOTAL			1,807	3,336	2,640-3,035

* With 25% market factor
**Proportional distribution based on Table 2
***Swinomish Reservation contains land designated for industrial and commercial uses

This table enables some preliminary conclusions:

- County-wide, more land area will be needed to support economic development in the future, although there is a considerable supply of land that can accommodate growth for a number of years.
- Anacortes appears to have no land supply designated for commercial development.
- Concrete and Lyman appear to need to consider means to create land supply for growth, if the jobs/housing balance concept is adopted.
- The relationship of rural/urban land supply and demand may require further policy analysis.

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Preliminary Allocation Alternatives

The following presents 3 alternative approaches to the allocation of the 2025 target commercial/industrial land demand described in the previous analysis. For the purposes of this exercise the following assumptions are used:

- Total county land demand is 3,000 acres.
- Rural demand is 525 acres
- County (non-city-oriented including Swinomish) UGA demand is 400 acres.
- City (& UGAs) aggregate demand is 2,075 acres.

The allocations do not distinguish between commercial and industrial land.

IN-HOUSE REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Table 8
2025 COMMERCIAL/INDUSTRIAL LAND
ALLOCATION ALTERNATIVES
(Acres)

JURISDICTION (Cities & UGAs)	2015 ALLOCATION	2025 ALLOCATION		
		SUPPLY-BASED	DEMAND-BASED	CLUSTER
Anacortes	558	625	240	546
Burlington	242	281	210	309
Concrete	28	42	30	20
Hamilton	60	89	9	60
La Conner	2	3	12	3
Lyman	0	0	30	0
Mount Vernon	869	873	1,253	959
Sedro Woolley	243	162	301	178
Subtotal Cities and UGAs	2,002	2,075	2,075	2,075
Subtotal County UGAs	750	400	400	400
Subtotal Urban	2,752	2,475	2,475	2,475
Rural	584	525	525	525
TOTAL	3,336	3,000	3,000	3,000

The "Supply-Based" allocation distributes the 2,075 city + UGA total based on proportionate increases to the 2002 supply figures shown in Table 7. The

allocation for Concrete is based on the 2015 allocation since the city has no current supply.

The "Demand-Based" allocation uses the "Demand Forecast" estimates from Table 7.

The "Cluster" allocation starts with an initial allocation to cities and groups of cities based on geography. In this method, Anacortes and LaConner are considered to stand alone due to their settings, while the Burlington/Mt.Vernon/Sedro-Woolley and Concrete/Hamilton/Lyman clusters are characterized by their locations and relationships to each other. Table 9 shows the initial cluster allocations starting with ranges and the subsequent breakdowns. Then, the cluster allocations were further broken down into the individual city portions in Table 8.

Table 9
CLUSTER ALLOCATIONS
(Acres)

CLUSTER	RANGE	ALLOCATION
Anacortes	500-600	546
La Conner	2-4	3
Burlington/Mt. Vernon/Sedro-Woolley	1,400-1,500	1,446
Concrete/Hamilton/Lyman	80-90	80
TOTAL		2,075

INTERNAL REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

SKAGIT COUNTY GROWTH MANAGEMENT
EMPLOYMENT ALLOCATION

Introduction

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Associates May 2000

The most recent employment forecast was prepared in 2001 by E.D. Hovee & Company (EDH) for the SCOG (May 4, 2001 Project Memorandum). Two

methods were used. In this analysis, EDH forecasts a range of between 37,700 and 39,300 total new jobs between 1997 and 2025. Interpolating this growth to the 2000-2025 period would result in approximately 29,910 to 35,800 new jobs. It should be noted that EDH's estimate of 1997 does not include farm jobs and uses a ratio to compute "self-employment" jobs. This results in 43,516 "total jobs" compared the U.S. Department of Commerce, Bureau of Economic Analysis number of 50,483 "total full-time and part-time" jobs, excluding farm jobs, in 1997.

The EDH estimate of job growth out to 2025 would result in an aggregate of 81,210 to 82,800 total jobs. This compares favorably with the jobs/housing balance method forecast of 79,960 to 95,725 jobs (including farm jobs) since the final total of jobs in 2025 will depend on a wide range of variables including land capacity, access, market forces, and Skagit County's competitiveness.

The EDH analysis also breaks the growth forecast into land use types (not including farms) as follows:

Table 5
JOB GROWTH PROJECTIONS
BY LAND USE & FORECAST ALTERNATIVE
(1997–2025)

INTERNAL REVIEW DRAFT FOR DISCUSSION PURPOSES ONLY

Land Use Type	Methodology Pop Driven	Methodology Shift-Share	% of Total
Commercial (C)	13,595	14,189	36.1
Industrial (I)	8,373	8,739	22.2
Natural Resource (NR)	1,981	2,082	5.3
Agriculture (AG)	275	341	0.7/0.9
Public/Institutional (P)	9,276	9,732	24.6/24.8
Covered Employment	33,500	35,083	88.9/89.3
Self-Employment (SE)	4,200	4,200	11.1/10.7
Total Employment	37,700	39,283	100

Source: E.D. Hovee & Company, May 2001.

The mid-point between these two projections is 38,490 jobs.

Land Demand

Using the following employment density factors, EDH estimated land demand for commercial and industrial job growth that resulted in the adopted countywide planning policy allocations of 3,336 acres for the year 2015. Those density factors are:

- Commercial Land 20 Employees/Acre
- Industrial Land 6.5 Employees/Acre
- Natural Resource Land 2.5 Employees/Acre

Land demand for agriculture, public and institutional uses, and self-employment was not calculated. A 25% market factor was applied to account for land that is expected to be unavailable for development and use.

Using these densities and the market factor, the percentage distribution of jobs forecasted in the commercial, industrial, and natural resource sectors, and the range of job forecasts, we have compared the resulting land demands below:

Table 6

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2025 COMMERCIAL/INDUSTRIAL LAND DEMAND COMPARISON

TYPE	DENSITY	% TOTAL JOBS	EDH FORECAST* Net + Market Factor Acres	BALANCE FORECAST** Net + Market Factor Acres
Commercial	20	36.1	595 + 150	515 + 130
Industrial	6.5	22.2	1,120 + 280	975 + 245
Natural Resource	2.5	5.3	695 + 175	605 + 150
TOTAL			2,410 +605	2,095 + 525

* Average of shift-share and population-driven methods + 25% market factor
** Average of 1990 and 2000 jobs/housing ratios + 25% market factor

Thus, the range of land demand based on this analyis is 2,620 to 3,015 acres

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown in Table 7. This is compared to the estimated demand created by the jobs forecast shown above. Some of the land supply estimates (Hamilton, Bay View Ridge, and Rural) do not distinguish between commercial and industrial land, and there is no estimate of land specifically designated for natural resource uses in any of the estimates.

The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 23 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

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Table 7
COMMERCIAL/INDUSTRIAL LAND SUPPLY-DEMAND
(Acres)

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY		TOTAL SUPPLY (2002)	2015 POLICY (1994)*	2025 DEMAND FORECAST**
	Commercial	Industrial			
Anacortes	0	420	420	558	210-240
Burlington	41	148	189	242	185-210
Concrete	0	0	0	28	25-30
Hamilton		26	26	60	10
La Conner	0.1	1.6	1.7	2	10
Lyman	0	0	0	0	25-30
Mount Vernon	350	237	587	869	1,100-1,270
Sedro Woolley	0	108	108	243	260-300
Subtotal Cities and UGAs			1,332	2,002	1,825-2,100
Swinomish	0	0	0	0	
Bay View Ridge	373		373	750	290-330
Subtotal County UGAs			373	2,752	290-330
Subtotal Urban			1,705	2,752	2,115-2,430
Rural	210		210	584	525-605
TOTAL			1,915	3,336	2,640-3,035

* With 25% market factor
**Proportional distribution based on Table 2

This table enables some preliminary conclusions:

- County-wide, more land area will be needed to support economic development in the future, although there is a considerable supply of land that can accommodate growth for a number of years.

- Anacortes, and Sedro-Woolley appear to have no land designated for commercial development.
- Concrete and Lyman appear to need to consider means to create land supply for growth, if the jobs/housing balance concept is adopted.
- The relationship of rural/urban land supply and demand may require further policy analysis.

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Berryman & Henigar

MEMO

Date: 2/28/03

To: Kirk Johnson

CC:

From: Roger Wagoner

RE: DRAFT EMPLOYMENT PAPER 30176.01

This memo transmits our first iteration of the draft Employment Allocation paper. This paper does not propose an allocation. It is intended to describe the analysis and conclusions that have been generated to date. Review and comment by the SCOG planners will then provide direction for the refinement of the analysis and development of an allocation strategy. Since the paper summarizes, interpolates, and interprets a substantial amount of information, we hope to get comments regarding the utility of the presentation and suggestions for improvement.

As you know, the current adopted allocation was built based on analysis and forecasts of employment and land capacity during 1996-97. In the 5-6 intervening years, the characteristics of the factors used then have changed considerably. In addition, the 2000 census and other federal data sources as well as the county and cities' land use research provide a much better basis for forecasting.

While the paper attempts to link the prior work with the current information baseline, it does raise some questions for your consideration. For example, is allocation of commercial and industrial land the best policy for directing urban growth? Our analysis shows the difficulty in keeping track of all of the variables that affect economic development - such as employee densities, farm vs. agricultural vs. natural resource jobs, full-time vs. part-time vs. self-employment jobs, and net vs. gross land areas. Without a county-wide tracking system, it will be difficult to monitor the performance of this goal.

This also raises a more general policy issue. As all jurisdictions, including the ports, work together to promote economic development in Skagit County, each has a vested interest in marketing its own community or land base to targeted new businesses and ensuring the stability and growth potential of its existing businesses. As such, the CPP allocations, when viewed as "targets" may be interpreted as "minimums" that are intended to be

720 Third Avenue, Suite 1200, Seattle WA. 98104
206.505.3400 (Fax 206.505.3406) wagoner@bhiinc.com

achieved. The relationship between actions of simply designating or zoning land for new development and adoption of more directive local policies and strategies that are necessary to actually produce new development and new jobs may not be clear enough this setting. In amending the GMA to require economic development elements, the legislature did not provide related new direction for CPP development.

So, the paper provides a basis for the SCOG to consider these and other issues, and to move ahead with an allocation method which can be as simple as possible to understand, monitor, and change over time.

Finally, the factor of time is an important consideration. As stated in the paper, if the final allocation is in terms of land area, this shouldn't be interpreted as anything more than a goal to be achieved over the next 20 years – not that that amount of land has to be in place now. This provides clear direction for flexibility in planning for urban growth areas, making annexation decisions, planning for infill and redevelopment within existing urban areas and planning for "rural activity centers", "major (rural) industrial areas" or "LAMIRDs".

SKAGIT COUNTY GROWTH MANAGEMENT
EMPLOYMENT ALLOCATION

Introduction

In response to the Skagit County Growth Management Act Steering Committee (GMASC), the Technical Committee has prepared recommended draft population allocations for the Year 2025. This paper describes the assumptions and methods used to prepare related allocations for employment growth in Skagit County jurisdictions.

Employment allocation under the GMA, like population allocation, involves "top-down" policy and "bottoms-up" assessment of the carrying capacity of the landscape in terms of zoning, parcel configuration, critical areas, infrastructure, and the market. It is not, however, bound by control totals provided by the state Office of Financial Management. Since the GMA does not (yet) require local plans to have economic development elements, the primary purpose for jobs analysis is to assist in estimating land needs for growth of commercial and industrial business.

This requires both professional judgment and technical analysis within the context of current adopted policy and anticipated future behavior. Skagit Countywide Planning Policy #1 establishes commercial/industrial land allocations in acres for the year 2015. This totals 3,336 acres county-wide, resulting from considerable analysis performed over the past 5-6 years. That total land demand "target" includes 584 "non-urban" acres. The remaining urban land demand of 2,752 acres is allocated to the city and county UGAs. The following builds on that work to extend the planning horizon out to 2025.

Jobs-Housing Balance

The previous work was based on analysis of zoned capacity of buildable land prepared by the County in consultation with each city and the Skagit Council of Government (SCOG) Overall Economic Development Plan. This paper uses that information, as updated, but also proposes an alternate method for estimating future job growth.

Current policy does not specifically address achieving a balance of growth in the creation of new jobs with the creation of new households. This concept is important to consider because it helps to reduce commuting and promotes equity in tax revenue opportunities. The following analysis has been prepared to show how such an approach would result in the allocation of new employment growth.

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Table 1 displays the relationships between jobs and housing in 1990 and 2000 and then applies the ratios of jobs per household to the OFM population totals and the recommended population target developed during the population allocation process. The next step is to see how this compares with trends and other recent employment forecasts.

Table 1
JOBS/HOUSING BALANCE ANALYSIS
Skagit County

1990 Jobs/Housing Balance	1.42 (30,573 Households)
2000 Jobs/Housing Balance	1.7 (34,973 Households)
2000 Population In Households	98%
2000 Average Household Size	2.6
OFM 2025 Low Population	52,490 Households = 74,535 - 89,230 Jobs
OFM 2025 Medium Population	62,115 Households = 88,200 - 105,595 Jobs
OFM 2025 High Population	75,005 Households = 106,505 - 127,505 Jobs
Skagit County 2025 Target Population	58,460 Households = 83,010 - 99,385 Jobs

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Trends

Skagit County has seen employment increase by more then 30% between 1990 and 2000 from 36,571 to 43,759 covered jobs. The annual change ranged between -4.5% and +9%. Growth in total jobs over the same period was over 37%. The county's job growth over the past 30 years ranks 8th statewide. There was just under 6/10ths of a job per resident in 2000. The overall annual unemployment rate has varied between 7.1% and 11.2%. It is important to note that jobs are counted 2 ways. "Covered" jobs are full-time jobs covered by state employment security. Total jobs include part-time positions. Table 2 shows total employment in 1990 and 2000 by type.

Table 2
EMPLOYMENT TRENDS 1990 - 2000
Skagit County

CATEGORY	1990	2000	GROWTH	PERCENT CHANGE	AVERAGE ANNUAL PERCENT CHANGE
Total Employment (Full & Part-time)	43,197	59,319	16,122	37.3	3.73
Farm	2,692	2,876	184	6.8	0.68
Nonfarm	40,505	56,443	15,938	39.3	3.93
Private	34,060	47,610	13,550	39.8	3.98
Ag.Serv. Forest, Fish & Other	1,533	2,168	635	41.4	4.14
Mining	70	100	30	42.9	4.29
Construction	3,301	4,674	1,373	41.6	4.16
Manufacturing	4,941	6,387	1,446	29.3	2.93
Transportation & Public Utilities	1,782	2,219	437	24.5	2.45
Wholesale Trade	1,337	1,745	408	30.5	3.05
Retail Trade	8,798	11,722	2,924	33.2	3.32
Finance, Insurance & Real Estate	2,668	3,664	996	37.3	3.73
Services	9,630	14,931	5,301	55.0	5.50
Government	6,445	8,833	2,388	37.1	3.71
Federal, Civilian	444	466	22	5.0	0.50
Military	440	380	-60	-13.6	-1.36
State & Local	5,561	7,987	2,426	43.6	4.36
State	1,264	1,394	130	10.3	1.03
Local	4,297	6,593	2,296	53.4	5.34

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Forecasts

A series of employment analyses have been prepared for the County and the Council of Governments in recent years. These use different methods and assumptions. Sources include:

- *1998 Skagit County Employment Report by Detailed Geography, (SCOG) BST Associates, May 24, 2000.*
- *Skagit County Overall Economic Development Plan, (SCOG) E.D. Hovee & Co., February, 2000 and updated May 4, 2001*
- *Skagit County Urban Growth Area Analysis, (County) E.D. Hovee & Co., July, 1996 and updated March, 1997*

The first analysis (BST), documented 1998 employment by industry and geography. Jobs were defined in terms of full-time equivalents. Analysis of employment in the UGAs was based on the transportation analysis zones (TAZs). Table 3 summarizes the conclusions of this study.

Table 3
1998 EMPLOYMENT DISTRIBUTION
Skagit County

JURISDICTION	JURISDICTION FTEs	URBAN GROWTH AREA FTEs	TOTAL FTEs	% OF TOTAL
Anacortes	4,303	1,235	5,538	14.7
Burlington	5,304	203	5,507	14.6
Concrete	293		293	0.8
Hamilton	120		120	0.3
La Conner	1,291		1,095	2.9
Lyman	66		66	0.2
Mount Vernon	13,206	1,460	14,666	38.9
Sedro Woolley	3,553	736	4,289	11.4
Total Cities & UGAs	28,136	3,634	31,574	83.8
County UGA			1,074	2.8
TOTAL URBAN			32,648	86.7
Rural			5,022	13.3
TOTAL			37,670	100

Source: BST
Associates May 2000

The most recent employment forecast was prepared in 2001 by E.D. Hovee & Company (EDH) for the SCOG (May 4, 2001 Project Memorandum). Two methods were used. In this analysis, EDH forecasts a range of between 37,700 and 39,300 total new jobs between 1997 and 2025. This would result in an aggregate of 81,200 to 87,800 total jobs. This compares favorably with the jobs/housing balance method forecast of 83,010 to 99,385 jobs since the final outcome of jobs in place in 2025 will depend on a wide range of variables

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including land capacity, access, market forces, and Skagit County's competitiveness.

The EDH analysis also breaks the growth forecast into land use types as follows:

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Table 4
JOB GROWTH PROJECTIONS
BY LAND USE & FORECAST ALTERNATIVE
(1997–2025)

Land Use Type	Methodology Pop Driven	Shift-Share	%
Commercial (C)	13,595	14,189	36.1
Industrial (I)	8,373	8,739	22.2
Natural Resource (NR)	1,981	2,082	5.3
Agriculture (AG)	275	341	0.7/0.9
Public/Institutional (P)	9,276	9,732	24.6/24.8
Covered Employment	33,500	35,083	88.9/89.3
Self-Employment (SE)	4,200	4,200	11.1/10.7
Total Employment	37,700	39,283	100

Source: E.D. Hovee & Company, May 2001.

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Land Demand

Using the following employment density factors, EDH estimated land demand for commercial and industrial job growth that resulted in the adopted countywide planning policy allocations of 3,336 acres for the year 2015. Those density factors are:

- Commercial Land 20 Employees/Acre
- Industrial Land 6.5 Employees/Acre
- Natural Resource Land 2.5 Employees/Acre

Land demand for agriculture, public and institutional uses, and self-employment was not calculated.

Using these densities, the percentage distribution of jobs forecasted in the commercial, industrial, and natural resource sectors, and the range of job forecasts, we have compared the resulting land demands below:

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Table 5
2025 COMMERCIAL/INDUSTRIAL
LAND DEMAND COMPARISON

TYPE	DENSITY	% TOTAL JOBS	EDH FORECAST* Acres	BALANCE FORECAST** Acres
Commercial	20	36.1	695	575
Industrial	6.5	22.2	1,315	1,090
Natural Resource	2.5	5.3	815	675
TOTAL			2,825	2,340

* Average of shift-share and population-driven methods
** Average of 1990 and 2000 jobs/housing ratios

Land Supply

Skagit County and the cities have estimated the amount of developable commercial and industrial land currently within the cities and the UGAs as shown in Table 6. This is compared to the estimated demand created by the jobs forecast shown above. The objective of this analysis is not to suggest that the full 2025 demand be reserved today. Rather, it is a tool to be used in comprehensive planning and monitoring development activity in the next 23 years to ensure that land with appropriate characteristics, infrastructure, and location is available for on-going economic development.

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Table 6
COMMERCIAL/INDUSTRIAL LAND
SUPPLY-DEMAND

JURISDICTION (Cities & UGAs)	2002 LAND SUPPLY (Acres)		TOTAL SUPPLY (2002)	2015 POLICY (1994)	2025 DEMAND	EXCESS [SHORTAGE]
	Commercial	Industrial				
Anacortes	29	148	177	558		
Burlington	122	200	322	242		
Concrete	0	0	0	28		
Hamilton	26		26	60	0	
La Conner	0.1	1.6	1.7	2		
Lyman	0	0	0	0		
Mount Vernon	350	237	587	869		
Sedro Woolley	0	108	108	243		
Subtotal Cities and UGAs				2,002		
Swinomish	0	0	0	0		
Bay View Ridge	373		373	750		
Subtotal County UGAs			373	2,752		
Subtotal Urban			1,873.7	2,752		
Rural			?	584		
TOTAL				3,336	2,340 -2825	

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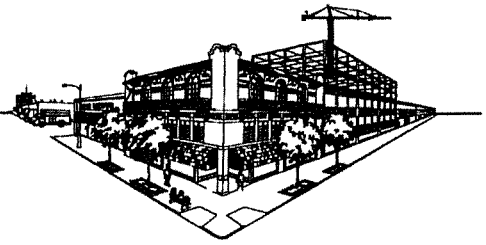
E. D. Hovee
& Company
Economic and Development Services



PROJECT MEMORANDUM

To:	Kelley Moldstad, Skagit County Council of Governments
From:	Eric Hovee & Denise Whitney
Subject:	2003 Updated Skagit County Employment & Land Demand Forecasts
Date:	November 21, 2003

The following memorandum provides an update of the *population driven* employment forecast and land demand model for Skagit County. This update builds upon and is consistent with the prior methodology applied in preparation of the 1995 and 2000 *Overall Economic Development Plans (OEDP)* and subsequent 2001 forecast update.

The adopted Skagit County population projection for the year 2025 is currently 149,080 compared to the previous 2001 forecasts assumption of 167,900. As a result of the lower adopted figure, the 2015 and 2020 population projections have also been adjusted down. In the prior 1995 and 2001 population driven employment forecasts, population projections for the year 2015 were 137,700 residents. In this 2003 forecast a lower population projection – of 128,570 – is applied.

POPULATION DRIVEN EMPLOYMENT FORECAST

This forecast methodology estimates the number of jobs required to support and anticipated population growth over the forecast period. The population forecasts used are based on and include the Skagit County GMA Steering Committee adopted 2025 population forecast. The forecasts for years 2015 and 2020 assume a constant compound annual growth rate between 2000 and 2025.

Other major assumptions of the population based employment model include no net change from 2000 commute patterns, an unemployment rate targeted at a constant year 2000 ratio to statewide unemployment rate projections, and a constant ratio of self-employed workers.

Due to the lower population projections for the years 2015, 2020, and 2025 than used previously, total wage and salary jobs projected have also declined compared to previous estimates. Under the revised population driven employment projection wage and salary jobs in the in the county are forecast to be 65,100 jobs by 2025 – down from 72,300 in the 2001 forecast. When self-employed workers are added back into the employment mix, the employment projection increases to 71,400 by year 2025, reduced from the previously estimated 81,210 jobs.

Internet: www.edhovee.com • e-mail: edhovee@edhovee.com
951 Officers Row • P.O. Box 225 • Vancouver, WA 98666
(360) 696-9870 • (503) 230-1414 • Fax (360) 696-8453

Figure 1. 2003 Population Driven Employment Forecast Methodology

Mathematical Computation	Estimated 1980	1990	2000	Forecast 2015	2020	2025	Comments
Countywide Population	64,138	79,545	102,978	128,573	138,448	149,080	Forecast figures reflect adopted Skagit County 2025 forecast and assumes a constant compound annual growth rate (of 1.49%) between 2000 and 2025.
Multiply:							
% Age 16 and Older	76.1%	76.5%	77.1%	78.0%	77.5%	77.6%	Forecast figures reflect percent distribution interpolated from OFM age distribution forecasts (January 2002).
Equals:							
Population Age 16 and Older	48,800	60,800	79,400	100,300	107,300	115,700	
Multiply:							
Labor Force Participation Rate	57.3%	59.9%	61.9%	64.8%	64.2%	64.2%	Forecast figures reflect extrapolation of 1990 and 2000 figures. The 2020 state figure is 66.9%.
Equals:							
Skagit County Labor Force	28,000	36,400	49,100	65,000	68,900	74,300	
Multiply BY One Minus The:							
Skagit County Unemployment Rate	10.9%	5.8%	6.9%	6.9%	6.1%	6.1%	Forecast figures reflect the 2000 relationship of Skagit County to Washington State and applied to Washington State Long Run figures.
Equals:							
Number of Residents Employed	24,900	34,300	45,700	60,500	64,700	69,800	
Less:							
Self Employed	830	3,770	4,120	5,450	5,830	6,290	Forecast figures assume constant 2000 ratio of self employed to employed residents.
Private Household Employment	90	80	220	290	310	340	Forecast figures assume constant 2000 ratio of private household employment to employed residents.
Equals: Total Resident							
Wage & Salary Workers	23,980	30,450	41,360	547,60	58,560	63,170	
Less:							
Out-Commuters	2,600	5,700	9,900	13,100	14,000	15,100	Forecast figures assume constant 2000 ratio of out-commuters to wage and salary workers.
Equals: Total W&S Workers							
Working in Skagit County	21,380	24,750	31,460	41,660	44,560	48,070	
Plus:							
In-Commuters	N/A	4,800	8,900	11,800	12,600	13,600	Forecast figures assume constant 2000 ratio of in-commuters to wage and salary workers.
Multiple Job Holders *	520	1,650	2,240	2,970	3,170	3,420	Forecast figures assume constant 1990 ratio of multiple job holders to wage and salary workers.
Equals:							
Total Wage & Salary Jobs	21,900	31,200	42,600	56,400	60,300	65,100	

Note: 1980 Multiple Job Holders is assumed to consist of persons holding two or more jobs.

Source: E.D. Hovee & Company, September 2003.

The revised population driven employment forecasts are distributed into the ten major employment sectors based on the percent distributions derived from the 2000 *Skagit Overall Economic Development Plan* (OEDP) and subsequently updated again with a 2001 Shift-Share employment analysis.

Figure 2. 2003 Population Driven Employment Forecast by Employment Sector

Employment	Actual Conditions			Forecast Conditions			Average Annual Growth Rate				
Sector	1980	1990	2000	2015	2020	2025	1980-90	1990-00	2000-15	2015-20	2020-25
Agriculture	2,132	2,817	3,622	3,352	3,310	3,305	+2.8%	+2.5%	-0.5%	-0.3%	-0.0%
Mining	17	28	35	33	36	39	+5.1%	+2.3%	-0.4%	+1.6%	+1.6%
Construction	1,373	2,302	3,105	4,512	4,982	5,515	+5.3%	+3.0%	+2.5%	+2.0%	+2.1%
Manufacturing	3,777	4,290	5,757	7,419	7,953	8,588	+1.3%	+3.0%	+1.7%	+1.4%	+1.5%
TCPU	1,044	1,427	1,740	1,927	1,967	2,030	+3.2%	+2.0%	+0.7%	+0.4%	+0.6%
Wholesale Trade	751	1,092	1,496	1,869	1,989	2,150	+3.8%	+3.2%	+1.5%	+1.2%	+1.6%
Retail Trade	4,462	7,129	9,325	13,645	15,072	16,811	+4.8%	+2.7%	+2.6%	+2.0%	+2.2%
FIRE	661	945	1,239	1,317	1,377	1,445	+3.6%	+2.7%	+0.4%	+0.9%	+1.0%
Services	3,218	5,408	9,182	11,771	12,414	13,253	+5.3%	+5.4%	+1.7%	+1.1%	+1.3%
Government	4,536	5,782	8,258	10,555	11,200	11,965	+2.5%	+3.6%	+1.6%	+1.2%	+1.3%
All Sectors	21,971	31,220	43,759	56,400	60,300	65,100	+3.6%	+3.4%	+1.7%	+1.3%	+1.5%
Self-Employment		3,770	4,121	5,450	5,830	6,290		+0.9%	+1.9%	+1.4%	+1.5%
Total Employment	21,971	34,990	47,880	61,850	66,130	71,390	+4.8%	+3.2%	+1.7%	+1.3%	+1.5%

Note: TCPU is abbreviation for Transportation, Communications, and Public Utilities. FIRE denotes, Finance, Insurance, and Real Estate.

Source: E.D. Hovee & Company, September 2003.

Population driven employment forecasts are then distributed into the five major land use categories based on the percent distributions derived from the 2001 shift-share analysis. This leads to consistent results, with commercial, public/institutional, and industrial lands projected to experience the greatest job growth.

Figure 3. 2003 Population Driven Employment Forecast by Major Land Use Category

	Actual	Forecast Conditions			Forecast Added Jobs			
Land Use Type	2000	2015	2020	2025	2000-15	2015-20	2020-25	2000-25
Commercial (C)	15,310	20,948	22,742	24,952	5,638	1,794	2,209	9,642
Industrial (I)	10,159	13,326	14,333	15,540	3,167	1,008	1,207	5,381
Natural Resource (NR)	2,832	3,361	3,544	3,770	529	183	227	938
Agriculture (AG)	2,861	2,648	2,614	2,610	(213)	(33)	(4)	(251)
Public/Institutional (P)	12,597	16,117	17,066	18,227	3,520	949	1,161	5,630
Covered Employment	43,759	56,400	60,300	65,100	12,641	3,900	4,800	21,341
Self-Employment (SE)	4,121	5,450	5,830	6,290	1,329	380	460	2,169
Total Employment	47,880	61,850	66,130	71,390	13,970	4,280	5,260	23,510

Source: E.D. Hovee & Company, September 2003.

LAND DEMAND

With this update, E.D. Hovee & Company has analyzed projected employment growth (by land use) to estimate total land demand for *commercial and industrial lands* over 25 years. These land uses include commercial, industrial, natural resource, and public/institutional (except education).[1]

Educational uses generally occur on lands designated for residential use and, therefore, were not considered as part of this commercial/industrial land demand analysis. Other land uses excluded from the land demand analysis include agriculture and self-employment. Agriculture includes the raising of crops and livestock, practices that generally do not occur on industrial and commercial lands. Self-employment also has been excluded from the analysis because little reliable research is available on the amount of self-employment on urban commercial and industrial lands, as compared with home occupations occurring in residentially-zoned areas.

In 1999, the Skagit County Council of Governments retained BST Associates to geo code 1998 employment by detailed sector. Results were summarized by land use designation to derive allocation ratios between urban (city *plus* UGA) versus rural areas by land use.

According to BST, urban areas account for an estimated 94% of commercial, 87% of industrial, 90% of natural resource, and 92% of public/institutional employment in Skagit County. Rural areas account for remaining employment, with the exception of public/institutional. Within rural areas, public/institutional employment is not calculated as part of the commercial/industrial land demand because these uses typically occur on rural lands without commercial/industrial zoning.[2]

Projected employment growth estimates are allocated to urban versus rural areas using the allocation ratios. Based on these allocation ratios, nearly 19,800 jobs are anticipated to be created within Skagit County urban areas. Rural areas are estimated to capture nearly 1,400 added jobs between 2000 and 2025.

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[1] Natural resource employment is included in this analysis because the majority of such activities closely relate to industrial uses. Public/institutional employment is included because these activities tend be developed on commercial and industrial lands. Based on input received from local jurisdiction planners in 1998/1999, the land typically is rezoned to institutional from a commercial/industrial designation once a public/institutional entity has purchased the land.

[2] Per discussion with Skagit County planning staff.

Figure 4. Urban vs. Rural Employment by Land Use Allocations (2000-2025)

Land Use	Employment Growth 2000-2025	% Allocation Urban	% Allocation Rural	Employment Growth Urban	Employment Growth Rural
Commercial (C)	9,642	94%	6%	9,063	579
Industrial (I)	5,381	87%	13%	4,682	700
Natural Resource (NR)	938	90%	10%	844	94
Public/Institutional (P)	5,630	92%	–	5,180	–
Total Com'l & Ind'l Employment	21,592	–	–	19,769	1,372

Source: E.D. Hovee & Company, based on BST Associates geocoded employment database, consistent with 2000 OEDP update methodology.

Using the employment growth projections, an estimate of land demand for urban and rural areas is derived from land use employment density ratios. Density ratios are a calculation of jobs per net developable acre. This updated analysis applies the same employment density factors as were used with the 2000 OEDP update.

The revised land demand analysis results in an estimated land demand or need for almost 1,940 acres of commercial and industrial land in urban areas and over 410 acres in rural areas. Altogether, Skagit County would need 2,360 acres of commercial and industrial land to support the creation of 21,600 added jobs as projected over the 25 year period. This allocation of industrial and commercial land is important to Skagit County's local economic base to keep pace with anticipated local population and statewide growth.

Figure 5. Commercial/Industrial Land Demand by Land Use (2000-2025)

Land Use	Employment Growth Urban	Employment Growth Rural	Density (jobs/net acre) Urban	Density (jobs/net acre) Rural	Land Demand (net acres) Urban	Land Demand (net acres) Rural	Land Demand (net acres) Total
Commercial (C)	9,063	579	20.0	6.0	453	96	550
Industrial (I)	4,682	–	6.5	–	720	–	720
Natural Resource (NR)	844	–	2.5	–	338	–	338
Rural Industrial/Natural Resource	–	793	–	2.5	–	317	317
Public/Institutional	5,180	–	12.0	–	432	–	432
Total Com'l & Ind'l Land Demand	19,769	1,372	–	–	1,943	414	2,357
Total without Public/Institutional	14,589	1,372	–	–	1,511	414	1,925

Source: E.D. Hovee & Company September 2003, based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

With prior OEDPs (including the 2000 update), a 25% market factor was applied as a basis to assure a competitively priced land inventory and account for properties that may not be marketed for development within the forecast time period. Application of the market factor to this 2003 updated analysis would increase the total industrial/commercial need for urban and rural lands from approximately 2,360 acres to 2,950 acres.

In comparison, the 1995 OEDP projected the need for 2,270 acres including market factor for the 20 year period from 1995 to 2015. It is noted that the 1995 OEDP covered a 20-year time period, while this updated analysis extends for 25 years. Also noted is that the 1995 OEDP did not allocate land

for public/institutional employment growth, while this update does estimate land needs to accommodate this use.

In order to address the differing years in land demand provided by this analysis and the county's previously generated land supply data (from year 1995), a *catch-up table* identifying likely employment and land demand from 1995-2000 has been created using the same methodology.

Figure 6. Catch Up Land Demand by Land Use (1995-2000)

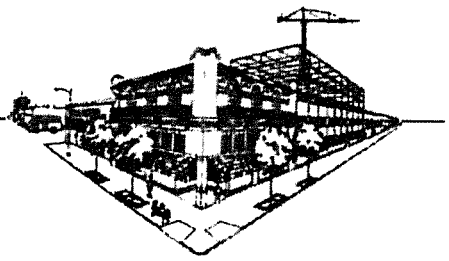
	Employment Growth		Density (jobs/net acre)		Land Demand (net acres)		
Land Use	Urban	Rural	Urban	Rural	Urban	Rural	Total
Commercial	1,217	78	20.0	6.0	61	13	74
Industrial	747	–	6.5	—	115	–	115
Natural Resource	215	–	2.5	—	86	–	86
Rural Industrial/Natural Resource	–	136	–	2.5	–	54	54
Public/Institutional	980	–	12.0	–	82	–	82
Total Com'l & Ind'l Land Demand	3,160	213	–	–	344	67	411
Total without Public/Institutional	2,180	213			262	67	329

Source: E.D. Hovee & Company November 2003, based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

The catch-up land demand estimate indicates land demand or need between 1995 and 2000 for approximately 411 acres of commercial and industrial land without market factor to support the creation of 3,370 added jobs over the 5 year period. Application of the market factor to this estimate would increase the total industrial/commercial need for urban and rural lands from approximately 411 acres to 514 acres.

E. D. Hovee & Company, LLC

Economic and Development Services



MEMORANDUM

To:	Rebecca Bradley, Leonard, Boudinot & Skodje, Inc.
From:	Paul Dennis, AICP
Subject:	Historic Commercial & Industrial Land Allocations
Date:	February 22, 2005

Leonard, Boudinot & Skodje, Inc. hired E.D. Hovee & Company to assist with reviewing the city of Mount Vernon's historic commercial and industrial land allocations. More specifically, to evaluation consistency with past demand estimates developed by E.D. Hovee & Company, including incorporation of market factors, critical areas, and public infrastructure. The following documents were reviewed for this analysis:

- E.D. Hovee & Company, *Skagit County Overall Economic Development Plan*. Skagit County Overall Economic Development Plan Update. 1995.
- E.D. Hovee & Company, *Skagit County Urban Growth Area Analysis: Population, Employment & UGA Land Allocations by Jurisdiction*. Skagit County Administrative Services. July 1996.
- E.D. Hovee & Company, *Mount Vernon Overall Economic Development Plan (OEDP)*. City of Mount Vernon, Mount Vernon Chamber of Commerce, and OEDP Committee. August 1996.
- E.D. Hovee & Company, *Skagit County Urban Growth Area Analysis Update: Population, Employment & UGA Land Allocations by Jurisdiction*. Skagit County Administrative Services. March 1997.
- E.D. Hovee & Company, *Skagit County Overall Economic Development Plan*. Skagit County Overall Economic Development Plan Update. 1998-2000.
- Countywide Planning Policies Committee, *1999 Proposed Amendments to Countywide Planning Policies (CPP)*. Skagit County. October 20, 1999.
- E.D. Hovee & Company, *Mount Vernon Overall Economic Development Plan (OEDP)*. City of Mount Vernon, Mount Vernon Chamber of Commerce, and OEDP Committee. October 1999.
- Skagit County, *Skagit County Countywide Planning Policies*. June 15, 2000.
- E.D. Hovee & Company, *Updated Skagit County Employment Forecasts to Year 2025*. Skagit County Council of Governments. May 4, 2001.

2408 Main Street • P.O. Box 225 • Vancouver, WA 98660
(360) 696-9870 • (503) 230-1414 • Fax (360) 696-8453
E-mail: edhovee@edhovee.com

- E.D. Hovee & Company, *Skagit County Comprehensive Economic Development Strategy (CEDS)*. Skagit County Council of Governments. July 2003.
- E.D. Hovee & Company, *2003 Updated Skagit County Employment & Land Demand Forecasts*. Skagit County Council of Governments. November 21, 2003.
- Berryman & Henigar, Inc. and Michael J. McCormick, *Population & Employment Forecasting & Allocation 2025*. Skagit County. December 2003.
- Rebecca Bradley, city of Mount Vernon, *Summary of Coordinated Commercial/Industrial Allocation Work*. Memorandum. July 15, 2004.

EMPLOYMENT & LAND DEMAND FORECASTS

The commercial and industrial land demand projections are derived from employment forecasts. Forecasts were prepared for the 1995 Skagit County Overall Economic Development Plan Update (OEDP), Mount Vernon 1996 OEDP, Skagit County OEDP (1998-2000), Mount Vernon 1999 OEDP, Updated Skagit County Employment Forecasts to Year 2025 (completed 2001), and 2003 Updated Skagit County Employment & Land Demand Forecasts.

Countywide Employment Forecasts

1995 Skagit OEDP. The original 1995 forecast provided two alternative employment forecasts: a) ***Population-Driven*** – estimates the number of jobs needed to support projected residential growth; and b) ***Employment-Driven*** – estimates job growth based upon Skagit County's historic changing share of statewide job growth by major employment sector (i.e. manufacturing, retail, services, etc.). The population-driven methodology projected a growth of 26,500+ jobs between 1995 and 2015. Sixty-two percent (or 16,335) of these jobs are forecasts to occur on commercial and industrial lands. Job growth on commercial and industrial lands is projected to occur at an average rate of 817 jobs per year.

The employment-driven alternative forecasted a growth of 27,600+ over the same 20-year planning horizon. Annual job growth on commercial and industrial lands is forecasted at an average rate of 853 jobs, or 17,058 for the entire 20-year planning horizon. These 1995 forecasts were later used in examining the 1996 and 1997 commercial and industrial land allocations for each of the proposed Skagit County UGAs.

1998-2000 Skagit OEDP. The population-driven employment forecast was updated (also commonly referred to as the *1999 employment forecast*) during the 1998-2000 Skagit County OEDP Update process. The 1999 forecast estimated a need for almost 28,000 jobs between 1995 and 2015. Based upon an employment geo-coding analysis conducted by BST Associates in 1998, 84% (or 23,511) of job growth was predicted to occur on commercial and industrial lands. This equates to an annual average growth of 840 jobs on commercial and industrial lands, growth similar to the 1995 forecast. This forecast was used to set the final commercial/industrial land allocations in the 2000 Countywide Planning Policies (CPP 1.1).

2001 SCCOG Employment Forecast. In 2001, the Skagit County Council of Governments hired E.D. Hovee & Company to update the countywide employment forecast for their *long-range* transportation planning. Both the population- and employment-driven forecasts were updated. The population-driven methodology projected a growth of 37,700 jobs between 1997 and 2025. The employment-driven methodology forecasted job growth of 39,283 over the same 28-year planning horizon. Neither forecast allocated job growth specifically to commercial or industrial lands.

2003 SCCOG Employment & Land Forecast. The Skagit County Council of Governments retained E.D. Hovee & Company to assist with the Countywide Comprehensive Plan update; more specifically, to update the *long-term* countywide employment and land demand forecast. The 2003 forecast only updated the population-driven methodology. The resulting forecast estimates a need for 23,500+ jobs between 2000 and 2025. Approximately 90% (or 21,142) of job growth is expected to occur on commercial and industrial lands. The average annual job growth on commercial and industrial lands is 846, comparable to the 1995 and 1999 forecasts.

Figure 1. Comparative Countywide Commercial & Industrial Job Forecasts

Forecast Document	Forecast Period	Pop Driven	Emp Driven	Allocated to Com'l & Ind'l Land	Jobs on C & I Land Pop	Jobs on C & I Land Emp
1995 Skagit OEDP:	1995-2015					
Commercial (C)		9,703	10,108	100%	9,703	10,108
Industrial (I)		5,369	5,615	100%	5,369	5,615
Natural Resource (NR)		1,263	1,335	100%	1,263	1,335
Public/Institutional (P)		7,438	7,779	0%	0	0
Agriculture (AG)		-73	-25	0%	0	0
Self-Employment (SE)		2,824	2,824	0%	0	0
Total Employment		26,524	27,636	62%	16,335	17,058
1998-2000 Skagit OEDP:	1995-2015					
Commercial (C)		10,145	–	100%	10,145	–
Industrial (I)		6,270	–	100%	6,270	–
Natural Resource (NR)		1,171	–	99%	1,158	–
Public/Institutional (P)		7,069	–	84%	5,938	–
Agriculture (AG)		309	–	0%	0	–
Self-Employment (SE)		3,030	–	0%	0	–
Total Employment		27,994	–	84%	23,511	–
2001 SCCOG Forecast:	1997-2025					
Commercial (C)		13,595	14,189	–	–	–
Industrial (I)		8,373	8,739	–	–	–
Natural Resource (NR)		1,981	2,082	–	–	–
Public/Institutional (P)		9,276	9,732	–	–	–
Agriculture (AG)		275	341	–	–	–
Self-Employment (SE)		4,200	4,200	–	–	–
Total Employment		37,700	39,283	–	–	–
2003 SCCOG Forecasts:	2000-2025					
Commercial (C)		9,642	–	100%	9,642	–
Industrial (I)		5,381	–	100%	5,382	–
Natural Resource (NR)		938	–	100%	938	–
Public/Institutional (P)		5,630	–	92%	5,180	–
Agriculture (AG)		-251	–	0%	0	–
Self-Employment (SE)		2,169	–	0%	0	–
Total Employment		23,509	–	90%	21,142	–

Source: E.D. Hovee & Company.

Urban vs. Rural Jobs

As identified earlier, the Skagit County Council of Governments retained BST Associates to geo-code 1998 employment by detailed sector. Results were summarized by city, urban growth area (UGA), and rural area. These results were further summarized by land use designation to derive allocation ratios between urban (city plus UGA) versus rural areas by land use. The BST results

were utilized by E.D. Hovee & Company to allocate their 1999 and 2003 employment forecasts to urban (i.e. city and UGAs) versus rural areas. *Note:* In 1995, similar data was not available; therefore, no distinction between urban and rural was made with the 1995 employment forecast. Urban and rural allocations were not made with the 2001 forecast, as the Skagit County Council of Governments decided to use their own modeling to allocate the countywide job growth by Transportation Analysis Zone (TAZ).

The *1999 forecast* allocated nearly 21,500 commercial and industrial jobs to urban areas, with the remaining 1,540 jobs allocated to rural areas. The 2003 forecast allocated 19,770 commercial and industrial jobs for urban areas and 1,370 to rural.

Figure 2. Commercial & Industrial Employment Allocations by Urban vs. Rural

Land Use	Forecast Period	C/L Land Employment Growth	% Allocated Urban	% Allocated Rural	C/L Land Job Growth Urban	C/L Land Job Growth Rural
1999 Forecast:	1995-2015					
Commercial (C)		10,145	94%	6%	9,536	609
Industrial (I)		6,270	87%	13%	5,455	815
Natural Resource (NR)		1,158	90%	10%	1,042	116
Public/Institutional (P)		5,938	92%	–	5,463	–
Job Growth on C/I Land		23,511	91%	9%	21,496	1,540
2003 Forecast:	2000-2025					
Commercial (C)		9,642	94%	6%	9,063	579
Industrial (I)		5,382	87%	13%	4,682	700
Natural Resource (NR)		938	90%	10%	844	94
Public/Institutional (P)[1]		5,180	100%	–	5,180	–
Job Growth on C/I Land		21,142	94%	6%	19,769	1,373

Note: 1) The 2003 analysis did not separately allocate employment growth to commercial and industrial lands prior to the urban vs. rural allocations. To be consistent with prior forecasts, the 2003 urban allocation ratio of 92% for Public/Institutional employment growth was used to allocate to commercial and industrial lands and then the urban allocation is held to 100%. This modification produces the same end results as documented in the 2003 analysis.

Source: E.D. Hovee & Company.

Commercial & Industrial Land Demand Forecasts

Using the employment growth projections, an estimate of land demand is derived from land use density ratios. Density ratios are a calculation of jobs per *net developable* acre (or i.e. exclusive of areas set aside for market factors, critical areas, public infrastructure, etc.). *Urban* density ratios were derived by reviewing past development within City of Anacortes, Port of Anacortes, Port of Skagit County, City of Mount Vernon, and City of Burlington in Skagit County, as well as inventorying 109 major end-user industrial investments in Washington and Oregon.[1]

As part of this revised land use analysis, a review of past *rural* developments was conducted, resulting in density estimates perceived to be well below acceptable development standards for future commercial development.[2] After discussion with Skagit County jurisdictions, somewhat

higher density estimates were used in the land demand analysis to reflect future development standards. The effect is the reduction of calculated land need below what might be projected with lower densities.[3]

1995 Forecast. Between 1,800 and 1,900 acres of net developable commercial and industrial land (i.e. excluding market factor, critical areas, public infrastructure, etc.) was estimated to fulfill job growth projections between 1995 and 2015.

1999 Forecast. Just under 2,700 net developable acres of commercial and industrial land is needed countywide between 1995 and 2015 to fulfill job growth forecasts. Approximately 2,200 net developable acres are needed within urban areas and just under 500 acres in rural areas.

Figure 3. Commercial & Industrial Land Demand (Net Developable Acres)

	Employment Growth			Density (jobs/net acre)			Land Demand (in acres)		
Land Use	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
1995 Forecast:									
Commercial (C)	–	–	9,703-10,108	–	–	20.0	–	–	485-505
Industrial (I)	–	–	5,369-5,615	–	–	6.5	–	–	826-864
Natural Resource (NR)	–	–	1,263-1,335	–	–	2.5	–	–	505-534
Public/Institutional (P)	–	–	0-0	–	–	0.0	–	–	0-0
Job Growth on C/I Land	–	–	16,335-17,058	–	–	9.0	–	–	1,816-1,903
1999 Forecast:									
Commercial (C)	9,536	609	10,145	20.0	6.0	17.5	477	102	579
Industrial (I)	5,455	815	6,270	6.5	2.5	5.4	839	326	1,165
Natural Resource (NR)	1,042	116	1,158	2.5	2.5	2.5	417	46	463
Public/Institutional (P)	5,463	–	5,463	12.0	–	12.0	455	–	455
Job Growth on C/I Land	21,496	1,540	23,036	9.8	3.2	8.7	2,188	474	2,662
2003 Forecast:									
Commercial (C)	9,063	579	9,642	20.0	6.0	17.5	453	97	550
Industrial (I)	4,682	700	5,382	6.5	2.5	5.4	720	280	1,000
Natural Resource (NR)	844	94	938	2.5	2.5	2.5	338	38	376
Public/Institutional (P)	5,180	–	5,180	12.0	–	12.0	432	–	432
Job Growth on C/I Land	19,769	1,373	21,142	10.2	3.3	9.0	1,943	415	2,358

Note: No land demand forecast was completed as part of the 2001 employment forecast.

Source: E.D. Hovee & Company.

2003 Forecast. Almost 2,360 of net developable commercial and industrial acres is required to meet the projected job growth between 2000 and 2025. Urban areas will need 1,940 net developable acres and rural areas need 415 acres.

In order to address the differing years in land demand provided by the 2003 analysis and the county's previously generated land supply data (from year 1995), a *catch-up table* identifying likely employment and land demand from 1995-2000 has been created using the same methodology. The catch-up land demand estimate indicates land demand or need between 1995 and 2000 for approximately 411 net developable acres of commercial and industrial land before market factor or other considerations to support the creation of 3,370 added jobs over the 5 year period.

Figure 4. Catch Up Land Demand by Land Use (1995-2000 - 2003 Forecast)

Land Use	Employment Growth		Jobs/Net Acre		Land Demand (net acres)		
	Urban	Rural	Urban	Rural	Urban	Rural	Total
Commercial (C)	1,217	78	20.0	6.0	61	13	74
Industrial (I)	747	–	6.5	–	115	–	115
Natural Resource (NR)	215	–	2.5	–	86	–	86
Rural Industrial/Natural Resource	–	136	–	2.5	–	54	54
Public/Institutional (P)	980	–	12.0	–	82	–	82
Total Com'l & Ind'l Land Demand	3,160	213	–	–	344	67	411

Source: E.D. Hovee & Company (November 2003), based on 1998 Skagit County Rural Employment Density Database. Density factors are consistent with 2000 OEDP update.

Market Factor

Few forecasts of future conditions turn out precisely as predicted. In the case of industrial and commercial land demand, important factors that may vary from forecast conditions include expected total employment, mix of employment by sector, and employment density. Application of a market factor provides a margin of error (or *cushion*) to account for changes that may not be foreseen at present.

Given the uncertainty of future development patterns and the potential for actual conditions to vary from the forecast, a market factor is recommended to ensure that an adequate supply of commercial/industrial land is available for future development. Conservative assumptions have been used to project future commercial/ industrial land demand. If future patterns of development occur in a manner outside the forecast parameters, Skagit County could fall short of its growth management targets for jobs to support population growth. Finally, it is noted that a market factor is important to ensure that commercial and industrial land in Skagit County stays competitive with nearby markets in terms of both supply and price.

With the exception of the 1995 forecast, all of the prior employment and land demand forecasts have applied a market factor directly to the land demand projections. In 1995, the market factor was deducted from the net developable acreage. To draw directly comparable results, this analysis applies the market factors used in each of the previous forecasts directly to the land demand estimates.

With the inclusion of the 20% market factor, the 1995 forecast estimated a total land demand of 2,179-2,284 acres of commercial and industrial land to meet projected job growth between 1995 and 2015. Once again, the 1995 forecast did not directly distinguish between urban and rural areas. Also, these estimates are net of critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development.

The 1999 and 2003 forecasts assumed a slightly higher market factor of 25%, reflecting empirical research conducted with the 1998-2000 Skagit County OEDP. The 1999 forecast estimated a need for 3,328 acres of commercial and industrial land, with the inclusion of the 25% market factor; urban areas were estimated to need 2,735 acres and 593 acres for rural areas. Once again, this acreage demand is before critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development are considered.

The 2003 forecast estimated a need for 2,948 acres (including acreage for market factor) of commercial and industrial land to meet employment growth forecasts between 2000 and 2025. An additional 514 acres are needed to account for assumed demand between 1995 and 2000, for a total demand of 3,462 acres over the entire 1995-2025 planning period. Urban areas need 2,859 acres of commercial and industrial land and rural areas require 603 acres over the same 30-year planning horizon. As previously noted (as well as in the figure below), these acreage estimates are before critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development are considered.

Figure 5. Land Demand with Market Factor (in acres)

Forecast	Forecast Period	Demand w/out Market Factor Urban	Rural	Total	Market Factor	Demand w/ Market Factor Urban	Rural	Total
1995 Forecast	1995-2015	–	–	1,816-1,903	20%	–	–	2,179-2,284
1999 Forecast	1995-2015	2,188	474	2,662	25%	2,735	593	3,328
2003 Forecast:								
Without Catch Up	2000-2025	1,943	415	2,358	25%	2,429	519	2,948
Catch Up Demand	1995-2000	344	67	411	25%	430	84	514
Total Demand	1995-2025	2,287	482	2,769	25%	2,859	603	3,462

Note: Land demand estimates do not include critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development.

Source: E.D. Hovee & Company.

Mount Vernon Employment & Land Forecasts

E.D. Hovee & Company completed an Overall Economic Development Plan (OEDP) for the city of Mount Vernon in 1996 and subsequent update in 1999. Each of these OEDP studies provided employment and land demand forecasts. Both OEDPs utilized the same forecasts, as the 1999 Countywide forecast had not been completed prior to the finalization of the 1999 Mount Vernon OEDP Update.

Employment Forecast. A *population-driven* employment forecast was completed for Mount Vernon Comprehensive Plan in 1995. The 1996 OEDP utilized this same methodology, but revised the forecast estimates to reflect changes in population estimates for Skagit County and the city.[4] 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.[5]

Mount Vernon's employment base was 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 illustrated the number of jobs that needed to be created to support anticipated population growth, to stabilize the rate of out-commuting or unemployment at 1996 levels, and to retain existing labor force participation rates. *Note:* the city of Mount Vernon's 1995 Comprehensive Plan projected employment growth of 8,765 jobs between 1995 and 2015, 3% higher than the OEDP projections.

Figure 6. Mount Vernon Existing & Projected Jobs 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%

Source: E.D. Hovee & Company.

Commercial & Industrial Allocation. The city of Mount Vernon's 1995 Comprehensive Plan allocated 80% of the anticipated job growth to commercial uses and the remaining 20% to industrial. The following table illustrates the breakout between commercial and industrial for the 1996 and 1999 OEDP forecasts as well as the projections in the 1995 Comprehensive Plan.

Figure 7. Mount Vernon Job Growth Allocations (1995-2015)

Forecast Document	Employment Growth	% Allocated		Employment Growth		
		Com'l	Ind'l	Com'l	Ind'l	Total
1996 & 1999 OEDP	8,510	80%	20%	6,808	1,702	8,510
1995 Comprehensive Plan	8,765	80%	20%	6,992	1,773	8,765

Source: E.D. Hovee & Company and city of Mount Vernon.

Commercial & Industrial Land Demand. Neither OEDP document converted the employment growth forecasts into land demand estimates, rather relied upon the analysis conducted in the city's 1995 Comprehensive Plan. However, land demand estimates can be derived for the 1996 and 1999 OEDP job growth forecasts by applying the 1995 Comprehensive Plan density and market factor assumptions. Total need for commercial and industrial land between 1995 and 2015, including market factor, is estimated at 680-703 net developable acres. *Note:* to be consistent with the portrayal of the countywide land demand estimates, the market factor is applied to these land demand estimates as well. Also, these estimates exclude considerations for critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development.

Figure 8. Mount Vernon Commercial & Industrial Land Demand (1995-2015)

Forecast	Employment Growth	Jobs/ Net Acre	Land Demand Before Market Factor	Market Factor	Land Demand w/ Market Factor
1996 & 1999 OEDP:					
Commercial	6,808	20.0	340	20%	408
Industrial	1,702	7.5	227	20%	272
Total	8,510	15.0	567	20%	680
1995 Comprehensive Plan:					
Commercial	6,992	20.0	350	20%	420
Industrial	1,773	7.5	236	20%	283
Total	8,765	15.0	586	20%	703

Source: E.D. Hovee & Company and city of Mount Vernon.

COMMERCIAL & INDUSTRIAL LAND ALLOCATIONS

A variety of commercial and industrial land inventory and allocations have been made since 1995. All allocations include incorporation of a market fact, but exclude considerations for critical areas, public infrastructure, or other factors that may reduce the net developable acreage during development. Therefore, the land inventory/allocations are meant to be consistent with land demand projections.

Countywide Allocations

Inventory and allocation of net developable commercial and industrial land has occurred with the adoption of the 1995 Skagit County Comprehensive Plan, 1996 and 1997 Urban Growth Area analyses in response to remand orders from the Western Washington Growth Management Hearings Board (WWGMHB), 1999 Draft Countywide Planning Policies, 2000 Adopted Countywide Planning Policies, 2003 allocations for the proposed 2005 Comprehensive Plan.

1995-2000 Allocations. The 1995 Countywide Planning Polices (CPP), adopted in conjunction with the 1995 Skagit County Comprehensive Plan, allocated 2,256 net developable acres (including market factor) to all Skagit County UGAs; 1,759 acres were allocated to urban areas and 497 acres to rural areas. An updated inventory using Skagit County Assessor records was conducted as part of the 1995 Skagit County OEDP. This analysis found that urban areas had 1,870 acres of net developable commercial and industrial land and rural areas had 497 acres, for a combined total of 2,367 acres.

In 1996 and 1997, each of the cities and Skagit County assisted E.D. Hovee & Company in analyzing the amount of developable commercial and industrial land in effort to more precisely estimate the amount of available land to meet projected employment growth. The 1996 effort found a substantial reduction of available commercial and industrial lands. The reductions were identified in the Anacortes, Burlington, Mount Vernon, Sedro-Woolley, and Bayview UGAs.

The 1997 study refined the 1996 results by taking a close look at the previous inventories and clarifying the underlying assumptions to be more consistent across each of the UGAs. The refined analysis resulted in an identification of 2,344 acres of net developable commercial and industrial land, 1,847 acres in urban UGAs and 497 in Rural UGAs.

With the projected increase in land demand associated with the 1999 forecast, additional 1,080 acres of net developable commercial and industrial land was added to the designated UGAs with the draft 1999 Countywide Planning Policies, and later adopted in 2000. Urban UGAs received an increase allocation of 243 acres and 837 acres was added to rural areas; total commercial and industrial land allocation is 3,336 net developable acres (including market factor).

2002 Inventory. In 2002, Skagit County and all of the cities estimated their amount of commercial and industrial land currently available. The analysis found that just over 1,900 acres of net developable commercial and industrial land was available countywide to meet land demand projections through 2025, with 1,333 acres in Urban UGAs and 583 in rural UGAs.

2003 Study. In an effort to ensure adequate land supply is available for projected commercial and industrial land demand, three alternative land allocation schemes were proposed in the Berryman & Henigar study. Each allocation schemes provides an alternative means for allocating 3,000 net developable commercial and industrial acres (including market factor, but excluding critical areas, public infrastructure, or other factors that may limit developable acreage). Urban UGAs are allocated 2,100 acres, Bayview and Swinomish are allocated 400 acres, and other rural areas are allocated 500 acres.

- **Supply-Based** – allocation distributes commercial and industrial land based upon proportionate increases to the 2002 supply estimates. The Concrete allocation is based upon the 2000 CPP 1.1 allocation, since the city has no current available supply.
- **Demand-Based** – allocation is based on the relationships identified in the 1996 and 1997 studies, which in part resulted in the 2000 CPP 1.1 allocation.
- **Cluster** – allocation starts with an initial distribution to cities and groups of cities based upon geography. This method leaves Anacortes and La Conner as individual units, while the Burlington/Mount Vernon/Sedro-Woolley and Concrete/Hamilton/Lyman clusters are characterized by their locations and relationships to each other. The initial cluster allocations start with ranges using professional judgment, and then subsequently breakdown the cluster allocations into the individual city portions.

Figure 9. Countywide Commercial & Industrial Land Allocations by UGA

Urban Growth Areas	1995 Adopted CPP 1.1 (1995-2015)	1995 OEDP (1995-2015)	1996 UGA Analysis (1995-2015)	1997 UGA Update (1995-2015)	1999 Draft CPP 1.1 (1995-2015)	2000 Adopted CPP 1.1 (1995-2015)	2002 Inventory (1995-2015)	2003 Berryman & Henigar Study Proposed 2025 Allocations		
								Supply	Demand	Cluster
Urban UGAs:										
Anacortes	525	525	420	502	558	558	420	625	240	546
Burlington	300	322	240	322	242	242	189	281	210	309
Concrete	18	18	14	NA	28	28	0	42	30	20
Hamilton	0	16	16	33	60	60	26	89	34	60
La Conner	2	2	2	2	2	2	2	3	12	3
Lyman	0	0	0	0	0	0	0	25	30	25
Mount Vernon	771	771	617	771	869	869	587	873	1,253	959
Sedro-Woolley	143	216	162	217	243	243	109	162	291	178
Urban UGAs	1,759	1,870	1,471	1,847	2,002	2,002	1,333	2,100	2,100	2,100
Rural UGAs:										
Bayview	497	497	398	497	750	750	373	400	400	400
Big Lake	0	0	0	0	0	0	0	0	0	0
Swinomish	0	0	NA	NA	0	0	NA	Included in Bayview allocation		
Other Rural Areas	0	–	–	–	584	584	210	500	500	500
Rural UGAs	497	497	398	497	1,334	1,334	583	900	900	900
All UGAs	2,256	2,367	1,869	2,344	3,336	3,336	1,916	3,000	3,000	3,000

Source: E.D. Hovee & Company, Skagit County, and Berryman & Henigar in association with Michael McCormick.

Mount Vernon Allocations

The city of Mount Vernon has received two commercial and industrial land allocations, with a series of proposed allocations for the proposed 2005 Skagit County Comprehensive Plan. Each of these allocations include consideration of market factors; however, they are intended to be exclusive of critical areas, public infrastructure, and any other factors that may reduce the net developable acreage.

With the adoption of 1995 Skagit County Comprehensive Plan, Mount Vernon was allocated 771 net developable commercial and industrial acres. Coupled with the 1996/1997 UGA analyses and revised countywide land demand estimates, Mount Vernon's commercial and industrial land allocation was increased by 98 acres to a total of 869 net developable acres.

With the updated 2003 land demand estimates, new commercial and industrial land allocations are being proposed. These lands are intended to service forecasted demands between 2000 and 2025. Mount Vernon would be allocated an additional 4-384 net developable commercial and industrial acres, depending on the allocation scheme selected.

Figure 10. Mount Vernon Commercial & Industrial Land Allocations

			2003 B&H Study		
Allocation	1995	2000	Supply	Demand	Cluster
Land (in acres)	771	869	873	1,253	959
– Net Added Acres		98	4	384	90

Source: E.D. Hovee & Company, Skagit County, and Berryman & Henigar in association with Michael McCormick.

SUMMARY RESULTS

Each of the land allocations to UGAs for commercial and industrial land have been consistent with recognized employment forecasts. In 1995, UGAs were allocated 2,256 acres of net developable commercial and industrial acres (including market factor), which is comparable to an estimated countywide demand of 2,179-2,284 net developable acres. The allocations were increased to 3,336 net developable acres in 2000 to reflect the 1999 land demand estimates of 3,328 net developable acres (including market factor).

The more recent 2003 forecast estimates a need for 2,948 net developable acres (including market factor) to service commercial and industrial market demands between 2000 and 2025. An additional 514 net developable acres are assumed to be needed to service the demand from 1995 to 2000. The 2003 Berryman & Henigar study proposes allocating 3,000 net developable commercial and industrial acres to UGAs and rural areas. While this allocation will meet the forecasted demand between 2000 and 2025, it is unclear whether or not it is intended to account for market demands between 1995 and 2000. If these allocations are to meet demands over the entire 1995-2025 planning horizon, then another 462 acres will need to be designated (accounts for market factor) to meet the project market demand over the same time period.

Mount Vernon was allocated 771 net developable commercial and industrial acres in 1995; this allocation was sufficient to meet land demands estimated in the 1996 and 1999 OEDPs. With the increase in the 1999 countywide land demand forecasts, an additional 98 net developable acres was allocated to Mount Vernon. The current proposed allocation schemes for the 2005 Skagit County Comprehensive Plan, propose to allocate another 4-384 net developable acres. To date, the City has been allocated a total of 869 acres of commercial and industrial acres which is in addition to the 489 acres of already developed commercial and industrial property within the City. In addition, when the 2005 Comprehensive Plan update is adopted by Skagit County, it is anticipated that the City will receive another allocation of 90 acres of commercial and industrial property which will bring the City wide total of commercial and industrial lands to 1,448 acres.

No updated employment (or subsequent land demand) forecasts have been completed for the city; therefore, it is unclear whether or not these additional allocations are sufficient to meet long-term commercial and industrial market demands in Mount Vernon.

It should also be reiterated, that all allocations are intended to compensate for adopted market factors; however, they were exclusive of critical areas, public infrastructure, and any other factors that could reduce the available net developable acreage. Therefore, local jurisdictions should examine their areas designated for commercial and industrial development to ensure that the gross acreage designated for commercial and industrial development will accommodate the forecasted net acreage demand. Furthermore, as Skagit County and the cities adopt new Critical Area Ordinances (CAO), local authorities should examine the effects on net developable acreage and allocate/designated additional lands to offset any reduction in net developable area.

END NOTES

[1] With this updated analysis, densities for urban areas are maintained at ratios consistent with the prior 1995 OEDP analysis.

[2] The employment densities derived from the rural land development analysis based on actual employment/land use data resulted in an estimate of 1.4 employees per acre for commercial. Using this density estimate would have resulted in the need for over 810 acres of rural commercial and industrial land versus the 475 acres indicated in Table 6. However, this density may be unduly low as it reflects employment spread across a land parcel even in situations where employers are using only a portion of a rural site.

[3] Continued patterns of rural development at densities well below urban standards should be expected because of factors including: a) dedication of large portions of site area for septic drain fields not otherwise developable; and b) more land extensive nature of many rural industries including need for outdoor storage.

[4] 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.

[5] Additional discussion of the employment projection methodology and results is available in the *Mount Vernon Comprehensive Plan, 1995.*