

PL15-0383



Comprehensive Plan/Zoning Map Amendment Request

Planning & Development Services · 1800 Continental Place · Mount Vernon WA 98273
voice 360-416-1320 · www.skagitcounty.net/planning

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SKAGIT COUNTY

Per RCW 36.70A.470(2), this form is intended for use by any interested person, including applicants, citizens, hearing examiners, and staff of other agencies, to request amendments to the Skagit County Comprehensive Plan/Zoning Map. Please do not combine multiple unrelated map amendments on a single form. This form is for changes to the map; use the Policy or Development Regulation Suggestion form for changes to those regulations.

Submitted By

Name Bill Sygitowicz Organization Skagit Partners, LLC
Address PO Box 29840 City, State Bellingham WA Zip 98228
Email BillSyg@VineDev.com Phone (360) 739-4089

Request Type Bill Sygitowicz 7/31/2015

Choose one of the following:

- General** Site-specific map amendment, as defined in SCC 14.08.020(6), but NOT to a commercial/industrial designation.
- C-I** Site-specific map amendment to a commercial/industrial designation per SCC 14.08.020(7)(c)(iii).
- Rezone** Site-specific rezone without the need for a Comprehensive Plan Map amendment per SCC 14.08.020(7).
- Area** Area-wide map amendment.

Required Submittals

- | | |
|---|--|
| <p>All map amendments and rezones:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Fees (except area-wide map amendments) <input checked="" type="checkbox"/> Land Use Map <i>See attachments.</i> <input type="checkbox"/> Lot of Record Certification ** <input checked="" type="checkbox"/> Ownership Certification (if required below) | <p>Commercial-Industrial map amendments and rezones:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Site Plan <input type="checkbox"/> Commercial/Industrial Phasing Plan; optional, see SCC 14.08.020(7)(c)(iii) <p><i>**Per planner Kirk Johnson, lot of record certifications are not required at this time. All parcel numbers are identified. See attachments.</i></p> |
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Subject Property

Site Address See attachments City, State _____ Zip _____
Parcel No(s) _____ Existing Zone _____
Acreage _____ Requested Zone _____

Property Interest

Are you the owner of the subject property?
Yes Please attach Attachment A, Ownership Certification
No Describe your interest in the subject property: *Please see attached.*

Proposal Description

Please answer all of the questions below that are applicable to your suggestion.

1. Describe your proposed amendment.
Please see attached proposal description.

2. Describe the reasons your proposed amendment is needed or important.

Please see attached proposal description.

3. Describe why existing Comprehensive Plan map designations should not continue to be in effect or why they no longer apply.

Please see attached proposal description.

4. Describe how the amendment complies with the Comprehensive Plan's community vision statements, goals, objectives, and policy directives.

Please see attached proposal description.

5. Describe the impacts anticipated to be caused by the change, including geographic area affected and issues presented.

Please see attached proposal description.

6. Describe how adopted functional plans and Capital Facilities Plans support the change.

Please see attached proposal description.

7. Describe any public review of the request that has already occurred.

Please see attached proposal description.

8. Describe how the map amendment/rezone complies with Comprehensive Plan land use designation criteria in Chapter 2, the Urban, Open Space & Land Use Element; Chapter 3, the Rural Element; or Chapter 4, the Natural Resource Lands Element.

Please see attached proposal description.

9. Population forecasts and distributions.

If you are proposing an urban growth area boundary change, describe how it is supported by and dependent on population forecasts and allocated urban population distributions, existing urban densities and infill opportunities, phasing and availability of adequate services, proximity to designated natural resource lands, and the presence of critical areas.

If you are proposing a rural areas or natural resource land map designation change, describe how it is supported by and dependent on population forecasts and allocated non-urban population distributions, existing rural area and natural resource land densities and infill opportunities.

Please see attached proposal description.

10. If you are proposing a natural resource land map designation change, describe how the change is necessary based on one or more of the following: *Please see attached proposal description.*

(A) A change in circumstances pertaining to the Comprehensive Plan or public policy.

(B) A change in circumstances beyond the control of the landowner pertaining to the subject property.

(C) An error in initial designation.

(D) New information on natural resource land or critical area status.

Notices

Fees. For review that requires more than 80 hours of staff time, the applicant will be billed at the hourly rate as shown on the fee schedule.

Refunds. If an application is not approved for further review under SCC 14.08.030(2), or when an application is withdrawn or returned before such a preliminary decision is made, a refund of not more than 80% may be authorized by the Planning and Development Services Director. Refunds must be requested in writing within 180 days of the date the fee is collected.

SEPA. The SEPA checklist and fee, if required, are due upon request from the Department if the Board of County Commissioners docket this application for further consideration. This application may be considered complete without payment of the SEPA fee.

Docketing. SCC Chapter 14.08 governs the process for docketing of Comprehensive Plan amendments. Docketing is procedural only and does not constitute a decision by the Board of County Commissioners as to whether the amendment will ultimately be approved. Amendments are usually concluded by the end of the year following the request. State law generally prohibits the County from amending its Comprehensive Plan more than once per year.

Submission deadline. A complete application for a map amendment must be received by the last business day of July for docketing. Requests received after that date will not be considered until the following year's docket.

How to Submit. Submit your requests via email (preferred) to pdscomments@co.skagit.wa.us or to Planning & Development Services at the address above.

Attachments:

- Owner Certification and list of all owners
 - List of parcels, addresses and acreage of subject property
 - Map with parcel numbers
 - Land Use Map
 - Map of Property – with property owners’ names of subject property
 - Samish Water District – Comprehensive Sewer Plan Exhibit A – General Sewer Facilities Map
 - Whatcom County Water District No. 12 Sewer Force Main Map – Lake Samish to City of Burlington (from *City of Burlington 2005 Comprehensive Wastewater Plan*)
 - Map – Judy System Map, Skagit PUD No. 1 Water System Plan – 2007
 - Letter from Roger Howard, Burlington-Edison Public School Board President, 12/4/2014, regarding District’s interest in reviewing the Avalon plan re possible school locations.
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- **Media articles:**
 - *Puget Sound Trends* No. D7 June 2012
 - “Bill Gates-backed company eyes historic Skagit County hospital site for major expansion,” *Puget Sound Business Journal*, 02.17.15
 - Parker, Hilary, “EDASC – New Janicki project could bring 1,000 jobs to county”, 03/03/15
 - Parker, Hilary, “EDASC 2015 Forecast Dinner: Year of Growth, change predicted for Skagit County”, 03/02/15
 - “Jobs Created in the US when a Home is Built,” Eye on Housing, 5/2/2014
 - “Impact of Home Building and Remodeling on the US Economy,” NAHB, 5/1/14
 - “Where We’ll Grow”, 4/24/15 (Source: Puget Sound Regional Council)

Property Interest:

The Applicant, Skagit Partners, LLC has verbal purchase agreements with all the subject property owners. (*See also*, Ownership Certification).

Proposal Description:

1. Describe your proposed amendment

The proposed amendment (“Avalon proposal”) to the Skagit County Comprehensive Plan (“Comprehensive Plan” or “CP”) is to change the Comprehensive Plan designation of approximately 1200 acres of land (approximately 49 acres of which is designated Rural and approximately 7 acres which is zoned Agricultural)¹ from Natural Resource Lands, Rural Resource with a Mineral Resource Overlay to an unincorporated Urban Growth Area (“UGA”). (*See Land Use Map*). Approximately 600 acres will be developed for residential use, with additional land set aside for services including without limitation, a school, community center, parks and trails. The remainder of the subject property will remain undeveloped and in open space. The subject property (“Property”) is located just east of old Highway 99 and is bordered by Kelleher Road to the south and F&S Grade Road to the east. A portion of the subject property is bordered by the Samish River on the north. (*See Land Use Map*) This location will provide residents with quick convenient access to cities both south and north of the Property, reduces dependencies on rural roads and allows for reasonable solutions to transportation concerns.

The Property includes the west slope of Butler Hill, the Avalon Golf Links, some near depleted gravel mines, forested vacant land and six scattered single family residences. The Property is located almost entirely outside the Skagit County Agricultural Land zone (with the exception of 7 acres) and is entirely outside the flood zone.

Designation of the Property as an unincorporated UGA is just the first step. When appropriate, the Property will be rezoned to zones most suited for urban development, as was done for the Bayview Ridge Subarea community, which has the following zones: Residential, Urban Reserve, Light Industrial, Heavy Industrial, Aviation Related and Community Center.

In support of this new UGA designation, the Applicant requests that Skagit County (“County”) allocate an additional 10,000 people to its population allocation for Skagit County. This additional population represents an increase to the overall population figure planned for 2036 rather than a re-allocation of the current population figure for 2036. Currently, the County is utilizing a population figure of 155,452. (*See “Skagit County Growth Projections, Summary of Methods and Results, July 2014”, Berk Consulting; “Berk” or “Berk Report”*). An increase of 10,000 would bring this population figure to 165,452. Review of some of the plans for larger growth areas (City of Anacortes, City of Burlington, City of Mount Vernon and the Town of LaConner) indicates an overall need in the County for buildable land.

For instance, in Mt. Vernon, 2010 Buildable Lands and Land Capacity Analysis Report indicates that it can create an additional 4,845 dwelling units within the city limits and UGAs. (p.12). The recommended Skagit County 2036 initial population growth allocation for City of Mount Vernon is 12,434. (*Berk Report*). The City of Burlington appears to be focused on limiting the expansion of its urban growth area in order to protect agricultural land and maintain open space in and around the city. (*Appendix F, Burlington Comprehensive Plan, “Urban Growth and Farmland Preservation in Skagit County, Improving Downtown Burlington and Preserving Skagit Farmland, Working together to Design the Future.” June 2005, P.3-4*). “As of 2005, the City of Burlington Urban Growth Area contained a population of 2000 people with a

¹ Parcel nos. P35896, P35772 and P35812 are designated Rural and parcel no. P36088 is designated Agricultural.

remaining buildable land estimated to accommodate an additional 307 in population.” (City of Burlington Comprehensive Plan, p.21). “The land available for new housing is severely limited in Burlington.” *Id.* at p. 26. The recommended Skagit County 2036 initial population growth allocation for Burlington is 3,808. (Berk Report). “La Conner has chosen not to expand its town boundaries beyond its current town limits. This limits the availability of land for residential development.” (2005, La Conner Comprehensive Plan, 5-2). “The Town has limited potential for building within the existing land boundaries.” (2005, La Conner Comprehensive Plan, 5-22). The recommended Skagit County 2036 initial population growth allocation for La Conner is 329. (Berk Report). Anacortes indicates that “In terms of increases in spending, the City has been growing at a steady pace in recent years with an influx of higher income population but will soon face challenges associated with a dwindling supply of buildable land.” (Berk & Associates, “City of Anacortes, Retail Market Study,” 04/15/08, P.28). The recommended Skagit County 2036 initial population allocation for Anacortes is 5,895. The City of Anacortes’ preliminary analysis indicates a deficiency of 420 dwelling units. (Anacortes Community Advisory Committee Memo re: Housing & Density Areas of Focus-Recommendations, 03/27/15, P.5).

The City of Sedro Woolley appears to have sufficient buildable land. The City of Sedro Woolley has the capacity to accommodate 3177 housing units or 8206 new residents. (2011 City of Sedro Woolley Comprehensive Plan, p.29). The recommended Skagit County 2036 initial population growth allocation for Sedro Woolley is 4,555.

As the local jurisdictions complete their buildable lands analysis, the County will have more information as to how much buildable land is available. The Avalon proposal does not seek to accommodate the population growth allocations of existing UGAs. However, it is clear that with a request to increase the overall population allocation by 10,000 additional buildable land is necessary as the existing UGAs cannot accommodate more population growth. Additional support for this population change is found below in response to question no. 9.

The Applicant urges the County to request the GMA Steering Committee to increase the overall population figure by 10,000. Should the GMA Steering Committee agree to an increase in the County’s current population figure for 2036, a portion of this total number would need to be reserved for the Avalon proposal. Given the number of acres available to be developed, approximately 3500-4000 homes could be built on the Property. Therefore, an appropriate population reservation should be made for the Avalon proposal.

2. Describe the reasons your proposed amendment is needed or important.

a. Population growth

The main reason the proposed amendment is needed is because the County needs to plan for additional capacity to meet its growing population. Washington State’s population continues to grow and the governments at the state and county level must continue to plan for the future. County to county migration trends for the Puget Sound region demonstrate that people are moving out of the Puget Sound region (King, Kitsap, Pierce and Snohomish Counties) but re-locating elsewhere in Washington State. (*Puget Sound Trends* No. D7 June 2012, p. 2-3; *See also, “Where We’ll Grow,”* 4/25/15, Puget Sound Regional Council). Skagit County is in close proximity to Everett. Lower home prices in Skagit County provide a more affordable option, with a high quality of life and less traffic. It is well known that the biggest employer of Skagit County residents is Boeing, and that the company will be building a new 777 airplane. People who work for Boeing will continue to move to Skagit County. These people increase the demand on the current housing supply and buildable land. Additionally, from the north, Whatcom County residents in search for different housing options are moving to Skagit County.

b. Housing

There is currently a housing crisis in Skagit County. As population growth occurs, the County needs to be prepared to accommodate it. This has been addressed by Community Action of Skagit County (which provides a program to assist community members in finding affordable housing) and by the Skagit Board of County Commissioners, which passed Resolution no. 20100206, creating the Affordable Housing Advisory Committee (“Committee”). In *Building a Skagit County Housing Affordability Strategy, Interim Report* (“Report”), the Committee states that a *general* shortage of housing can contribute to the lack of affordable housing in Skagit County (p.4) and that “well over half of Skagit County households earning less than \$50,000 have unaffordable housing.” The Report also states that Skagit County jurisdictions planning for a County population of 149,080 in 2025² *underestimates* the number of additional homes that will be needed each planning year, which the jurisdictions estimate to be 800. (Report, p.7) In contrast, the Report estimates that between 2012 and 2025, approximately 1,800 affordable homes per year will need to be added to the County. (Report, p.7). The Comprehensive Plan also reflects the above concern regarding affordable homes. (Skagit County Comprehensive Plan (“CP”) p. 7-2). “The OFM projected the 2004 median household income to be \$48,500. This means that most of Skagit County’s households were in the market for housing priced below \$190,000, but less than half of the for-sale homes were available at that price.” *Id.*

As explained in answer to Question No. 1, there is likely insufficient buildable land for growth in most of the larger Skagit County UGAs. In order to reduce sprawl, urban growth is encouraged where adequate public facilities and services can be provided in an efficient manner. “Only about three percent of all land in Skagit County is designated urban.” *CP, Profile 2-2*. The unincorporated UGA Bayview Ridge (“Bayview Ridge”) has very little room for growth. (Berk Report, p. 4). Berk recommends that Bayview Ridge’s population allocation for the 2015-2036 planning period be “reduced to 0.2% to recognize the small number of existing buildable lots (~22-23), and reallocated based on the current shares to remaining UGAs.” (Berk, p.4). The CP does not include plans to add land to Bayview Ridge, the tribal Swinomish UGA or the other UGAs in the County. *See also*, discussion of population projections for Skagit County at Question no. 9 herein.

The time to plan for additional housing in Skagit County is now. As each jurisdiction in the County completes their buildable lands analysis, population allocations should be revisited and changes should be made to make sure the County has adequate land supply to meet residential and employment needs. (Berk Report at p. 1). While the Growth Management Act Technical Advisory Committee has not addressed planning for population growth in unincorporated UGAs, the County should still consider such a UGA as an achievable pathway to handle its needs. For instance, it is unclear whether the Berk Report’s summary of employment projections includes two significant announcements: 1) The Janicki Bioenergy’s plan to expand its operations to the historic Northern State Hospital property (North Cascades Gateway Center) for its clean water OmniProcessor technology has the potential for creating 1000 new jobs. (“Bill Gates backed company eyes historic Skagit County hospital site for major expansion,” *Puget Sound Business Journal*, 02.17.15; *See also*, Parker, Hilary, “EDASC-New Janicki project could bring 1000 jobs to County,” 03/03/15) The expansion of Hexcel Corporation which will also create additional jobs. At a recent conference of EDASC, Michael J. Parks, editor emeritus of *Marple’s Business Letter* shared his predictions for the County’s economy in 2015. Parks stated he “sees Skagit county and the greater Seattle area as a fertile oasis in a slow growth world.” (Parker, Hilary, “EDASC 2015 Forecast Dinner: Year of Growth, change predicted for Skagit County”, 03.02.15). Skagit County employment growth was 3.7% in 2014, while the state average was 2.7%. *Id.*

² This number is lower than the OFM’s 2012 medium population projection for the County in 2025, which was 136,410.

c. Planning

Preparing property the size of the Avalon proposal to be fully developed can take up to a decade before it is ready to have its first buildings sold. If the planning process is not started now, then the housing, school, parks, and other services will not be available when needed in 8-10 years. For instance, it is well known that there is a need for a school in the northern part of the County. The Avalon proposal is an opportunity to address this need. Designation of a new unincorporated UGA is just the first step of amending the Comprehensive Plan. Existing County plans and regulations will need to be amended. The Property within the proposed unincorporated UGA will need to be rezoned into multiple zones to accommodate the growth of the new community. Plat approvals will follow, as will dedications of public space and SEPA compliance. Permitting from multiple agencies, engineering design and review for roads and utilities will be followed by the construction of the necessary infrastructure. After all these are done, houses will be built. Land should be designated *now* to accommodate the expected growth.

3. Describe why existing Comprehensive Plan map designations should not continue to be in effect or why they no longer apply.

The current Comprehensive Plan map designation, *Rural Resource NRL with a Mineral Resource Overlay* (with the exception of approximately 49 acres of which is designated Rural and approximately 7 acres which is zoned Agricultural) should not continue because the Property no longer meets the *Mineral Resource Designation Criteria* set forth in CP Policy 4D-1.1. The Avalon proposal provides an opportunity to reinvent the uses for the Property for the County's future and requires a de-designation of the Property as mineral land.

The majority of gravel mines on the Property are either depleted or near depletion and can no longer produce the minimum threshold volume of gravel necessary to make the mines economically practical (Policy 4D-1.1(b)). The bulk of remaining minerals lay beneath a thick layer of glacial till which makes mining cost prohibitive (Policy 4D-1.3(g)). There are a total of four gravel mines on the Property. Unlike other natural resources, minerals are not a renewable resource. Once the minerals are extracted, there is little sense to keep property under a mineral designation.

The gravel mine in the northwest corner of the Property (on the Miles property, known as the Samish Pit) is depleted. Operators are in the reclamation process with the Department of Natural Resources, preparing the land to prevent further degradation and for future use. The gravel mine in the southeast corner of the Property (on the Butler property) is in operation but it is near depletion. There is an active gravel mine on the west side of the Property (on the Curry property), but it is not expected to operate much longer before going through the reclamation process. The County currently operates a gravel extraction pit in the southwest corner of the Property. (See Map of Property Ownership). Mining can continue in this pit as Avalon is built and is expected to be depleted by the time Avalon is fully built out.

The remainder of the Property has not been used for gravel mining in the past and is not suitable to be mined. Most of the Property was commercially timber-harvested more than 75 years ago and there is no reforestation plan in place. The remaining uses for the Property are appropriate for an urban growth area. The Property contains approximately 49 acres of land designated Rural Reserve (RRv). The Avalon proposal seeks to convert a relatively small percentage of the overall RRv to UGA. And, the addition of these few parcels will not result in conversion of additional rural land. The Property contains seven acres of Agricultural land which is not currently used for commercial agricultural production and is ripe for de-designation.

There are currently six single family residences scattered across the entire Property. The Avalon Golf Links course occupies approximately 227 acres and will continue operating, complementing Avalon and providing open space and recreational opportunities to residents and guests.

4. Describe how the amendment complies with the Comprehensive Plan's community vision statements, goals, objectives, and policy directives.

Community Vision Statements and description how amendment complies with statement.

Statement: Support economic opportunities. (p. 1-6)

The construction phase of Avalon will create a variety of jobs in the area. The National Association of Home Builders (NAHB) estimates that 2.97 jobs are created with the construction of one single family home. ("Impact of Home Building and Remodeling on the US Economy," NAHB, 5/1/14). The Report (discussed in response to question no. 2 above) notes that these jobs can become permanent with the number of housing units needed in Skagit County. (p. 14) With complete buildout expected to take at least 15 years, is estimated that Avalon alone will result in 590-650 jobs.

Statement: Increase the housing choices for all residents. (p. 1-6)

The Avalon proposal will provide a variety of housing types and therefore more housing choices for homeowners and renters. The homes will be located in a UGA, close to amenities and encouraging walkability to commercial centers.

Statement: Balance urban uses and environmental protection. (p. 1-7)

The Avalon proposal will provide for urban-scale development while protecting the natural environment and open space, including trails and parks that will surround the developed area. The Applicant anticipates approximately 600 acres will be left open space. The entire Property is outside the flood zone and adjacent to existing urban areas. The Avalon proposal will be required to satisfy all County regulations relating to environmental protection.

Statement: Protect and retain rural lifestyles. (p. 1-7)

The Property is currently mostly designated as resource land with a minor portion designated as rural land. Avalon will encourage protection and conservation of open spaces and urban development patterns. Directing development into urban areas helps prevent development in rural areas that could lead to urban sprawl and suburban development patterns.

Statement: Protect and conserve the environment and ecologically sensitive areas, and preclude development and land uses which are incompatible with critical areas. (p. 1-7)

The Avalon proposal will be required to undergo SEPA review and critical area review if its application is docketed. The SEPA review and critical area review process will help inform a development design that is ecologically sensitive and which protects critical areas from future development and preserves them for the enjoyment of future generations.

Statement: Respect property rights. By incorporating trends of population growth and resource availability to provide necessary public facilities. By attaining the widest range of land uses without degradation, risk to health or safety, or other undesirable and unintended consequences. (p.1-7)

The useful life of the Property as resource land is nearing its natural end. The highest, best use of the Property for the future is residential use and the facilities which support a residential population. Converting the property to a UGA will create an opportunity to provide public facilities to a central, densely populated area in an efficient manner. When the Property is rezoned in the future, it will include a wide-range of land uses, while ensuring the protection of approximately half of the Property, including environmentally sensitive land.

Goals and Policies and Countywide Planning Policies (CPP) and description how amendment complies with Goals and Policies:

Chapter 2: Urban, Open Space and Land Use Profile

CPP 2. Reduce Sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low-density development.

CPP 2.1 Contiguous and orderly development and provision of urban services to such development within urban growth boundaries shall be required.

CPP 5.15 The Comprehensive Plan shall support and encourage economic development and employment to provide opportunities for prosperity.

CPP 9.1 Open space corridors within and between urban growth areas shall be identified. These areas shall include lands useful for recreation, fish and wildlife habitat, trails, and connection of critical areas.

Goal A – Urban Growth Areas - Guide most future development into concentrated urban growth areas where adequate public facilities, utilities, and services can be provided consistent with the Countywide Planning Policies.

Goal A-1, Urban Growth Area Designation - Establish Urban Growth Areas in which urban development will be encouraged and outside of which growth can occur only if it is rural in character.

Adequate public facilities, utility and services will be provided to the Property. Establishment of a UGA on the Property will ensure urban level development within specific boundaries, while preventing sprawl in Rural designated lands in the County. The Avalon development will undergo extensive planning to ensure orderly development.

Policy 2A-1.1 Work with local jurisdictions to designate and maintain Urban Growth Areas (UGAs) of sufficient size to accommodate the County's 20-year urban population and employment allocations. Areas proposed for UGA designation shall meet the following criteria:

a) Compact development can be accomplished through infill or expansion, while minimizing the fiscal and environmental impacts of growth and assuring opportunities for housing, jobs, and commerce.

Designation of the proposed UGA will minimize the environmental impacts of growth by ensuring urban level growth is contained within the geographical confines of the Property. Much needed housing and living-wage jobs will accompany the development.

b) A range of governmental facilities and services presently exists or can be economically and efficiently provided at urban levels of service. These services include sewer, water, storm drainage, transportation improvements, fire and law enforcement protection, and parks and recreation.

The Whatcom Water District #12 (also known as the Samish Water District, "District #12" herein) currently has capacity available to support a third of the development from Avalon proposal. District #12 provides sewer service to a number of communities in Skagit and Whatcom County. District #12 has numerous force mains that connect to its Burlington Force Main, which runs along the old Highway 99 (very near western boundary of the Property) to the City of Burlington's wastewater treatment plant ("WWTP"). (See attached *Samish Water District – Comprehensive Sewer Plan Exhibit A – General Sewer Facilities Map; Whatcom County Water District No. 12 Sewer Force Main Map – Lake Samish to City of Burlington* (from *City of Burlington 2005 Comprehensive Wastewater Plan*)) In its 2013 Comprehensive Plan, District #12 notes that potential sewer growth along the Burlington Force Main is possible and that it may serve Glenhaven Lakes (1,250 lot potential at full build-out) in the future. (p. 4-1) Future upsizing of the existing Burlington Force Main and upgrades to the existing Burlington WWTP would result sufficient capacity to serve the entire Avalon development. Additional sewer capacity from existing infrastructure will be procured as urban level development proceeds.

The City of Burlington WWTP is at approximately 50% of its capacity (average flow, 1.5 million gallons/day; capacity, 3.8 million gallons/day)³ and could accommodate the early phases of Avalon. The City of Burlington itself is approaching its maximum size in population and the WWTP has adequate system capacity for regional components, including District #12 (City of Burlington 2005 Comprehensive Wastewater Plan, p. 8). The WWTP is sealable, meaning that it can expand without demolition of the existing plant.

The Skagit County PUD (PUD) has the authority and capability to provide water service throughout Skagit County. (*Skagit Co. Coordinated Water System Plan Regional Supplement*, p. 6-1) The PUD should be able to supply water to the first phase of the Avalon development. In 2007, the PUD waterline that runs along old Highway 99 to Burlington was upgraded, increasing its capacity by the installation of a gravity feed transmission pipeline (*PUD 2007 Water System Plan*, p. 2-12). (See attached *Judy System Map, Skagit PUD No. 1 Water System Plan – 2007*) The PUD also completed a high pressure transmission pipeline along Cook to the east side of I-5, which brings high pressure to the Old Highway Area 99 adjacent to the Avalon area. (*PUD 2007 Water System Plan*, p. 4-64)

There is sufficient capacity available to further upgrade the PUD system to serve additional phases of the Avalon development. The area already has a booster pump station and the can be upgraded to better accommodate the Avalon area (*PUD 2007 Water System Plan*, p.4-62)

The relatively flat terrain and gentle slopes of the Property will allow for efficient management of water runoff, as it migrates to Skagit Basin. The Property is centrally located to both I-5 and Highway 99, providing easy vehicular access.

Additional fire and law enforcement protection will be required for the Avalon proposal. Areas for future parks will be set aside as part of the development plan. Area can be set aside for a new school. All of these service needs will be evaluated in the SEPA process and provided for. The current Avalon Golf Links already provides recreation opportunity on the Property and the ability exists to set aside other areas for recreational uses as part of the development plan.

c) The area has a physical identity or social connection to an existing urban environment.

The Property is located just east of old Highway 99 and is bordered by Kelleher Road to the south and F&S Grade Road to the east. A portion of the subject property is bordered by the Samish River on the north. (See Land Use Map) This location can provide residents with quick access to cities both south and north of the Property, which provides a connection to the existing surrounding urban environment.

d) Natural features and land characteristics are capable of supporting urban development without significant environmental degradation.

The topography of the Property is capable of supporting urban development without significant environmental degradation. There are no known salmon bearing streams on the Property. The proposed development will incorporate large swaths of the Property that have been depleted by years of gravel mining, so urban development will not have significant environmental impact. The County's regulations ensure that portions of the Property with environmentally sensitive characteristics will be protected from environmental degradation.

e) The land does not have long-term, commercially significant value for agriculture, forestry, or mineral production and that can accommodate additional development without conflicting with activities on nearby natural resource lands.

³ <http://www.burlingtonwa.gov/index.aspx?NID=241> (City of Burlington, Sewer System Data).

The Property is outside the Skagit County Agricultural land (with the exception of 7 acres). The Property does not support commercial forestry use and mineral resources are depleted or near depletion.

Policy 2A-1.2. ... Urban Growth Area expansion proposals shall demonstrate that expansion is necessary within the 20-year planning period, that public facilities and services can be provided concurrent with development, and that reasonable efforts have been made to encourage infill and redevelopment within existing Urban Growth Area boundaries before those boundaries can be expanded.

The Applicant requests a prudent upward adjustment of 10,000 in the current population forecast to allow for appropriate planning for the next 20 years in Skagit County. Additional urban development is needed in the 2016-2036 planning period – population forecasts predict continued growth and economic recovery is resulting in the continued expansion of industry in the area (e.g., Janicki Bioenergy and Hexcel Corporation, as outlined in the response to nos. 2 & 9 herein). Many Skagit County cities have all but reached their growth capacity limits. The lack of affordable housing in the area requires the County to designate additional land for urban-level development now, to prevent urban sprawl. Public facilities and services can be provided concurrent with development (see details re water and sewer above). In answer to Question No. 1, there is likely insufficient buildable land in the County for the proposed additional population allocation.

Policy 2A-1.5 Overall residential densities within Urban Growth Areas shall be a minimum of four (4) dwelling units per net acre, when urban services are provided. “Net density” is what results when only the area of the residential lots is counted, not roads, open spaces, drainage facilities, or other site uses that are not residential.

The Avalon proposal will be developed to meet or exceed the minimum density requirement, consistent with the above policy.

Goal A-2, Concurrency - Adequate urban public facilities and services shall be provided concurrently with urban development, as appropriate for each type of designated land use in the Urban Growth Area.

Avalon will provide for adequate urban facilities and services concurrent with urban level development consistent with the above policy.

Policy 2A-2.1 Encourage growth in areas already characterized by urban development or where the appropriate levels of urban public facilities and services are established in adopted capital facilities plans.

a) Ensure that adequate urban public facilities and services are provided in Urban Growth Areas concurrent with urban development.

Avalon will be developed such that adequate urban public facilities and services will be provided concurrent with urban level development. The County’s Capital Facilities Plan will need to be updated to reflect the addition of the Avalon development.

Goal A-3, Urban Services - Within the designated Urban Growth Areas, coordinate with the respective local jurisdictions and other service providers within the Urban Growth Areas to ensure that growth and development are timed, phased, and consistent with adopted urban level of service standards.

Policy 2A-3.1 Urban public facilities include: improved streets, roads, highways, sidewalks, road lighting systems and traffic signals; urban level domestic water systems, sanitary sewer systems, storm sewer systems, park and recreational facilities and schools as defined in the Capital Facilities Element with adopted level of service standards.

Policy 2A-3.2 Urban public services include fire protection and suppression; emergency medical services; public safety; public health; education; recreation; environmental protection; and other services as identified in the Capital Facilities Element with adopted level of service standards.

CPP 1.3 Urban growth areas shall provide for urban densities of mixed uses and shall direct development of neighborhoods which provide adequate and accessible urban governmental services concurrent with development.

The Avalon proposal will provide a variety of housing types, mixed uses (private and public), and walkable neighborhoods. Excellent access will be provided to a broad array of services, parks, and connecting trails, all designed to provide an attractive lifestyle for area residents.

CPP 1.4 Urban growth areas shall include greenbelt, open space, and encourage the preservation of wildlife habitat areas.

The Avalon proposal will include mixed uses at urban densities and will be developed and built out in conjunction with the provision of urban governmental services. (See discussion re water, sewer and storm water above). Transportation plans, and water and sewer plans will require amendments to properly plan for the development. Also, the Capital Facilities Plan will require amendments to address specific requirements of the development. (See above explanation of available water and sewer capacity).

Goal A-5, Commercial Development - Encourage commercial and industrial development to locate in well-defined centers within the Urban Growth Areas. Prohibit new zoning that furthers the continuation of strip commercial development.

Policy 2A-5.1 Plan for compact commercial and industrial centers in the Urban Growth Areas and provide infrastructure accordingly.

Policy 2A-5.2 Attract commerce and industry to designated areas within Urban Growth Areas by ensuring an adequate supply of land with adequate urban public facilities and services.

The Avalon proposal will include planned commercial and potentially light industrial centers, with infrastructure sufficient to support the centers. Centers and pockets for conveniently located commercial development will be designed and sited to blend in with the surrounding community. Strip commercial development will not be allowed.

Goal A-6, Quality of Life - Ensure a high quality of life within Urban Growth Areas.

Policy 2A-6.1 Foster development within Urban Growth Areas that creates and maintains safe, healthy and diverse communities. These communities should contain a range of affordable housing and employment opportunities, and school and recreational facilities, and be designed to protect the natural environment and significant cultural resources.

The Avalon proposal can be planned to ensure that a safe, healthy and diverse community is developed. Diverse and walkable neighborhoods will be located near commercial centers and pockets for shopping and services. Residents will be able to conveniently walk, bike, or drive to shops and stores integrated into the community. In addition to affordable housing, commercial and industrial development of Avalon will create new jobs. Avalon will include space for a new school, public athletic facilities, a regional park, neighborhood parks, walking and bicycle trails, and other amenities. One of the centerpieces of the community will be the existing Avalon Golf Course.

Policy 2A-6.2 Adopt plans, policies, codes and development standards that promote public health by increasing opportunities for residents to be more physically active. Such actions include: concentrating growth into Urban Growth Areas, promoting more compact urban development, allowing mixed-use developments, and adding pedestrian and non-motorized linkages where appropriate.

The Avalon proposal will provide compact urban development in places, and will provide a series of pedestrian and non-motorized sidewalks, pathways, and trails to promote physical activities among and interaction between its residents and guests.

Policy 2A-6.3 Concentrate facilities and services within Urban Growth Areas, using urban design principles, to make them desirable places to live, work, and play; increase the opportunities for walking and biking within the community; use existing infrastructure capacity more efficiently; and reduce the long-term costs of infrastructure maintenance.

The urban design of the Avalon proposal, which enjoys the advantage of being a “blank slate” around a beautiful high end golf course, will be carefully planned to strategically locate public facilities and services in centers or pockets so as to provide residents with easy access by foot, bike, or car, and to blend into the community.

Chapter 3: Rural Element

As noted, approximately 49 acres of the Property is designated Rural Reserve (“RRv”). RRv contains a maximum allowed residential gross density one residence per five acres. (CP 3C-1.1) These few properties border the larger area designated with Rural Resource-NRL. The RRv parcel in the northeast corner of the Property is adjacent to RRv to the east. The RRv parcel in the northwest quadrant of the Property is adjacent to RRv to the west. There is currently 70,378 acres in the County designated RRv. (CP Rural Profile 3-3). Therefore, the Avalon proposal seeks to convert a very tiny percentage of the overall RRv to UGA. And, given the contained nature of the Avalon proposal, the addition of these few parcels will not result conversion of additional rural land. Further, by providing a variety of housing types in an attractive community, the Avalon proposal should reduce pressure for more intense development of rural lands in other parts of the County.

The Avalon proposal is consistent with Goal A, and helps protect the rural landscape, character, and lifestyle. (CP 3-4)

Policy 3A-1.1: ...Analyze development trends to determine if changes in land use designations are necessary or additional regulatory techniques or measures are needed to assure compliance with targeted urban/rural population distribution goals.

Goal A-2: ...provide for future Urban Growth Area expansion if needed, and allow rural property owners reasonable economic opportunities for the use of their land.

The Avalon proposal is consistent with the above policy as re-designation of rural land is necessary for the County reach its urban distribution goals. Rather than sprawling development, the Avalon proposal presents an opportunity for a contained well-planned urban development.

Chapter 4: Natural Resource Lands Element

As noted, approximately seven (7) acres of the Property is designated Agricultural on the north side of Kelleher Road and west of a drainage ditch. The parcel is not presently used for agriculture because it is wet. It is understood that in the last two years the parcel has only been mowed and no agricultural production is taking place. The parcel has no long term commercial significance for agricultural uses. Also, the landowner Butler is in favor of including his land in the Avalon proposal. Certain land was included in the Agricultural Resource lands designation in order to create logical boundaries to the designation and

not because it meets the criteria for designation as agricultural land. (CP 4-6). This was one such parcel. Therefore, this parcel is ripe for de-designation from the Agricultural designation.

Policy A-3.1 Designation of Agricultural Lands is intended to be long-term. De-designation is discouraged, but may be considered only when compelled by changes in public policy, errors in designation, new information on resource lands or critical areas, circumstances beyond the control of the landowner, or an overriding benefit to the agricultural industry.

The parcel at issue is not being utilized for long term commercial production and was probably erroneously designated in the first place. Due to the need for additional buildable land, de-designation is compelled by this new information.

CPP 8.4 Mining sites or portions of mining sites shall be reclaimed when they are abandoned, depleted, or when operations are discontinued for long periods.

Goal D-1, Mineral Resource Designation Criteria - Designate and map long-term commercially significant mineral resource lands as an overlay to the Comprehensive Plan Map.

Policy 4D-1.1 Mineral Resource Designation Criteria

- a) Marketability. ...
- b) Minimum Threshold Volume. ...

Policy 4D-1.3 Mineral Resource Designation Considerations. All lands meeting the criteria in Policy 4D-1.1 shall be further reviewed considering the following additional criteria. ...

- g) Depth of the resource or its overburden does not preclude mining;
See answer to Question No. 3.

Chapter 5: Environmental Element.

The Environmental Element contains many policies and goals which pertain to the County's identification of critical areas and adoption of regulations which protect critical areas. The Avalon proposal is required to comply with all of the County's regulations.

Policy 5A-5.2 Land uses that are incompatible with critical areas shall be discouraged.

The majority of the Avalon Property is outside critical areas; the wetlands, streams and lake on the Property will be protected from development in compliance with County policies and regulations. The Applicant will be required to comply with all Skagit County regulations and plans, including Shoreline Master Plan, Natural Hazards Mitigation Plan, and the various Regional Water Resource Plans.

Chapter 7: Housing Element

CPP 4. Housing - Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

CPP 4.1 Local governments shall allow for an adequate supply of land use options to provide housing for a wide range of incomes, housing types and densities.

CPP 4.6 Comprehensive Plan provisions for the location of residential development shall be made in a manner consistent with protecting natural resource lands, aquatic resources, and critical areas.

Goal A – Housing Quantity – Ensure that the supply of housing and sufficient land capacity keep pace with population growth in the County.

Policy 7A-1.1 Work with housing producers and stakeholders in urban and rural areas to apply creative solutions to infill and development using techniques such as attached dwelling units, co-housing, home-sharing, accessory dwelling units, clustering, planned unit developments and lot size averaging.

Policy 7B-1.3 Establish development standards and design guidelines for Urban Growth Areas, Rural Villages, and large CaRD developments, to promote efficient, pedestrian friendly, and attractive communities.

As discussed in detail in the response to question no. 2 above, there is a need for additional housing in the County. Designation of the Property to a UGA now will ensure that the County has a sufficient land supply (including urban densities) and time for proper urban planning to meet the needs of forecasted population. The Applicant will work with the County to develop a plan to ensure that an efficient, pedestrian friendly, and attractive community is built.

Goal C – Housing Distribution And Accessibility - Strive to ensure that a variety of housing types, densities, and values can be produced in the rural area, Urban Growth Areas, and Rural Villages appropriate to the character of the individual communities. Additionally, ensure sufficient infrastructure capacity is available to accommodate growth and provide housing opportunities for all economic segments of the population.

Policy 7C-1.1 Allow mixed residential and commercial uses in Urban Growth Areas and Rural Village commercial districts to promote housing affordability and availability.

The Avalon proposal will provide a variety of housing types, including without limitation duplexes and multi-family, cottage homes, townhomes, garden-style homes, and more traditional single family homes from small to large. The variability in housing choice will produce a wide price range which will greatly enhance the affordability and availability of housing in Skagit County. In addition, the Avalon proposal is intended to construct at least a portion of its housing as principally solar powered, thereby establishing a community of solar powered homes. Finally, the Applicant intends to review and incorporate rainwater catchment systems as an option for its homes and buildings.

Chapter 8, Transportation Element:

Goal A-6, Network - Provide a safe and efficient network of trails and bikeways, including both on- and off-road facilities that link populated areas of the County with important travel destinations. Achieve high standards in meeting the needs of non-motorized users through appropriate planning, design, construction and maintenance of user-friendly facilities.

8A-6.4 Provide for the diverse needs of bicycle, pedestrian and equestrian modes through appropriate routing and the utilization of single-use and shared-use facilities.

8A-6.9 Promote non-motorized transportation as a viable, healthy, non-polluting alternative to the single-occupancy vehicle.

The Avalon proposal will be designed to include sidewalks along streets, and also a comprehensive network of paths and trails that allow users to travel within the UGA by foot, bicycle and other non-motorized means. These paths and trails will be located so as to provide residents with easy access to commercial services and recreational amenities within the community. As the development of the Property progresses, it is expected that the Avalon proposal will be connected to more regional paths and trails outside the development area.

Goal A-13, Land Use and Development - Incorporate transportation goals, policies, and strategies into all County land use decisions.

Policy 8A-13.1 Impacts of Growth – Growth and development decisions shall ensure that the short- and long-term public costs and benefits of needed transportation facilities are addressed concurrently with associated development impacts.

Policy 8A-13.2 Directing Growth – Mitigate transportation impacts, wherever possible, by directing new development into areas where long term capacity exists on the arterial and collector system.

Policy 8A-13.7 Right-of-Way Dedication – The County shall require dedication of right-of-way for needed roads in conjunction with the approval of development projects.

The Avalon proposal will be developed with awareness of local and regional transportation needs. Its location near I-5 and Old Highway 99 provides accessibility and an excellent starting point from which to make the reasonable transportation improvements needed to provide long term capacity for future population.

Concurrency Goal A-14 - Ensure that suitable mitigation measures for addressing the impacts of growth are fair and equitable, and that transportation impacts at the project and system levels are mitigated concurrently with the project.

Policy 8A-14.1 When a development project has a particular impact on the safety, structure or capacity of the County's road system, suitable mitigation shall be required in the form of improvements or through the use of adopted impact fees.

Policy 8A-14.4 The County may consider the use of impact fees as a means to ensure that adequate facilities (including but not limited to transit, pedestrian, bikeways, or roadways) are available to accommodate the direct impacts of new growth and development.

Policy 8A-14.5 If an impact fee ordinance is not in place, the County may require large developments to make traffic impact contributions if the development significantly adds to a road's need for capacity improvement, to a roadway safety problem, or to the deterioration of a physically inadequate roadway. Such traffic impact contributions are in addition to transportation facility improvements required in the immediate area for access to and from the development.

The Applicant will work with the County and other agencies to improve impacted roads and fully mitigate growth and transportation impacts within the UGA and outside the UGA. It is expected that the County will fully review and require appropriate mitigation for these impacts as part of the SEPA process.

Chapter 9, Utilities Element:

Public Water - Objective A-8, To influence the development and use of the water resources of Skagit County in a manner that is consistent with the Countywide Planning Policies and the Comprehensive Plan.

Policy 9A-8.1 Cooperation with water districts and other water providers shall be extended to support them in their responsibility to provide a reliable service to assure an adequate quality and quantity of potable water and high quality water supply within their service areas.

Policy 9A-8.4 Water supply development and service shall be consistent with all related plans, including but not limited to, the Coordinated Water Systems Plan, the Anacortes-Fidalgo Island Coordinated Water System Plan, this Comprehensive Plan, and related purveyor plans as they are developed.

The Applicant will work with the Skagit PUD and other purveyors to ensure that its water supply is developed consistent with each agency's internal plan and with the Skagit County Coordinated Water System Plan. Amendments to such plans will be pursued as necessary. The Applicant further intends to explore the re-use of reclaimed water for the existing Avalon Golf Course and other water conservation methods to conserve water use and enhance local water resources.

Stormwater Policy 9B-1.8 Natural Drainage – Natural drainage shall be preferred over the use of pipelines or enclosed detention systems, where possible.

The natural topography of the Property includes gently sloped hills, which will allow for efficient management of runoff toward the Skagit Basin.

Chapter 10 – Capital Facilities Element:

Goal A-1, Facility Needs - Establish the baseline for the types of capital facilities to be addressed, levels of service, needed capital improvements to achieve and maintain the standards for existing and future populations, and to repair or replace existing capital facilities.

Policy 10A-1.4 Urban Water Service Standards – Urban water service provided by a utility and designed to meet the needs of the designated service areas consistent with the Skagit County or City Comprehensive Plan, the Coordinated Water System Plan, and the designated water utility's Water System Plan shall meet the design criteria of the Coordinated Water System Plan.

The Applicant will work with the County to ensure compliance with the Coordinated Water System Plan and all other County planning documents. The Applicant expects that the Capital Facilities Plan will require amendments to capture the new development. (*See also* detailed responses re water and sewer services herein).

Goal A-2, Financial Feasibility - Provide means to balance needs with available funding.

Policy 10A-2.4 Future Needs – New growth shall pay its fair share of capital improvements cost necessary to support its demands. This may include voluntary contributions for the benefit of any capital facility, impact fees, mitigation payments, capacity fees, dedications of land, provision of public facilities, and future payments of user fees, charges for services, special assessments and taxes. These revenue sources shall not be used to pay for the portion of any public facility that reduces or eliminates existing deficiencies.

Policy 10A-2.14 Ensuring Concurrency – Impacts of development on capital facilities occur when development is authorized. The county shall issue development permits only after it has determined that there is sufficient capacity of Category-A and Category-B public facilities to meet the LOS standards concurrent with the proposed development.

Policy 10A-2.17 Capital Facilities and Concurrency in Non-municipal UGAs – Capital facility requirements and concurrency within county-governed, non-municipal UGAs shall be developed for the specific urban growth area using a combination of county- and non-county-provided services at adopted urban levels of service appropriate to the planned urban development.

CPP 12. Public Facilities and Services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

CPP 12.6 Development shall be allowed only when and where all public facilities are adequate, and only when and where such development can be adequately served by regional public services without reducing levels of service elsewhere.

CPP 12.7 Public facilities and services needed to support development shall be available concurrent with the impacts of development.

CPP 12.9 New development shall pay for or provide for its share of new infrastructure through impact fees or as conditions of development through the environmental review process.

As stated herein, the Applicant will work with the County and all other agencies to ensure capital facilities are built concurrently with the development phases, to ensure impacts are addressed with appropriate mitigation or impact fees, and to ensure that sufficient urban levels of services are provided as needed.

5. Describe the impacts anticipated to be caused by the change, including geographic area affected and issues presented.

Expansion of urban governmental services and facilities will be required to implement this proposed amendment to fully develop the Property. This will include improvements to streets and roads, sidewalks, traffic systems; sanitary sewer; water systems; storm sewer systems; park and recreational facilities and schools.

The proposed unincorporated UGA will impact urban public services, including fire protection and suppression; emergency medical services; public safety; public health; education and recreation.

The geographic area affected by the proposed amendment will be mainly limited to the approximately 1200 acres involved in this proposal. Additionally, there will be impact on surrounding roads and highways outside the Avalon area such as, old Highway 99, Kelleher Road, Butler Hill Road and F&S Grade Road.

As the Property is developed, from breaking ground to final occupancy, the County will collect various permit and development fees. The purpose of said fees are to mitigate the impact of the costs associated with the increased and improved public services and facilities to the Property. The Applicant will implement required mitigation of other impacts through the SEPA process. Additionally, once homes and businesses are built on the Property, the County will see increased tax revenues. Furthermore, Avalon will contribute to the vitality of Skagit County's economy through establishment of new businesses and permanent job creation. ("Jobs Created in the U.S. when a Home is Built," *Eye on Housing*, 05/2/14)

The Avalon proposal will have the beneficial impact of locating future population growth in a concentrated area, with close access to Interstate 5 and other existing road networks, thereby reducing pressure for more intense rural development in other parts of the County. The Property is well above the flood zones and contains minimal resource lands (no forest resource land; only 7 acres of unproductive farm land; and mining activity near the end of its productive life). It is the ideal location to accommodate the future growth need of Skagit County, the planning for which should commence.

6. Describe how adopted functional plans and Capital Facilities Plans support the change.

Functional plans for water, sewer, stormwater, fire, the Burlington-Edison School District, and police service will require analysis and amendment to ensure sufficient levels of service are provided. The recommended increase to the population projection (adding an additional 10,000 to the County's 20 year projection), will require amendments to the Capital Facilities Plan. The foundational infrastructure for water and sewer service is already in place. The applicant has not received any indication from the Skagit PUD that it cannot supply water. *Please see* further support in the analysis of the *Coordinated Water System Plan* and the *Skagit PUD 2007 Water System Plan* in response to question no. 4 above. The applicant has not received any indication from the Samish Water District that it cannot supply wastewater service. *Please also see* further support in the analysis of the *Samish Water District 2013 Comprehensive Sewer Plan* and the *City of Burlington's 2005 Comprehensive Plan* in response to question no. 4 above. The Burlington-Edison School District would like the opportunity to include property within the Avalon proposal for a school. (Letter Board President to Vineyard Development, 09/04/14).

7. Describe any public review of the request that has already occurred.

There has been no public review of the proposed amendment.

8. Describe how the map amendment/rezone complies with Comprehensive Plan land use designation criteria in Chapter 2, the Urban, Open Space & Land Use Element; Chapter 3, the Rural Element; or Chapter 4, the Natural Resource Lands Element.

Avalon will be able to meet the land use designation criteria for areas to be established as a UGA (Policy 2A-1.1). (See also detailed response to no. 4 above)

The Property is currently *Rural Resource with Mineral Resource Overlay* (with the exception of approximately 49 acres of which is designated Rural and approximately 7 acres which is zoned Agricultural) but no longer meets the *Mineral Resource Designation Criteria* set forth in CP Policy 4D-1.1. The remainder of the Property is not suitable for mining operations. (See also detailed response to no. 4 above)

9. Population forecasts and distributions.

If you are proposing an urban growth area boundary change, describe how it is supported by and dependent on population forecasts and allocated urban population distributions, existing urban densities and infill opportunities, phasing and availability of adequate services, proximity to designated natural resource lands, and the presence of critical areas.

a. Population

The initial population and employment allocations do not reflect unanticipated populating growth from new jobs and additional migration. For the year 2035, the OFM provisional population projection for Skagit County is 127,041 (low), 153,635 (medium) and 195,148 (high). Planning for the year 2036, Berk Consulting and the Skagit Council of Governments recommend an initial population allocation of 155,452, which is near the OFM's medium projection but almost 40,000 lower than the OFM's high projection. (Berk Report)

Berk states "the [Skagit County] Planners anticipate that new non-municipal UGAs or fully contained communities should not be necessary to accommodate future population growth within the 20-year planning period" (Berk, p.4) Berk also notes that the population projection allocations to each geographical community in the County is based on that community's current share of the population. (Berk, p.3). In its analysis, Berk does not appear to consider recent economic changes in the County that resulted in job creation. As stated in response to question no. 2 above, 1) The Janicki Bioenergy's announcement that it will expand its operations to the historic Northern State Hospital property (North Cascades Gateway Center) to expand its clean water OmniProcessor technology has the potential for creating 1000 additional jobs. ("Bill Gates backed company eyes historic Skagit County Hospital site for major expansion," *Puget Sound Business Journal*, 02.17.15) The expansion of Hexcel Corporation will also create additional jobs. In addition, the recent economic growth in King and Snohomish Counties and the resulting significant increase in housing prices will continue to drive population north to Skagit County.

New well-paying jobs will mean waves of migration to the County and those new residents will need housing. People generally wish to reside near their place of employment but the current zoning and land designations will not provide sufficient housing for these anticipated new residents. As discussed in the response to no. 2 above, once the Property is designated a UGA, it could still take up to 10 years to build the first home. And whatever is built will be in phases. To build the best new community possible and properly account for all of its impacts, planning should commence now.

b. Insufficient land

There is currently insufficient land zoned for urban densities to allow the County to meet the housing needs of the 20-year planning period as detailed in response to Question No.1. As detailed in response to question nos. 2 and 6 above, sufficient capacity for water and sewer services for the first phase of the Avalon proposal will be available from Skagit County PUD and Samish Water District. Additional services will be coordinated as the Avalon proposal is built out.

With the change in the Property's designation to a UGA, the Property will be removed from close proximity to Rural Resource Lands. When the Skagit County gravel pit is depleted, it will be reclaimed, and the Property will be rezoned to an appropriate UGA use and density. The Property includes pockets of wetlands, lakes and forested areas, which would remain in open space. Careful planning would be involved to ensure that environmentally sensitive and critical areas are protected with the development of the Property.

If you are proposing a rural areas or natural resource land map designation change, describe how it is supported by and dependent on population forecasts and allocated non-urban population distributions, existing rural area and natural resource land densities and infill opportunities.

See response to question no. 9 above for discussion of population forecasts.

The Avalon proposal will not affect non-urban population distributions or infill opportunities. There are currently six single family residences on the property but infill is not likely due to sparse roads in the area and the undesirable aspect of living in close proximity to a mining operation. Only a minor amount of the Property is designated RRv and Agricultural. The vast majority of the Property under a Mineral Resource Overlay designation allows only one residential dwelling unit per 10 acres so is not appropriate zoning for a UGA. The Property no longer provides the mineral resources it previously did and most are near being exhausted. Those that have a few years left to mine will be exhausted before being touched by development. The area is ripe for designation to a UGA to allow for the highest and best use for the Property. In order to accomplish full build out, the land needs to be designated as a UGA now and rezoned in the future. The removal of the Property (about 1200 acres) from the *Mineral Resource Overlay* designation will leave an estimated 58,800 acres still designated *Mineral Resource Overlay* in Skagit County. The removal of the minor portion of the Property from RRv will leave an estimated 70,329 acres in RRv.

10. If you are proposing a natural resource land map designation change, describe how the change is necessary based on one or more of the following:

(A) A change in circumstances pertaining to the Comprehensive Plan or public policy.

The County is in the process of updating its UGAs. As part of that process, a new population projection will be adopted and the County will designate its UGAs to reflect the new projections. There are currently limited abilities to provide expansion or infill of other UGAs. See discussions re population projections herein. The Applicant is requesting an additional 10,000 population allocation be adopted for Skagit County to assure that planning may commence for the Avalon proposal.

(B) A change in circumstances beyond the control of the landowner pertaining to the subject property.

The mineral resources located on the Property are nearly depleted. Mining operation is no longer a viable use of the Property for the long term.

(C) An error in initial designation.

Not applicable.

(D) New information on natural resource land or critical area status.

The mineral resources located on the Property are nearly depleted. Mining operation is no longer a viable use of the Property for the long term. The seven acres of the Property under Agricultural designation is not used for long term commercial agricultural production.

Section 4

Ownership Certification

Required for site-specific map amendment proposals only.

I, Bill Sygitowicz, hereby certify that I am the major property ^{authorized by} ~~owner~~ ^{owners} or officer of the corporation owning property described in the attached application, and I have familiarized myself with the rules and regulations of Skagit County with respect to filing this application, and that the statements, answers and information submitted present the argument on behalf of this application and are in all respects true and correct to the best of my knowledge and belief.

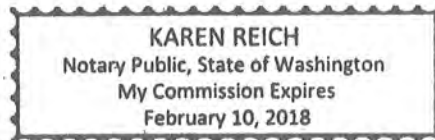
Address PO Box 29840
City and State Bellingham WA Phone (360) 739-4089
Signature [Signature] for Skagit Partners LLC
(give corporation or company name)

ACKNOWLEDGMENT

State of Washington)
 ss.)
County of ~~Skagit~~ Whatcom)

On this day personally appeared before me Bill Sygitowicz
known to be the individual described in and who executed the within and foregoing instrument and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

Karen Reich
Notary Public in and for the State of Washington
Residing at Deming, WA.
Date: 7/30/2015



Other property owners in this application must be listed below:

Name Please see attached
Address _____ City/State _____ Zip _____

Landowners of property within proposed unincorporated UGA

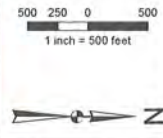
Berniece M Aarstad:	12457 Rainier Dr, Burlington, WA 98233
Ron Hass/Avalon Links:	19345 Kelleher Rd, Burlington, WA 98233
Frederick S Butler, et al:	19801 Kelleher Rd, Burlington, WA 98233
Earl R Curry:	6148 N Green Rd, Burlington WA 98233 (Belfast Gravel)
Ronald L Hunt:	19569 Kelleher Rd, Burlington, WA 98233
Nancy Lovell:	19589 Kelleher Rd, WA 98233
Miles Sand and Gravel:	PO Box280, Mount Vernon, WA 98273
Stanton Peterson:	19797 Kelleher Rd, Burlington, WA 98233
Bob Cogdal:	7653 Butler Hill Rd, Burlington, WA98233
Skagit County:	1800 Continental Pl, Mount Vernon, WA 98273

Existing zone for all of the below listed properties: Rural Resource with a Mineral Resource Overlay				
Existing Comprehensive Plan designation for all of the below listed properties: Natural Resource Lands				
Requested zone for all properties: no change requested at this time				
Requested Comprehensive Plan designation for all properties: Unincorporated Urban Growth Area				
Street Number	Street Name	City, State, Zip	Parcel ID	Acres
19801	KELLEHER ROAD	BURLINGTON, WA 98233	P103787	0.42
not available			P35960	16.20
19909	KELLEHER ROAD	BURLINGTON, WA 98233	P35957	40.00
not available			P35953	40.00
not available			P35955	40.00
not available			P35943	40.00
not available			P35947	40.00
1753	KELLEHER RD	BURLINGTON, WA 98233	P35961	9.58
not available			P35962	1.90
not available			P35952	40.00
not available			P35946	40.00
not available			P35948	40.00
not available			P35956	40.00
not available			P35951	40.00
not available			P35950	40.00
19797	KELLEHER ROAD	BURLINGTON, WA 98233	P35963	11.90
not available			P35954	40.00
not available			P35944	40.00
not available			P35949	40.00
not available			P35942	37.00
20067	KELLEHER ROAD	BURLINGTON, WA 98233	P36773	36.40
not available			P119521	7.00
not available			P36856	1.29
SC ER&R 18915	KELLEHER ROAD	BURLINGTON, WA 98233	P36852	6.46
SC ER&R			P36850	15.90
SC ER&R 18841	KELLEHER RD	BURLINGTON, WA 98233	P36851	3.73
not available			P35939	0.75
7653	BUTLER HILL ROAD	BURLINGTON, WA 98233	P35931	11.07
SC ER&R			P35940	26.48
not available			P35835	40.00
not available			P35834	40.00
not available			P35819	0.23
not available			P35820	39.77
not available			P35818	4.51
not available			P35817	35.17
not available			P35814	18.43
not available			P35813	19.75
not available			P35773	38.71
7325	BUTLER HILL ROAD	BURLINGTON, WA 98233	P35919	8.35

Existing zone for all of the below listed properties: Rural Resource with a Mineral Resource Overlay (continued)				
Existing Comprehensive Plan designation for all of the below listed properties: Natural Resource Lands				
Requested zone for all properties: no change requested at this time				
Requested Comprehensive Plan designation for all properties: Unincorporated Urban Growth Area				
Street Number	Street Name	City, State, Zip	Parcel ID	Acres
7325	BUTLER HILL ROAD	BURLINGTON, WA 98233	P35918	5.00
not available			P35909	13.50
not available			P35929	10.06
not available			P99881	1.27
not available			P110452	0.57
not available			P36805	16.07
not available			P36806	2.10
not available			P36808	3.62
19569	KELLEHER RD	BURLINGTON, WA 98233	P36801	5.74
19345	Kelleher Road	Burlington, WA 98233	P36813	32.00
SC ER&R 1647	KELLEHER RD	SEDRO-WOOLLEY, WA 98284	P36815	36.92
not available			P36799	12.75
not available			P36807	2.99
not available			P35893	3.23
not available			P35892	10.84
not available			P36818	3.21
not available			P35998	40.00
not available			P36090	10.00
not available			P35965	11.00
not available			P36079	17.60
not available			P108017	18.97
not available			P36087	12.15
not available			P36083	38.97

Existing zone for all of the below listed properties: Rural Reserve				
Existing Comprehensive Plan designation for all of the below listed properties: Rural				
Requested zone for all properties: no change requested at this time				
Requested Comprehensive Plan designation for all properties: Unincorporated Urban Growth Area				
Street Number	Street Name	City, State, Zip	Parcel ID	Acres
6967	OLD HWY 99 NORTH ROAD	BURLINGTON, WA 98233	P35896	12.66
not available			P35772	35.50
not available			P35812	1.00

Existing zone for all of the below listed properties: Agricultural				
Existing Comprehensive Plan designation for all of the below listed properties: Natural Resource Lands				
Requested zone for all properties: no change requested at this time				
Requested Comprehensive Plan designation for all properties: Unincorporated Urban Growth Area				
Street Number	Street Name	City, State, Zip	Parcel ID	Acres
not available			P36088	7.00



Skagit Partners, LLC

Avalon - Butler Hill

Parcel Map

Data Source: Skagit County

Date: 7/24/2015
User: patrick

SKAGIT COUNTY

Comprehensive Plan Designations and Zoning Districts

* December 23, 2008

URBAN

Incorporated Areas

UGA ZONING

- [UGA] Urban Growth Area
- [AVR] Aviation Related
- [AVR-L] Aviation Related - Light
- [BR-HI] Bayview Ridge Heavy Industrial
- [BR-LI] Bayview Ridge Light Industrial
- [BR-R] Bayview Ridge Residential
- [A-UD] Anacortes UGA Development District
- [LC-UD] LaConner UGA Urban Development District
- [MV-UD] Mount Vernon UGA Urban Development District

- [URC-I] Urban Reserve Commercial Industrial
- [URP-OS] Urban Reserve Public Open Space
- [R] Residential (Swinomish UGA)
- [C] Commercial (Swinomish UGA)
- [H-I] Hamilton Industrial
- [H-R] Hamilton Residential
- [H-UR] Hamilton Urban Reserve
- [URR] Urban Reserve Residential

RURAL ZONING

- [RRV] Rural Reserve
- [RI] Rural Intermediate

- [RRV] Rural Village Residential

NATURAL RESOURCE LANDS

- [Ag-NRL] Agricultural - NRL
- [RR-NRL] Rural Resource - NRL
- [SF-NRL] Secondary Forest - NRL
- [IF-NRL] Industrial Forest - NRL

COMMERCIAL / INDUSTRIAL

- [RB] Rural Business
- [RC] Rural Center
- [RVC] Rural Village Commercial
- [RFS] Rural Freeway Service
- [NRI] Natural Resource Industrial
- [SRT] Small-Scale Recreation & Tourism
- [SSB] Small-Scale Business
- [RMI] Rural Marine Industrial
- [MID] Major Industrial Development (No properties currently designated)
- [MPR] Master Planned Resort

OPEN SPACE

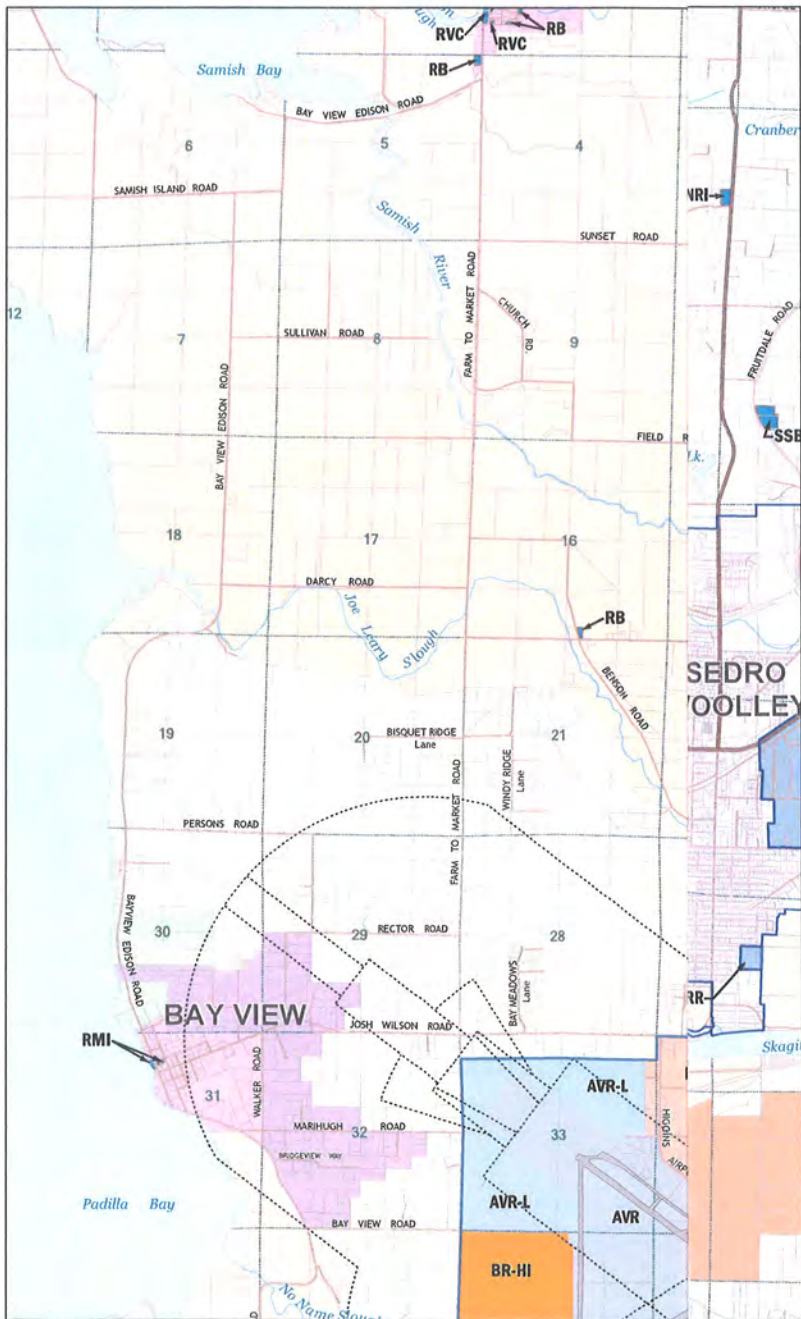
- [OSRS] Public Open Space of Regional/Statewide Importance

MINERAL

- [MRO] Mineral Resource Overlay

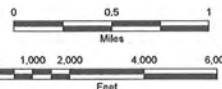
OTHER

- Airport Environs Overlay



This map was created from available public records and existing map sources, not from field surveys. Map features from all sources have been adjusted to active a "best fit" registration to the Ownership Parcel Map. While great care was taken in this process, maps from different sources rarely agree as to the precise location of geographic features. The relative positioning of map features to one another results from combining different map sources without field "ground truthing".

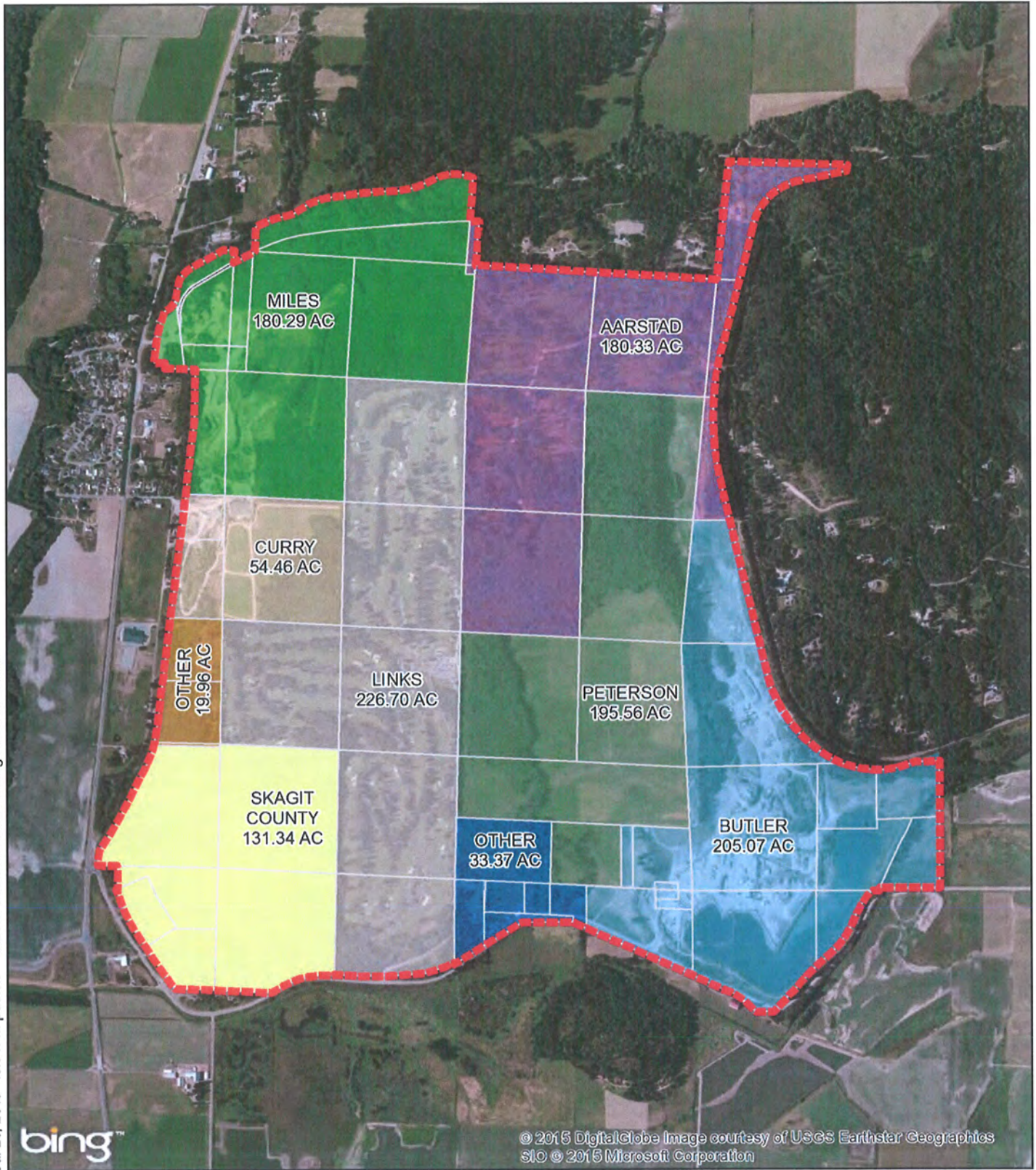
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Map scale 1:24,000

T35N R 3 & 4E W.M.

Jul 29, 2015 10:34PM patrick I:\ESM-JOBS\1629\001\009\gis\GIS-002.mxd



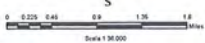
Ownership Exhibit



Project Name: Avalon - Butler Hill
Data Source: Skagit County, Bing Maps



0 1,500
1 inch = 1,500 feet



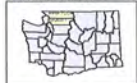
SAMISH WATER DISTRICT

Comprehensive Sewer Plan Exhibit A - General Sewer Facilities Map

LEGEND:

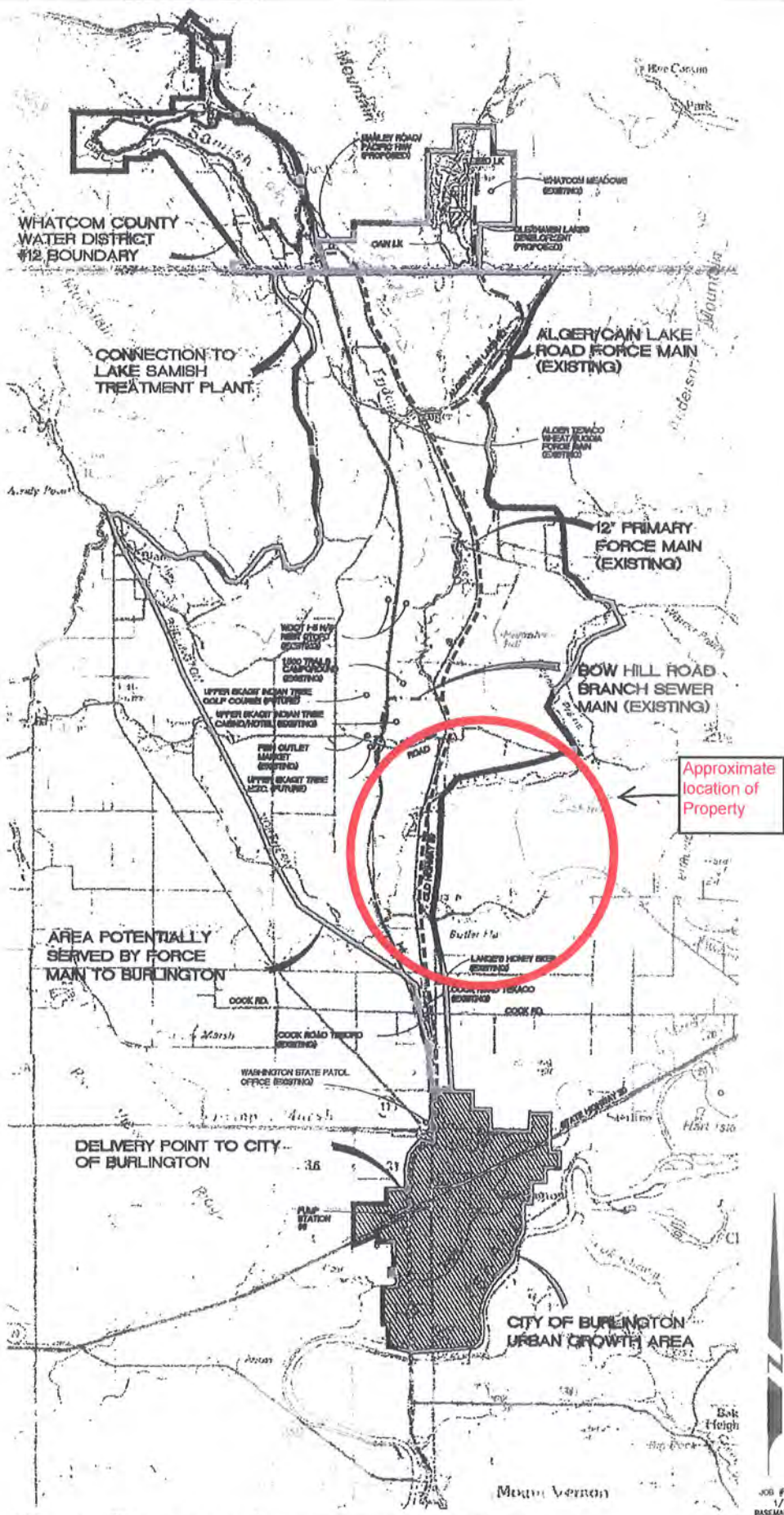
- Pump Stations
- Force Main
- Gravity Main
- District Boundary
- Glenhaven Lakes Boundary
- Forced Main Agreement Area
- City Boundaries

WASHINGTON STATE



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Excerpt from City of Burlington 2005 Comprehensive Wastewater Plan

WHATCOM COUNTY WATER DISTRICT NO. 12
Sewer Force Main Map - Lake Samish to City of Burlington WWTP

EXHIBIT

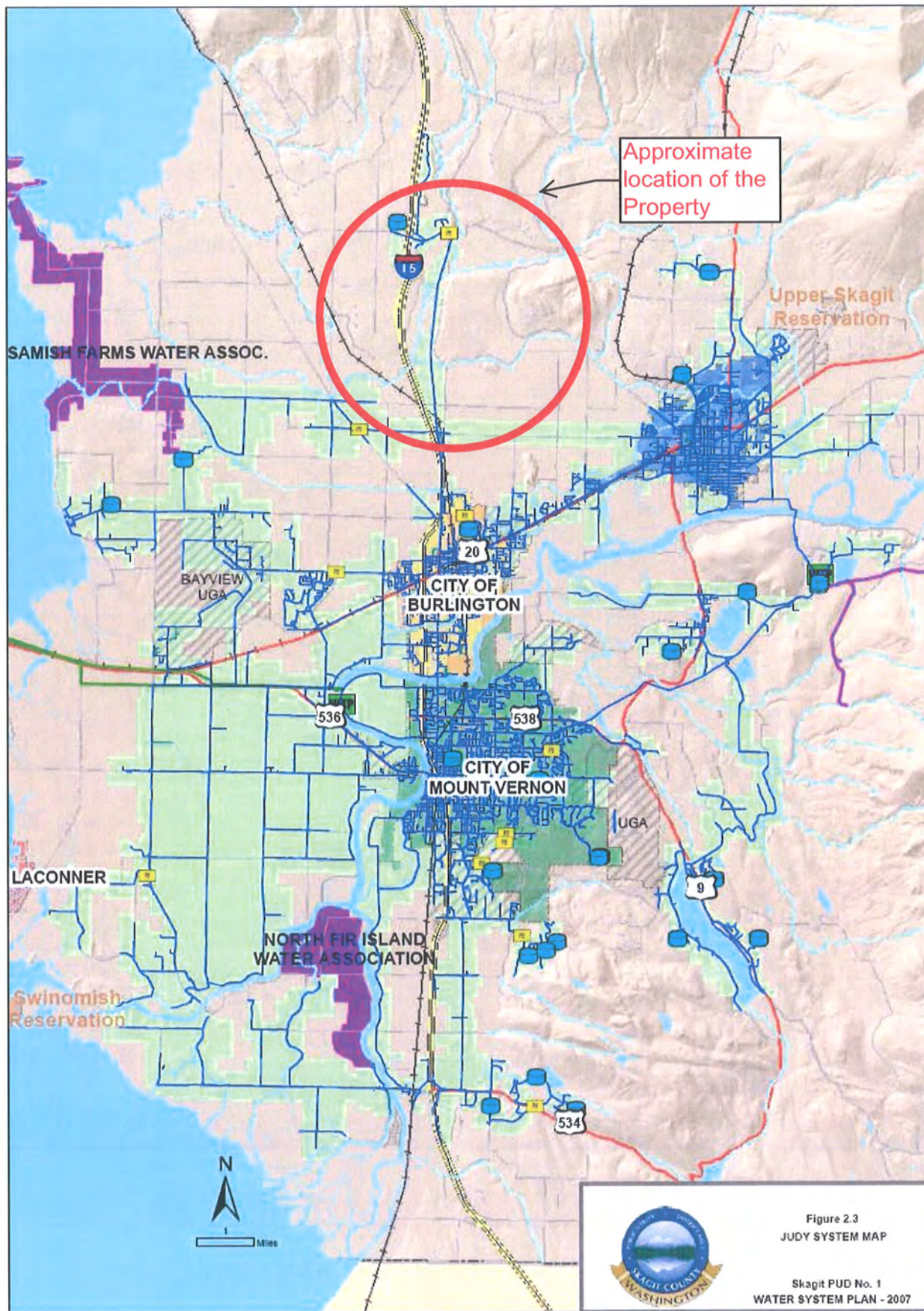
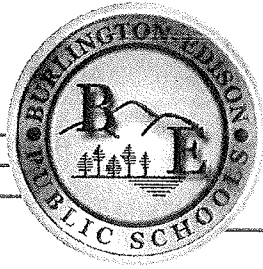


Figure 2.3
JUDY SYSTEM MAP

Skagit PUD No. 1
WATER SYSTEM PLAN - 2007



Burlington - Edison Public Schools

Laurel W. Browning
Superintendent

District No. 100 • 927 E. Fairhaven Avenue • Burlington, WA 98233 • (360) 757-3311 • FAX (360) 755-9198

December 4, 2014

Vineyard Development
C/O Bill Sygitowicz, Owner
PO Box 29840
Bellingham, WA 98228

Re: Avalon Project on Butler Hill

Dear Bill Sygitowicz:

Based on discussions with Mr. Jon Aarstad and yourself, it is our understanding the proposed Avalon development on Butler Hill will create a significant number of family residences within the Burlington-Edison School District.

Obviously, this will impact the District's ability to provide classroom space for the increased student population within this development. Currently, the District is at capacity and would not be able to house this proposed student increase with existing facilities.

If this proposed development occurs, the District will require additional school facilities to accommodate this increase in population. The District is currently reviewing existing District owned properties for possible school development and we appreciate the opportunity to include property within your development in our review.

The District cannot commit to the development of a school or schools within the Avalon Project as there are many factors that must be considered prior to making this decision; however, the District is interested in reviewing the development plan in order to discuss possible school locations should your project move forward.

We appreciate and thank you for including the Burlington-Edison School District in the planning process of this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Howard', is written over a horizontal line.

Roger Howard
Board President

"Quality Education ... Our Commitment"

Population Change and Migration

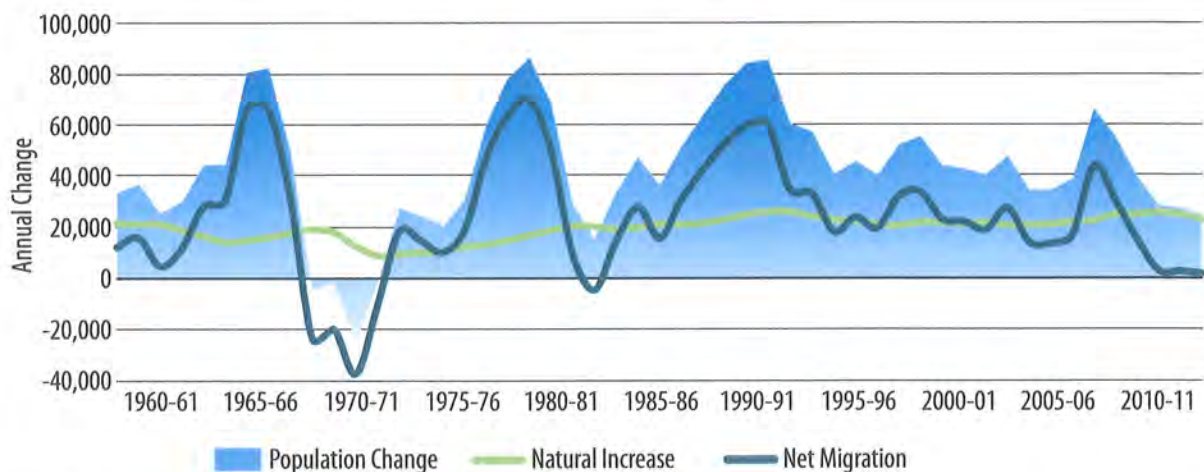
Fewer people moved into the central Puget Sound region in the 2000s compared to the previous two decades, showing the effects of two significant recessions and the bursting housing bubble that made it harder for people to find or change jobs, sell their houses and relocate.

Components of Population Change and Migration

Population change is a function of two components: **natural increase** (births minus deaths) and **net migration** (people moving into an area minus people moving out). Since 1960, according to estimates by the state Office of Financial Management (OFM), net migration has contributed 55% of the region's total population growth while natural increase accounted for the other 45%.

Net migration is the primary driver behind population growth trends in the region. While growth from natural increase remains relatively stable from year to year, net migration is far more volatile, rising and falling in response to the strength of job opportunities and attractions in the central Puget Sound relative to other places. Federal policy governing international migration flows can also play a role.

Figure 1. Annual Population Change by Component, Central Puget Sound Region



Source: OFM

Puget Sound Regional Council
 information center

1011 Western Avenue, Suite 500
 Seattle, Washington 98104
 206-464-7532 • info@psrc.org • psrc.org

Table 1. Components of Population Change by County, Central Puget Sound Region

	1960-1970	1970-1980	1980-1990	1990-2000	2000-2010	% Share by Component 2000-2010	1960-2010	% Share by Component 1960-2010
King								
Net Migration	119,700	55,700	140,700	120,400	75,600	38.9%	512,000	51.4%
Natural Increase	104,700	54,900	96,700	109,300	118,700	61.1%	484,200	48.6%
Total Population Change	224,400	110,500	237,400	229,700	194,200	—	996,200	—
Kitsap								
Net Migration	9,800	36,400	26,000	24,400	7,700	40.3%	104,400	62.5%
Natural Increase	7,700	9,000	16,600	17,800	11,400	59.7%	62,600	37.5%
Total Population Change	17,600	45,400	42,600	42,200	19,200	—	167,000	—
Pierce								
Net Migration	46,600	33,800	44,200	62,300	42,400	45.0%	229,300	48.4%
Natural Increase	44,200	39,500	56,400	52,400	52,000	55.0%	244,400	51.6%
Total Population Change	90,800	73,300	100,500	114,600	94,400	—	473,600	—
Snohomish								
Net Migration	68,200	48,700	87,000	92,400	59,500	55.4%	355,700	65.7%
Natural Increase	24,900	23,700	40,900	48,000	47,800	44.6%	185,400	34.3%
Total Population Change	93,000	72,500	127,900	140,400	107,300	—	541,100	—
Region								
Net Migration	244,200	174,700	297,800	299,500	185,200	44.6%	1,201,400	55.2%
Natural Increase	181,500	127,100	210,600	227,500	229,900	55.4%	976,600	44.8%
Total Population Change	425,700	301,800	508,400	527,000	415,100	—	2,178,000	—

Source: OFM

The region grew by 415,000 persons over the last decade from 2000 to 2010. This level of growth was comparatively lower than the two preceding decades when the region grew by well over a million people — 508,000 during the 1980s and 527,000 during the 1990s. The difference is due to substantially lower levels of net migration — 185,000 persons during the 2000s, compared to 300,000 per decade during the 1980s and 1990s. Recent trends reflect the impact of two severe recessions on the regional economy, complicated by the national housing crisis that constrained mobility for numerous households owing more on a home than its worth.

Net migration accounted for just 45% of population growth in the region during the 2000s, compared to 55% on average from 1960 to 2010. These trends held across each of the region's four counties, to varying degrees. Net migration constituted just 39% and 40% of King and Kitsap counties' population growth over the last decade, compared to averages of 51% and 63% over the past 50 years. In Snohomish County, net migration contributed a notably higher share of its last decade's growth than in the region's other counties, 55%, although this was a level still significantly lower than its 50-year average of 66%. Pierce was the only county for which recent net migration levels over the past decade, 45%, were relatively consistent with its 50-year average of 48%; major expansion of military personnel at Joint Base Lewis-McChord was likely a factor.

County-to-County Migration Trends

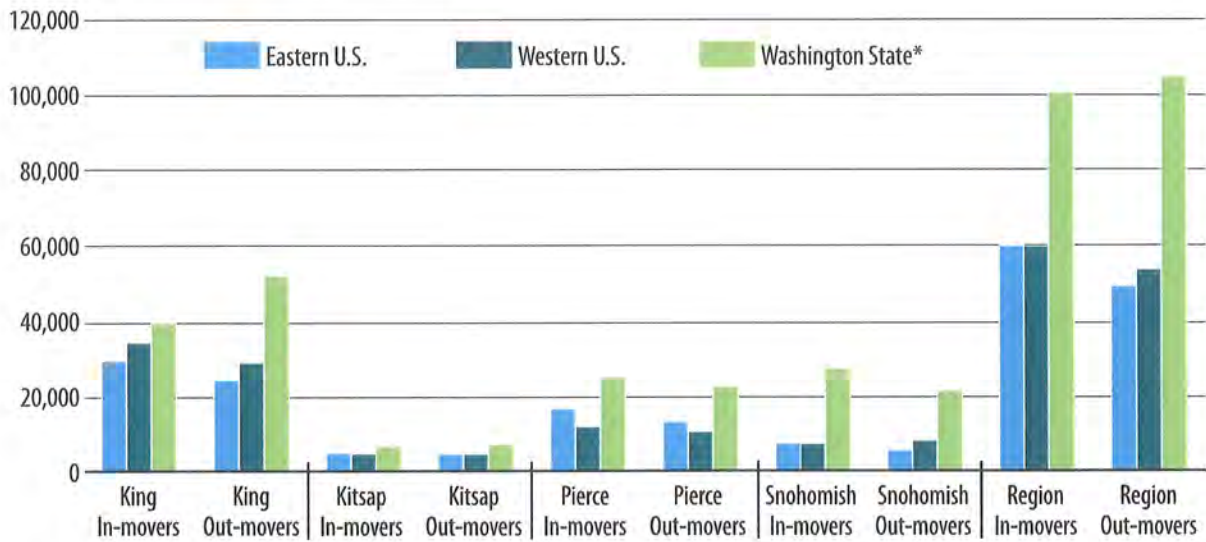
Census Bureau data on county-to-county migration flows provides additional detail about the geographic component of where people are moving to and from. The data come from the 2005-2009 American Community Survey, and the question asked was where the person lived one year previous to filling out the census questionnaire.

Over that five-year period, the biggest contribution to regional in-migration came from within Washington state, with nearly 40% of all in-movers to the Puget Sound region coming from other Washington counties. However, slightly

more of the region's residents moved the other way to other parts of Washington state during this same period. This trend was mostly driven by migration flows to and from King County, where the number of county residents who moved to other parts of the state outside the region was 31% greater than the number who moved to King County.

This trend for King County held for movement within the region as well. The number who moved to the other regional counties was nearly 45% greater than those moving into the county. Most of this movement out of King County went to Pierce and Snohomish counties, which both had considerably more movement into those counties than out of them. Looking beyond in-state migration, approximately equal numbers of people came here from both the eastern and western regions of the United States, while fewer went the other way.

Figure 2. Migration to and from Region



*Note: Does not include movement within Puget Sound region.
Source: Census Bureau – American Community Survey (ACS)

Table 2. Percent Movers within Region by County

	In-movers		Out-movers	
	Estimate	Margin of Error	Estimate	Margin of Error
King	36.4%	2.2%	52.6%	2.0%
Kitsap	6.9%	1.2%	7.2%	1.0%
Pierce	27.6%	2.1%	20.1%	1.9%
Snohomish	29.0%	1.4%	20.2%	1.8%
Region	100.0%	0.0%	100.0%	0.0%

Source: Census Bureau – American Community Survey (ACS)

Data Note: The Washington Office of Financial Management (OFM) and Census Bureau's American Community Survey (ACS) use different methodologies to estimate in- and out-migration. As such, the estimates reported by the two datasets may differ substantially. It is recommended that the OFM dataset be used for actual numeric estimates, whereas the ACS dataset be used to derive migration flow patterns.

Copies of this *Puget Sound Trend* are available at psrc.org and through the PSRC Information Center at 206-464-7532, info@psrc.org. For questions about the data presented in this *Trend*, contact Neil Kilgren at 206-971-3602 or nkilgren@psrc.org.

From the Puget Sound Business Journal

[:http://www.bizjournals.com/seattle/blog/health-care-inc/2015/02/billgates-backed-company-eyes-historic-skagit.html](http://www.bizjournals.com/seattle/blog/health-care-inc/2015/02/billgates-backed-company-eyes-historic-skagit.html)

Bill Gates-backed company eyes historic Skagit County hospital site for major expansion

Feb 17, 2015, 1:34pm PST



Marc Stiles

Staff Writer- *Puget Sound Business Journal*

[Email](#) | [Twitter](#)

In Skagit County, a homegrown company could be the answer to a 40-year-old problem: what to do with a long-vacant property.

Janicki Bioenergy is proposing to turn the historic Northern State Hospital site in Sedro-Woolley into a research-and-development facility where as many as 1,000 people could work in the next five years.

Janicki is the company behind a clean-water OmniProcessor technology that the **Bill & Melinda Gates Foundation** is backing, and the company plans to develop other sanitation and energy technologies.

The OmniProcessor uses heat and steam to turn human feces into potable water. In a [blog post last month](#), [Bill Gates drank water out of jar filled directly from the machine](#), and [he later challenged Jimmy Fallon to drink up](#) during a "Tonight Show" appearance.

[Peter Janicki](#), a co-founder of Janicki Bioenergy, said that since then people from more than 50 countries have contacted the company about buying machines.

With funding from the Gates Foundation, Janicki Bioenergy is hiring 65 people this year and has big plans for the property that operated as a mental hospital until closing in 1973. The company wants to break ground on the R&D facility by the end of the year.

"We are very eager to get to work," said Janicki.

He is a native of Sedro-Wooley, a town of 10,650 on Highway 20 about 10 miles east of

Interstate 5.

Officials from the city, Port of Skagit and the county are trying to clear the way for re-development of the state-managed property that is on the **National Register of Historic Places**. On Friday, state and local officials issued a press release stating that a "memorandum of intent" could be finalized in April. The memo will outline transferring the property to local control through a long-term lease or ownership transfer.

Janicki said he would like state officials to decide the matter by this spring. The company is also looking at an OmniProcessor assembly site in Utah, but Janicki said he prefers the site in his hometown if the company's timetable can be met.

The renowned Olmsted Brothers landscape architecture firm designed the hospital site. Janicki Bioenergy envisions using renovated existing historic buildings as training facilities, meeting and conference space and short-term housing for visitors, and office and research space.

The chance to help a local company generate local jobs with a humanitarian mission is a "once-in-a-lifetime opportunity..." Skagit County Commissioner Ken Dahlstedt said in the press release.

State Sen. Kirk Pearson, R-Monroe, is sponsoring legislation that would grant the state Department of Enterprise Services the authority to pursue a long-term arrangement with the port for the Northern State Hospital campus.

Marc Stiles covers commercial real estate and government for the Puget Sound Business Journal.

From the Puget Sound Business Journal

[:http://www.bizjournals.com/seattle/news/2015/01/07/kent-aerospace-supplier-expands-partners-with.html](http://www.bizjournals.com/seattle/news/2015/01/07/kent-aerospace-supplier-expands-partners-with.html)

Burlington aerospace supplier expands, partners with state to train workers

Jan 7, 2015, 2:48pm PST Updated: Jan 7, 2015, 3:57pm PST



Steve Wilhelm

Staff Writer- *Puget Sound Business Journal*

[Email](#) | [Twitter](#)

Washington state has teamed up with a Burlington aerospace manufacturer to train about 40 aerospace workers in advanced composites techniques. **Hexcel Corp.**, which will pay about 20 percent of the cost of training the workers, is the 12th company to receive this support from the state since 2013.

The workers will be trained at Hexcel's facility, where the company itself is already in growth mode. As a response to growth at **Boeing**, Hexcel is adding 70,000 square feet of space to its facility.

Hexcel, which is traded on the NYSE under the ticker HXL, makes carbon fiber composites, which are increasingly popular with aerospace manufacturers. Boeing's 787 Dreamliner has a variety of carbon fiber parts.

"Hexcel is very pleased to benefit from this grant. By providing funding to train our workforce, it is another great step for Washington state's drive to be a center of excellence for aerospace," said Jim Collins, Hexcel's plant manager.

The program, called WorkStart, is intended to encourage aerospace companies to remain or grow in Washington, said Alex Pietsch, director of the state's office of aerospace.

"We have limited tools here to incentivize companies to grow and expand," Pietsch said. "One of the things the state does know how to do is train workers."

The program has so far trained 714 workers.

A few aerospace supply companies have opened sites in North Charleston, S.C. since Boeing started making 787 Dreamliners there, the epicenter of the supply chain continues to be in

Washington state. Building on the skill base is one tactic the state is using to keep it that way.

"Companies serving aerospace and other industry sectors that are using more advanced carbon fiber composites need a workforce with very specialized skills, often unique to their particular production processes," said Commerce Director Brian Bonlender, in a statement. "The WorkStart program is designed to get workers ready to go and on the floor with the necessary expertise quickly and cost-effectively."

The training will be coordinated through Skagit Valley Community College, said Sean Meehan, director of the WorkStart program for the Department of Commerce.

"It opens up those folks to increased career opportunities," he said.

Steve Wilhelm covers manufacturing, aerospace and trade for the Puget Sound Business Journal.



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New Janicki project could bring 1,000 jobs to county



March 3, 2015

By Hilary Parker

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[EDASC Announces John Sternlicht as New Executive Director](#)

[Executive Director Position Profile](#)

[Skagit Refinery Impact Study](#)

[New Janicki project could bring 1,000 jobs to county](#)

[EDASC 2015 Forecast Dinner: Year of growth, change predicted for Skagit County By Hilary Parker](#)

[Dakota Creek Industries Launches R/V Neil Armstrong](#)

A highlight of Feb. 19's Forecast Dinner was Peter Janicki's presentation on his newest venture, Janicki Bioenergy.

Born out of a desire to help make a difference to the world's 2.5 billion people still without access to clean drinking water and proper sanitation, Janicki has developed the "Omni Processor" to turn sewer sludge into clean drinking water.

The Omni Processor converts the sludge biomass into steam and a dry byproduct. The steam is captured and turned into clean drinking water while the byproduct is used to generate energy. Excess energy is sold back to the community.

"I don't think anybody has ever turned sewer sludge into money," Janicki said.

Fifty engineers currently are working on the processor, and Janicki hopes to double that number by the end of the year. His goal, within five years, is to build one processor per day, with profits going back into research and development for additional innovations to aid developing countries.

Demand is already great: Of 196 countries in the world, 194 have already expressed interest in bringing the technology to their country.

Janicki Bioenergy is still in its infancy, and is looking for a permanent home where it can manufacture the Omni Processor. Janicki is working with Port of Skagit, Skagit County, the City of Sedro-Woolley, EDASC and others in hopes of locating the plant at the North Cascades Gateway Center on the former Northern State hospital property.

EDASC's Don Wick, Janicki, Port of Skagit's Executive Director Patsy Martin, Commissioner Kevin Ware, Commissioner Ken Dahlstedt, and Sedro-Woolley Council Member Keith Wagoner have already traveled to Olympia to speak to House and Senate representatives about facilitating this project. It is estimated Janicki Bioenergy could bring as many as

Economist suggests reasons for optimism for 2014 recovery

Looking Ahead At 2014- A Message From EDASC Board President, Lennart Bentsen

From Farmer's Market To Grocery Market- Lemon Love Growing By Leaps And Bounds

Global Entrepreneur Week Panel Podcast

More Exporting From Skagit County Leads To An Increase In Translation Services

Janicki Industries Key To Safety of NASA's Orion Spacecraft

La Conner Marine Tenants Share Insights With Port of Skagit Officials

Port of Skagit Keeping The La Conner Marina Clean

EDASC Receives International Award for Excellence in Economic Development

Industrial Resources Inc., Completes Engine and Incinerator Room Replacement on the M/V Excellence

Sedro Woolley City Council Votes To

1,000 jobs to Skagit County.

The project already has backing from the Bill & Melinda Gates Foundation. Watch this video [HERE](#) to learn more.

NEXT:
Skagit Refinery Impact Study

PREVIOUS:
EDASC 2015 Forecast Dinner: Year of growth, change predicted for Skagit County By Hilary Parker

Reduce Some Impact Fees By As Much As 91%

Manufacturing Matters In Skagit County

Sedro-Woolley Means Business

It's All In The Family

High-Speed Internet, Without Big-City Hassles, Draws Business To Mount Vernon

High-Tech, High-Test Rope Is Cortland Co.'s Calling Card

Learning By Doing At Shell Puget Sound Refinery

Mavrik Marine Relocates & Brings Jobs To Skagit County

Sound Ocean Metal Fabricators Finds New Avenue For Food Processing Expertise

Schmooze Cruise Puts County Businesses On Display Local Manufacturers 'On Tour' In April

Industry Thrives In Pacific Northwest County

The Business Of Attracting Business To Skagit County

Janicki Industries Rapid

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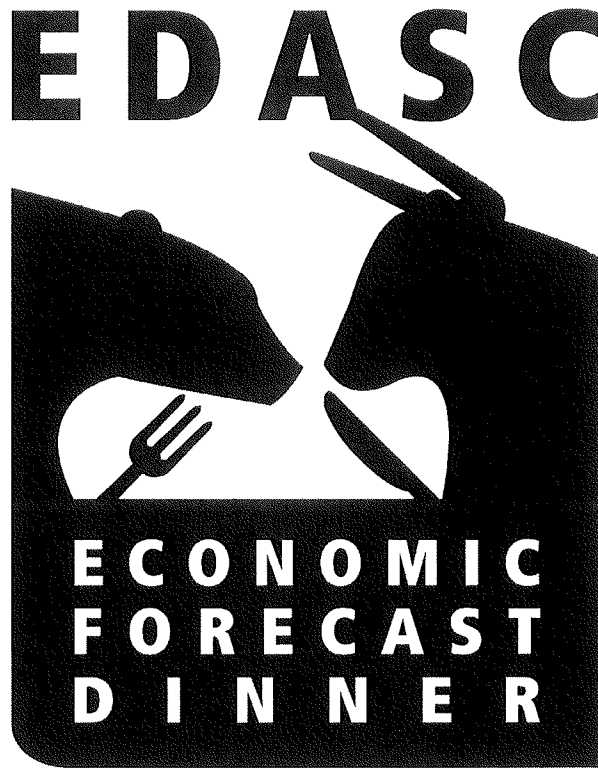
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Hilary Parker](#)

[Dakota Creek Industries
Launches R/V Neil
Armstrong](#)



March 2, 2015

The 2015 EDASC Forecast Dinner drew a record 570 attendees to the event to hear a report on Skagit business and economic development in the past year as well as get a snapshot of where they are headed in the year to come.

The evening was also an opportunity to honor EDASC Executive Director Don Wick in what was his final Forecast Dinner at the helm of the organization. Wick will be retiring from his post of 28 years later this year.

Corporate Strategy Search has been selected by the EDASC recruitment committee to conduct the search for Wick's replacement. The goal is to have a candidate identified for the position by mid-year, said EDASC Board of Directors President Mary Anstensen.

After a touching video tribute to Wick, he joked, "I don't know who you're talking about." And in true Don Wick fashion, he went on to thank all those he has worked with over the past years, attributing his and EDASC's success to the team.

Economist suggests reasons for optimism for 2014 recovery

Looking Ahead At 2014- A Message From EDASC Board President, Lennart Bentsen

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More Exporting From Skagit County Leads To An Increase In Translation Services

Janicki Industries Key To Safety of NASA's Orion Spacecraft

La Conner Marine Tenants Share Insights With Port of Skagit Officials

Port of Skagit Keeping The La Conner Marina Clean

EDASC Receives International Award for Excellence in Economic Development

Industrial Resources Inc., Completes Engine and Incinerator Room Replacement on the M/V Excellence

Sedro Woolley City Council Votes To

EDASC's Year in Review

2014 was another fruitful year for EDASC. New businesses are settling in Skagit County, and existing businesses are enlarging their footprint. Employment numbers are up – and at a higher level than the state average.

Last year, EDASC made 932 new contacts, assisted 300 companies with their business expansion and retention programs, helped bring \$300+ million in total investment to the county, and created or retained 150 jobs, Wick reported. Additionally, more than 3,000 attended EDASC's five major events last year, and the organization attracted 32 new members.

Wick also highlighted a number of businesses, both new to the county and existing, expanding their footprint in Skagit County:

Paccar has recently added 100 jobs, and will add an additional 25 this year.

Hexcel began a major expansion last year that will result in 30 to 60 new jobs.

Team Corp. broke ground on a \$4 million expansion project in August 2014. The company expects to add 70 employees once the expansion is complete later this year.

FedEx broke ground on a new \$25 million, 220,000-square-foot facility that will serve Skagit County and employ 90 FedEx Ground employees.

Gielow Pickles, a family-owned Michigan company, has signed a 10-year lease with the Port of Skagit. The Port invested \$600,000 to prepare the 70,000-square-foot production facility that employs 30 workers.

Oracle Racing is returning to production in Anacortes. They chose to return to Skagit County to be in close proximity to Janicki Industries. Oracle plans to be fully operational by early fall.

Reduce Some Impact Fees By As Much As 91%

Manufacturing Matters In Skagit County

Sedro-Woolley Means Business

It's All In The Family

High-Speed Internet, Without Big-City Hassles, Draws Business To Mount Vernon

High-Tech, High-Test Rope Is Cortland Co.'s Calling Card

Learning By Doing At Shell Puget Sound Refinery

Mavrik Marine Relocates & Brings Jobs To Skagit County

Sound Ocean Metal Fabricators Finds New Avenue For Food Processing Expertise

Schmooze Cruise Puts County Businesses On Display Local

Manufacturers 'On Tour' In April

Industry Thrives In Pacific Northwest County

The Business Of Attracting Business To Skagit County

Janicki Industries Rapid

Terrenus Resources broke ground late in 2014 on a facility to condition and stabilize Bakken crude as well as refine and produce bio-diesel.

Janicki Bioenergy is currently working with the Port of Skagit, Skagit County the City of Sedro-Woolley and EDASC to secure the North Cascades Gateway Center as the headquarters for a research and manufacturing center and development of its Omni Processor. The project would bring up to 1,000 jobs to Sedro-Woolley.

County is 'Fertile Oasis'

Next, Wick introduced Michael J. Parks, editor emeritus of Marple's Business Letter, to share his predictions for the economy in 2015. With the usual wit and insight he has brought to previous Forecast dinners, Parks said he sees Skagit County and the greater Seattle area as a "fertile oasis in a slow-growth world."

2014 showed excellent gains in employment in Skagit County, growing 3.7 percent, outpacing the state average of 2.7 percent. That's more than one-third faster than the state as a whole, Parks said.

In particular, manufacturing employment is now higher than pre-recession levels, Parks said. This is excellent news for the county's economy because manufacturing jobs pay 50 percent better on average compared to non-manufacturing wages.

On the world stage, Parks says to listen to the "music" of the global markets. With inflation missing in action, and a near-zero interest-rate policy (N-ZIRP) continuing to be the rule, the world economy is not likely to move anywhere fast.

When comparing world economies "the U.S. is the best house in kind of a dodgy neighborhood," Parks said.

Europe has been burned by a weak banking system, he explained, whereas U.S. banks have come through their rough times. China's growth rate may be lower than their government is letting on, and Japan is no longer an economic engine as its population is shrinking and

Expansion- Successes
& Growing Pains

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E.D. Hovey & Company
Reports On Economic &
Fiscal Benefits Of North
Cascades Resort

Janicki Industries
Awarded Manufacturer
Of The Year By
Association Of
Washington Business

Economic & Fiscal
Benefits Memorandum -
Anacortes Bottling
Facility

Ag & Aerospace Thrive
in Skagit County

EDASC Announces
Newly Redesigned
Website

aging rapidly. Emerging countries are growing more slowly than in the past.

In comparison, Parks said, "Most [U.S.] economic indicators are growing, which is cause for encouragement." Among those indicators, median household income is up 3.3 percent year over year and unemployment is declining. Combine those indicators with low oil prices and it's no wonder consumer confidence is improving.

Regionally, Seattle continues its growth as a tech hub. Amazon is the behemoth of the bunch, with 9 million square feet of office space in Seattle. The Amazon Web Services division, making Amazon's IT infrastructure available to anyone on a pay-as-you-go basis, is expected to eventually outpace the company's retail arm.

Facebook, Dropbox, Apple and Google all have a foothold in Seattle as well.

And Boeing isn't to be left out. While many of the aerospace giant's white-collar jobs have left the state, Washington still employs 80,000 Boeing workers, while California trails behind at 20,000 employees. Park also predicts that with the backlog of planes to be built, Boeing may add a third production line in Renton.

Laughs at the economy's expense

The evening wrapped up with the comic stylings of Yoram Bauman, the world's first and only stand up economist.

"I just stand up and let the jokes trickle down," he quipped.

With a doctorate in economics, Bauman isn't just a funny guy, but a serious thinker who, after living in pollution-filled China for five years, now is seeking to use market-based approach to reduce emissions.

His theory: We can make pollution expensive by using “economy and the power of cap and trade to protect the environment.” By driving the cost of fossil fuels up, we reduce their demand.

His proposal: “Tax what we are burning, not what we are earning.”

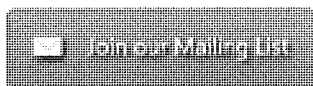
His organization, Carbon WA, is advocating for a revenue-neutral carbon tax. The organization’s proposal, in part, institutes a carbon tax of \$25 per metric ton CO2 on fossil fuels consumed in the state in exchange for cutting sales tax by 1 percent and eliminating the B&O tax.

Carbon WA is aiming to bring a ballot measure to the voters in November 2016.

Special thanks goes to the evening’s sponsors:
Heritage Bank, Chmelik Sitkin & Davis P.S., Larson Gross, Skagit Publishing, Port of Skagit, Swinomish Casino & Lodge and US Bank.

NEXT:
*New Janicki project could
bring 1,000 jobs to county*

PREVIOUS:
*Dakota Creek Industries
Launches R/V Neil
Armstrong*



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Jobs Created in the U.S. When a Home is Built

BY [PAUL EMRATH](#) on [MAY 2, 2014](#) • (16)

In an [article published the first day of this month](#), NAHB released new estimates of the impact that building single-family and multifamily homes has on the U.S. economy. The new estimates show that building an average single-family home generates 2.97 jobs, measured in full-time equivalents (enough work to keep one worker employed for a year).

A substantial share of this is employment for construction workers. But also included is employment in firms that manufacture building products, transport and sell products, and provide professional services to home builders and buyers (e.g., architects and real estate agents). A breakdown by industry is shown below, along with the wages and business profits generated in the process.

Income/Employment Impacts of Building a Single-family Home on the U.S. Economy

	Full Time Equivalent Jobs	Wages and Salaries	Profits Before Taxes		Wages and Profits Combined
			Proprietors	Corpor- ations	
All Industries	2.97	\$162,080	\$61,273	\$67,081	\$280,433
Construction	1.76	\$95,875	\$38,661	\$16,965	\$151,501
Manufacturing	0.37	\$19,063	\$1,679	\$15,681	\$36,422
Trade, Transportation & Warehousing	0.38	\$16,721	\$2,659	\$7,772	\$27,151
Finance and insurance	0.06	\$5,202	\$127	\$3,759	\$9,088
Real estate and rental and leasing	0.02	\$1,289	\$7,009	\$1,738	\$10,036
Professional, Management, Admin. services	0.21	\$14,192	\$3,964	\$2,646	\$20,802
Other	0.18	\$9,738	\$7,175	\$8,520	\$25,433

Wages and profits are subject to a variety of taxes and fees. The national impacts of

building an average single-family home include \$74,354 in federal taxes and \$36,603 in state and local fees and taxes, for a total of \$110,957 in revenue for governments at all levels.

The article also shows equivalent estimates for building an average rental apartment, including 1.13 (full-time equivalent) jobs, with a breakdown by industry as shown below.

Income/Employment Impacts of Building a Multifamily Rental Apartment

	Full Time Equivalent Jobs	Wages and Salaries	Profits Before Taxes		Wages and Profits Combined
			Proprietors	Corpor- ations	
All Industries	1.13	\$60,877	\$24,393	\$22,446	\$107,716
Construction	0.68	\$38,874	\$17,949	\$7,876	\$62,699
Manufacturing	0.14	\$7,747	\$507	\$6,153	\$14,407
Trade, Transportation & Warehousing	0.17	\$7,328	\$1,179	\$3,336	\$11,843
Finance and insurance	0.01	\$1,199	\$33	\$907	\$2,139
Real estate and rental and leasing	0.01	\$391	\$1,333	\$678	\$2,402
Professional, Management, Admin. services	0.06	\$4,204	\$1,019	\$646	\$5,869
Other	0.06	\$3,133	\$2,373	\$2,850	\$8,357

Estimates of wages and jobs garner the most attention, but in industries like

construction and real estate it can also be worthwhile to look at profits generated for business proprietors. Included in this category are many

construction subcontractors and real estate brokers with relatively modest incomes, who are organized as independent contractors and therefore not technically counted as having jobs—although casual observers no doubt tend to think of them that way.

The impacts of building an average rental apartment include \$28,375 in federal taxes and \$14,008 in state and local fees and taxes, for a total of \$42,383 in revenue for governments at all levels. For more details and assumptions used to produce the above estimates, consult the [full article](#).

And keep in mind that these are national estimates, designed for use when the impacts on suppliers of goods and services across the country are of interest. Avoid trying to use national estimates to say something about impacts at the state or local level. For that, keep referring to NAHB's [Local Economic Impact](#) web page.



Impact of Home Building and Remodeling on the U.S. Economy

May 1, 2014

By Paul Emrath, Ph.D.

Economics and Housing Policy

This article updates NAHB's estimates of the economic impact that residential construction has on the U.S. economy. These national estimates are designed for use when the impacts on all U.S. suppliers of goods and services to the construction industry—for example, manufacturers of building products—are of particular interest. The national estimates should not be used to try to analyze economic impacts confined to the state or local area where the housing is built. NAHB has a separate Local Economic Impact section on its web site for that.

The national estimates for 2014 include the following:

- Building an average single-family home: 2.97 jobs, \$110,957 in taxes
- Building an average rental apartment: 1.13 jobs, \$42,383 in taxes
- \$100,000 spent on remodeling: 0.89 jobs, \$29,779 in taxes

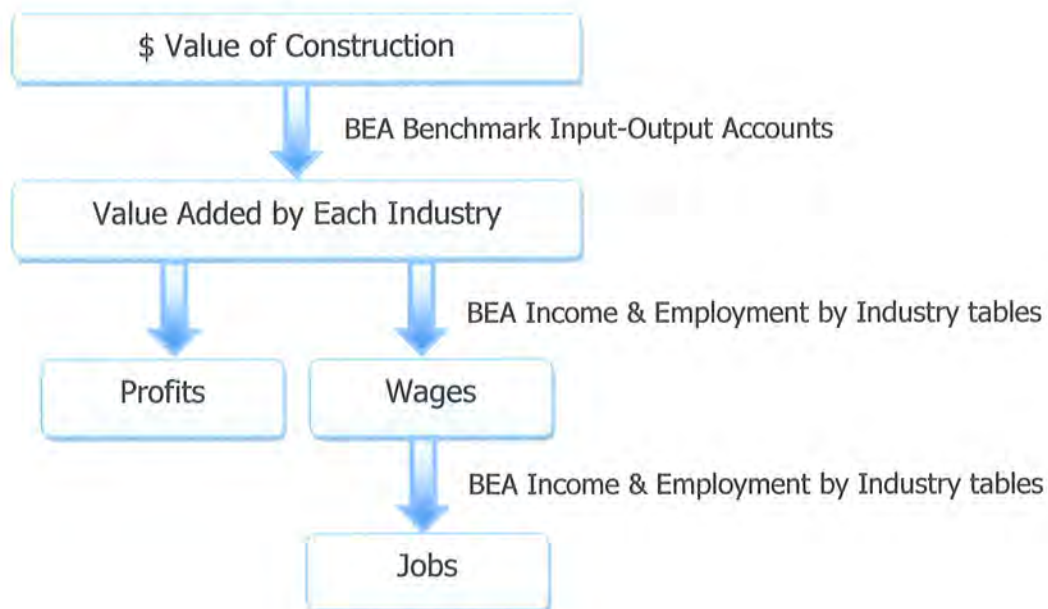
The jobs are given in full-time equivalents (full-time equivalent is enough work to keep one worker employed for a full year based on average hours worked per week in the relevant industry). The term taxes is used for revenue paid to all levels of government—federal, state, county, municipal, school district, etc. The tax estimates include various fees and charges, such as residential permit and impact fees.

The impact of a new housing unit depends on, among other things, the value of construction per unit. The first two sets of estimates are based on projections of the value of construction of average single-family homes and rental apartments that will be built in 2014. Details are provided in the following sections, which also describe the methodology used to generate the estimates, including data sources, and break down jobs by industry and government revenue by category of tax or fee.

Wages, Jobs and Profits by Industry

Probably the most obvious impacts of new construction are the jobs generated for construction workers. But, at the national level, the impact is broad-based, as jobs are generated in the industries that produce lumber, concrete, lighting fixtures, heating equipment, and other products that go into a home or remodeling project. Other jobs are generated in the process of transporting, storing and selling these projects. Still others are generated for professionals such as architects, engineers, real estate agents, lawyers, and accountants who provide services to home builders, home buyers, and remodelers.

Conceptually, estimating the effects in each industry is a fairly straightforward exercise in manipulating national accounts maintained by the U.S. Bureau of Economic Analysis, as the flow diagram below indicates:



In practice, the process is slightly more complicated than the diagram suggests, primarily because the industry categories BEA uses in the [input-output accounts](#) and [income and employment by industry tables](#) do not match up perfectly.

A key part of the process is inputting the dollar value of construction. Because this article is estimating impacts for calendar year 2014, the inputs are projected average construction values for new single-family homes and rental apartments that will be built during 2014. The projections are average construction value of \$323,000 for single-family homes and \$128,000 for multifamily rental apartments (equivalent to market value of \$378,000 and \$143,300, respectively). Details and data sources for these projections are given in the appendix. For remodeling, a construction value of \$100,000 was chosen as convenient round number on roughly the same scale as construction value for a new housing unit.

The jobs, wages and salaries, and profits generated by these construction values are summarized in Table 1:

Table 1. Income/Employment Impacts of Residential Construction on the U.S. Economy

	Full Time Equivalent Jobs	Wages and Salaries	Profits Before Taxes		Wages and Profits Combined
			Proprietors	Corporations	
Per New Single-family Home:					
All industries	2.97	\$162,080	\$61,273	\$57,081	\$280,433
Construction	1.76	\$95,875	\$38,661	\$16,965	\$151,501
Manufacturing	0.37	\$19,063	\$1,679	\$15,681	\$36,422
Wholesale & retail trade, Transportation & warehousing	0.38	\$16,721	\$2,659	\$7,772	\$27,151
Finance and insurance	0.06	\$5,202	\$127	\$3,759	\$9,088
Real estate and rental and leasing	0.02	\$1,289	\$7,009	\$1,738	\$10,036
Professional, Management, Administrative services	0.21	\$14,192	\$3,964	\$2,646	\$20,802
Other	0.18	\$9,738	\$7,175	\$8,520	\$25,433
Per New Multifamily Rental Unit:					
All industries	1.13	\$60,877	\$24,393	\$22,445	\$107,715
Construction	0.68	\$36,874	\$17,949	\$7,876	\$62,699
Manufacturing	0.14	\$7,747	\$507	\$6,153	\$14,407
Wholesale & retail trade, Transportation & warehousing	0.17	\$7,328	\$1,179	\$3,336	\$11,843
Finance and insurance	0.01	\$1,199	\$33	\$907	\$2,139
Real estate and rental and leasing	0.01	\$391	\$1,333	\$678	\$2,402
Professional, Management, Administrative services	0.06	\$4,204	\$1,019	\$646	\$5,869
Other	0.06	\$3,133	\$2,373	\$2,850	\$8,357
Per \$100,000 Spent on Remodeling:					
All industries	0.89	\$48,212	\$17,975	\$17,215	\$83,402
Construction	0.55	\$29,975	\$12,833	\$5,631	\$48,439
Manufacturing	0.10	\$5,550	\$434	\$4,872	\$10,855
Wholesale & retail trade, Transportation & warehousing	0.12	\$5,371	\$829	\$2,432	\$8,632
Finance and insurance	0.01	\$990	\$24	\$577	\$1,591
Real estate and rental and leasing	0.01	\$308	\$759	\$602	\$1,668
Professional, Management, Administrative services	0.05	\$3,241	\$742	\$492	\$4,475
Other	0.05	\$2,779	\$2,354	\$2,610	\$7,743

Source: NAHB estimates, as described in the text and appendix.

The estimates are based on [total requirements](#) from the input-output accounts, so they capture not only products and services of industries directly used in construction, but the indirect effect of products and services used by those industries as well. For convenience, the table shows detail for relatively broad industry categories.

At this level of detail, the largest share of wages and salaries are generated in the construction industry, followed by manufacturing, trade & transportation & warehousing, and professional & management & administrative services.

At a more granular level, within manufacturing, substantial shares of the wages are generated in many categories of wood products (led by wood kitchen cabinet and countertop manufacturing). Outside of wood products, the largest shares of the manufacturing jobs are generated in the production of concrete, and ornamental & architectural metal products.

Within trade & transportation & warehousing, the largest shares of wages are generated in retail trade, wholesale trade, and truck transportation. Within professional & management & administrative services, the largest share by far is in architectural and engineering services.

Note that, in the construction industry, profits of proprietors are 40 percent as large as wages and salaries. Included in this category of proprietors are subcontractors. In a recent NAHB survey, two-thirds of single-family builders said they subcontracted out more than 75 percent of their construction work. Often these subcontractors are quite small, even one-person operations. The Census Bureau's most recent (2011) statistics show 1.7 million specialty trade contractors without a payroll, who have average annual revenue of under \$45,000. These subcontractors are not included in the jobs figures in Table 1; because, technically, the government doesn't classify the self-employed as having jobs, although most people would probably think of them that way.

On a percentage basis, self-employment is even more of an issue in the real estate industry, where proprietor profits are several times larger than the wages and salaries generated. This is because realtor offices are conventionally organized as a group of independent contractors, who again don't meet the government criteria for having jobs and earning wages.

Taxes and Other Forms of Government Revenue

The wages and salaries of workers shown in Table 1 are subject to federal, state, and sometimes local taxes. So are the profits of businesses, whether organized as proprietorships or corporations. Beyond this, many states collect sales taxes on material sold to home builders, and local jurisdictions typically charge fees for approving building permits and extending utility services.

The amount of tax and other revenue generated for governments by new residential construction is shown in Table 2.

Table 2. Impacts on Government Revenue

	Per New Single-family Home:	Per New Multi-family Rental Unit:	Per \$100,000 Spent on Remodeling:
Total government revenue generate	\$110,957	\$42,383	\$29,779
Federal	\$74,354	\$28,375	\$21,844
Income taxes	\$37,301	\$14,215	\$10,828
Government social insurance*	\$35,333	\$13,526	\$10,512
Excise taxes and customs duties	\$1,720	\$634	\$503
State and local	\$36,603	\$14,008	\$7,935
Income taxes	\$10,299	\$3,925	\$2,990
Permit, hook-up, impact, etc. fees	\$13,672	\$5,427	\$1,250
Sales taxes	\$6,922	\$2,552	\$2,025
Other business taxes & license fees	\$5,710	\$2,105	\$1,670

Source: NAHB estimates, as described in the text and appendix.

At the federal level, income taxes include those paid by corporations, receivers of dividends from corporations, proprietors, and employees. Corporate income taxes paid and dividends are available by industry from the same series of BEA income and employment by industry tables shown in the above flow chart. Otherwise, federal income tax rates of 15.00% are applied to dividends, and 24.82% to proprietors income (which incorporates a downward adjustment because the self-employed component of social security taxes is deductible). Variable income tax rates are applied to wages and salaries, depending on the industry in which they're earned, that averages to 8.689%.

Government social insurance paid by employers (which includes social security, Medicare, and unemployment insurance) is also available directly from the income and employment by industry tables. Rates of 7.65% and 15.30% are applied to wages and salaries and proprietors' profits, respectively. Derivation of these rates is shown in the appendix.

The benchmark input-output tables also generate a category called taxes on production and imports (or TOPI) by industry. Most of this is sales and other taxes collected by state governments, but BEA's [government current receipts and expenditures tables](#) show that 10.5% of TOPI is collected by the federal government—all either some form of excise tax or customs duty. Although, relatively small, this is included in Table 2 for completeness.

State and local income tax revenue is estimated as 27.6% of the federal amount in table 2, based on the same BEA government receipt tables. These tables are also used to separate state and local sales tax receipts from other forms of TOPI, primarily various types of licenses and non-residential property taxes (although TOPI includes all property taxes and estimate for the residential component was subtracted). Residential property taxes are not include in Table 2, because these are one-time revenue impacts realized roughly in the same year construction takes place, and there is uncertainty and local variation in the difference between residential vs. non-residential property tax rates and when the later on the full property value would kick in.

Finally, permit, hook-up and impact fees are estimated as 3.567% of a for-sale single-family house price from NAHB estimates described in a [previous article](#). The same percentage is applied to estimate local construction-related fees for custom-built single-family homes and rental apartments. For remodeling, a straight 1.25% permit fee based on the cost of the remodeling project is used, based on conversations between NAHB Economics and Housing Policy staff and NAHB Remodelers.

Final Remarks

This is the first time NAHB has updated its National Impact of Home Building estimates since 2008. For new construction, single-family or multifamily, the real estimated impacts—i.e., jobs—jobs per housing unit are approximately the same now as they were then. However, given the various assumptions that go into projecting construction value per home to the current year (explained in the appendix) along with the use of completely new federal estimates of what it takes to produce a dollar's worth of construction, little should be read into this. The nominal impacts—wages, profits & taxes—are higher now than they were in 2008, but this is to be expected, given six years of general inflation, changes in house prices (partially attributable to changes in home sizes and amenities), plus a few changes in methodology designed to make the new estimates slightly more comprehensive.

For remodeling, the nominal effects per \$100,000 are roughly the same in both years, but the number of jobs reported in the table is lower in 2014. Again, this is simply the result of inflation—\$100,000 doesn't buy quite as much of anything, including labor, in 2014 as it did in 2008.

Impact of Home Building and Remodeling on the U.S. Economy
Special Study for NAHB's Housing Economics
May 2014

Appendix:
Assumptions Used in the Calculations

A. Value of New Construction

- Average price of a single-family home built for sale in 2013: \$318,308 (average of 12 months of mean new home prices from the Census series on [New Residential Sales](#)).
- Difference between price and construction value of a home built for sale: 15.8% (for raw land, landscaping, appliances, brokers fees, and marketing & finance costs. These are taken from the Census Bureau's [Construction Methodology](#), where they are called non-construction cost factors).
- Average market value of a new custom home built in 2013: \$476,260 (1.4 times the average price of a single-family home, with the ratio of 1.4 computed using microdata from the 2011 HUD/Census Bureau [American Housing Survey](#))
Custom built homes are defined to include both contractor-built and owner-built homes.
- Difference between market value and construction value of a custom built home: 12.0% (using Census non-construction cost factors for contractor built homes, plus assuming that the 10.6% for value of raw land for homes built for sale also applies).
- Share of new single-family homes built for sale: 75% (the rounded ratio from the Census Bureau's [Housing Units Started by Purpose and Design](#) for 2012).
- Average market value of a newly built rental apartment in 2012: \$119,600 (median average asking rent for apartments completed in 2012 from the HUD/Census Bureau [Survey of Market Absorption](#), divided by 11%, the median rent to value ratio from the HUD/Census Bureau [Rental Housing Finance Survey](#)).
- Inflation rates applied to market and construction value: 10.6% for 2013, 8.4% for 2014 (based on the National Case-Shiller and NAHB's forecast of it as of 1/30/2014).
- Treatment of non-construction cost factors. Except for raw land, NAHB adds the items that the Census Bureau subtracts from the price of single-family homes to arrive at construction back into the input-output accounts. Landscaping is added to the construction industry input; appliances to household cooking appliance manufacturing; brokers fees to a subset of the real estate sector that NAHB separated from the rest of real estate using data from the Census Bureau's 2007 [Economic Census](#); half of finance & marketing to monetary authorities and depository credit intermediation, the other half to marketing research and other miscellaneous services.

- Other additions for single-family homes built for sale. Based on an analysis undertaken many years ago by HUD in conjunction with the Real Estate Settlement Procedures Act, NAHB adds approximately 0.5% of construction value to monetary authorities and depository credit intermediation; 0.1% to insurance agencies, brokerages, and related activities; and 0.3% to legal services, of insurance agencies, brokerages, and related activities to account for closing costs paid by the buyer (and therefore not directly embodied in the price of the home).
- Brokers fee for rental apartments 0.56% of construction value. NAHB discussions with brokers who sell multifamily properties indicate that the fee for a typical property is about 1.0% of the sale price. This is converted to a fraction of construction value and divided in two under the assumption that half of rental apartments are sold through brokers.

B. Federal Tax Rates

- Income tax rate on dividends: 15.00% (the statutory rate for qualified dividends that applies to most income brackets as of 2013).
- Base income tax rate on proprietors' profit: 26.46% (the effective rate paid by individual taxpayers with businesses income calculated from the IRS 2008 [Statistics of Income](#)), reduced by 1.64% to account for the fact that the extra 6.20% the self-employed pay in Social Security taxes is deductible).
- The SOI is also used to calculate a series of effective federal income tax rates based on annual income. These rates are applied to the average wage in each industry in the input-output accounts. The effective income tax rates range from 5.30% for employees of restaurants to restaurant workers to 19.70% for employees of certain financial investment businesses, and average 8.69% when aggregate tax payments are divided by aggregate wages and salaries across all industries.
- Employee contribution to social security is 6.20% of wages and salaries, the current statutory rate that applies up to wage income up to about \$110,000. Employee Medicare payment is the statutory rate of 1.45%. Due to a provision in the Affordable Health Care Act, those with incomes above \$200,000 now pay an additional 0.9%, but we assume this and the social security cut-off roughly offset, so the total employee contribution for government social insurance is 7.65% of wages. Proprietors contribution is double this rate, or 15.30%, of their profits.

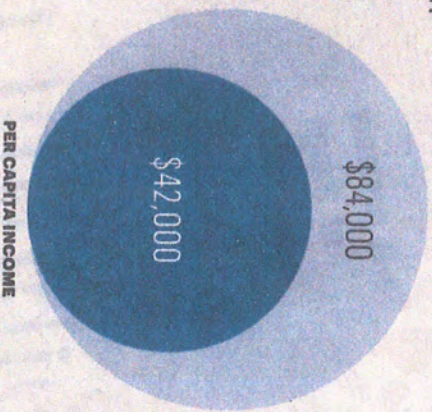
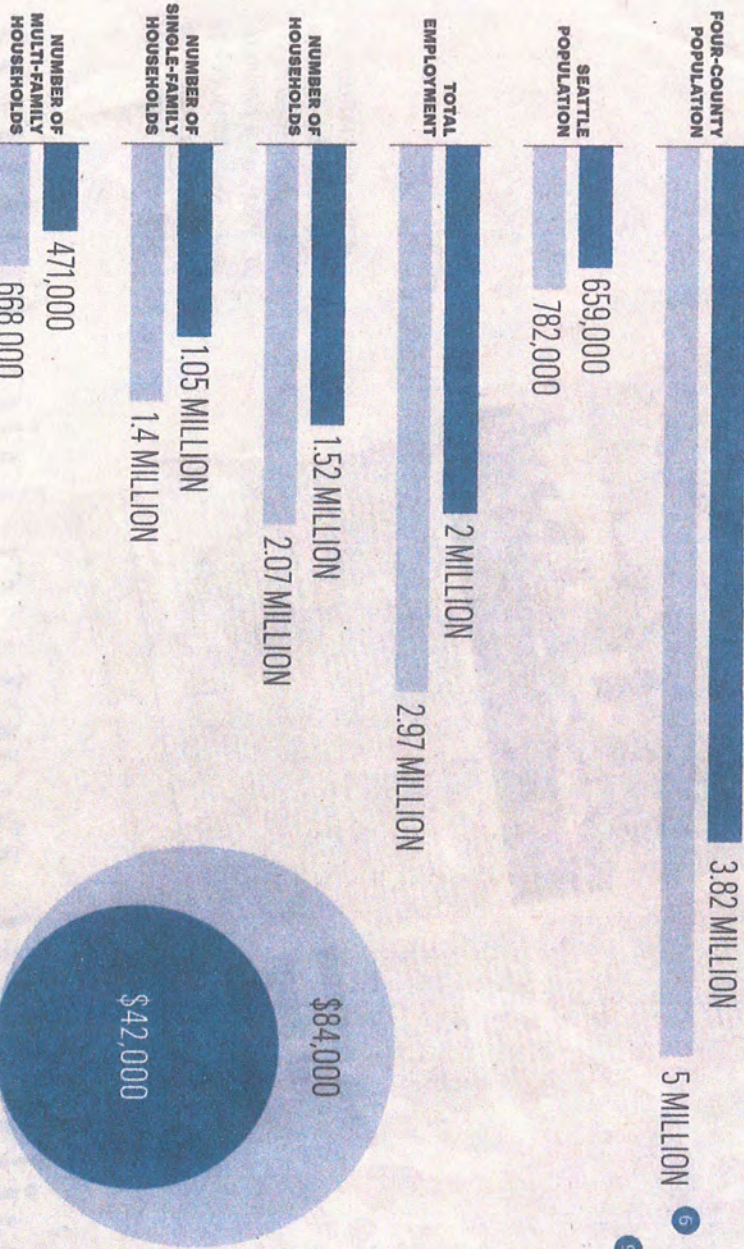
AROUND THE SOUND

WHERE WE'LL GROW

The Puget Sound region is generally defined as the counties of King, Kitsap, Pierce and Snohomish, which contain 82 cities and towns with an overall population of almost 4 million people. Fast growth is expected to dramatically change the makeup of the region in the next 25 years. Much of that growth is projected in five cities: Seattle, Bellevue, Tacoma, Everett and Bremerton. U.S. Census figures from 2014 show Seattle is already the fastest-growing city in the United States. Here's a look at the region now and what it is projected to look like in 2040.



2014 2040



SOURCE: PUGET SOUND REGIONAL COUNCIL (SOME NUMBERS ROUNDED).

PROJECTED REGIONAL GROWTH CENTERS

- 1 Everett
- 2 Lynnwood
- 3 Bothell:
 - ▶ Canyon Park
- 4 Kirkland:
 - ▶ Totem Lake
- 5 Redmond:
 - ▶ Downtown
 - ▶ Overlake
- 6 Silverdale
- 7 Seattle:
 - ▶ Downtown
 - ▶ First Hill/Cap. Hill
 - ▶ Northgate
 - ▶ South Lake Union
 - ▶ University District
 - ▶ Uptown
- 8 Bellevue:
 - ▶ Downtown
- 9 Bremerton
- 10 Renton
- 11 SeaTac
- 12 Tukwila
- 13 Burien
- 14 Kent
- 15 Federal Way
- 16 Auburn
- 17 Tacoma:
 - ▶ Downtown
 - ▶ Tacoma Mall
- 18 Puyallup:
 - ▶ Downtown
 - ▶ South Hill
- 19 Lakewood