

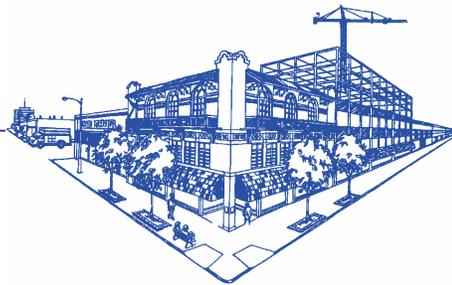
SKAGIT COUNTY COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

Prepared for:
Skagit Council of Governments

July 2003

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Economic and Development Services



Skagit County
Comprehensive Economic Development Strategy (CEDS)

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EXECUTIVE SUMMARY

Skagit County's Comprehensive Economic Development Strategy (CEDS) is intended to serve as a comprehensive statement of plans for countywide economic growth and development. Like the prior Overall Economic Development Plan (OEDP) documents, this strategy is organized both to respond to the requirements of the U.S. Economic Development Administration (EDA) and to serve as the economic development element of Skagit County's growth management (comprehensive) plan.

The economic development of Skagit County is of critical importance to businesses and residents in the county's urban and rural areas. If there is too little economic development, Skagit County residents will have a difficult time finding jobs that will maintain the standard of living and services needed to enjoy a good quality of life. On the other hand, environmental values and the quality of life that makes Skagit a special place to live and work should not be sacrificed to economic development.

In an increasingly interconnected, rapidly-changing global economy, there is recognition that economic development goals and objectives must be linked more closely with other community values and interests. If Skagit County is to remain prosperous and protect its quality of life, those interested in economic development need to reach out and involve a diversity of perspectives.

Skagit County has a *track record* of cooperative public-private partnerships. The goal of the CEDS Advisory Committee is to build on successes of the past and learn from disappointments to build the long-term, local capacity to sustain economic opportunities for generations to come.

Highlights from this 2003 CEDS report follow in summary form.

BACKGROUND & ANALYSIS

This section provides an overview of both Skagit County and its surrounding region, and incorporates a broad range of elements impacting these economies. Each of its eight subsections is highlighted below.

Location: Skagit County is in the northwestern portion of Washington State. Its eastern portion reaches the Cascades Mountains, its western boundary the Puget Sound, including Fidalgo Island of the San Juan Island Archipelago. Two thirds of the county is dominated by national forests, parks and wilderness areas. The county also incorporates eight cities and towns, three Native American tribes, and two port districts.

Demographics: As of 2002, Skagit County's population was estimated at 105,100 by the state of Washington Office of Financial Management (OFM). This represents an average annual increase of 1.0% since the 2000 Census, significantly slower than the 2.6% average annual population growth rate the county realized during the 90s.

The county's largest towns are Mount Vernon (over 26,200 residents in 2000), Anacortes (14,500), Sedro-Woolley (8,700) and Burlington (6,800). Growth projections for 2025 allocate

the highest growth rates to Mount Vernon and Sedro-Woolley, and the significantly smaller East County towns of Concrete and Hamilton.

The county's housing costs have responded to its rapid 90s growth rate, with median home values rising 88% in that decade (compared with 70% for the state as a whole). Rents have also increased dramatically, more than double the rate of any other I-5 corridor county. This is in part due to the county's low rent levels in 1990.

Incomes have also risen rapidly in comparison. In 2002, county median household income averaged \$42,400. This was 93% of the statewide median income, up from 91% in 1990. The largest household income gains were seen in Burlington, La Conner and Sedro-Woolley. Poverty declined in almost all Skagit County jurisdictions during the 90s, with the exception of Concrete, Hamilton and La Conner.

General Economic Indicators: Skagit County remains tied to the natural resource industries that were the basis of its early economic activity – though less so than in past years. This natural resource based legacy led to high unemployment in the 1970s and 1980s, an era that saw downturns in the timber products and food processing industries.

The county has diversified since then, with the largest sectors now retail, government and services. These sectors, along with finance, insurance and real estate, were also the fastest growing sectors during the 90s. Jobs increased at an average annual rate of 3.2% during the 90s, down slightly from the 80s rate of 3.6%. Both rates were above population growth rates.

In January 2003, county unemployment was 7.8%, slightly above the average for the state and other I-5 corridor counties. However, the gap between unemployment in Skagit County and surrounding geographies has narrowed over the past several years.

In 2002, the largest businesses by sales volume included auto dealers, producers of wood building products, sawmills, farms and farm-related firms, shipbuilders, and firms selling seafood products. Recent economic developments include the 2003 construction of a new hydrogen plant, increased boat building activity, new jobs at Pacific Wood Teach and Tri County Truss, possible expansion of T-Bailey windmill towers, and Regence Blue Shield's headquarters relocation to Burlington.

When compared to surrounding Northern Puget Sound counties, the County's manufacturing base has done well: 3.7% growth from 1990-2001, versus 0.9% for the Northern Puget Sound, and a jobs decline of -1.0% for the I-5 corridor counties. In fact, the only sectors that grew more rapidly in surrounding counties were wholesale trade, construction and mining. The same can be said for all of the I-5 corridor counties.

The largest driver impacting the Northern Puget Sound region is Boeing, given that transportation manufacturing jobs account for half of all manufacturing jobs in the Seattle metro area. Employee cuts due to the post- 9/11 travel downturn and increased competition from Airbus ripple through the state at an estimated rate of 2.8 jobs for every Boeing job. The state's economic recovery is expected to be tied to manufacturing, high technology and international trade activities.

Natural Resource Industries: Agriculture is the county's largest industry, with an estimated 2001 farmgate value of more than \$260 million. Historically, the county has produced 50% of the world's cabbage seed production, upwards of 85% of the nation's beet seed production, and 75% of the world's spinach seed. Other significant crops include raspberries, strawberries, broccoli, potatoes, tulips, and daffodils. Skagit County ranks fourth in the state for number of dairy cows, and fifth for commercial broilers.

Agricultural trends over the last two reported Census of Agriculture (1997 and 1992) indicate both continued strength and some threats to the industry. Total acreage in farmland increased over this time period, and while farms grew larger – resulting in a smaller total number of farms – Skagit County farms are still on average far smaller than farms elsewhere in Washington (an average of 131 acres, versus 523). Farmland is also valued much higher, at an average estimated market value of \$4,600 per acre (for both land and buildings), versus the statewide average of \$1,200 per acre.

A troubling trend is the economic loss experienced by 50% of all farms between 1992 and 1997. In 2003, a fall in the market value of milk –below the break even production price – threatens to prolong economic losses, and will likely result in the closure of some of the county's many dairy farms.

In terms of land area, forest resources are the county's dominant natural resource (over 53% of county land). The county's timber harvest peaked in 1986; the 2001 harvest yield was 62% below this peak, or 122 million board feet. Forest jobs have dropped by a lower percentage (43%) from their peak in 1989; 685 jobs were reported for 2001.

Fishing is a third natural resource industry of importance to the county. However, commercial fisheries activity has declined significantly in recent years, due to low market prices, overfishing, and catch restrictions. Restoration of habitat cooperative projects have been on-going and will continue in the future.

Environmental Impacts to Development Potential: Many environmental factors indirectly impact economic performance through land availability and the continued quality of the area's natural resources.

Wetlands are a critical area designation of particular significance to the county, due to its fertile alluvial plain and two river valleys. The 1987 National Wetlands Inventory, which relied upon generalized data, estimated that wetlands comprise 10% the county lands not under federal ownership. Ground truthing is currently underway to improve the accuracy of this survey. Wetlands are an issue both for cities – as in-fill development locates near fish bearing creeks, steep slopes and other sensitive lands – and for rural areas, which have more intact wetlands due to lower levels of existing development.

Endangered species listings, historic sites, wild and scenic rivers, and public recreation lands further protect environmental and public interests, and reduce the land available for development. These designations are detailed within the report.

Land Use and Public Service Impacts to Development Potential: The amount of industrial and commercial land available for development and free of constraints constitutes ready-to-build acreage, an important consideration in economic development efforts. There are an estimated 36,626 acres within county urban growth areas (UGAs). Sixty-five percent of this land is located within incorporated cities, and an equivalent percentage is committed to existing land uses. An additional 16% is assumed to be not available (due to infrastructure/rights-of-way, environmental constraints, etc.), leaving just under 20% as buildable for all uses.

The county currently has no rural commercial and industrial acreage to allocate to new rural commercial and industrial uses, due to a 2003 repeal of the 410 acres allocated to these uses with the Comprehensive Plan and the County's 2000 Overall Economic Development Plan (OEDP). Existing uses with underutilized acreage may still expand. The County anticipates revisiting this issue in the 2005 update of the Comprehensive Plan.

Ensuring sufficient available land for industrial development is a key objective of economic development and of the county's 2002 Growth Management Indicators Report. In 1996 – the most recent inventory available – there were 2,256 developable industrial and commercial acres, meaning the land is accessible, served by appropriate infrastructure, and lacking significant environmental constraints.

Primary industrial properties in the county include the Bayview Industrial Park (roughly 240 vacant acres), Bouslog Business Park, Skagit Air Industrial Development, Burlington Hill Industrial Park, the City of Anacortes Industrial Park, the former Crown Pacific Mill site (with up to about 60 acres near Hamilton), and 400 commercial industrial acres in south Mount Vernon. The GMI Report recommends updating this inventory on a biannual basis.

The county and its cities are currently evaluating employment land allocations and plan to incorporate a land demand update by 2005. According to current analysis, the county anticipates having enough vacant land to meet employment demand through 2010.

Skagit County's sewer service is provided by six cities, three communities, and two sewer districts; all entities either have or are in the process of obtaining sufficient capacity through 2015. The county's water supply is also generally good, in terms of groundwater quality. However, many of the county's independent water systems have insufficient fire flows. Many of the capital improvement projects listed within this report address this issue.

Transportation infrastructure now serves higher traffic levels – especially of passenger vehicles – than in 1990. This increase is associated in part with new residential and commercial development, and the dispersed pattern of that development, as well as increased tourism. The most significant infrastructure needs are investments to I-5 and S-20, and increased bridge capacity over the Skagit River.

Skagit County recently completed a countywide bicycle map in response to the popularity of the Skagit Flats area for bicycling. A non-motorized transportation plan (NMTP) is in development by the county, which will become a chapter of the TSP. This plan will aid in the identification of non-motorized routes around the County, with a focus on bicycle, pedestrian and equestrian issues.

Current & Future Trends Summary: The following trends are built upon the results of a participatory economic planning process that took place over several years in the 1990s, through the development of the county's Overall Economic Development Plan. While some conditions have changed and have been noted, the underlying assessment of Skagit County's economic outlook remains relatively intact.

Strengths – building blocks for economic development:

1. Diverse natural resources make Skagit County a good place to live and continue to provide economic opportunity.
2. Location midway between Seattle and Vancouver, B.C. places Skagit County at the heart of the Pacific Northwest's most dynamic growth corridor.
3. Local workforce available to support a wide variety of industrial, commercial and institutional activities.
4. Skagit County's commitment to environmental protection provides a quality of life experience not available elsewhere on the Puget Sound/I-5 corridor.
5. Strong inter-jurisdictional and public-private partnerships have been forged to facilitate coordinated delivery of public services.

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

1. Housing is becoming less available and affordable as Skagit County faces increasing population growth pressures.
2. Despite strong growth in labor force and the local job base, out commuting has increased.
3. Educational attainment and social issues are growing sources of concern in the face of employer demands for a more skilled workforce.
4. Physical infrastructure remains inadequate to remedy existing deficiencies and address new needs from growth.
5. Faced with difficult and complex issues, it is more challenging to build consensus on a common course for the future.
6. Recent job growth has been concentrated in the lowest paying industrial sectors.

Opportunities – represent good bets for business or community investment, based on broader regional or global market conditions and trends:

1. Puget Sound and Pacific Rim markets.
2. Footloose business and industrial firms.
3. Recreation, convention and resort development.
4. Value-added natural resource business.

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

1. Urban sprawl.
2. ESA Listing of Chinook Salmon.
3. Passage of Initiative 695 – Reduction of Automobile License Tab Fees.
4. National Frozen Foods Relocation.
5. Diminishing Public Sector Budgets.

The report also lists the public and non-profit organizations actively involved in economic development. Many organizations have come forward to participate in and support the creation of both the CEDS and Growth Management Act process. These local groups can impact the trends, challenges and opportunities identified in the background and analysis section.

ECONOMIC DEVELOPMENT GOALS & OBJECTIVES

The following economic goals and objectives describe how community members want Skagit County to look in the future, and how the region’s strengths can best be maximized. These goals address not only federal CEDS but also countywide comprehensive planning requirements consistent with the Growth Management Act (GMA). The goals were drafted, revised and refined in the mid 90s by the Citizens Advisory Committee for economic development. It is noted that the goals, policies and objectives contained in this CEDS report are consistent with those of the prior 1995 OEDP and current Skagit County Comprehensive Plan (Economic Development element).

<i>Employment:</i>	Create and maintain diverse employment opportunities that meet the changing income needs of Skagit County residents.
<i>Business Development:</i>	Sustain and enhance (value-added) the economic utilization of Skagit County's natural resources and attract a more diversified base of non-resource industries consistent with local quality of life and environmental values, including high-tech industries.
<i>Commercial Activity:</i>	Provide a range of commercial retail and service businesses to meet local resident needs and serve visitors to Skagit County at appropriate locations.
<i>Visitor Services:</i>	Establish Skagit County as a visitor destination by preserving and enhancing the unique qualities of both rural areas and urban communities.
<i>Human Services:</i>	Provide a full range of human and social services necessary to encourage a strong local economy.
<i>Conservation & Economic Development:</i>	Encourage economic development that conserves natural resources and open spaces, protects environmental quality and enhances Skagit County's overall quality of life.
<i>Transportation & Economic Development:</i>	Provide, maintain and encourage a transportation system that is adequate to attract and accommodate economic growth.

Business &

Investment Climate:

Foster a public-private cooperative partnership involving Skagit County, local cities, tribal governments, and state and federal agencies that is supportive of diverse business operations and investments throughout Skagit County.

Economic Development Priorities: This chapter also includes seven statements that were generated through the public process that created the county's OEDPs in 1994/5 and 2000 and by the committee advising the 2003 CEDS. They serve as principles to link the assessment of economic potentials and resulting goals and objectives with the formulation of a project-specific implementation plan:

1. Growth and development will adhere to Growth Management Act mandates.
2. Balance economic and environmental values through coordinated multi-jurisdictional leadership.
3. Provide appropriate infrastructure that projected population and employment growth will require.
4. Encourage business development adequate to provide family-wage jobs for Skagit County residents.
5. Build and maintain working partnerships between public, private and community interests.
6. Attract high technology investment to Skagit County.
7. Develop arts and entertainment suitable to attract spouses of professionals relocating to Skagit County (i.e., medical personnel and high-tech employees).

DEVELOPMENT STRATEGY

The development strategy links the assessment of local economic potentials, goals and objectives with resulting programs, activities and projects described by the implementation schedule. It represents a multi-year course of action for economic development and diversification activities in Skagit County.

It is emphasized that this development strategy sets a multi-year course of action for meeting stated economic development goals and objectives, as well as countywide planning policies. Growth and development occur in incremental steps, and there are only limited public and private resources to address economic needs and opportunities throughout Skagit County. Consequently, implementation of this strategy by governmental jurisdictions, the Skagit Council of Governments, EDASC, and private and community interests will also occur incrementally.

The project list covers 222 separate economic development project proposals, representing submittals from 12 separate jurisdictions within the county. The complete listing is found in the text of the report, along with the economic development goal to which each project proposal responds.

EVALUATION & DOCUMENTATION

Skagit County prepared an Overall Economic Development Plan (OEDP) in 1994 as an initial comprehensive assessment of the Skagit County economy together with a complete statement of economic development goals and objectives, development strategy and implementation projects consistent with guidelines of the U.S. Economic Development Administration (EDA). The OEDP was updated in 1995 to also address the economic development element of Skagit County's growth management plan and again in 2000 addressing changes in local economic conditions, policy and program priorities in the last half of the 1990s.

This 2003 CEDS involves updating to reflect current conditions and to adapt the OEDP to the federal EDA format. In effect, the history of economic development planning in Skagit County is indicative of the recognized need for continued evaluation of changing local conditions and priorities, thorough process documentation and continued evolution for further updating pursuant to a consistent planning framework in the years ahead.

Evaluation: The projects included within this CEDS will be monitored according to performance benchmarks developed for the county in 2002. Benchmarks are to be regularly assessed and published through the county's Growth Management Indicators Report, developed to track the county's progress towards successfully implementing the Comprehensive Plan. Because the CEDS goals match the goals of the Comprehensive Plan's Economic Development element, benchmarks will also serve to track the successful implementation of this CEDS.

The indicators report includes 26 benchmarks within five categories. Eight benchmarks fall within the category of Economic Development:

1. Skagit County's economy will become more diverse.
2. The number of "livable wage" jobs will increase.
3. Natural resource industries (i.e. agriculture, forestry, fishing, and mineral extraction) will remain viable economic sectors.
4. Skagit County's retail mix will improve over time.
5. Agriculture will remain a viable and vibrant part of the local economy.
6. Availability and use of industrial sites in Skagit County will remain stable.
7. Over time, the County unemployment rate will become more equalized with the statewide unemployment rate.
8. The education skill level of Skagit County residents will increase.

Process Documentation: Economic development efforts began with the creation of the county's two ports (1926 and 1964), and the Economic Development Association of Skagit County (1972). Economic development planning began in 1957, when a University of Washington report noted two key changes shifting the county's economy away from total dependence on natural resource-based industries: two oil refineries at March's Point, and the establishment of a pleasure boat building industry. That report also noted tourism as a potential for growth and diversification. Acting on this opportunity would require investment in tourism facilities, improvements to water systems, and a detailed inventory of available sites.

Much work was done improving water systems during the mid-60s, with the help of \$4.1 million in EDA grants. EDA funds were also used to encourage the establishment and expansion of industrial plants, which brought more than 1,000 new jobs and retained seasonal jobs equivalent to 800 full-time jobs.

Other significant EDA grants have targeted a feasibility study for the reuse of Northern State Hospital, which supported the governor's decision to reopen the facility to house a federal Job Corps Training Center along with other social services. EDA coordinated the commitment of \$3 million towards renovations by federal agencies. In 1985, EDA grants supported the ongoing capitalization of a Revolving Loan Fund, which has loaned funds to 54 Skagit County businesses, facilitating the creation or retention of 1,400 jobs.

CEDS Evolution: Skagit County's CEDS is intended to serve as a comprehensive statement of plans for countywide economic growth and development over the next twenty years. It is organized to address requirements of both the U.S. Economic Development Administration (EDA) and the economic development element of Skagit County's growth management (or comprehensive) plan.

In 2002, the Washington Legislature adopted SSH2697, which included a Growth Management Act amendment mandating that comprehensive plans include an economic development element when funding allows. This document is in accordance with that legislation.

The document's preparation was a cooperative venture involving Skagit County, the Skagit Council of Governments, local jurisdictions, the Economic Development Association of Skagit County (EDASC) and a Citizens Advisory Committee (CAC). It is based upon the initial 1994 Overall Economic Development Plan for Skagit County. It also incorporates results from key subsequent OEDP planning efforts including:

- OEDP for Skagit County: 1995 Update.
- OEDP for Skagit County: 2000 Update.
- 1997 Skagit County Urban Growth Area Analysis Update: Population, Employment & UGA Land Allocations by Jurisdiction.
- Skagit County 2002 Growth Management Indicators Report

Together, these efforts represent the complete statement of economic development goals and objectives, development strategy and implementation plan consistent with guidelines of the U.S. Economic Development Administration (EDA).

I. BACKGROUND & ANALYSIS

The background portion of this document is intended to provide an overview of the current state of the region. It covers a broad range of elements impacting the local economy, and evaluates the economy's current strengths and weaknesses. This chapter also includes a list of local resources that are candidates to help address economic and development challenges.

The eight main sections included in this chapter are:

- A. Location & Political Geography
- B. Demographics
- C. General Economic Indicators
- D. Natural Resource Industries
- E. Environmental Impacts to Development
- F. Land Use & Public Services Impacts to Development
- G. Current & Future Trends Summary
- E. Partners & Resources for Economic Development

A. LOCATION & POLITICAL GEOGRAPHY

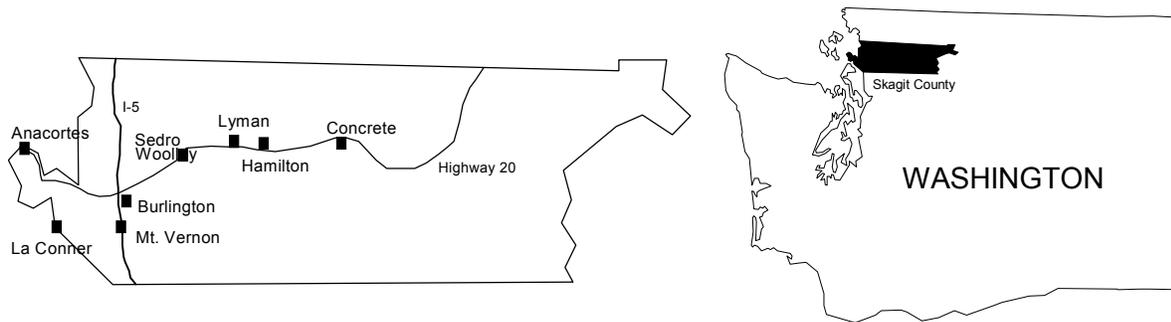
This introductory section broadly describes Skagit County's geography and political entities.

Location

Skagit County is located in the northwestern portion of Washington State. It is bordered on the north by Whatcom County, the south by Snohomish County, the east by Okanogan and Chelan counties, and the west by San Juan and Island Counties. Skagit County encompasses 1,844 square miles and ranks 21st in size among Washington State counties.

Elevation ranges from sea level at the western edge bordering Puget Sound to 8,966 feet at Mt. Logan in the extreme eastern portion of the county. Based on topography, the county can be characterized as consisting of several distinct areas: the Skagit Flats, a fertile alluvial plain recognized regionally and nationally for its rich farm soil; western islands, including Fidalgo Island of the San Juan Island Archipelago; Upper Skagit and Sauk River Valleys; and the Cascade Mountains. The forests of the Cascades, which include Mount Baker-Snoqualmie National Forest, the North Cascades National Park, and Glacier Peak Wilderness Area, dominate two-thirds of Skagit County.

Figure I. Skagit County Location



Skagit County has a marine climate affected by Pacific Ocean air currents. These currents result in mild, wet winters and comfortably warm, drier summers. Prevailing winds generally flow from the southwest. Annual precipitation ranges from about 32 inches at Mount Vernon to 70 inches in Concrete.

Other key location, topographic and climatic features of note include:

- Direct ferry access to Vancouver Island (via Anacortes).
- Only direct highway connection to Whidbey Island (via the Deception Pass Bridge).
- Primary access to the San Juan County islands (via the Anacortes ferry).
- Northernmost highway connection to eastern Washington (via Highway 20).
- Scheduled completion of downtown Mount Vernon multimodal hub, which will incorporate Amtrak and bus service (2004).
- Location midway between Seattle and Vancouver, B.C.

Political Geography

Skagit County has eight incorporated communities. Taken together, the incorporated communities accounted for almost 58,500 residents in 2000, or 57% of the county's population. The remaining unincorporated area has a population of 44,500. Incorporated cities encompass approximately 19,160 acres, encompassing approximately 3% of Skagit County's zoned land area.

The Swinomish, Upper Skagit and Sauk-Suiattle Tribes have reservations in the county. The Swinomish reservation occupies approximately 7,200 acres of uplands and 2,890 acres of tidelands.

A variety of other governmental jurisdictional responsibilities are noted. Skagit County has two port districts, two large water utility districts, a total of 174 identified public and community water providers, and three public sewer districts (excluding community systems). In addition, other special districts such as fire and diking districts serve various parts of the county.

B. DEMOGRAPHICS

Characteristics of the population that could affect development prospects for Skagit County include population trends and forecasts, housing availability and income trends.

Population Trends & Forecast

Changes in population are noted for their current and potential future effects on the Skagit County economy. Population growth brings demand for an expanded job base, retail and service businesses, residential development and essential community services.

As of 2002, county-wide population was estimated at 105,100 by the state of Washington Office of Financial Management (OFM). This is an increase of 2.1% from the 2000 Census count of approximately 103,000 residents, or an annual average increase of 1.0%.

In 2000, Skagit County residents accounted for 1.7% of the population of the entire state. For purposes of this long-range analysis, primary reliance is placed on decennial census data as a basis for reviewing long-term population trends.

Overall, the pace of population growth in the county has intensified during the last decade compared to the 1980s. The average annual rate of population growth was 2.6% between 1990 and 2000, an increase over the 2.2% annual growth rate during the 1980s. The fastest growth during these two decades occurred between 1990 and 1993, when population increased at an average annual rate of 3.6%. Estimates for 2002 indicate that growth may be slowing in the current decade.

The largest incorporated city in Skagit County as of 2000 was Mount Vernon (with over 26,200 residents), followed by Anacortes (roughly 14,500 residents), Sedro-Woolley (roughly 8,700 residents) and Burlington (roughly 6,800).

The portion of County residents residing in incorporated areas has increased over the past two decades. In both 1980 and 1990, cities and townships held 53% of the County's population; in 2000, this increased to 57%.

Of the cities, Burlington and Mount Vernon show the most rapid population growth in the county with a 90s average annual growth rate of 4.5% and 4.0%, respectively. The town of Lyman also displayed a high annual growth rate of 4.0%. During the last decade, no jurisdictions reported the declining populations that resulted from contraction within the timber industry during the 80s.

Figure 2. Skagit County Population Trends (1980-2000)

Jurisdiction	1980	1990	2000	Average Annual Growth Rate	
				1980-1990	1990-2000
Cities & Towns					
Anacortes	9,013	11,451	14,557	2.4%	2.4%
Burlington	3,894	4,349	6,757	1.1%	4.5%
Concrete	592	735	790	2.2%	0.7%
Hamilton	283	228	309	-2.1%	3.1%
La Conner	660	686	761	0.4%	1.0%
Lyman	285	275	409	-0.4%	4.0%
Mount Vernon	13,009	17,647	26,232	3.1%	4.0%
Sedro-Woolley	6,110	6,333	8,658	0.4%	3.2%
Unincorporated Area	30,292	37,841	44,506	2.3%	1.6%
Skagit County	64,138	79,545	102,979	2.2%	2.6%
State of Washington	4,132,156	4,866,663	5,894,121	1.6%	1.9%

Source: Skagit County OEDP 2000, U.S. Census Bureau.

Skagit County is projected to accommodate an additional 149,080 residents by 2025, for an added 46,100 residents. Projections call for 80% of new residents to locate in urban areas, resulting in close to 105,800 total urban residents and 43,300 rural residents. For planning purposes, Skagit County is adopting a population forecast that is midway between the Office of Financial Management’s Low and Medium Projections. A key assumption is that 80% of urban growth will occur within the I-5 corridor portion of the County.

Growth projections call for Mount Vernon to increase by the greatest percentage (69%) of Skagit County cities and towns. It will accommodate close to 20,000 new residents, or almost half of newcomers to the County. Skagit’s two non-municipal urban growth areas of Swinomish and Bayview are also projected to growth significantly: 37% and 229% respectively, to total 9,250 residents by 2025.

Average annual population growth is generally expected to slow for all jurisdictions post 2000. Annual projected growth rates range from around 1.0% (Anacortes, La Conner, and unincorporated region of the County) to 2.1% for Mount Vernon and 3.1% for the County’s unincorporated urban growth areas (UGAs). The County average annual growth rate is projected to be 1.5% through 2025.

Figure 3. Skagit County Population Projections (2025)

Jurisdiction	2000 Population	Location	Adopted 2025 Allocation	Increase by 2025	
				Number	Percent
Cities					
Anacortes	14,647		18,300	3,653	25%
Burlington	8,728	I-5 Corridor	12,000	3,272	37%
Concrete	960		1,350	390	41%
Hamilton	309		450	141	46%
La Conner	761		950	189	25%
Lyman	409		550	141	34%
Mount Vernon	28,332	I-5 Corridor	47,900	19,568	69%
Sedro-Woolley	10,358	I-5 Corridor	15,000	4,642	45%
Subtotal Cities & UGAs	64,504		96,500	31,996	50%
UGAs					
Swinomish	2,664		3,650	986	37%
Bayview	1,700	I-5 Corridor	5,600	3,900	229%
Subtotal UGAs	4,364		9,250	4,886	112%
Total Urban	68,868		105,750	36,882	54%
Total Rural	34,110		43,330	9,220	27%
Total Skagit County	102,978		149,080	46,102	45%

Source: Growth Management Act Steering Committee, March 2003.

Together with Whatcom and Snohomish counties, Skagit County forms a northern tier of the Puget Sound. In 2000, this three county region had a combined 2000 population of 876,000; if the area is extended to also cover King, Pierce and Thurston counties, the entire six-county corridor from Bellingham to Olympia had a combined population of 3,521,000. This Puget Sound/I-5 corridor accounts for 60% of the 5.9 million residents in the state of Washington.

Housing Cost & Availability

Businesses seeking to expand or relocate are increasingly evaluating the cost and availability of housing for their employees. Limited availability and high cost of housing has become an increasingly important reason for industries leaving major urban centers for lower cost suburban, exurban or rural areas.

During the decade of the 1990s, Skagit County experienced significant housing cost increases relative to the northern I-5 Corridor and the state. Median home values as reported to the U.S. Census increased 88% between 1990 and 2000, versus 70% for the state as a whole and a range of 49% - 75% for the remaining counties. In 1990, Skagit home values were in line with both Pierce and Thurston counties; by 2000 Skagit home values were \$8,000 - \$14,000 higher than both of these counties.

Skagit median rent increased even more dramatically in comparison to nearby geographies. Skagit rents increased by 71%, more than double the rate of any other I-5 corridor county as well

as the state. This is primarily due to 1990 rent levels nearly \$100 below the comparable counties. However, despite rapid increases, Skagit rents remained below the state average as of 2000.

Housing affordability remains a topic of importance for growth management statewide and locally. Benchmark 23 of the Skagit County 2002 Growth Management Indicators (GMI) Report is that “housing affordability will increase.” The GMI report cites Census data that points to an increase in households who spend more than 30% of their monthly income on both mortgage and rent payments.

Between 1990 and 2000, homeowners paying more than was affordable increased from 15% to 27%, and renters increased from 36% to 41%. The report further notes that while most residents can find affordable housing, there is a “significant and growing population of folks who cannot.” Its suggests maintaining adequate supplies of buildable land to ensure that land pressures do not unduly contribute to increased housing prices.

Figure 4. Comparative Housing Costs (1990, 2000)

Jurisdictions	Median Home Value			Median Contract Rent		
	1990	2000	Increase	1990	2000	Increase
Skagit	\$81,500	\$152,900	88%	\$341	\$583	71%
Whatcom	\$90,000	\$149,500	66%	\$425	\$555	31%
Snohomish	\$126,600	\$188,600	49%	\$536	\$691	29%
King	\$139,500	\$226,400	62%	\$510	\$696	36%
Pierce	\$82,300	\$144,400	75%	\$436	\$554	27%
Thurston	\$79,800	\$138,800	74%	\$460	\$571	24%
State of Washington	\$93,200	\$158,800	70%	\$445	\$593	33%

Source: Skagit County OEDP 2000, U.S. Census Bureau.

Income Trends

In 2000, median household income in Skagit County – roughly \$42,400 – was 93% of the statewide median figure of \$45,800. This is up from 91% in 1990, indicating that Skagit County incomes are rising rapidly compared to the rest of Washington State.

Over the last decade, the largest gains in household income were experienced in Burlington, La Conner and Sedro-Woolley (ranging from 61% to 69%).

Figure 5. Household Income & Households Below Poverty Level (1990, 2000)

Jurisdiction	Median Household Income			% HHs Below Poverty Level		
	1990	2000	Increase	1990	2000	Change
Anacortes	\$28,919	\$41,930	45%	11.6%	7.8%	-33%
Burlington	\$22,437	\$37,848	69%	12.8%	12.2%	-4%
Concrete	\$23,529	\$29,375	25%	13.4%	14.2%	6%
Hamilton	\$19,844	\$31,500	59%	16.1%	24.1%	50%
La Conner	\$25,054	\$42,344	69%	6.4%	8.8%	37%
Lyman	\$23,125	\$34,318	48%	13.6%	13.4%	-1%
Mount Vernon	\$27,022	\$37,999	41%	13.2%	13.2%	0%
Sedro-Woolley	\$23,606	\$37,914	61%	13.7%	11.9%	-13%
Skagit County	\$28,389	\$42,381	49%	11.5%	9.5%	-17%
Washington State	\$31,183	\$45,776	47%	10.9%	9.8%	-10%

Source: 1990 U.S. Census.

In 2000, 9.5% of Skagit County’s households earned below the federal poverty level. Over the 1990s, the poverty level fell by 17% across Skagit County, a larger decrease than was seen for the state as a whole (15%).

However, a number of small towns within Skagit County experienced increasing poverty rates over the decade, including Concrete, La Conner, and mostly significantly, Hamilton (with a 2000 poverty rate of 24%). Only two cities and towns within Skagit County reported 2000 poverty rates below the state average: Anacortes and La Conner.

Minimum Hourly Affordable Housing Wages

The National Low Income Housing Coalition calculates minimum affordable housing wages for communities across the county, based on local fair market rents and a standard housing cost of 30% of income. As reported in the Skagit County 2002 Growth Management Indicators Report, the minimum hourly wage needed to afford fair market rent on a two bedroom Skagit County apartment was \$12.69 in 2002. This is 184% of the state’s 2002 minimum wage. This hourly wage is slightly less than 90% of the County’s median monthly wage, meaning that as many as one-third of the wage earners in the County may make less than the minimum affordable housing monthly wage.

The GMI Report also compares wage levels within the ten most prevalent occupations with minimum affordable housing wage levels. It found that average wages in seven of the top ten fall below the minimum affordable housing wage level. These occupations include cashiers, retail salespersons, waiters, food service workers, teaching assistants, office clerks, and cafeteria attendants.

C. GENERAL ECONOMIC INDICATORS

This background and analysis section includes general economic data for both the county and the larger region. Topics covered are:

- Labor force & employment
- Largest county businesses

- Employment forecast
- Skagit County trends in tourism
- Puget Sound regional context

Labor Force & Employment

Historical Overview

This history of the Skagit County economy mirrors the history of much of the Pacific Northwest. By about the turn of the century, logging emerged as the dominant industry in the area of the Upper Skagit Valley and small logging towns began to appear. Sawmills, shippers, and other complementary industries were established as part of an integrated forest products industry.

Skagit County's early major economic activities were primarily natural resource-oriented. They provided the *economic backbone* of the county through about the mid-1900s. By the end of the 1950s, Skagit County had two oil refineries on Fidalgo Island near Anacortes: Tesoro and Shell Oil, which introduced more diversified industries.

The 1970s and 1980s brought economic hardship to Skagit County because of downturns in the lumber and wood products and the food processing industries. These curtailments led to high unemployment relative to the rest of Washington. As of 2003, Skagit County was among Washington's timber counties eligible for financial assistance through the Old Growth Diversification Fund, administered by the state's Office of Trade & Economic Development.

In the last decade, the county has succeeded in diversifying its economy to compliment its traditional primary sectors of timber, agriculture and food processing. In 2002, the Skagit County Growth Management Indicators (GMI) Report stated that services and retail trade were now the county's two largest economic sectors.

Labor Force & Unemployment

January 2003 Washington Employment Security figures report a Skagit County workforce of 53,560 and an unemployment rate of 7.8%. This is slightly above the state's non seasonally-adjusted rate of 7.4%.

Skagit County's average annual growth in labor force in this 13 year period outstripped growth in surrounding counties, and at 2.9% is higher than the county's average annual population growth between 1990 and 2000 (2.6%). This indicates that a higher percentage of residents are entering the workforce than in previous years.

Due to driving proximity, industries in Skagit County are centrally located to tap into a three-county northern Puget Sound labor force. As of January 2003, this northern Puget Sound labor market represented close to half a million existing and potential employees.

Figure 6. Comparative Labor Force and Unemployment Data

Geography	Labor Force		Unemployment Rate	
	January 2003	Annual Change from 1990	1990	2003
Skagit County	53,560	2.9%	6.7%	7.8%
Northern Puget Sound	487,460	2.6%	4.4%	7.2%
Puget Sound/I-5 Corridor	1,974,660	2.0%	3.9%	6.7%
State of Washington	3,116,200	1.9%	4.9%	7.4%

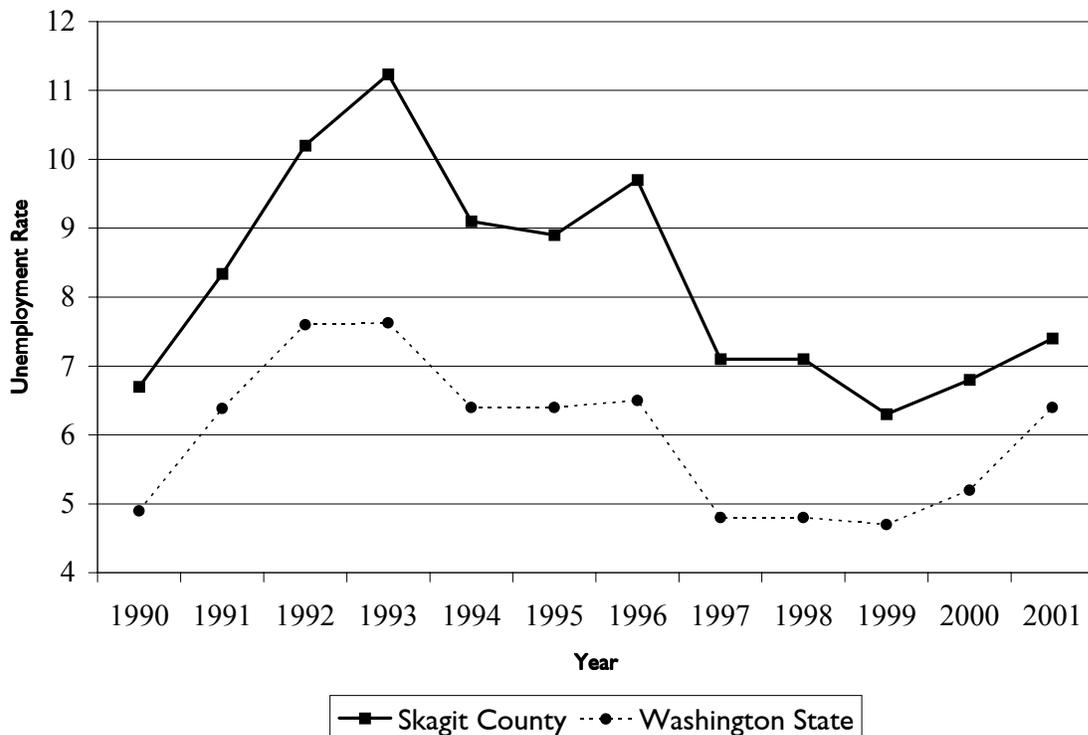
Note: The Northern Puget Sound consists of Skagit, Snohomish and Whatcom Counties; the entire Puget Sound/I-5 Corridor also includes King, Pierce and Thurston Counties.

Source: State of Washington Employment Security Department.

In both 1990 and 2003, Skagit County reported the highest unemployment rate of the counties compared. However, the discrepancy between Skagit County unemployment and surrounding areas has decreased over this time period: in 1990, Skagit County’s unemployment rate was 36% above that of the state; by 2003, this gap was reduced to a figure 7% above the rest of the state.

From 1990-2001, countywide unemployment increased from 6.5% in 1990 to 11.2% in 1993 and eased back to 6.3% in 1999. Rates have risen since that year. The below chart illustrates that while Skagit County’s unemployment rate has consistently remained higher than that of the state, the gap has narrowed in recent years.

Figure 7. Historical Unemployment Rate Comparisons (1990-2001)



Source: Washington State Employment Security Department.

In April 2002, Skagit County was listed as a distressed county by Washington State Employment Security, based on its three-year (January 99 - December 01) average unemployment rate of 6.5. Counties with rates above 6.0 are classified as distressed; Skagit was one of 23 counties in this class.

Employment Trends

Between 1980 and 2001, nearly 22,000 jobs were generated in Skagit County (a gain of over 100%). The fastest-growing employment sector during this timeframe was services (+5,600 jobs), followed by retail trade (over 4,800) and government (more than 4,700).

Manufacturing also has shown strong employment growth, increasing by more than 2000 jobs since 1980. Employment growth was particularly pronounced in the last decade of the 1990s. By comparison, employment gains in wholesale trade, finance/insurance/real estate and transportation/communications/public utilities firms were not as strong – with net job gains of roughly 550, 640 and 660, respectively.¹

As reported in the 2002 Skagit County GMI Report, the county appears to be succeeding in diversifying its traditional natural resource based economy. In 2001, the largest sector was retail trade, with government a very close second, and services following. These three sectors accounted for 63% of Skagit County jobs.

While employment in agriculture and mining appears to have grown over the past 21 years, this is a difficult sector to gauge due to changes in agricultural worker eligibility for unemployment insurance. The 2002 GMI Report shows steady increases in this sector between 1995 and 2000 (from 36,575 to 43,769), a more recent timeframe that is likely a better portrayal of industry changes than 1990-2000 figures.

Figure 8. Skagit County Covered Employment Trends by Industry (1980-2001)

Employment Sector	Actual Employment Totals				Average Annual Increase (%)		
	1980	1990	2001	Actual Change 1980-2001	1980-1990 (10 years)	1990-2001 (11 years)	1980-2001 (21 years)
Agriculture *	2,132	2,817	3,621	1,489	2.8%	2.3%	2.6%
Mining	17	28	34	17	5.1%	1.8%	3.4%
Construction	1,406	2,302	2,815	1,409	5.1%	1.8%	3.4%
Manufacturing	3,777	4,081	5,813	2,036	0.8%	3.3%	2.1%
TCPU **	1,044	1,427	1,704	660	3.2%	1.6%	2.4%
Wholesale Trade	751	1,092	1,300	549	3.8%	1.6%	2.6%
Retail Trade	4,462	7,129	9,300	4,838	4.8%	2.4%	3.6%
FIRE **	661	945	1,298	637	3.6%	2.9%	3.3%
Services	3,218	5,408	8,789	5,571	5.3%	4.5%	4.9%
Government	4,536	5,782	9,296	4,760	2.5%	4.4%	3.5%
Total Employment	22,004	31,011	43,970	21,966	3.5%	3.2%	3.4%

Note: * A significant part of the increase in agricultural employment may be attributed to extension of unemployment insurance to cover a higher proportion of agricultural workers, an ongoing process that began in the mid 90s.

** TCPU denotes transportation, communications and public utilities; FIRE is an abbreviation for finance, insurance and real estate.

Source: State of Washington Employment Security Department. Data is for employees covered by unemployment insurance and excludes proprietors.

The county's employment growth has varied over the past two decades. Over-all, job growth increased more rapidly during the 1980s (with an average annual rate of 3.5%) than between 1990 and 2001 (3.2%). This was especially true for jobs in the construction, retail and service industries. Only manufacturing reported a higher growth rate between 1990 and 2001 than it reported between 1980 and 1990.

Skagit County's historical job growth trends do not align with its population growth, which was more rapid during the 90s. In contrast, overall job growth was stronger in the 1980s. This suggests the possibility of resurgent employment growth locally – particularly with recovery from the current economic downturn.

Major Skagit County Private Businesses

Skagit County industrial and non-industrial private businesses with the largest 2002 sales volume are identified in the following list. Annual gross sales for these top 50 earners range from \$107 billion to \$4.3 million. Number of employees ranges from 585 (Draper Valley poultry slaughtering) to six (SkipperCress yacht sales). These businesses bring significant economic activity to the region.

Skagit County also hosts businesses with high employee counts but relatively smaller gross sales revenue. Significant employers (100+ employees) include retailers Wal-Mart and Fred Meyer.

Other business types with a high employee count include seafood processors Sugiyo USA Inc. and Trident Seafoods Corporation; boat manufacturer Dakota Creek Industries; pellet stove manufacturer Pyro Industries; Washington Bulb Company; Skagit Valley Industries manufactured homes; Commercial Cold Storage warehousing; Burlington's Concrete Northwest; and software developer Suncare Health Systems.

Figure 9. Skagit County 50 Largest Private Businesses by Sales Volume (2002)

Business	Location	2002 Sales	Employees	Business Type
Karmart Chrysler Dodge				
Nissan Indian Motorcycle	Burlington	\$107,000,000	152	Auto sales
Valley Electric	Mount Vernon	\$84,000,000	451	Electrical work
Draper Valley Farms	Mount Vernon	\$79,500,000	585	Poultry slaughtering
Frontier Ford	Anacortes	\$76,039,790	112	Auto sales
Dynes Broadview Farms	Burlington	\$64,000,000	66	Egg producers
Pacific Woodtech	Burlington	\$49,745,000	140	Wood building products
Blade Chevrolet	Mount Vernon	\$49,000,000	72	Auto sales
Alaska Ocean Seafoods	Mount Vernon	\$49,000,000	180	Fish & seafood products
Fisher & Sons	Burlington	\$38,500,000	75	General contractors
Dri-Eaz	Burlington	\$37,800,000	130	Restorative drying technology
Skagit Farmer's Supply	Burlington	\$35,352,112	112	Agricultural goods
Snelson Companies	Sedro-Woolley	\$35,192,000	188	Pipeline, utility construction & fabrication
Foothills Pontiac Buick				
Toyota	Burlington	\$32,860,000	43	Auto sales
Skagit Ford Subaru	Mount Vernon	\$32,860,000	43	Auto sales
Skagit State Bank	Burlington	\$27,048,220	163	Bank
T Bailey Co	Anacortes	\$25,008,770	100	Metal fabrication
Food Services	Mount Vernon	\$25,000,000	60-70	Institutional food & supplies
Washington Alder	Mount Vernon	\$24,872,599	103	Sawmill
Jerry Smith Chevrolet-Buick	Anacortes	\$21,000,000	47	Auto sales
Foley Motors	Burlington	\$14,500,000	42	Auto sales
Holland Health Services	Mount Vernon	\$13,000,000	65	Healthcare products
Northern Marine	Anacortes	\$12,600,000	195	Shipbuilding
International Aero	Burlington	\$12,400,000	106	Parts for aircraft interiors
Barnett Implement	Mount Vernon	\$12,300,000	35	Agricultural equipment
Pallet Services	Mount Vernon	\$12,000,000	160	Pallet repair & recycling
Coach Corral	Burlington	\$11,982,500	25	Manufactured homes
Seabear	Anacortes	\$10,500,000	72	Salmon smoking
Nordic Tugs	Burlington	\$10,000,952	100	Shipbuilding
Pacific Mariner	La Conner	\$10,000,000	100	Shipbuilding
Janicki Industries	Sedro-Woolley	\$9,000,000	100	Marine, aerospace fabrication
Northwest Horticulture	Mount Vernon	\$9,000,000	100-300	Wholesale nursery
SkipperCress	Anacortes	\$8,305,916	6	Yacht sales
Mitzel & Associates	Burlington	\$8,015,452	50	Real estate developers
Trico Contracting	Burlington	\$8,000,000	45	Construction
Valley Farm Center/Valley				
RV	Mount Vernon	\$7,000,000	19	Pets & recreational vehicles
PM Northwest	Mount Vernon	\$6,000,000	50-200	Construction
Team Corp.	Burlington	\$5,100,000	37	
Whispering Winds	Anacortes	\$4,600,000	52	Wind chime manufacturing
Seven Sisters	Sedro-Woolley	\$4,300,000	50	Electrical contractors

Source: Skagit County Business Monthly, April 2003

Data was not available for ten of the largest 2002 Skagit County businesses. The following businesses cannot be ranked within the top 50 list: Vern Sims Ford Ranch, Sakuma Farms, Brown Line, Penmar Marine, Skagit Transportation, County Corner/Nelson Farms, Charley's Greenhouse Supply, One Way Construction, Valley Olds Cadillac GMC, and Pacific Coast Auto.

Major Economic Development Investments

Major developments continue to make a significant impact on the vitality of the community. Recent companies locating and/or expanding within Skagit County include Sun Healthcare Systems, with 60 new jobs introduced over the past 5 years, and Pacific Woodtech, which is expected to peak at 125 new jobs.

A number of boat building firms have grown in recent years, including an expansion of both facilities and employees by Thomco Marine in La Conner. Pacific Mariner, also in La Conner, is currently undergoing a facility expansion. Nordic Tugs constructed a new building in 2000, and has increased both production and employees within Bayview Business and Industrial Park.

Additional recent developments are listed below.

- A hydrogen plant is under construction at March Point, to be open by October 2004.
- Pacific Wood Tech (engineered wood products) and Tri County Truss have both added jobs in recent years.
- T-Bailey (windmill towers for turbine generators) may expand, adding up to 100 new jobs.
- Regence Blue Shield will add 200-300 jobs in Burlington, primarily employees moving from its former Seattle headquarters.

More negative development impacting the County include:

- Pacific Circuit was acquired in 2003 and operations moved out of the County, resulting in a loss of 450 jobs.
- Lignetek (pulp products) closed in June 2003, due to a lack of both market and material with Georgia Pacific's closing of its Bellingham plant.

In the late 1980s, a number of major retail developments occurred including opening of the Cascade regional mall, Crossroads Mall, Food Pavilion and Prime Outlets. These commercial projects all were completed in 1989.² More recent major retail investments include a Kmart, Fred Meyer super store, Wal-Mart, Office Depot/Petco, Safeway and Albertson's complex improvements, Costco, Haggens, Michaels, Applebee's, the Amtrak depot and DSHS building and numerous other improvements along College Way. Recreational and service-oriented investments include the Skagit Valley Casino, Peoples Bank, and Whidbey Island Bank.

These investments are indicative of the type of continuing economic development impetus critical to address local needs for employment and a stronger wage and salary income base for Skagit County.

Employment Forecast

County and city representatives are evaluating alternate patterns of employment land allocations and expect to incorporate any major changes by 2005 when the next update is adopted. There is sufficient vacant land to meet the employment forecast through 2010, according to the analysis presented to date. Where that land is located is another matter. There is general agreement that the out-commuting trend must be stemmed at the county level. Future policy direction will determine whether the county desires to reduce commuting internally and to promote equity in tax revenue opportunities among the cities, or to continue the trend of major employment centers along the interstate corridor and ports with other locations serving primarily as bedroom communities.

Tourism

Tourism brings significant financial benefits to Skagit County. Establishment of tourist attractions throughout the county enables Skagit County to be a destination of choice for many travelers.

However, Skagit County is somewhat underrepresented in tourism spending on a per capita basis. With 1.7% of the state's population, Skagit County accounts for 1.6% of statewide tourism expenditures and only 1.2% of lodging tax receipts. While total Skagit County travel spending has kept pace with statewide travel spending since 1992, the county's share of statewide lodging revenue – measured through lodging tax receipts – has declined over this nine year period.³

Figure 10. Tourism and Travel Impacts for Puget Sound Counties (1992, 2001)

Jurisdiction	Travel Spending				Transient Lodging Tax Receipts			
	1992		2001		1992		2001	
	\$ (millions)	% of State	\$ (millions)	% of State	\$ (000s)	% of State	\$ (000s)	% of State
King Co.	3,865	52.0%	5,681	52.4%	8,026	50.7%	15,688	56.7%
Pierce Co.	410	5.5%	612	5.6%	685	4.3%	940	3.4%
Skagit Co.	119	1.6%	171	1.6%	231	1.5%	339	1.2%
Snohomish Co.	360	4.8%	580	5.3%	514	3.2%	918	3.3%
Thurston Co.	35	0.5%	186	1.7%	196	1.2%	380	1.4%
Whatcom Co.	240	3.2%	333	3.1%	487	3.1%	557	2.0%
Washington State	7,432	100.0%	10,848	100.0%	15,843	100.0%	27,662	100.0%

Source: Skagit County 2000 OEDP, Dean Runyan Associates.

Recent developments that target and/or benefit increases in tourism include the planned 2003 construction of a multi-modal transportation hub in Mount Vernon, the renovation of Mount Vernon's Lincoln Theatre, the completion of a County Bicycling Map, construction of an outdoor concert arena at the Skagit County Resort, and the on-going construction of McIntyre Hall (scheduled for opening in 2004, this Mount Vernon facility will seat 700 and highlight indigenous performing arts groups).

With past economic development plan updates, the OEDP Committee has viewed enhanced tourism activity as a high priority for Skagit County. With this comprehensive economic development strategy (CEDS), tourism remains a high priority for economic diversification. Continued emphasis is recommended to encourage cooperative efforts between public and private organizations under coordinated leadership for tourism activities of mutual interest and countywide benefit.

Retail Trade

Skagit County retail trade sales volume was estimated at \$1.64 billion in 2001, or about 2% of total Washington State retail trade. The county's retail trade grew slightly slower than the state average between 1997 and 2001: a 4 year total growth of 45% (versus 52%), and an annual growth rate of 10% (versus 11% statewide).⁴

Figure 11. Retail Trade Growth

	Total Retail Sales		Total Growth	Annual Growth
	1997	2001		
Skagit County	\$1,134,055,000	\$1,640,784,000	45%	10%
Washington State	\$53,396,838,000	\$81,297,478,000	52%	11%

Source: Sales & Marketing Management, 2002 & 1998.

For Skagit County, the largest 2001 retail category (for which data is available) is Motor Vehicles & Parts Dealers, at 28% of total retail volume. Additional retail categories included General Merchandise/Department Stores (12%), Food & Beverages (11%), Food Service & Drinking Establishments (8%), and Furniture, Household Goods, Electronics & Appliances (3%). Other retail categories – including building materials and garden supplies, gas service, apparel, pharmacy and specialty retail, account for the remaining 38% of retail sales.

The retail category that experienced by far the greatest growth during this time period within Skagit County is General Merchandise, with a 24% average annual growth rate. This may be due to an increase in large format/discount retailers (such as Target and Wal-mart), which typically fall within this category.

Additional growth categories included Food Service & Drinking Establishments and Motor Vehicle & Parts Dealers, each of which increased by an average of 8% annually. Food & Beverage sales increased by 0.5% annually, and Furniture, Household Goods, Electronics & Appliances actually decreased by an average of -2% annually. This decrease could also reflect the growth of big box retailers, which overlap with these retailer types (sales are classified by store type rather than product type).

The state also experienced an increase in General Merchandise retail sales, although less significant at 14%. The largest retail growth at the state level was Food & Beverages, with a 20% average annual growth rate. Sales in Food Serve & Drinking Establishments also grew substantially at 18% annually. Motor Vehicle & Parts Dealers grew 10% annually, and Furniture, Household Goods, Electronics & Appliances grew 5% annually.

Puget Sound Regional Context

Located between the larger urban areas of Seattle/Everett/Tacoma to the south and Bellingham/Vancouver, B.C. to the north, Skagit County's economic prospects are closely intertwined with those of the entire Puget Sound region.

Puget Sound Employment Trends

Rates of growth for total employment and within specific industries have varied significantly at the local and regional level. The below chart compares industry growth rates for Skagit County, the northern Puget Sound counties, and the six-county Puget Sound/I-5 corridor.

Over the 11 year time period between 1990 and 2001, total average annual employment growth in Skagit County exceeded that of both the three Northern Puget Sound counties and the larger Puget Sound/I-5 corridor region. The largest divergence was in the manufacturing sector, which expanded 3.7% in Skagit County but declined by -1% for the Puget Sound/I-5 corridor. Skagit County also reported among the fastest increases (in percentage terms) for retail jobs.

For all geographies, services experienced the most rapid job growth, increasing by anywhere from 4.3% to 4.5% annually. Manufacturing employment has lagged regionally, but not in Skagit County.

Industries in which Skagit County growth has lagged behind its adjoining two counties – indicating possible recruiting targets for economic development initiatives – include wholesale trade and finance/insurance/real estate. Increased job growth in these sectors can be expected in the future as Skagit County communities along the I-5 corridor become increasingly urbanized.

Figure 12. Comparative Covered Employment Trends (1990-2001)

Industry	2001			Average Annual Increase from 1990		
	Skagit County	Northern Puget Sound	Puget Sound/I-5 Corridor	Skagit County	Northern Puget Sound	Puget Sound/I-5 Corridor
Agriculture	3,620	9,680	24,490	2.3%	2.1%	1.2%
Mining	30	590	1,440	1.8%	3.5%	3.9%
Construction	2,820	22,680	99,930	1.8%	3.0%	2.2%
Manufacturing	5,810	67,350	232,760	3.7%	0.9%	-1.0%
TCPU	1,700	10,200	102,250	1.6%	0.9%	2.3%
Wholesale Trade	1,300	11,520	99,890	1.6%	2.6%	1.2%
Retail Trade	9,300	63,220	314,750	2.4%	1.7%	1.9%
FIRE	1,300	13,440	104,270	2.9%	3.3%	1.7%
Services	8,790	68,850	523,810	4.5%	4.4%	4.3%
Government	9,300	54,930	288,600	4.4%	4.1%	2.5%
Total	43,970	322,460	1,792,190	3.3%	2.6%	2.1%

Note: Figures are for jobs covered by unemployment insurance only and exclude proprietors.

Source: Washington State Employment Security.

Puget Sound Economic Drivers

Industrial development in the Puget Sound area historically has been *driven* by the region's role as a transportation hub and distribution center for the Pacific Northwest and increasingly as a gateway to the Pacific Rim. The Ports of Seattle and Tacoma combine to provide the second largest container facilities on the West Coast.

Over the last 20-30 years, the Boeing Company has become an increasingly important *driver* of the industrial market as its operations have been decentralized from its original South Seattle corporate headquarters to Renton, Everett and the Kent valley. Boeing owns its own production facilities, leases other industrial buildings (as in Arlington), and stimulates demand for yet other industrial space occupied by a myriad of Boeing vendors and subcontractors.

However, the company suffered after 9/11 along with the rest of the aerospace industry, cutting its production level in half and announcing the lay off of 30,000 workers in 2002 and potentially another 5,000 workers in 2003. Increased competition from European Airbus also contributes to the company's struggles. In 2001, it announced plans to move its corporate headquarters to Chicago.

Boeing's setbacks bode poorly for the region, given that transportation manufacturing jobs accounted for about one-half of all manufacturing jobs in the Seattle metropolitan area (King and Snohomish counties) in 2000. It has been estimated that each Boeing job directly or indirectly supports another 2.8 jobs throughout the state — meaning additional job loss as the Boeing cutbacks *ripple* through other industries ranging from Boeing vendors to retail store operators.

More optimistically, in the last decade the *east side* has come into its own as the center of the Puget Sound *high tech* industry. Growth has been driven by the emergence and continued strong competitive position of Microsoft at the forefront of computer/software technology. The region's *high tech* industry is also diversified in activities ranging from software to hardware applications, medical research to biotechnology.

Like many economies across the nation, the Puget Sound area was struggling as of December 2002:

- At the end of 2002, manufacturing jobs – outside of aircraft and parts – were in decline, indicating that the state's manufacturing economy is not yet in recovery from the national economic downturn of 2001.
- At this time, the Seattle region's over-all economy is described as weak by the Washington State Employment Security Department, primarily due to the influence of the manufacturing sector on the state's economic picture.
- The timing and pace of economic recovery can expect to be significantly influenced by brighter prospects for manufacturing, high technology and international trade activities.

Emerging Puget Sound/I-5 Corridor Industrial Markets

Outside the core counties of King, Pierce and Snohomish, Skagit, Thurston and Whatcom continue to represent *emerging* industrial markets. All three counties are gaining an increasing share of the industrial job base of the Puget Sound/I-5 corridor.

These three counties provide what could be considered a *second-tier* industrial market for the Puget Sound/I-5 corridor. None yet has what could be described as a *driving force* for large-scale industrial development — such as a Port of Tacoma or Seattle, a Boeing or Microsoft.

Lower cost of occupancy is often cited as the major attraction offered by a *second-tier* industrial property. The main reason occupancy costs are lower is that land values are less and environmental mitigation costs have historically been lower (though this has been changing).⁵

Secondary advantages include a location midway between Seattle and Vancouver, B.C., relative lack of congestion, lower housing costs, lower cost labor and quality of life considerations. Industrial users in these non-urban *second-tier* locations tend to be more self-contained, requiring less day-to-day interaction with vendors, shippers or service providers.

Companies with the discretion to locate in a fringe or *second-tier* market are often independent owners, with the owner able to make a decision to locate in a less urban location, unfettered by concerns of a board of directors or corporate parent.

In summary, growth in the market tends to come from two sources: existing companies seeking to expand, and new/relocating companies looking to lower cost of occupancy or obtain benefits of a less congested urban lifestyle.⁶

D. NATURAL RESOURCES INDUSTRIES

This section provides background information pertaining to the natural resource industries that have historically formed the backbone of the county's economy. Topics covered are:

- Agricultural resources
- Forest resources
- Fishing resources

Agricultural Resources

Agricultural resources are an important part of Skagit County's economy and community character. Agriculture is the largest industry in Skagit County; the 2001 farmgate value of county crops is estimated to be worth more than \$260 million.⁷

Farming has been an important part of the community's heritage since early settlement in the 1800s, and is integral to the county's identity and its tourism, visitor accommodation and recreation industries. Today, the sector includes 71 different crops, with a focus on bulb production, seed and vegetable crops and dairying. The Skagit Valley is viewed by many as one of the most fertile valleys in the world:

- Skagit County historically has produced 1/2 of the world's cabbage seed production and upwards of 85% of the nation's beet seed production and 75% of the world's spinach seed. Skagit Valley parsnips have accounted for 100% of domestic production. In recent years, some of this local production has shifted to Denmark, South Africa, China and other off-shore locations; however, the recent devaluation of the dollar has resulted in renewed market opportunities.

- Small fruits such as raspberries, blueberries, and strawberries are noted regionally for their superior quality. In 1996, the county was the state’s second largest producer of red raspberries and strawberries.
- Each year roughly 300 million pounds of fresh market red and other specialty potatoes are shipped from the valley.
- Skagit County provides 90% of the fresh broccoli consumed from Vancouver, B.C. to Portland, Oregon, between May and October.
- Skagit County is one of the world leaders in tulip and daffodil production.
- Skagit County ranks fourth in number of dairy cows (20,500 in 1999) in the state and 5th for commercial broilers (3,300,000 in 1998).

Figure 13. Major Agricultural Commodities & Specialty Crops

Top Six Commodities	Specialty Crops (examples)
1. Dairy	Vegetable seeds
2. Horticultural specialties	Berries
3. Field crops	Floriculture
4. Eggs and fryers	Nursery stock
5. Potatoes	Greenhouse crops
6. Peas	Organic crops

Source: 1996 Skagit County Ag Statistics and 1997 USDA Census of Agriculture.

The most current detailed agricultural information available is from the 1997 USDA Census of Agriculture.⁸ As of 1997, Skagit County had 376 full-time and 714 total farms with an average size of 131 acres. Key economic indicators of the continued importance and growth of this sector include:

- The 1997 Census of Agriculture indicated a market value of \$172 million for agricultural products sold (\$148 million in 1990 and \$103 million in 1987).
- Annual average agricultural employment in 1997 was 3,260 persons (up from 2,901 in 1992).
- July reports the highest monthly agricultural employment with 5,340 persons in 1997 (up from 5,035 in 1992).
- Agricultural wages paid totaled \$57.6 million for 1996 (a significant increase from \$35.1 million in 1992).
- The county hosted 3.9% of the state’s agricultural workforce in 2000, compared with 1.7% of the state’s total population.⁹
- In 1997, the estimated market value of Skagit County farms (both land and buildings) was relatively high at over \$4,600 per acre, well above the statewide average of under \$1,200 per acre. The reported market value of local farms increased by 40% from 1992-1997, slightly above the statewide increase of 35%.

More recent evidence of major investment within the agricultural sector includes:

- Sakuma Farms’ (Burlington) recent dedication of an Individual Quick Freeze (IQF) facility for berries, an approximately \$5 million investment that will allow a higher level of value-added production.

- Cascade Agriculture Services' recent opening of a cucumber pickle brining and sauerkraut facility on Pleasant Ridge.
- Potato sheds and associated facilities recently completed by Wallace Farms and the Danny Miller Dairy (Burlington).
- Reopening of the 'Peth' facility by the Skagit County Cattlemen's Association and the Island Grown Farmers Cooperative (San Juan County) to distribute naturally raised (grass-fed, no hormones or antibiotic) meats such as beef and lamb.

Census results and more recent agricultural investments indicate that through the 90s, agriculture retained its position as a viable and important economic sector for the county. The county appears to have made headway in meeting GMI Benchmark 11, to retain natural resource industries.

However, tempering the positive highlights of the 1997 Census results are several items indicating that Skagit Valley agriculture faces continuing challenges:

- From 1992-1997, the number of farms countywide continued to decline, although total farmland did not. Average size of farms has increased, though farms in Skagit County are smaller (at an average of 131 acres per farm) than is the case statewide (523 acres).
- As is true statewide, average age of farm operators is increasing as prospects of declining business opportunities deter new entrants. However, it is noted that the average age of Skagit County farm operators is increasing faster (+2 years between 1992 and 1997) than the rest of the State (+1 year for the same time period).
- As reported by the 2002 Skagit County GMI Report, the number of dairy farms decreased from 131 in 1987 to 93 in 1997. While this does not speak to increases or decreases in the value of the dairy farm industry, it is a concern to the county as dairy farms are "considered by many as the barometer of agricultural health in the county."
- Perhaps the most troubling of all, more than 50% of county farms experienced an economic (or financial) loss between 1992 and 1997. A related result is that one-third of farm operators work more than half the year on jobs outside the farm, potentially to offset economic farm losses.¹⁰

More recent data indicates that dairy farms are at risk due to falling market prices for milk. In 2003, the price of milk dropped over \$1.00 below the break even production cost. This pricing structure will inevitably force some producers out of business with consequent impacts on the entire farm economy: dairy is an important component in the overall agricultural economy and supports essential infrastructure 52 weeks a year.

Key competitive advantages that Skagit County offers for future agricultural production are as follows:

- Proximity to the Seattle-Everett-Tacoma and Vancouver, B.C. markets for locally grown fresh and organic products.
- Greater long-term availability of water than in other major agricultural areas (e.g. Columbia Basin has limited additional irrigation capability, and Midwestern states are experiencing depletion of the Ogallala aquifer). However, regulation and compliance issues are becoming an increasingly significant management and financial consideration.

- Local commitment to preservation of Skagit County open space and agricultural lands, despite pressures for urbanization. In 1996, the county implemented the Farmland Legacy Program, whose major function is to purchase the development rights on approved rural lands.
- Preliminary indications that Skagit County is successfully countering continued pressure to develop prime agricultural land. The most recent data currently available indicates that between 1992 and 1997 total farm acreage actually increased by 2%: from 92,074 acres in 1992 to 93,495 acres in 1997.¹¹ This is a new trend; between 1982 and 1992, Skagit County reported a 16% loss in agricultural acreage. As the Farmland Legacy Program was only implemented in 1996, it may be premature to attribute this turn-around to public efforts. However, this emerging trend bodes well for the future of agriculture in Skagit County.

Major *constraints* or limiting factors include:

- Rising costs associated with maintaining adequate and compliant waste management systems especially in dairies and poultry operations.
- Increasing regulations regarding water supply and usage, and uncertainty about the increased regulations associated with the Endangered Species listing of Puget Sound Chinook salmon.
- Closure of smaller food processing firms and relocation to less urban areas (such as eastern Washington).¹² The most recent example is the closure of the National Frozen Foods' plant in Burlington. The business was formerly a major employer in Skagit County.
- Controversy surrounding the use of pesticides and fertilizers, which can affect ground water quality.
- Increasing investment requirements in land, buildings and equipment due to inflation, improving technology, environmental regulations and urban pricing pressure for rural land increasing the demand for an ever-increasing net cash return.

Preserving Agricultural Resources

In 1996, a survey was conducted of Skagit County voters on Agricultural Land Protection.¹³ Results from this study revealed a strong and widespread support for agriculture in this county. Some points of interest include:

- 82% of those polled said agriculture is the most important or one of the most important contributions to the economy of Skagit County.
- 61% indicated agriculture is as or more important than it was ten years ago.
- 82% said steps should be taken to preserve agriculture land.

The Natural Resource Conservation Service of the U.S. Department of Agriculture has identified areas within the county with prime and unique farmland. Of the county's approximate one million acres, 108,000 acres or 10% are defined as prime farmland. Seventy-five thousand acres of prime farmland are actively cropped while the remainder is in other uses.

Skagit County has made a clear policy commitment to preserving agricultural land as was quantified in the 1996 Agricultural Land Protection Survey of Skagit County Voters. Programs that are already in place include agricultural zoning, open space taxation, and a right-to-farm ordinance.

In 1997, the county adopted the Farm Legacy Program, a provision for the county to purchase development rights on certain agricultural lands. Additional new program proposals include a controlled atmosphere storage facility, development of a marketing plan for local agricultural products, and a feasibility assessment for an agricultural processing incubator.

Preserving agriculture is also a main goal of the Agricultural Element of Skagit County's Comprehensive Plan, which aims to protect and conserve the nearly 90,000 acres designated as agricultural resource lands of long-term commercial significance. The plan promotes farm preservation through limiting the intrusion of non-agricultural uses, mitigating land use conflicts, allowing for farm support facilities in agricultural lands, and educating the general public on agricultural issues, policies and programs.

Two groups are currently leading local farm preservation efforts: Skagitonians to Preserve Farmland and the Washington State University Mount Vernon Research and Extension Unit. The work being accomplished by these and other groups coupled with the documented local community support for agriculture has brought about a shift in emphasis from the Puyallup Research Station to the Mount Vernon facility. Expansion and upgrade of this facility is needed for the additional staff and modern equipment being located at the Mount Vernon site.

Forest Resources

Forestlands represent a second significant natural resource for Skagit County. With 584,000 acres, forest lands account for 53.1% of Skagit County's total land area (of 1.1 million acres).

Timber harvested in Skagit County peaked at close to 319 million board feet in 1986, subsequently dropping 62% to a 2001 harvest level low of 122 million board feet. Clearly, timber harvests have seen significant reductions within Skagit County. Within this same time period, statewide harvest declined by 44% from 6.6 to 3.7 billion board feet. Skagit County's share of state timber harvest totals has varied from a high of 5.2% in 1992 to the 2001 low of 3.3%.

Figure 14. Timber Harvest Trends (1980-2001)

Year	Skagit County (000,000 board feet)	Washington State (000,000 board feet)	% Share of State
1980	231	5,700	4.0%
1981	204	4,900	4.2%
1982	199	5,100	3.9%
1983	274	6,100	4.5%
1984	209	5,800	3.6%
1985	271	6,000	4.6%
1986	319	6,600	4.9%
1987	277	7,000	3.9%
1988	240	7,000	3.4%
1989	271	6,900	4.0%
1990	288	5,800	4.9%
1991	259	5,100	5.1%
1992	260	5,000	5.2%
1993	197	4,300	4.6%
1994	150	4,200	3.6%
1995	172	4,400	3.9%
1996	150	4,400	3.4%
1997	146	4,200	3.4%
1998	147	4,000	3.7%
1999	173	4,400	3.9%
2000	164	4,200	3.9%
2001	122	3,700	3.3%

Source: State of Washington Department of Natural Resources.

Changes in forest products-related activity are of significance because of the historical importance of this industry to Skagit County and the impacts of harvest and employment reductions, particularly for timber dependent communities in east Skagit County.

Over the past 14 years, employment has declined from a peak of just under 1,200 jobs in 1989 to 685 jobs in 2001. In 2001, total jobs rebounded somewhat from an all-time low of 560 the previous year. Throughout the 90s, the industry saw annual variations ranging from -18% to +24%.

Figure 15. Skagit County Lumber & Woods Products Manufacturing Jobs (1987-2001)



Source: Employment Security Covered Employment

In addition to timber, other economic and social benefits such as hunting and fishing are realized from recreational uses of forest lands, as well as non-market related values, including clean air and water.¹⁴

Preserving Forest Resources

Approximately 34% of the county's total land base is zoned as a Secondary Forest-NRL or Industrial Forest-NRL. Another 45% of the county's land base is in federal ownership, including U.S. Forest Service managed land and National Park and Wilderness Areas.

The U.S. Forest Service and U.S. Park Service own and manage large federal facilities in the eastern half of the county. In addition, portions of the San Juan National Wildlife Refuge, Noisy Diobsud Wilderness and Glacier Peak Wilderness are also located in Skagit County.

Both private and public forestlands are susceptible to conversions to non-resource uses. Such conversions can create areas of conflicting land uses. The environmental impacts of such conversions may, over time, alter the economic character of a community.

Fishing Resources

Commercial and recreational fishing represents a third integral natural resource that has influenced Skagit County both economically and culturally.

However, as is true elsewhere in the state, commercial fisheries activity has declined significantly in recent years. This is a result of a variety of factors including below break-even market prices, overfishing, degradation of fisheries habitat (both ocean and freshwater), and catch restrictions.

Worldwide abundance of fish is a significant factor in setting the market price of fish harvested and the economic viability of this industry as well. State of Washington trends in volume of salmon harvested indicate that landings peaked in 1985 at 65,884 pounds statewide, but have consistently declined to 29,304 pounds total in 1995. At the same time, overall prices received peaked in 1987 at \$80,804 – falling to \$10,207 by 1994. Average price per pound ranged from a peak in 1988 at \$1.75 per pound to a low of \$0.42 per pound in 1994.

Shellfish remains an important component of fisheries activity. Washington State Department of Fish and Wildlife reports that trends in shellfish harvest between 1985 and 1995 appear relatively more stable both in volume harvested and prices received than the fin fish industry. In fact, reported fisheries-related employment has actually increased in recent years from 96 jobs in 1980 to 159 jobs in 1996.¹⁵

Recreational fishing also constitutes an important quality of life and economic resource for Skagit County. The Skagit River system comprises the largest drainage basin in the Puget Sound. At least 35 species of fish reside in the Skagit system including five species of salmon and three species of anadromous trout.

The Skagit River provides habitat for a diverse sport fishery of national significance and is well recognized for its steelhead trout fishery. The Skagit River ranks among the top ten systems in Washington for winter season sport harvest.

Over the five-year period from 1985 to 1990, the average annual winter steelhead harvest was 1,784 fish. Harvest during the 1995-96 season for the Skagit River System (which includes Cascade, Sauk and Skagit Rivers) reported 1,530 winter steelhead harvested while 3,469 fish were harvested in 1996-97, confirming the uncertainty and wide swings in production inherent in this industry.

Tribal catch of hatchery and wild stocks averaged 4,216 fish per year. Value of tribal catch is estimated at over \$42,000 per year.

A trout hatchery has been proposed at Grandy Creek (near Birdview in the Upper Skagit Valley) to increase fish available for recreational and tribal harvest.¹⁶ This project is on hold pending resolution of issues raised by local and environmental groups.

E. ENVIRONMENTAL IMPACTS TO DEVELOPMENT POTENTIAL

This section focuses on environmental factors that may indirectly impact economic performance through land availability and the continued quality of the area's natural resources. Topics covered are:

- Wetlands/critical areas
- Endangered species
- Other land designations
- Changes in environmental conditions

Wetlands & Critical Areas

Wetlands play important roles as habitat for fish and wildlife, as well as functional roles to hold floodwaters and filter runoff before it enters streams, lakes and aquifers. As discussed in the Skagit County Growth Management Indicators Report, wetlands are protected by certain regulations but determining their location is often difficult. This requires "wetland delineation" studies for development applications – at the property owner's expense – to determine the presence, boundaries, and classification of actual wetlands and buggers. Critical areas, such as wetlands, require a field survey to verify their location and associated attributes.

Although a significant portion of Skagit County is affected by wetlands designations, including tidelands, agricultural areas and/or river valleys, the County does not currently have a reliable database that identifies known wetlands in advance of development. In 1987, the U.S. Fish & Wildlife Service established a mapping program called the National Wetlands Inventory. That inventory approximates that just over 76,000 acres are potential wetlands within Skagit County, roughly 10% of county land (excluding federal lands). However, the data is very generalized and not updated. As of 2003, Skagit County is in the process of developing a new wetlands survey based on ground truthing.

Cities such as Mount Vernon encounter increased pressures on wetlands, fish bearing creeks and steep slopes as more land is developed. However, wetlands often impact the development potential of unincorporated areas to an even greater extent, due to the relatively lower levels of existing development.

A number of Skagit County's undeveloped industrial properties are particularly impacted by wetlands designation. For example, the county's largest single industrial property – the Port of Skagit County's Bayview Business & Industrial Park – was identified as a significant wetlands site. The development of park infrastructure in the late 90s is an example of successful resolution of wetlands-industrial conflict among the affected jurisdictions and environmental organizations.

The extent to which other commercial and industrial lands are impacted by wetlands designation was documented by the Skagit County Industrial and Commercial Land Inventory, completed in 1996.

Flooding is an issue closely related to the presence and management of wetlands. Major floods have been recorded in Skagit County as early as 1815 and as recently as 1990 and 1995. Flooding has been somewhat less severe since the 1920s when dams were constructed on the

Baker and Skagit Rivers to provide retention and storage of upstream floodwaters. There has also been an extensive program of levee construction along the Skagit River downstream from Sedro-Woolley, and marine dike construction in the Samish and Padilla saltwater bays.

Recent floods illustrate a persistent problem. Because considerable urban and agricultural land lies in lowland areas, flooding can cause significant damage. Areas that are exposed to flooding are generally located on the Skagit River downstream from Sedro-Woolley, including Mount Vernon, Burlington and Fir Island. However, upriver communities such as Lyman and Hamilton also experience floods.

Wetlands are only one critical areas designation of many. Fish and wildlife habitat conservation areas (CAO), which include streams and associated buffers, account for a significant portion of Skagit County land. Additional designations include aquifer recharge areas, geo-hazard areas, and designated low-flow streams.

Endangered Species of Plants or Animals

A total of 17 plant species have been identified as endangered, threatened and sensitive vascular plant species as of 2000. Of these, the Golden Indian Paintbrush is considered a candidate for federal status; the others are noted as state sensitive or threatened species.

The list of endangered, threatened, sensitive, candidate, monitor and priority wildlife covers nearly 150 different species, up from 39 in 1994. The Chinook Salmon, peregrine falcon, grey wolf and brown pelican are all identified as endangered species (federal and state). The bald eagle, marbled murrelet, northern spotted owl, bull trout and grizzly bear are federal threatened species.

A full list of endangered plants and animals is included in Appendix B.

Other Land Designations

Of zoned county land, approximately 89% have been zoned for public and natural resource lands. The remaining 11% is designated for both low density rural and urban uses.

Federal and state-owned land – in use as forest, parks and for recreation – accounts for approximately 45% or 503,507 acres of Skagit County's total land area of 1.1 million acres.

Historic Sites

Skagit County's coastal areas, western islands, and along the Skagit River valley are repositories of Swinomish and Skagit Indian Tribe artifacts. Several communities — such as La Conner — are locations of historic European settlement and remain largely intact today.

Efforts to preserve and protect archaeological and historic places and artifacts are directed by Federal, State, and local acts or ordinances whose mandates are administered to by several agencies.

Skagit County has 30 sites listed on the National Register of Historic Places and Landmarks. Historic register sites are located throughout the county from Anacortes and La Conner in the

west to Marblemount and Diablo in the east. Since the 1994 Skagit County Overall Economic Development Plan, six new sites have been added to this list.

Wild and Scenic Rivers

One hundred fifty-eight miles of the Skagit River system has been designated as a Wild and Scenic River since 1978. The National Forest Land and Resource Management Program recommends protection of specific viewsheds, including portions of the North Cascades Highway.

The Washington State Department of Transportation has designated several highways in Skagit County as Scenic and Recreation Highways. Management actions call for the protection of such highways and their adjacent areas.

Public Recreation Lands

Public park and recreational land ownership and management in the county is divided among federal, state, county and municipal agencies.

Figure 16. Public Recreation Lands in Skagit County

Agency	Developed Public Recreation Lands	Undeveloped Public Recreation Lands	Total Acres
National Forest & Parks			555,200.0
State of Washington	18242.2	359.8	18,602.0
Cities & Towns	3,767.6	31.8	3,799.4
Skagit County	735.8	974.5	1,710.3
Other Agencies			473.0
Total	22,745.6	1,366.1	579,784.7

Source: Skagit County Comprehensive Parks and Recreation, May 1998.

The largest developed park is Deception Pass State Park, with 1,233 acres. The largest undeveloped state open space habitat area is the Padilla Bay National Estuarine Research Reserve and Cypress Head Conservation Area.

Changes in Environmental Conditions

Environmental conditions previously reported in the 1994 and 1995 OEDP documents remain largely unchanged in 2003. However, several recently initiated activities are of special note:

- Skagit County has instituted a Growth Management Indicators (GMI) program, which tracks progress toward environmental, as well as land use, transportation, economic development, and housing goals contained in the County Comprehensive Plan. Specific areas of environmental interest monitored by the indicators are wetland protection, water quality, floodplain protection, air quality, open space, and recycling. The GMI program provides baseline data on environmental quality in the areas monitored, and will be updated regularly to show trends, whether positive or negative. This will allow the public and the Board of County Commissioners to evaluate the effectiveness of the

Comprehensive Plan’s environmental (and other) policies, and to take corrective actions if the County’s efforts fall short of its goals.

- The Economic Development Association of Skagit County (EDASC) has moved forward with a variety of projects to address combined objectives of environmental quality and economic development. Examples are the Hamilton water system and an agricultural cold storage facility.

F. LAND USE AND PUBLIC SERVICE IMPACTS TO DEVELOPMENT POTENTIAL

This section provides background information important in assessing the county’s potential for increased development. Topics include:

- Land use designations
- Skagit County industrial & commercial land
- Land demand forecasts
- Public services

Land Use Designations

Zoning ordinances are used to designate permissible land uses and restrictions within defined geographic areas of local cities and the unincorporated area. The Skagit County Zoning Ordinance implements policies in the Comprehensive Plans.

In addition to zoning controls, the county’s Comprehensive Land Use Plan provides an additional tool for controlling the type of development within local jurisdictions. Other land use regulations include the Skagit County Environmental Policy Ordinance, Critical Area Ordinances for Skagit County and each jurisdiction, Subdivision Ordinance and Shoreline Management Master Program.

The Skagit County Zoning Ordinance is comprised of maps, including a zoning map that identifies various zoning districts. Also contained in the ordinance is descriptive text explaining the uses and regulations for the zoning districts.

Figure 17. Acreage by Land Use Classification

Generalized Land Use Class	Land Use Designations	Acres	% of Total
Natural Resource Lands	Agriculture, Industrial Forest, Secondary Forest, and Rural Resource. Note: Mineral Overlay acreage is 23,620.	476,000	43%
Rural	Rural Reserve, Rural Intermediate, and Rural Village Residential	82,000	7%
Urban Growth Areas	Unincorporated, and Cities/Towns	35,400	3%
Public Lands	National Forest, and Federal Park, Wilderness, and Recreation Areas	519,900	47%
Total		1,113,300	100%

Source: Growth Management Indicators Report, December 2002

Development is allowed in three broad land use classes: Urban Growth Areas, Rural Lands, and Resource Lands. Together, these uses accounts to 53% of the county's land base. The County's 2002 Growth Management Indicators Report Benchmark 4 states that the majority of non-urban residential development should occur on rural lands rather than resource lands, and that urban areas should capture the bulk of new development.

Skagit County Industrial & Commercial Land

The Skagit County Urban Growth Area Analysis was completed in 1996. An update was completed in 1997. Together, these reports offer a detailed inventory of industrial and commercial lands available for development under the current regulations of the Growth Management Hearings Board. Below are summaries of that inventory and the changes that have impacted it since its completion.

- Total UGA land area is 36,626 acres. Of the total UGA acreage, 23,764 acres fall within incorporated cities (and their proposed UGAs), and 12,862 acres fall within unincorporated UGA areas.
- By major use category, the total land allocated for residential development is 3,268 acres. This reflects acknowledged excess capacity in several of the UGAs. The total residential land allocation of 4,114 acres reflects the addition of a *market factor* acreage to this category. The commercial/industrial allocation is 1,841 acres (or to 2,301 acres with a market factor included).
- Land committed to existing uses already is 23,705 acres. Remaining (as yet uncommitted) land that is assumed to be not available for development (due to environmental constrains and set asides for parks/open space, infrastructure/rights-of-way, and related considerations) is reported at 6,016 acres.
- Bayview Ridge UGA (except Port property) was declared invalid by the Western Washington Growth Management Hearings Board (WWGMHB) under Case No. 97-2-0060c dated January 23, 1998. In April, 2003, the County released for public review and comments a draft Bayview Ridge Subarea Plan, development regulations, and Draft Environmental Impact Statement (DEIS). The primary purpose of the DEIS is to ensure that environmental impacts of alternative development scenarios are disclosed and evaluated. The process is intended to assist the County in the evaluation and adoption of a Plan for the Bayview Ridge Subarea, including identification of relevant environmental issues, potential environmental impacts, and appropriate mitigation measures prior to issuing a Final Environmental Impact Statement (FEIS) and adopting a Subarea Plan. Additionally, the DEIS, along with the Draft Bayview Ridge Subarea Plan and Draft Development Standards, is part of the County's response to orders from the Western Washington Growth Management Hearings Board Case No. 97-2-0060c. The proposed Bayview Ridge Subarea Plan acknowledges the extraordinary opportunity for economic development presented by the area's unique combination of residential and industrial development, which is supported by extensive public and private infrastructure investments surrounding a regional, general aviation airport.

Figure 18. Skagit County UGA Land Allocation Summary

Urban Growth Areas	Residential Population (2025)*	Commercial/Industrial Land Allocations (Undeveloped)
Anacortes	18,300	558
Burlington	12,000	242
Concrete	1,350	28
Hamilton	450	60
La Conner	950	2
Lyman	550	-0-
Mount Vernon	47,900	869
Sedro-Woolley	15,000	243
Swinomish	3,650	-0-
Bayview Ridge	5,600	750
Subtotal County UGAs	9,250	750**
Total Urban	105,750	2,750
Total Rural	43,330	410
Total County	149,080	3,160

Note: *Growth Management Act Steering Committee adopted 2025 population forecast (March 19,2003)
 **254 acres allocated to the Port of Skagit County.

Source: *Skagit County Countywide Planning Policies*, 2000.

Rural Industrial and Commercial Land

Skagit County adopted permanent rural commercial and industrial land use policies and zoning regulations in July of 2000. At the same time, the County applied Rural Commercial or Industrial designations to more than 160 existing businesses, comprising approximately 620 acres in the County unincorporated area. These range from country stores in Rural Villages, restaurants and gas stations in Rural Centers, to sawmills and other natural-resource-related industrial uses in the rural area. The 620 acres of existing uses shown on the Comprehensive Plan/Zoning Map includes approximately 170 acres of expansion potential for those uses.

Figure 19. Rural Commercial & Industrial Zoning & Acreage

Commercial/Industrial Zoning Categories	Acres
Rural Business (RB)	157
Rural Freeway Service (RFS)	40
Rural Village Commercial (RVC)	18
Natural Resource Industrial (NRI)	229
Small-Scale Recreation & Tourism (SRT)	67
Rural Center (RC)	19
Rural Marine Industrial (RMI)	62
Cottage Industry/Small-Scale Business (CSB)	29
Total	621

Source: Skagit County Planning & Permit Center, 2003

The County documented the need for another 410 acres of new rural commercial and industrial uses through the year 2015. This documentation and analysis was included in the 2000 Overall

Economic Development Plan, and was adopted in June 2000 as part of a revised Countywide Planning Policy 1.1 and the Comprehensive Plan.

However, several parties challenged the amount of acreage the County sought to hold in reserve for future uses. In February, 2001, the Western Washington Growth Management Hearings Board (Hearings Board) found the 410 acres to be non-compliant and invalid, meaning it was not available for use. The Hearings Board held that the analysis resulting in the 410 acres was flawed.

Following more than a year of settlement negotiations on several Growth Management Act compliance issues, including rural commercial and industrial, in May of 2003 the County adopted an ordinance repealing the 410 unallocated rural commercial and industrial acres from the Comprehensive Plan. As a result, the County has no rural commercial or industrial acreage to allocate to new rural commercial and industrial uses. As noted above, existing uses with underutilized acreage already designated on the Comprehensive Plan/Zoning Map may still expand.

The County intends to revisit the issue of the need for future rural commercial and industrial land through the current update of the Comprehensive Economic Development Strategy, and the 2005 update of the Comprehensive Plan.

Developable Industrial & Commercial Lands Inventory

Benchmark 14 of the Skagit County 2002 GMI Report states that the “Availability and use of industrial sites in Skagit County will remain stable.” The last site inventory was completed in 1996; the report recommends that the county work with the Economic Development Association of Skagit County to conduct a bi-annual inventory of sites.

Additional goals pertaining to industrial land include the 1994 Skagit County OEDP and Comprehensive Plan business development objective to: "Provide a diversity of *ready-to-build* sites with sufficient support infrastructure and services needed to meet demand for industrial land through the duration of the comprehensive plan." A similar policy objective is noted for commercial development. The term *ready-to-build* means sites that are truly developable based on: accessibility (current or prospective) to appropriate water, sewer, transportation, electrical, natural gas and telecommunications infrastructure; and lack of significant environmental constraints (such as wetlands).

The above-noted Skagit County UGA Land Allocation Summary reported developable industrial and commercial acreage at 2,256 in 1996. The Skagit County 2002 GMI Report states that the “County should work with the Economic Development Association of Skagit County to conduct a bi-annual inventory...as a means to begin monitoring and track availability of key economic development parcels.”

Major Industrial Properties

The dominant player in the industrial property market in recent years has been the Port of Skagit County's Bayview Business & Industrial Park. In 1998 Skagit County completed a comprehensive wetland and industry negotiation, resulting in a detailed inventory and

development plan for complete infrastructure. As of the 2000 OEDP, Bayview Business and Industrial Park had 234 *ready-to-build* acres within its UGA.

Other major industrial sites in Skagit County include Bouslog Business Park, Skagit Air Industrial Development, Burlington Hill Industrial Park, the City of Anacortes Industrial Park, the former Crown Pacific Mill site (with up to about 60 acres near Hamilton), and 400 commercial industrial acres in south Mount Vernon.

Skagit Manufacturing property in Sedro-Woolley represents another significant industrial site, in use as of April 2003. Only one vacant site was identified in the Sedro-Woolley area, a recently vacated 30-acre sawmill site.

The Swinomish Tribe has approximately six parcels comprising a total of less than 83 acres. However, much of this property is affected by wetlands.

Developments such as Bayview, the Sunset Industrial Park, Skagit/I-5 Business Park, Bouslog Business Park and City of Anacortes Industrial Park are all clearly capable of providing infrastructure. Mount Vernon can also readily provide infrastructure to buildable areas such as the mall area, land adjacent to the freeway (both east and west), and the southern portion of the City. For other sites, infrastructure capabilities are less clear. It was also noted in the 2000 OEDP that with the exception of the Sunset Industrial Park, Skagit Manufacturing and the vacant sawmill properties in Sedro-Woolley, there appear to be no other *east county* properties of 10+ acres that are appropriately zoned and currently served by public water and sewer.

Land Demand Forecast

County and city representatives are evaluating alternate patterns of employment land allocations and expect to incorporate any major changes by 2005 when the next update is adopted. There is sufficient vacant land to meet the employment forecast through 2010, according to analysis presented to date. Location of the available inventory is another matter being reviewed by Skagit County and local jurisdiction planners.

There is general agreement that the out-commuting trend must be stemmed at the county level. Future policy direction will determine whether the county desires to reduce commuting internally and to promote equity in tax revenue opportunities among the cities, or to continue the trend of major employment centers along the interstate corridor and ports with other locations serving primarily as bedroom communities.

Public Services

Public service or infrastructure facilities reviewed include sewage, water, solid waste and transportation facilities.

Sewage Collection & Treatment Facilities

Sewage treatment in Skagit County is disposed of in one of three ways: (a) municipal treatment and disposal system; (b) smaller localized (i.e. community) collection and treatment systems; and (c) individual septic tank systems. Six cities, three communities and two sewer districts operate sewage collection and treatment facilities. Of the five treatment facilities reporting, most of the

larger sewage treatment facilities have the capacity to serve future growth or are in the process of upgrading at this time. All cities reporting either have already or will have sufficient capacity to accommodate growth into the year 2015.

Figure 20. Sewage Collection and Treatment Facilities

System	Current Load (Gallons per day)	Design Capacity (Gallons per day)	% of Design Capacity Use	Current Upgrade Projects
Big Lake*	70,000	200,000	35%	
Burlington	1,300,000	1,600,000	81%	3.8 MGD by November 2000.
Anacortes*	3,200,000	6,400,000	50%	
Sedro-Woolley	800,000	1,900,000	32%	2.3 MGD by August 1999.
Concrete	75,000	100,000	75%	Currently in planning process.
Mount Vernon	5,600,000	8,200,000	68%	Implementing several upgrades.
La Conner	250,000	520,000	48%*	Stated upgrade to be complete May 1999.

* Note: Big Lake and Anacortes load and capacity amounts based on 1994 data.

Source: Skagit County Sewage Treatment Facilities, April 1999.

Septic systems provide wastewater treatment throughout much of the unincorporated area of Skagit County. In certain identified areas of the county, failing systems are causing public health and watershed problems. Skagit County has an ordinance in place to bring these faltering systems into compliance once specifically identified.

Water Resources

Skagit County contains numerous rivers, streams, lakes, wetlands and borders the Puget Sound. Within the boundaries of Skagit County are four major watersheds: Skagit, Samish, Nooksack and Stillaguamish. Both human activities and natural processes can impact the water quality of Skagit County.

Rivers, aquifers, and reservoirs supply water in Skagit County. While some water is supplied by aquifers, most of the water supply comes from two primary sources: the Anacortes Water Utility and Skagit County PUD. Besides the two largest suppliers, there are approximately two dozen large community water systems (with the term “large” being defined as 50-100 customers each), with a total of approximately 174 systems countywide.

Groundwater supplies the rest of the county's drinking water. Illustrated by the following chart is overall customer average use per day of the county's two major water utilities.

Figure 21. Average Customer Use Per Day of Two Major Water Utilities

Utility	Customers	Gallons per Day Pumped
Anacortes Water Utility	5,900	16-18 MGD
Skagit County PUD	18,500	8-9 MGD
Total	24,400	24-27 MGD

Source: Skagit County Water Purveyors, 1998.

The number of customers being served by the Anacortes Water Utility and Skagit County PUD has increased 25% between 1994 and 1998, while gallons pumped per day increased from 22-25 to 24-27 MGD per day (approximately 8-9% increase).

Most rural areas of five-acre or larger parcels obtain water from individual wells. Individual water delivery systems created after January 1992 are required to document groundwater quality and quantity prior to issuance of a building permit or finalization of a land division.

Groundwater quality in Skagit is generally good. Some areas of the county have experienced groundwater quality problems from high-impact uses along with vulnerable aquifers and naturally occurring contaminants.¹⁷

Some portions of the public systems meet all needs plus fire flow requirements while some portions are not completely able to deliver fire flow volume due to undersized water lines and other minor system infrastructure inadequacies. Fire district ratings are based on factors such as land use and density, access, fire flow and distance from hydrant. District ratings in Skagit County range from 3 to 9. Water supply is a major rating factor and many of the county's independent water systems have insufficient fire flows.

Although the region receives ample precipitation, the competing demands upon available surface and groundwater make water a critical issue. A variety of land uses threaten both groundwater and surface water resources with contamination. The Washington Department of Ecology (DOE) is responsible for water rights, and is involved with all surface water uses, except those under 5,000 gallons per day. Other regulations apply to those using less than 5,000 gallons per day.

Under WAC 173-503, adopted April 2001, the Skagit River Instream Flow Rule establishes that all new wells for development are junior to existing water rights and have an interruptible status. Because the County has a responsibility under RCW 19.27.097 and RCW 58.17 to ensure that adequate, reliable water supplies are available prior to issuing building permits or authorizing land divisions, the County is in the process of proposing an amendment to the 173-503 Rule.

It is expected that the amendment will allow for the proposed future development as established in the adopted Skagit County 2000 Comprehensive Plan. Proposals must be within the parameters of a mitigation plan if there is compliance with all other codes and regulations. The Nookachamps River has been included in the mitigation plan for the new Rule. The estimated date for adoption is December 2003.

Additionally, Skagit County has elected to plan under RCW 90.82, Watershed Planning, and to focus on the Samish Basin, WIRA 3. The anticipated result is a watershed management plan and funding to help implement certain mitigation measures of the plan in order to allow for future development based on the existing Comprehensive Plan and the continuance of existing agriculture within the basin.

A countywide Coordinated Water System Plan is part of the Skagit County Comprehensive Plan. This plan offers the ability to direct development (i.e., housing and water dependent commercial) in areas with adequate water supply and capacity.

Solid Waste Handling & Disposal

Solid waste collection in Skagit County is provided by a combination of the municipalities and two private firms. Skagit County closed its landfill on April 8, 1994 and is now long-hauling the county's solid waste to Klickitat County. Also, in June 1997, the Similk Compactor Site was closed after an economic evaluation of all municipal sites, now referred to as *cost centers*.

Benchmark 22 of the Skagit County 2002 GMI Report is “Increased recycling of solid waste stream.” Data from 1995 to 2000 indicates that both the percentage of total municipal solid waste and the total tonnage fell within this time period, from 38% to 27%, and from roughly 39,000 tons to 30,000 tons. The report suggests that the county pursue measures to stimulate the use and benefits of recycling to improve these figures.

Skagit County collected and shipped 68,468 tons of garbage in 1997, an increase of 3.1% from 1996. The April 1994 Skagit County Comprehensive Solid Waste Management Plan (SWMP) summarized actions to be taken regarding solid waste management and an implementation schedule showing recommendations and associated costs.

Transportation Facilities – Road System Adequacy

Freeways, highways, principal arterials, minor arterials, major collectors, minor collectors and local access roads comprise the road system of Skagit County. The County has jurisdiction over 104 bridges. In 2002, approximately 85% of the vehicles on Skagit County roads were passenger vehicles, 12% were trucks and 2% were motorcycles, with the remainder being trailers and other miscellaneous vehicles. This is a dramatic change in vehicle patterns from 1990, when 54% of vehicles were passenger vehicles, 27% were trucks and 9% were motorcycles. Changing vehicle use patterns correspond to the County’s growth in population and tourism.

Performance of state highways is of vital concern to Skagit County.¹⁸ I-5 and SR-20 are of critical importance to this region. Both are identified as needing major investments by the year 2014. A second high priority item identified by both the Skagit Sub-RTP and the City of Burlington priority project list is increased bridge capacity across the Skagit River.

Regionally, the Department of Transportation is evaluating possible solutions to ease the traffic congestion across the Deception Pass and Canoe Pass Bridges. Levels of traffic in Skagit County have risen over the last several years. New residential development, an increase in commercial development, and the dispersed pattern of development are a few of the factors that may account for the increase in traffic.

In 2003, a countywide bicycle map was completed and produced in response to the popularity of the Skagit Flats area for bicycling. Bike routes have been identified throughout the County through a joint effort sponsored by the Skagit Council of Governments (SCOG), Skagit Bike Club, Anacortes Chamber of Commerce, Mount Vernon of Commerce, and the Burlington Chamber of Commerce. However, there are no designated bicycle routes within the county reflected within the adopted County Plan. A non-motorized transportation plan (NMTP) is in development by the County, which will become a chapter of the TSP. This plan will aid in the identification of non-motorized routes around the County, with a focus on bicycle, pedestrian and equestrian issues.

Skagit County uses an active traffic count program to monitor traffic volumes and growth. The following chart identifies rural and urban arterials with average annual daily traffic of 5,000 counts or more.

Figure 22. Skagit County Roads with 5,000+ Average Annual Daily Traffic (2003)

Road Name	Location	Functional Class	AADT
Cook Road	At Old Hwy 99 North	Major collector	12,276
Cook Road	Old Highway 99 N to Green Rd.	Major collector	10,200
Cook Road	Green Rd. to Collins Rd.	Major collector	9,911
Fir Island Road	At Pioneer Hwy	Major Collector	9,006
Cook Road	Collins Rd to S-W City limits	Major collector	8,130
Pioneer Highway	Fir Island Rd to Fisher Slough	Major Collector	8,043
Pioneer Highway	Fisher Slough to Milltown Rd	Major Collector	7,791
Pioneer Parkway	Rainbow Bridge to Sneeoosh Rd	Major Collector	5,224
Laconner Whitney Road	Chilberg Road to McLean Road	Major Collector	5,094

Source: Skagit County Public Works Department, May 2003.

Unincorporated arterials in Skagit County are generally free of hazards associated with traffic congestion; however, at times such as the spring flower season, heavy visitor traffic creates significant, negative short-term traffic impacts.

Many county roads and major transportation routes such as State Highway 20 and I-5 are located in the 100-year floodplain. A floodplain location presents periodic traffic movement problems. Flood free routes are needed to and from major public facilities. Emergency and medical services need access to these areas in the event of serious flooding or disaster.

Public Health Services

The growing and aging population of Skagit County is driving up the demand for health care and putting pressure on aging public hospital facilities. Skagit Valley Hospital is laying the groundwork for a major expansion project (\$70 million) at the Mount Vernon campus to address facilities needs and respond to technological advances in health care. In addition, SVH will add new, freestanding ambulatory facilities on the hospital campus. Island Hospital in Anacortes is proposing a renovation and expansion project. United General Hospital in Sedro-Woolley is considering application for the federal Critical Access Hospital program to maintain and enhance health care services in central and eastern Skagit County. In total, health care represents a growing and changing field that has a considerable economic impact on the region.

Another change in the county's healthcare delivery is the dissolution of Affiliated Health Services, a management partnership between Mount Vernon's Skagit Valley Hospital and Sedro-Woolley's United General Hospital, effective January 1, 2004. The two hospitals merged management in 1991, and in 2003 employed roughly 1,173, with many employees dividing their time between both sites.

G. CURRENT & FUTURE TRENDS SUMMARY

This summary is built upon the results of a participatory economic planning process that took place over several years in the 1990s through the development of the county's Overall Economic Development Plan. While some conditions have changed and have been noted, the underlying assessment of Skagit County's economic outlook remains relatively intact.

Skagit County Strengths

Community attributes or assets that make Skagit County a good place to do business or invest, as well as to live, work and recreate also are a good basis from which to achieve the community's vision for economic development. Five overall strengths were noted in the 1994/95 OEDP documents. They remain important, albeit with a different emphasis in several instances:

1. *Diverse natural resources make Skagit County a good place to live and continue to provide economic opportunity.*

Skagit County is fortunate to offer a combination of prime agricultural land, public and private forestlands and fishery resources together with recreational features ranging from the Cascade Mountains to rivers to the Puget Sound. These resources provided the economic impetus for early settlement of the area. While natural resource development no longer serves as the dominant source of jobs, protection of these features enhances a local quality of life important to area residents. Proper resource management can continue to provide employment and business opportunity on a long-term, sustainable basis.

Recent state employment data confirms that primary harvesting jobs of farm, fish and forestry continue to decline while secondary, value-added and manufacturing employment is steadily and significantly increasing. Previous OEDP goals to diversify the employment base in rural and timbered areas appear to be succeeding.

2. *Location midway between Seattle and Vancouver, B.C. has placed Skagit County at the heart of the Pacific Northwest's most dynamic growth corridor.*

The I-5 corridor from Olympia to Vancouver, B.C. has a combined population of 6.6 million with 3.5 million on the U.S. and 2.1 million on the Canadian side. The broader region of Washington State and British Columbia contained nearly 10 million persons in 2000, a 23% increase over the last decade. The more narrowly defined northern Puget Sound market of Skagit, Snohomish and Whatcom counties had a combined population of 876,000.

Diverse multi-modal transportation services are in place to reinforce these locational advantages. Major north-south access is provided by I-5. East-west access is provided by the North Cascades Highway (SR-20), which also provides ferry connections through Anacortes to the San Juan Islands. General aviation, rail freight and marine terminal services are also available. The City of Mount Vernon is scheduled to begin construction of a new multi-modal transportation hub in 2003 that will link Amtrak and local bus service.

The importance of this geographic location is indicated by strong population and job growth over the last two decades. Increasingly, Skagit County is becoming a vital portion of the Seattle-Vancouver economic corridor. A challenge for the future that remains is how to

address continued growth pressures while preserving prime agricultural, forest, recreation/open space and critical lands.

3. *Local workforce available to support a wide variety of industrial, commercial and institutional activities.*

The local Skagit County labor force numbered approximately 54,000 in 2003. Employers can also draw specialty skills from nearby Snohomish and Whatcom Counties with a three-county combined labor force of roughly nine times as large as Skagit alone at 487,000.

However, of more immediate local importance is the ready availability of local workers, evidenced by:

- A local unemployment rate of 7.8% that is above the statewide non-seasonally-adjusted rate of 7.4% (as of January 2003).
- Ability to recapture up to 22% of the labor force that in 2000 commute out of Skagit County for employment (up from 17% in 1990).

Skagit County employers also can benefit from workforce training programs offered through Skagit College, the Private Industry Council and the state's job placement service.

4. *Skagit County's commitment to environmental protection provides a quality of life experience not available elsewhere on the Puget Sound/I-5 corridor.*

Urban communities are readily identifiable and contained rather than sprawling. The December 2002 GMI Report states that the net residential density for UGA lands exceeds the benchmark of four units per acre in almost all jurisdictions. Likewise, Benchmark 5 indicates that 92% of all commercial and industrial development between 1995 and 2001 occurred within urban areas.

Skagit County open space has been preserved rather than developed. The county's Comprehensive Plan allocates only slightly more than one-half of its land to accommodating population growth, with the bulk of new development intended to occur within urban areas (accounting for 3% of county land). Community members feel that Skagit County is "not too far gone" but retains the ability to plan for continued preservation of agriculture, open space and natural habitat.

Other quality of life amenities include proximity to diverse recreational areas, mild climate and tolerance of cultural diversity. Provisions contained within the 1997 Skagit County Comprehensive Plan confirm this county's commitment to prudent management of these issues.

Skagit Wetlands and Industry Negotiations (WIN) was a highly successful collaborative planning effort begun in 1994. This project initiated dialog between representatives of environmental groups, developers and government officials to develop a strategic plan to promote job creation and to create predictability for development as well as preserve, restore, and enhance wetlands.

5. *Strong inter-jurisdictional and public-private partnerships have been forged to facilitate coordinated delivery of public services.*

Local governments, Skagit County, economic development organizations, Skagit Valley College, Public Facilities District, the Skagit Performing Arts Council, the medical community and a number of local businesses provide examples of organizations and forums that interact on a regular basis in support of a common, cooperative agenda for Skagit County. These have included a Community Summit in 1994, Upper Skagit Rural Community Forum on Sustainability in 1998, and currently a coordination of public meetings on contemporary Skagit Valley issues called The Forum. These forums have provided a valuable opportunity to air comments and concerns and network with other concerned citizens.

County Weaknesses

Local conditions may limit the extent or speed with which countywide objectives for economic development can be realized. Six weaknesses or areas of concern are noted:

1. *Housing is becoming less available and affordable as Skagit County faces increasing population growth pressures.*

The early 1990s began with housing prices escalating rapidly. Prices have stabilized to a moderate growth rate in the past few years. Skagit County has been discovered as a good place to live. In 1997, Mount Vernon was named “the best small city in the United States” by Demographics Magazine.¹⁹

While prices remain well below those of the Seattle area, the increased cost of housing becomes particularly problematic for lower income residents – both homeowners and residents. The tension between goals of environmental protection/containment of urban sprawl and housing affordability remains one of the more challenging issues for Skagit County and local jurisdictions as long as growth pressures continue.

2. *Despite strong growth in labor force and the local job base, out commuting has increased.*

Between 1990 and 2000, Skagit County’s population increased by an average annual rate of 2.6%. Both jobs and the county’s labor force increased at a greater rate for roughly the same time period: 3.2% and 2.9%, respectively.

The proportion of the labor force that commutes outside of the county continued to rise despite recent job growth that has outpaced population growth. At only 9% in 1980, the proportion of local residents that are outcommuters climbed to 17% in 1990 and to 22% in 2000.

Increased outcommuting is, to some degree, a normal consequence of a more mobile labor force. However, the rapidity of the change in Skagit County may also be related to structural shifts in the local economy as employment in traditional industries has waned.

3. *Educational attainment and social issues are growing sources of concern in the face of employer demands for a more skilled workforce.*

The transition from *blue collar* to *white collar* occupations is difficult for existing workers, their families and even the next generation. While improvements have been made, average

educational attainment of the Skagit County adult population remains below statewide averages. Area schools continue to face difficult issues such as early *dropout* and teen pregnancy.

4. *Physical infrastructure remains inadequate to remedy existing deficiencies and address new needs from growth.*

Existing deficiencies include flood problems in the Skagit Valley, in particular affecting the Mount Vernon/Burlington area (much of which lies within the boundaries of a 100-year floodplain), and transportation congestion in the Mount Vernon/ Burlington area. Projects to impact both of these issues have been initiated, resulting in Mount Vernon's acquisition and improvement of flood-plain property along the west bank of the Skagit River, and the jurisdictions of Mount Vernon, Burlington and the Port of Skagit undertaking a cooperative effort to expand traffic lanes over the Skagit River.

Major water, sanitary and storm improvements to serve residential, commercial and industrial development are among the planned projects for urban areas throughout the county to address these issues.

5. *Faced with difficult and complex issues, it is more challenging to build consensus on a common course for the future.*

As has been the case elsewhere, public decision processes have tended to become more adversarial over the past decade. Major resources for future economic development such as the Port of Skagit County's Bayview Business and Industrial Park are now affected by uncertainties as to what can or cannot be developed, and under what conditions.

Anticipating this, the Port took an innovative stance in project planning by concentrating on development of the overall Bayview Business and Industrial Park infrastructure, bringing together county, environmental and regulatory sectors in the planning process. This allowed the participants to find an agreeable compromise and draft an environmentally sound and economically feasible plan of developable infrastructure, which is currently near completion. The City of Mount Vernon is now mimicking this strategy in its approach to infrastructure development plans.

One member of the Community Advisory Committee (CAC) has cited a need for better "communication skills" to resolve difficult issues. Skagit County has responded by encouraging an economic development planning process that is "citizen based," with no preconceptions regarding the direction for the county's future economic development. All plans are reviewed by a CAC made up of citizens as well as county officials and economic development planners.

6. *Recent job growth has been concentrated in the lowest paying industrial sectors.*

Issues of affordable housing and out-commuting may be exacerbated by the fast growth seen in the lowest paying industrial sectors, as reported in the 2002 GMI Report. The highest paying jobs are in sectors experiencing the slowest growth, while the sectors which grew the fastest between 1995 and 2001 – retail trade and services – are among the lowest paying.

External Trends & Forces

Four major areas of economic opportunity were identified by the Community Advisory Committee that guided the county's OEDP during the 90s. These opportunities were described as representing *good bets* for business or community investment based on broader regional or global market conditions and trends. They remain important for this CEDS document.

External Opportunities

1. *Puget Sound and Pacific Rim markets.*

Skagit County businesses have an opportunity to capitalize on locational advantages to serve either or both of: a) the I-5 corridor from Olympia to Vancouver, B.C.; and/or b) Pacific Rim countries (from Korea to Australia). These opportunities can be facilitated by actions ranging from technical assistance (as in export development) to infrastructure (including innovative applications such as development of high-speed rail service between Seattle and Vancouver, B.C.).

The "Asian crisis" of the late 90s does not appear to have had as strong an effect on the economy of Skagit County as on neighboring counties and metropolitan areas. Ripple effects have not been significant.

2. *Footloose business and industrial firms.*

In recent years, Skagit County has demonstrated an ability to attract firms that value:

- Location outside but within one-hour driving proximity of a major metro area.
- High quality of life.
- Lower cost operating environment.

As recent experience indicates, attracting footloose companies offers both positives and negatives for a community. One recently recruited business, Jansport, offered good jobs to substantial number of employees but made an abrupt and complete exit from Skagit County in 1998. Offering an excellent example of the resilience being built within the Skagit community, the vacated building was quickly filled by an expanding tugboat manufacturer and jobs affected were readily absorbed by other jobs which were created during the year.

3. *Recreation, convention and resort development.*

The opportunity exists to improve amenities available to both local residents and visitors. Skagit County's location convenient to both Seattle and Vancouver, B.C. makes for a convenient day-trip or weekend get-away – which has been important to communities such as La Conner.

Projects need to be carefully planned and executed to complement rather than detract from the environmental setting in which they are located. An example of this development can be seen in the Swinomish Tribe casino and marina near Anacortes, and the Upper Skagit Tribe casino near Bow.

4. *Value-added natural resource business.*

These opportunities can be facilitated by efforts to: a) preserve agricultural, forest, fishing and open space resources on a sustainable basis; b) shift from commodity to specialty products; and c) shift from primary to value-added secondary production.

Farmland acreage that is being threatened/co-opted by encroaching commercial, industrial or residential development can now be protected with the purchase of development rights offered by The Farm Legacy Program, implemented in 1997.

Efforts to create value-added products in agriculture include: linking local growers with the regional and national efforts of The Food Alliance (Portland) to certify products grown in an environmentally sustainable manner and offering those products to consumers through selected grocery chains. Bellingham-based Brown and Cole Stores have committed to sourcing products from certified growers. Food services leader Bon Appetit has made a similar commitment, as has Associated Grocers, a major regional food distributor. Skagitonians to Preserve Farmland has developed a "Skagit's Own" logo to identify local products.

Desired employment shift to a more diversified natural resource economy is clearly evident from the consistent interest on the part of specialty and value-added products businesses for both locating and expanding in Skagit County. Grass roots organizations continue to offer services through Woodworkers Northwest and community-based forums on sustainable and stewardship issues.

External Threats

Five conditions or concerns that could undermine local economic stability are identified as posing potentially significant issues for Skagit County's economic development both short and long-term:

1. *Federal, state and local regulatory requirements.*

Salmon issues, expansion of business opportunities in rural distressed counties, and recreation on agricultural lands have been recent topics of concern in the Washington State Legislature. Of particular interest is the dramatic increase in threatened and endangered species listings since the 1994 OEDP.

2. *Urban sprawl.*

For Skagit County, containment of the effects of urban sprawl is becoming more challenging as growth moves out from the larger, more populated urban areas of Seattle, Everett and Bellingham. Failure to control sprawl has other long-term negative implications – including greater risk of septic tank failures and continuing loss of agricultural lands.

3. *ESA Listing of Chinook Salmon.*

In March 1999, Puget Sound Chinook Salmon was added to the Federal Listing of Endangered Species. The primary impacts of this listing have been to agriculture, in terms of restricting farm practices that may negatively impact salmon. A second implication has been

increased regulatory barriers and timeframe to bridge construction, a primary transportation need within Skagit County.

4. *Passage of Initiative 695 – Reduction of Automobile License Tab Fees.*

Impacts of the recently adopted citizen Initiative 695 are yet unknown. Early implications appear to be substantial reductions to the state ferry and local public transit systems. Further impacts may include deferral or curtailment of projects currently being planned and the need to redirect funds previously budgeted to other categories.

5. *National Frozen Foods Relocation.*

The agricultural sector continues to undergo several pressures from land use to financial constraints. As the urban/rural delineation becomes less defined and the cost/price squeeze causes revenues to decline, decisions are made for the most optimal results. Consequently, there has been a trend for several years of processors and larger farms moving to Washington's more agricultural east side. Most recently, National Frozen Foods moved its vegetable processing plants out of Skagit County.

6. *Diminishing Public Sector Budgets.*

Decreases in state and local revenue beginning in FY 2001-2002 have far reaching impacts to public services. One example is the staff reductions in 2003 that will decrease the Skagit Valley College Business Resource Center's ability to serve the local business community.

From SWOT to CEDS

This assessment of strengths, weaknesses, opportunities and threats (or SWOT) is useful as a platform to launch a Comprehensive Economic Development Strategy (CEDS) that is appropriate to Skagit County and realistically achievable. Strengths represent *building blocks* and opportunities *good bets* for future economic diversification and prosperity. However, continued economic development is not assured and will not happen automatically. How well area businesses, Skagit County and local jurisdictions respond depends in part on the strength of the strategy and action plan which follow.

H. PARTNERS & RESOURCES FOR ECONOMIC DEVELOPMENT

Like most counties, Skagit County has a variety of public and non-profit organizations actively involved in economic development. Many organizations have come forward to participate in and support the creation of both the CEDS and Growth Management Act process. These local groups can impact the trends, challenges and opportunities identified in the background and analysis section.

The CEDS process is intended to emphasize problems and opportunities that local public and private sectors can resolve either directly or indirectly. Particular attention is to be given to groups and areas suffering most from unemployment and other economic distress.

Key local organizations and potential partners in economic development are described as follows:

- **The Economic Development Association of Skagit County (EDASC)** is a private, non-profit corporation and exists to promote a healthy economy for the county, to create and retain jobs, and to recruit new businesses. The Business and Job Retention program of EDASC provides technical assistance and guidance and occasional professional services to firms in danger of layoffs or closure.

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

Other EDASC services include workshops and seminars, a wood products program, information clearinghouse and resource center, and quarterly meetings featuring timely topics and opportunities for business networking.

- **The Port of Anacortes** was formed in 1926 and encompasses approximately 110 square miles. It was formed for the enhancement and orderly management of maritime commerce, air traffic and small boat facilities and to promote industrial development.

The Marine Terminal is a major deep-water port that accommodates ocean-going ships as well as tugs and barges at its Pier I and Pier II facilities. It has the capabilities and equipment for the handling of bulk and break bulk commodities such as logs, lumber, petroleum coke and prilled sulfur. The Port of Anacortes is also the only Port in the United States that owns its own log debarker. The Marine Terminal has over 65,000 square feet of concrete warehousing space available to tenants.

The Cap Sante Boat Haven, located on the north side of Fidalgo Island, is owned and operated by the Port of Anacortes and is among Washington State's four largest marinas with 1,100 boat slips. It hosts commercial fishing vessels, pleasure boats and commercial marine-related businesses.

Located approximately four miles west of the city center, the Port of Anacortes operates a general aviation airport with a 3,000-foot runway. A fixed base airline provides air taxi and charter services to the San Juan Islands.

- **The Port of Skagit County** consists of the Skagit Regional/Bayview Airport, the Bayview Business and Industrial Park, the La Conner Marina, and the Riverbend Industrial Park. The Board of Commissioners of the Port of Skagit County oversees all operations at the site and is actively seeking new and expanding industry to the Industrial Park.

The Port of Skagit County is located on State Route 20, three miles west of Interstate 5. The airport has two runways, one 5,475 feet and another 3,000 feet in length; each accommodates private and commercial jet aircraft. It also offers aircraft maintenance, fueling, flight instruction, tie-downs and hangars.

The 1,800-acre Bayview Business and Industrial Park is all industrial zoned land except for approximately 70 acres that are aviation-related and approximately 25 acres that are agricultural. Several roads run through the park and most utilities (including water, sewer, natural gas and power) are provided.

- **Eight incorporated cities** account for most of the commercial property and much of the industrial development in Skagit County. Washington Office of Financial Management population estimates for 2003 indicate that the largest cities are the county seat Mount Vernon (27,060 residents), Anacortes (15,110 residents), Sedro-Woolley (9,080) and Burlington (7,315). Four other incorporated communities (Concrete, Hamilton, La Conner and Lyman) have about 2,300 residents collectively.
Some cities are also directly involved in economic or industrial development programs. For example, the City of Anacortes manages a 50-acre waterfront industrial park.
- **Recognized Tribal Governments** in Skagit County include the Swinomish Indian Tribal Community, the Sauk-Seattle, the Upper Skagit Indian Tribe, and the Samish Indian Nation. Tribal governments prepare their own OEDPs/CEDS but have also participated as members of the Citizens Advisory Committee (CAC) in this countywide planning process.
- **Skagit Valley College**, through its Vocational and Counseling Education programs, works *hand-in-hand* with the business and industrial community in training employees. Both in classroom and workplace settings, Skagit Valley College provides training tailored to the requirements of Skagit County employers. The Washington State Job Skills Program is also administered through Skagit Valley College.
- **Washington State University** has two units in the county. For more than 50 years, the community-initiated WSU/Mount Vernon Research and Extension Unit has been central to the stability, diversification, and success of agriculture in Skagit and the surrounding counties of northwest Washington. WSU Co-operative Extension, in a new partnership with Skagit Valley College, is offering advanced degree programs locally via distance education through a WSU Learning Center at Skagit Valley College campus.
- **The Northwest Washington Workforce Development Council** is a non-profit corporation offering financial incentives to help business reduce personnel costs and qualify for federal tax credits by training and hiring local residents. Funding is provided through the federal Workforce Development Act.
- **The State of Washington Employment Security Department** assists Skagit County employers with the Welfare-To-Work program, JOBS program for on-the-job training, dislocated worker retraining, Job Opportunity and Basic Skills programs, Emergency Veterans Job Training Act, and Targeted Jobs Tax Credit.
- **Puget Sound Energy (previously Puget Sound Power and Light Company)** is a private electric utility that serves Skagit County. The company participates in economic development by conducting events such as the *Community Summit* in cooperation with each of the cities of Anacortes, Burlington, Mount Vernon, Sedro-Woolley and Concrete.
- **GTE Northwest** provides telephone and related communications services through Skagit County. The firm has been actively involved in local economic development efforts by funding projects like the Skagit County *Community Profile* and the Woodcraft Network.

- **Wal-Mart**, a retail store newly located in Mount Vernon, participates in economic development by its funding of the update of the Skagit County *Community Profile*.
- **Skagitonians to Preserve Farmland and the Natural Resource Conservation Service** (NRCS, previously the Soil Conservation Service) are examples of grass roots, non-profit and governmental groups working together to preserve agriculture within the county.
- **The Washington Department of Community, Trade & Economic Development** provides a variety of programs in support of local economic development initiatives. Participation in Skagit County projects included the Woodcraft Network, a non-profit organization, which worked in partnership with EDASC. Its mission was to provide opportunities for the value-added wood products industry.
- **The Skagit Council of Governments** provides intergovernmental services on behalf of the public county, city and port jurisdictions in Skagit County. The Skagit Council of Governments is responsible for preparation of the Overall Economic Development Plan (OEDP) and also administers a Revolving Loan Fund program to assist Skagit County industrial and manufacturing firms.
- **Skagit County Public Utilities District #1** provides water services to a good portion of the county – approximately 18,000 -20,000 customers – and some areas outside of the county. The PUD provides essential infrastructure for residential, commercial and industrial development.
- **Skagit Valley College** is based in Mount Vernon, and supports economic development through a wide range of educational opportunities, from academic to professional development to workforce training. The college works with employers on workforce needs to assist in locating or designing appropriate workforce training. It offers WorkSafe courses that focus on industrial safety and health, and instructors are available for on-site technical assistance. Professional development coursework targets healthcare workers, computer fields, small business development, flagging and traffic control, and nonprofit management.
- **Skagit Performing Arts Council** is an umbrella organization that represents and enables a number of different performing art groups, including community theatres, the local symphony, ballets, public school and community college performing arts programs, and community bands. The organization helps to market events, provides technical advice on organizational development to arts groups, and advocates for the arts in issues such as public school scheduling.

II. ECONOMIC DEVELOPMENT GOALS & OBJECTIVES

These economic goals and objectives describe how community members want Skagit County to look in the future, and how the region's strengths can best be maximized. In this document, goals and objectives address not only federal CEDS but also countywide comprehensive planning requirements consistent with the Growth Management Act (GMA).

The following goals, objectives and resulting policies were drafted, revised and refined in the mid 90s over the course of several meetings with the Citizens Advisory Committee for economic development. It is noted that the goals, policies and objectives contained in this CEDS report are consistent with those of the prior 1995 OEDP and current Skagit County Comprehensive Plan (Economic Development element).

For purposes of this CEDS, the term "economic development" is defined as: encouraging commercial and business activities that (a) meet the diverse employment and investment needs and interests of Skagit County residents; (b) locate in areas that can be served by public infrastructure; and (c) maintain Skagit County's quality of life.

This chapter contains:

- A. Economic development goals, objective & policies
- B. Economic & development priorities

A. GOALS, OBJECTIVES & POLICIES

The Economic Development element of Skagit County's comprehensive plan contains goals, objectives and policies, which identify and integrate countywide planning policies. These goals, objectives and policies are the most important part of the comprehensive plan for land use decision-making.

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

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

A **policy** is a specific statement that guides decision-making. It indicates a clear commitment of the local legislative body. A policy is based on a comprehensive plan's goals and objectives as well as the analysis of data. A policy is effectuated by implementation measures (such as: zoning, land division, and environmental ordinances).

Wherever the term **countywide** is used, the goal, objective or policy statement is intended to apply both to Skagit County and the incorporated cities in the county. Otherwise, goals, objectives and policies apply to Skagit County only.

Goals are organized by seven topics:

- Employment
- Business development
- Commercial activity
- Visitor services
- Human services
- Conservation & economic development
- Transportation & economic development
- Business & investment climate

Items denoted in *italics* indicate objectives or policies added through the 2003 CEDS process, recommended to be incorporated into the economic development element of Skagit County's comprehensive plan.

Employment

Goal: Create and maintain diverse employment opportunities that meet the changing income needs of Skagit County residents

Objectives: Facilitate the creation and retention of family wage jobs to meet the needs and demands of Skagit County households.

Encourage diverse job options and entrepreneurial opportunities for persons interested in full-time and part-time employment or desiring to own their own business.

Assure educational opportunities for residents of all ages to develop and upgrade skills required for employment, advancement and entrepreneurship.

Policies: Skagit County shall actively encourage business investments that provide economic and employment opportunities to meet the employment needs of all county residents.

Skagit County should work cooperatively with local jurisdictions and EDASC to address employment needs consistent with countywide regional policies.

Home occupations that are consistent with the character of adjoining properties and neighborhoods will be accommodated.

Skagit County will cooperate with education providers and employer interests in developing facilities and programs meeting a continuum of needs at the K-12, college and continuing education levels.

Business Development

Goal: Sustain the economic utilization of Skagit County’s natural resources and attract a more diversified base of non-resource industries consistent with local quality of life and environmental values.

Objectives: Encourage value-added resource based products (particularly with agriculture, fisheries and forestry activities).

Provide a diversity of ready-to-build sites with sufficient support infrastructure and services needed to meet demand for industrial land through the duration of the comprehensive plan.

Encourage, where feasible, the re-use and redevelopment of existing industrial sites which are no longer viable for their original or previous use.

Provide low cost, easily accessible, state of the art telecommunications services throughout the county with linkages to nearby counties that are economically tied to Skagit County.

Focus business recruitment and development on firms which will diversify the local economy and can effectively serve Puget Sound, national, Pacific Rim and other global markets from a Skagit County location.

Facilitate the retention, expansion and start-up of existing local business, particularly those providing family wage job opportunities and operating in compliance with applicable regulatory requirements.

Policies: Skagit County’s comprehensive plan shall accommodate multiple and sustainable economic uses including agriculture, fisheries and forest products industries that require proximity to rural area resources in a manner consistent with open space preservation and environmental protection.

Long term commercially significant natural resource lands shall be protected from encroachment from conflicting uses.

In cooperation with local jurisdictions, Skagit County shall maintain a minimum five year inventory of read-to-build industrial sites at all times through the duration of the Comprehensive Plan.

Sites for industrial use shall be designated at locations that can be readily accessed, served with utilities, and free of major environmental constraints that preclude a timely permit process and development as consistent with applicable laws.

Local jurisdictions and Skagit County should consider establishing a standard wetland definition applied countywide in order to facilitate consistency of the permitting process.

Industrial properties shall be designated so as to accommodate a mix of business and industrial parks, light and heavy uses, public and private owners consistent with market requirements and trends.

Land use policies in rural areas, incorporated cities and towns and their urban growth areas shall accommodate the retention and expansion of existing local businesses that provide family wage jobs which are in compliance with applicable federal, state and local regulatory requirements.

Skagit County will maintain cooperative working relationships with local, tribal, regional, statewide, federal and international organizations that pursue economic development activities consistent with the goals and objectives of this economic development element.

Commercial Activity

- Goal:** Provide a range of commercial retail and service businesses to meet local resident needs and serve visitors to Skagit County at appropriate locations.
- Objectives:** Encourage convenience oriented retail within rural villages or urban growth areas that are convenient to residential neighborhoods and major employment centers.
Cluster major comparison and destination retailing.
- Policies:** In cooperation with local jurisdictions, Skagit County shall identify an inventory of suitable and potentially suitable commercial sites adequate to meet anticipated demand plus a market factor of 20%.
Convenience oriented retail that is proximate to residential neighborhoods and major employment centers shall be allowed within rural villages and urban growth areas.
Commercial developments shall be designed to encourage pedestrian activity with provisions for sidewalks and streetscape amenities, and for pedestrian access to other nearby shopping facilities and residential areas.

Visitor Services

- Goal:** Establish Skagit County as a visitor destination by preserving and enhancing the unique qualities of both rural areas and urban communities.
- Objectives:** Promote visitor opportunities that complement the long-term commercial significance of natural resource and critical areas or rural lifestyles of Skagit County residents.
Offer opportunities for both isolated and more active visitor experiences.
Build on the county's locational advantages for visitor services by encouraging lodging, retail and transportation services at a clustered location.
Develop major attractions (such as a convention center or resort) which would enable Skagit County to capture destination as well as pass-through visitor traffic.
Consider creating a countywide visitor bureau.
As consistent with state statute, consider master planned resorts outside of urban growth areas on a conditional use basis provided that: a) urban or suburban development is precluded in the vicinity of the master planned resort; b) the county finds that the land is better suited and has more long-term importance for

the resort than for agricultural or forest use; c) the resort plan is consistent with critical lands regulations; and d) both on-site and off-site infrastructure impacts are fully mitigated.

Completed projects that will increase the county's appeal to visitors – the Mount Vernon "Gateway" project, the multi-modal transportation hub in Mount Vernon, renovation of the Lincoln Theatre, a County Bicycling Map, McIntyre Hall (Skagit County Performing Arts and Convention Center), and the Edgewater Park performance venue.

Policies: Skagit County shall support efforts to develop, refurbish and maintain scenic open space, cultural and heritage resources that are attractive to both local residents and visitors.

Skagit County shall support local jurisdiction efforts to improve and market visitor services.

Visitor facilities shall be sited at locations that can be served with necessary public infrastructure and which are compatible with neighboring uses.

Plans for rural area visitor facilities and services shall be coordinated with applicable local, state and federal agencies.

Human Services

Goal: Provide a full range of human and social services necessary to encourage a strong local economy.

Objectives: Encourage development of human and social service facilities that create job opportunities, meet community needs and maintain Skagit County's quality of life.

Improve access to social services for local communities in Skagit County.

Provide sufficient sites to meet demand for human and social services through the duration of the comprehensive plan.

Policies: Support development and maintenance of human and social service facilities including but not limited to health care, education, transportation and other services for special needs populations.

In cooperation with local jurisdictions, Skagit County shall provide suitable and potentially suitable public use and other sites sufficient to meet demand for human and social service facilities through the duration of the comprehensive plan.

In cooperation with local jurisdictions and pertinent state and federal agencies, Skagit County shall encourage improved access to social services at locations proximate to populations being served and to adequate transportation services including public transit.

Conservation & Economic Development

Goal: Encourage economic development that conserves natural resources and open spaces, protects environmental quality and enhances Skagit County's overall quality of life.

Objectives: Identify land use policies that conserve resource lands utilizing innovative techniques including mitigation and enhancement of critical areas such as wetlands.

Protect as feasible major existing development from flood threats, and limit future development in designated floodplain areas.

Encourage development of commercially and environmentally viable recycling businesses.

Establish criteria and checklists to address development/environmental conflicts by consulting participants who represent diverse interests and viewpoints.

Policies: Skagit County shall encourage commercial and industrial developments which utilize innovative and experimental applications and demonstrate an ability to conserve natural resources and protect or enhance environmental quality.

Skagit County should encourage clean-up, re-use and redevelopment of vacant or underutilized industrial sites. Where continued industrial use is no longer viable, redesignation to another land use shall be made.

In cooperation with applicable state and federal agencies, Skagit County shall develop and implement flood protection programs, particularly to protect existing developed uses. Future development in designated floodplain areas shall be limited if flood protection programs are not available.

Skagit County shall establish mediation and problem solving programs to address project-related or area-wide conflicts between development and environmental objectives. These programs shall involve participants representing a diversity of affected interests and viewpoints. Common Ground: A Center for Conflict Resolution shall be used as a Dispute Resolution Center as is appropriate.

Use created wetland resources for stormwater and wastewater treatment, if environmentally acceptable and financially feasible.

Encourage low-impact development and green buildings.

Transportation & Economic Development

Goal: Provide, maintain and encourage a transportation system that is adequate to attract and accommodate economic growth.

Objectives: Encourage the Washington State Ferry System to increase ferry services to the San Juan Islands in order to increase commerce and tourist trades in and through Skagit County.

Support and encourage enhancements of the Deception Pass Bridge in order to continue encouraging commerce with and from Whidbey Island, at the same time encouraging tourism activity in Skagit County.

Support the Port of Anacortes in its efforts to more fully utilize the Port's deep draft marine terminal for trade, commerce and related economic development.

Strive to keep Highway 20 open to eastern Washington throughout the year in order to stimulate the economy of the economically distressed upper Skagit Basin.

Support the Port of Skagit County in attracting and supporting business and corporate air service into Skagit Regional Airport.

Improve freight mobility to eastern Skagit County industrial sites and natural resource areas by diverting some local traffic from SR 20 through Sedro-Woolley to mitigate projected increased congestion. (See Decision under Visitor Services).

Support and encourage use of train to and from Mount Vernon.

Support the Port of Skagit County in securing a stop light on Highway 20 and Higgins Airport Way to allow for truck traffic to enter Highway 20 eastbound.

Policies: Skagit County shall develop and coordinate programs and implement projects to affect combined objectives of transportation and economic development.

Business & Investment Climate

Goal: Foster a public-private cooperative partnership involving Skagit County, local cities, tribal governments, state and federal agencies that is supportive of diverse business operations and investments throughout Skagit County.

Objectives: Provide the public services and public facilities necessary to support a high quality of life and attract business investment.

Develop a long-term program that effectively builds local capacity for sustained economic development.

Provide planning flexibility that will be responsive to unforeseen or changing economic conditions and community expectations.

Review land use and permitting procedures to assure that regulatory processes are understandable, predictable and can be accomplished within reasonable time periods in a manner that meets or exceeds state statutory requirements.

Encourage business investment as a means to provide job opportunities for Skagit County residents.

Maintain a balanced tax system that is competitive for business and residential investment.

Develop and maintain accurate inventories of suitable land available for residential, industrial, commercial, public facility and agricultural uses.

Encourage economic development that creates a net positive fiscal impact for Skagit County and local communities.

Resolve UGA annexation issues in a timely manner, so that a minimal number of jurisdictions are involved in land use decisions.

Policies: Skagit County shall establish a program for review of land use and permitting processes involving participation from business, environmental, community and other affected interests; recommendations for procedural changes shall be made at least every five years through the duration of the comprehensive plan.

Countywide benchmarks or indices for comparing actual with projected growth rates and for measuring progress towards plan goals and objectives will be applied at the time of Comprehensive Plan review at least every five years.

Jurisdictions in Skagit County shall regularly update inventories of land utilization, land demand and suitable available properties for residential, industrial, commercial, public facility and agricultural uses.

B. ECONOMIC & DEVELOPMENT PRIORITIES

The following eight statements of priorities for action were generated through the public process that created the county's OEDPs in 1994/95 and 2000, and by the committee advising the 2003 CEDS. They serve as principles to link the assessment of economic potentials and resulting goals and objectives with the formulation of a project-specific implementation plan:

1. Growth and development will adhere to Growth Management Act mandates.

Rather than viewing GMA as an impediment to business activity and job generation, Skagit County seeks to capitalize on opportunities for integrating economic, environmental and quality of life values. The importance of this approach is underscored by the goal to, "Encourage economic development that conserves natural resources and open spaces, protects environmental quality and enhances Skagit County's overall quality of life."

2. Balance economic and environmental values through coordinated multi-jurisdictional leadership.

To a greater degree than most western Washington counties on the heavily populated Interstate 5 corridor, Skagit County is faced with difficult trade-offs and choices between agricultural and open space protection versus urban growth, and between pressures for industrial and commercial development versus wetland and floodplain preservation.

The constraints on environmentally sensitive lands make it difficult to provide suitable *ready-to-build* sites for industrial and commercial use and resulting employment growth to serve the county's population in both rural and urbanized areas of Skagit County.

3. Provide appropriate infrastructure that projected population and employment growth will require.

The majority of the projects identified by local governments and economic development organizations are for infrastructure improvements, i.e. roads, water, sanitary and storm sewer. The 1996 inventory of vacant/underutilized industrial and commercial lands indicates that acreage currently served by all utilities is well below what will be needed over the twenty year planning period.

4. *Encourage business development adequate to provide family-wage jobs for Skagit County residents.*

Since the 1950s, Skagit County has been an economy in transition, moving from historic reliance on natural resource commodities to value-added industries and more diverse non-resource based industries. As forest products, fisheries and agriculture are no longer sources of significant employment growth, multiple pressures of habitat protection, urbanization and technological advance threaten the continued viability of these industries.

Without offsetting employment generated in non-traditional value-added products or more diverse industry, Skagit County will continue to experience relatively high levels of unemployment. It will remain difficult to generate new jobs at a pace commensurate with population growth.

5. *Build and maintain working partnerships between public, private and community interests.*

A partnership involving local jurisdictions, Skagit County, tribal governments, economic development organizations, business and citizen interests has resulted in the formation of the Citizens Advisory Committee for economic development. The CAC has truly been a *grass roots* citizen-driven planning effort, with no preconceived outcomes.

This partnership is being tested in Skagit County as elsewhere in Washington by the multiple objectives of the growth management planning process. However, the intent of all parties is to maintain a CAC advisory function for economic development – addressing both OEDP and growth management functions – on an ongoing basis.

6. *Attract high technology investment to Skagit County.*

This priority recognizes the transforming role that high-tech firms have played in the economy of the Central Puget Sound (Seattle) metro area since 1994. Also recognized is the continuing need to diversify Skagit County's economy away from its traditional reliance on natural resource based industry.

A complete high-tech strategy is beyond the scope of this CEDS, but the CEDS represents an important next step for possible program implementation. An outline of elements important for successful cultivation of this sector should be developed and is likely to include:

- Identification of suitable, campus-oriented, quality business and flex-space industrial parks – with land available for sale-lease and ready-to-occupy buildings available for lease to smaller tenants.
- Workforce including customized training – at the K-12, community college and higher education level (including both satellite/telecommunications and employer-arranged courses offered from Skagit County – including retraining of the currently unemployed workforce to fill requirements of these jobs).
- Proximity to housing matched to the diversity of a company's workforce – ranging from affordable housing for entry-level workers to premium subdivisions for engineering and managerial professionals.
- Assurance of adequate infrastructure – for water, sewer, storm water, with particular focus on high quality power and cutting edge telecommunications including fiber-optic cable.

- Ability to address special needs of individual employers – including assistance for spousal employment, and child and health care.
- Addressing implications to attract high-tech industries such as pressures on property values, affordable housing, agricultural land, and natural resource industries.
- Encouragement of local home-grown business startups, retention and expansion.

7. *Develop arts and entertainment suitable to attract spouses of professionals relocating to Skagit County (i.e., medical personnel and high-tech employees).*

A growing interest in an environment of increasing numbers of highly trained professionals is the “trailing spouse syndrome.” It is becoming more and more important to provide opportunities and activities for the spouse of newly recruited professionals, many of whom will be equally well trained. Recent strides towards this priority are listed in this report’s Tourism overview (Background Section, General Economic Indicators).

8. *Deployment of a regional high-speed fiber network designed to create economic vitality and quality employment center.*

The region needs to promote the development of high-tech solutions, in order to promote economic advantages to the local economy. A high-speed fiber network will provide Skagit County with the competitive advantage necessary to maintain strong schools and to provide necessary health care resources and responsive governments, as well as to provide competitive options for economic growth. County entities will need to work cooperatively to create access to fiber optic networks that provide access to cost reducing services, which in turn provide greater speed, higher carrying capacity and greater security. These services are essential in meeting the county’s economic objectives of attracting prime employers and streamlining costs so that existing enterprises can both survive and expand. Every effort should be made community-wide to support public and private investment in these advancements.

III. DEVELOPMENT STRATEGY

Skagit County's *development strategy* links the assessment of local economic potentials, goals and objectives with resulting programs, activities and projects described by the *implementation plan*. The development strategy also is an overall guide to future actions, recognizing that specific projects in the implementation plan may change on an annual basis in response to changing needs or opportunities

This development strategy represents a multi-year course of action for economic development and diversification activities in Skagit County. This *countywide* development strategy also reflects a continuing planning process, which reflects a balance of governmental jurisdiction, private business and citizen interests.

It is emphasized that this development strategy sets a multi-year course of action for meeting stated economic development goals and objectives as well as countywide planning policies. Growth and development occur in incremental steps, and there are only limited public and private resources to address economic needs and opportunities throughout Skagit County. Consequently, implementation of this strategy by governmental jurisdictions, the Skagit Council of Governments, EDASC, and private and community interests will also occur incrementally.

A. FULL PROJECT IMPLEMENTATION SCHEDULE

A total of 222 economic development project proposals are included in this report. This is up from 39 projects reported in the 1994 OEDP and 110 with the 2000 update.

Project priorities indicated on the implementation plan are as submitted by the project sponsor without further prioritization by the Citizens Advisory Committee (also the OEDP Committee). All projects in this listing may be forwarded for further consideration by the U.S. Economic Development Administration (EDA), the Washington Community Economic Revitalization Team (WA-CERT) and other appropriate funding entities.

The OEDP Committee is prepared to work in cooperation with EDA, WA-CERT, local jurisdictions, and other funding entities in providing further information to advance the following recommended implementation plan projects.

Projects submitted have been organized by sponsoring organization. For each project, the following information is provided:

- Name of project
- Economic development goal(s) addressed*
- Location
- Project description and benefits
- Priority – immediate, mid-term or long-term
- Estimated cost
- Potential funding sources

* Note: Coding used for goals addressed are: **Jobs** – Employment; **BusDev** – Business Development; **Coml** – Commercial Activity; **Visits** – Visitor Services; **Human** – Human Services; **Conserve** – Conservation & Economic Development; **Transport** – Transportation & Economic Development; **BusClimate** – Business & Investment Climate.

Figure 23. Skagit County Comprehensive Economic Development Strategy Implementation Plan (through April 2003)

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Skagit County						
Three-Bridge Corridor Project	Conserv BusDev	Skagit County	Flood Protection and Infrastructure Enhancement	Mid-term (2004-2005)		Federal, State, Burlington Northern Santa Fe, and Local
Flood Protection/Salmon Restoration Project	Conserv BusDev	Skagit County	Flood Protection and Salmon Restoration	Mid-term (2004-2005)	Feasibility \$8,345,000; design/construction \$221,000,000	Federal, State & Local
Northern State Complex Development	Conserv BusDev	Old Northern State Hospital Site	Recreation, Education, Environmental Restoration, Transportation, and Economic Development	Mid-term (2004-2005)	Phase 1: (Road, Hansen Creek Environmental, Utilities/Infrastructure/Ball field Complex) \$15,000,000 Phase 2: Continued development; cost to be determined	Federal, State, Local and Private
Josh Wilson Road	BusDev	Higgins Airport Way to Farm to Market Rd: MP 3.867 to MP 4.880	Grading, drainage, widening, resurfacing	Long-term (2006-2008)	\$920,000	State, Local
Peterson Road Improvements	BusDev	EZ Rd. to Higgins Airport Way – MP 2.236 to MP 3.33	Grading, widening, paving & sidewalks	Mid-term (2004-2005)	\$2,500,000	State, Local
Skagit County joint sponsorship projects						
South Bayview UGA Sewer Extension and McFarland Road Extension	BusDev	Burlington, WA	Install sewer main along Burlington Northern RR from Lignotech property east to pump station to be constructed opposite Bradshaw Road and improve McFarland Road for Farm-to-Market to Fredonia Grange.		\$1,946,168	Public Facility Grant Funds, Norm Dahlstedt \$50,000; G & D Wallace and Jack Wallace \$150,000 for sewer and \$200,000 for road

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
WSU Mount Vernon Research and Extension Unit Revitalization Project	BusDev Jobs	Mount Vernon, WA	To replace the obsolete campus building with a new office and laboratory structure.		\$5,000,000	Public Facility Grant Funds, \$500,000, U.S. Dept. of Housing, \$1,000,000 WSU \$3,000,000 private funding, \$100,000 from Osberg donation to SPF
Skagit County Public Utilities District No. 1						
Marblemount Public Water System	BusDev	Marblemount, WA	Domestic water facility to serve the community of Marblemount. Project would provide an approved source of water to local businesses serving water and/or prepared food to the public.		\$798,700	Public Facility Grant Funds, DOH \$10,000; eligible for USDA loan \$188,700
Water System Improvements	BusDev	Bullerville Water District	Construct a replacement water system for the Skagit River Resort at Bullerville, including a new groundwater well, a new storage reservoir, and a distribution pipeline to connect them to the lodgings, restaurant, and other adjacent facilities.		\$360,000	Public Facility Grant Funds, Clark's Cabins
Similk Beach Sewer System	Conserv BusDev Jobs	Similk Beach LAMIRD, Fidalgo Island	Will provide a community sewage collection and treatment system to properties in the Similk Beach LAMIRD. This will correct the problem of failing septic tanks in the area, which have caused closure of shellfish activities in the adjacent Similk Bay and measurement of high amounts of fecal coliform bacteria in the area's drainage ditches.	Mid-term	\$4,500,000	Local, STAG, USDA

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Fiber Optics Infrastructure	BusDev	County-wide	Extend high capacity fiber optic communication infrastructure to the major urban areas of Skagit County. The infrastructure would provide an open access network that would allow telecommunication service retail providers to sell broadband services and meet economic development needs within Skagit County.	Immediate	\$5,000,000	Local, County, State, Federal
Anacortes WTP Transmission Line Intertie	BusDev	Riverbend Road, Mount Vernon	Provide emergency back-up to both Anacortes and PUD water customers by installing a high-pressure transmission line connection between the PUD transmission line and Anacortes WTP on Riverbend Road	Long-term	\$3,000,000	Local, State, County, Federal
Skagit River Pumping Station	BusDev	Along south Skagit Highway near Sedro-Woolley.	Provide additional source water to the existing Judy Reservoir Impoundment & Water Treatment Plant from the Skagit River at times when sufficient water is not available from the PUD's existing stream diversions.	Immediate	\$8,000,000	Local
Judy Reservoir Water Treatment Plant Expansion	BusDev	Judy Reservoir, East of Clear Lake	Project will increase the capacity of the existing Water Treatment Plant at Judy Reservoir, optimizing existing in-plant capacity and providing water.	Immediate	\$10,000,000	Local, DWSRF, PWTF
Judy Reservoir Water Treatment Plant Upgrade	BusDev	Judy Reservoir, East of Clear Lake	Project will allow the District to meet Phase II of the Safe Drinking Water Act Disinfection By-Products Rule requirements.	Long-term	\$5,000,000	EPA/Local
Raise Judy Reservoir Impoundment	BusDev	Judy Reservoir, east of Clear Lake	This project will increase the storage capacity of the Judy Reservoir raw water impoundment from 1 billion to 1.5 billion gallons.	Immediate-Under Construction	\$4,500,000	Local

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Conway Storage Reservoir	BusDev	Conway Area	Project will provide additional standby & fire storage to the Conway area.	Mid-term	\$600,000	Local
East Division Street Storage Reservoir #2	BusDev	Division at Digby, Mount Vernon	Project will provide additional standby & fire storage to lower hill area in Mount Vernon.	Mid-Term	\$3,000,000	Local
Transmission Line, Sedro-Woolley to Burlington	BusDev	Corridor between RR & SR 20 from Sedro-Woolley to Burlington	Project will provide high pressure water service to Burlington and areas north & west, accommodating growth/commercial requirements.	Long-term	\$3,000,000	Local, State
Skagit River Bridge Crossing	BusDev	Riverside Bridge across the Skagit River	Replace the waterline on the existing bridge with a waterline on the new bridge, plus improvements at/near approaches.	Under construction	\$1,200,000	Federal, State, Local, Grants
Mount Vernon Transmission Line	BusDev	From Judy Reservoir to Mount Vernon	Project will provide increased water transmission line capacity from Judy Reservoir to Mount Vernon and adjacent areas, as well the potential to serve high pressure emergency service to Anacortes.	Immediate	\$10,000,000	Local, DWSRF, PWTF
Water Improvements for Dodge Valley Road	BusDev	La Conner	Run water line to a processing plant	Under construction	\$340,000	Public Facility Grant Funds, PUD & User Fees
Bay View Ridge Storage Reservoir	BusDev	North of Josh Wilson Road on Bay View Ridge	This project will provide over 3 million gallons of standby and fires storage for the PUD's residential and commercial/industrial customers in the Burlington/county UGA, Bay View Rural Village and adjacent rural areas.	Immediate-Under Construction	\$2,000,000	Local
Fidalgo Heights Reservoir	BusDev	Fidalgo Island, south of SR 20	This project will provide standby and fire storage to PUD customers on south Fidalgo Island, replacing a smaller aging reservoir.	Immediate-Under Construction	\$600,000	Local

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Skagit County Council of Governments						
Recapitalize Revolving Loan Fund	Jobs BusDev	Countywide	Funds to loan industrial businesses, tied to job retention and creation.	Immediate	\$500,000	EDA
Business Incubators	Jobs BusDev	TBD	Incubators in wood products, food processing and environmental industry areas. Benefits include job creation and business development.	Mid-term	\$750,000	EDA/CERB/ Local/Private
Rail Spur	Transport BusDev	Bayview	Extend rail to industrial park. Benefits include job creation and business development.	Mid-term	\$1,000,000	EDA/CERB/ Local match
Hamilton Water System	BusDev	Hamilton	Water system upgrade essential for industrial project	Immediate	\$1.5 - \$2 million	Federal/State/ Local
Agriculture CA/Cold Storage	Jobs BusDev		Controlled atmosphere and cold storage for agriculture products, primarily apples	Immediate	\$500,000 - \$1 million	Federal/State/ Local
Agricultural Marketing Plan	BusDev	Countywide	Skagit valley agricultural marketing plan feasibility study	Immediate	\$100,000	Federal/State/ Local
Agricultural Marketing Position (in conjunction with EDASC & Port of Skagit)	BusDev	Mount Vernon	Creates position at the EDASC to assist Skagit agriculture producers raise the market recognition of the county's products, identify market opportunities, seek growers to serve markets, and secure financial and other resources to enable growers to more effectively compete.	Short-term	\$200,000/year	USDA, Skagit County, Port of Skagit, producer contributions
Agricultural Processing Incubator	BusDev	Skagit County	Skagit County agricultural processing incubator planning and feasibility study	Immediate	\$1 - \$5 million	Federal/State/ Local
Port of Skagit County						
La Conner Marina Haul Out Pier	Transport BusDev	La Conner	Haul out pier will allow for the launching of larger boats and facilitate new jobs to create larger boats.	Immediate	\$950,000	Federal, State, Port

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Highway 20 & Higgins Airport Way stoplight	Transport BusDev	Bayview Business & Industrial Park	The stoplight will allow for trucks leaving the business park to enter Highway 20 eastbound.	Immediate	\$1,000,000	Federal, State, Local
City of Anacortes						
Anacortes Multi-modal Facility	Transport Visits	Anacortes State Ferry Terminal	Enhancing regional tourism	Near-Term	\$80,000,000	Federal, state, local
March Point Sewer Phase II	BusDev	Fidalgo Island, adjacent to city limits	Transmission lines/pump stations for Similk, Stevenson, Christiansen, Thompson Roads	Mid-Term	\$800,000	EDA,CERB,DOE Property owners
Industrial Access Corridor	Transport BusDev	22 nd Street/Q Avenue	Traffic signal	Mid-Term	\$80,000	State, county
Plywood Mill Clean-up & Redevelopment	Conserv BusDev Jobs	34 th & V Street	Clean-up & redevelopment of 10 acres	Long-term	\$2,000,000	EPA,DOE,CTED
Archway Project	BusDev	Coml Visits	Construction of archway at entrance of Central Business District		\$110,000	Public Facility Grant Funds, City of Anacortes, Chamber of Commerce, private business owners
Port of Anacortes						
West Basin Redevelopment	BusDev Transport BusClimate Jobs	Cap Sante Boat Haven 11 th St.. & Q Ave.	In-water & upland improvements at the West Basin which include dredging, replacement of Docks C-F, relocation of the fuel float and travel lift, upland surveying, reconfiguration of the upland improvements, refurbish the commercial loading dock, small craft launch facility, and integration of a new pumpout float system.	Immediate (in progress)	\$12,456,000	Port Funds, IAC, WA State Parks & Recreation, CERB

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
South Basin Environmental Clean-up	Conserv	Seafarers' Way & Q Ave.	Environmental cleanup of the South Basin Property that is defined in the Consent Decree with Department of Ecology which will prepare the property for development.	Immediate (in progress)	\$1,330,000	Port funds, Department of Ecology
Pier I Redevelopment	BusDev BusClimate	Port property east of Commercial Ave., adjacent to Guemes Channel	The environmental review and project permits to modernize and upgrade portions of Pier I, including the area occupied by the Port's tenant Dakota Creek Industries. This will increase the capacity, flexibility, and operational efficiency of shipyard and water-dependent Port uses on this property.	Immediate (in progress)	\$2,442,000	Port funds, Department of Ecology, CERB, Skagit County Public Facility funding
Pier I Dredging	BusDev BusClimate	1 st Street & Commercial Ave.	Permitting, dredging, and disposal of harbor area at Pier I. This project would expand the Port's berthing capacity at this facility.	Mid-term	\$325,000	Port funds, CERB, Skagit County Public Facility funding
Pier II AKART Stormwater Improvements	BusDev BusClimate	Peir II facility Off 4 th St. & T Ave.	Stormwater improvements at Pier II which will enable the Port to continue the efficient and compliant operation of the facility.	Immediate	\$400,000	Port funds, private, Skagit County Public Facility funding
Debarker Improvement	BusDev BusClimate	Log yard at Pier II Facility off of 4 th St. & T Ave.	Equipment improvements to the log debarker which will enable the Port to continue competitive and efficient log handling operations at the Pier II facility.	Mid-term	\$60,000	Port funds, Skagit County Public Facility funding
Curtis Wharf Dredging	BusDev BusClimate	O Ave. & 1 st St.	Dredging and disposal of harbor area at Curtis Wharf. This project would expand the Port's berthing capacity at this facility.	Mid-term (permitted)	\$350,000	Port funds, CERB, Skagit County Public Facility funding
City of Burlington						
North Burlington Boulevard Improvements	Transport	Avon to Chuckanut Drive	Widen and add sidewalks	Long-term (2007)	\$1,000,000	Grants, Street Funds, Federal

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Rio Vista Improvements	Transport	Anacortes Street to Gardner Road	New 40 foot wide street with curb, gutter and sidewalks and drainage	Immediate (2002-2003)	\$1,500,000	Grants, Street Funds
Gardner Road Improvements	Transport	SR 20 to Rio Vista Avenue	New 40 foot wide street with curb, gutter and sidewalks and drainage	Mid-term (2005-2006)	\$1,400,000	Grants Street Funds, Skagit County
Railroad Overpass @ Rio Vista	Transport	Along Rio Vista	Railroad overpass extended along Rio Vista several blocks in each direction	Long-term	\$4,000,000	Grants, Street Funds, Federal
Relocate Whitmarsh Road to top of dike	Transport	Railroad Bridge to Pulver Road	New 40 foot wide street with curb, gutter and sidewalks and drainage	Long-term	\$2,400,000	Street Funds, Grants
Spruce Street Bridge over Gages Slough	Transport	Spruce Street to Pease Road	New 40 foot wide street with curb, gutter and sidewalks and drainage	Long-term	\$3,500,000	Street Funds, Grants
Construct Walnut Street to Whitmarsh	Transport	Pease Road to Whitmarsh	New 40 foot wide street with curb, gutter and sidewalks and drainage	Long-term	\$1,400,000	Street Funds, Grants
Reconfigure and construct new SR 20-I-5 access on west side	Transport Coml	Peterson Road to Andis Road West of I-5	New and improved street system and limited access road with signals	Short-term (2003-2007)	\$6,000,000	Grants, State funds, Loans
Link new SR 20 access to exiting street system to south	Transport Coml	Andis Road to Fisher Lane/Bouslog Road	Street for traffic circulation in new commercial district	Short-term	\$1,500,000	Grants, Private contribution
Widen George Hopper bridge over I-5	Transport	Bridge over Interstate 5	Add one lane to George Hopper Bridge	Short-term (2004-2008)	\$4,500,000	Grants, State funds, Impact Fees
Storm Drainage Water Quality	Transport	Gages Slough & Drainage System	Implement storm water quality plan with various projects	Mid-term (2004-2007)	\$500,000	Utility Funds, Grants, Federal
Construct public restrooms Downtown	Human Visits	Fairhaven Avenue	Construct public restrooms and public plaza area	Short-term (2004-2005)	\$300,000	Utility Funds, Grants, Park Funds
New Public Library & City Hall	BusClimate	Existing City property	Construct new library and City Hall; could include remodel and addition to existing building	Mid-term (2005-2008)	\$6,000,000	City Capital Funds, Grant funds

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Cascade Mall to Gages Lake Trail system – Phase I	Conserve Visits	Cascade Mall to Gages Lake	Connect mall parking area to trail and path to lake; interpretive nature walk as part of Comprehensive Park Plan	Mid-term	\$150,000	IAC Grant, City of Burlington Park Capital funds
Acquire land and Construct lookout on top of Burlington Hill	Conserve Visits	Burlington Hill	Construct a public viewing area on the hill as part of Park Plan	Long-term	\$300,000	IAC Grant, City of Burlington Park Capital Funds
Improvements to Skagit River Park including trails and landscaping and golf driving range	Conserve Visits	East Side of Burlington	Develop 130-acre park along Skagit River for Outdoor Recreation	Mid-term	\$150,000	Loans, Park Capital Funds, grants
Town of Concrete						
Central Business District Water System Improvements	BusDev	Concrete	Domestic and industrial water facilities. Project would provide adequate water supply to downtown and industrial area.		\$3,650,200	Public Facility Grant Funds
Wastewater Facilities Upgrade	BusDev	Concrete	Rebuilt wastewater treatment facility		\$5,300,000	Public Facility Grant Funds, state, federal
Town of Lyman						
Construct public restroom in park and rebuild park building	Visits	Lyman park	This is the only park in Lyman and it is very rundown	Short-term	\$200,000	Grant, fund raising
Acquire 2 acres to expand cemetery	Visits	Lyman Cemetery	Provide land so that Park is not taken over for expanded cemetery	Short-term	\$100,000	Grant, fund raising
Safety Improvements on streets, highway	Visits Transport	Town of Lyman	Add crosswalks, sidewalks, slow down traffic on SR 20, caution lights	Short-term	\$15,000	Grant
City of La Conner						
Fiberoptics Business Incubator	BusDev			Mid-term	\$109,000	PFP

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Water system: Rainier Street Line Replacement	BusDev			Short-term	\$45,300	Town
Water system: Second Street connection	BusDev			Short-term	\$23,900	Town
Water system: Transfer isolation valve	BusDev			Short-term	\$10,500	Town
Water system: South 4 th St. Line Replacement	BusDev			Short-term	\$105,100	Town
Water system: South 2 nd St. Main Replacement	BusDev			Short-term	\$153,400	Town
Water system: North 4 th St. Line Replacement	BusDev			Short-term	\$40,300	Town
Transportation: Morris St. drainage & street improvements	Trans			Short-term	\$5,451,885	Town
Transportation: Caledonia half-street improvements	Trans			Short-term	\$50,000	County, town
Transportation: South 3 rd St. overlay & storm drainage improvements	Trans			Short-term	\$56,000	State, town
Transportation: North 3 rd St. overlay & sidewalks	Trans			Short-term	\$135,000	State, town
Transportation: N. 2 nd St. widening	Trans			Short-term	\$275,000	Town

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Transportation: 6 th St. overlay sidewalk & drainage	Trans			Short-term	\$273,000	Town
Transportation: Maple St. overlay	Trans			Short-term	\$65,000	Town
Transportation: North 4 th St. reconstruction, sidewalks & drainage	Trans			Short-term	\$681,000	State, town
Waterfront boardwalk	Trans			Mid-term	\$60,000	Federal, state, town
Benton St. stairs development	Trans			Mid-term	\$250,000	State, town
Overnight camping site development for Pioneer Park	Visits			Mid-term	TBA	State, town
Sherman St. boat launch improvements & expansion	Trans Visits			Mid-term	TBA	State, town
Jordan St. end park development	Visits			Mid-term	TBA	State, town
Greenbelt trails through undeveloped Right of Ways	Visits			Mid-term	TBA	Town
Multi-use recreational park	Visits			Mid-term	TBA	State, town

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
City of Mount Vernon						
G-03-01 Historic restoration of Lincoln Building	Coml Conserv	Downtown Mount Vernon	Restoration of National Registered historic site, safety issues require immediate attention.	Urgent	412,100	Lincoln Commercial Property fund Washington Heritage Grant (unfunded)
G-99-02 Public Works Facility	BusDev	Mount Vernon	Acquire minimum of 15 to 20 acres including buffer to construct shop complex for transportation, solid waste, equipment maintenance, park maintenance and some wastewater maintenance activities.	Immediate	5,500,000	Health & Sanitation Fund LTGO
IS-03-01 2 nd Street Overpass Fiber Relocation	BusDev	Downtown Mount Vernon/I-5	The overpass project will necessitate the relocation of the City fiber optic trunk line, Current Phone Lines and Fire and Police Opticom crossing I-5. This is the major trunk that serves 911, Shop, Police, Courts, Fire Admin and 911.	Immediate	60,000	General Tax Revenue WSDOT
IS-98-02 MV Regional Fiber Infrastructure Phase 3, 4, and 5	BusDev	Skagit County, Mount Vernon Sedro-Woolley, Port, Burlington	Move Fiber Infrastructure into West, North and South Mount Vernon continuing on into Burlington to Sedro Woolley to United General and to the Port of Skagit County.	Immediate	1,119,000	General Tax Revenues, Affiliated Health, Burlington, Grants/Donations (unfounded) Port of Skagit County, Sedro-Woolley, Skagit County
L-94-07 Construct new Library	Human	Mount Vernon	Construct a new Library with approximately 50,000 square feet outside the flood plain.	Mid-term	7,000,000	General Obligation bond
P-00-03 Edgewater Park Natural Restoration Area	Conserv Visits	West Mount Vernon	Restoration of habitat in the southern area at Edgewater Park. Consistent with Edgewater Park Master Plan.	Immediate	721,000	DNR/ALEA

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
P-02-01 Hillcrest Park Lower Restroom Renovation	Conserv Visits	Central Mount Vernon	Re-build lower restroom facilities in the lower park area of Hillcrest.	Immediate	110,000	General Tax Revenue Parks Capital Improvements Fund
P-03-01 Bakerview House Renovation	Conserv Visits	Fir & Bakerview Park	Renovation of existing house for ADA access, group meeting place, rental facility for public use. Building of ramp, rails and restroom remodel (first floor). The parking lot will need to be upgraded and enlarged.	Immediate	50,000	General Tax Revenue Parks Capital Improvements Fund, REET I
P-03-02 Neighborhood Park Development 18 th Street Park	Conserv Visits	18 th Street	Build a neighborhood park. Playground, walking trails, basketball court, drinking fountain, small restroom facility and parking lot and other park amenities. Enhance the community garden project all ready in existence	Immediate	560,000	General Tax Revenue Parks Capital Improvements Fund, Impact Fees, IAC Park Development (unfounded)
P-01-03 Construction of Trail system	Conserv Visits	Citywide Mount Vernon	Development of an extensive trail system totaling approximately 3 miles of trail integrated into a planned wetland mitigation bank/park that will be constructed on approximately 250 acres of land adjacent to the Skagit River.	Immediate	1,513,600	Impact Fees, IAC Park Development (Unfunded), Donations/Contributions
P-02-04 Little Mountain Trailhead	Conserv Visits	East Mount Vernon	After the acquisition of Hamburg/Duffy Property. Create small trailhead parking area to access the trails on the north side of Little Mountain.	Mid-Term	120,000	Little Mountain Improvement Fund, Impact Fees

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
P-03-03 Riverwalk Dike Trail	Visits Conserv	Downtown Mount Vernon	Creation of a community waterfront recreation facility consisting of a lighted trail along the Skagit River for waterfront enjoyment, access road for dike maintenance and providing exercise equipment.	Immediate	38,000	State Economic Enhancement Funding (unfunded) ALEA (Unfunded) National Health&Fitness funding (unfunded)
P-94-01 Bakerview Park – completion	Visits Conserv	East Mount Vernon	Completion of Bakerview Park; sidewalks; trail and path system along park boundaries; group picnic gazebo and additional rental facilities. The parking lot needs to be re-sealed and striping needs to be added for organized parking.	Mid-term	200,000	Parks Capital Improvement fund, Impact Fees, Grants/Donations (unfunded)
P-94-03 River Front Trail (Ted Reep Park)	Visits Conserv	North Mount Vernon	Development of an extensive trail system totaling approximately 3 miles of trail integrated into a planned wetland mitigation bank/park that will be constructed on approximately 250 acres of land adjacent to the Skagit River.	Mid-term	160,000	General Tax Revenues Park & Trail Fund Impact Fees
P-94-04 Neighborhood Park – Edgewater	Visits Conserv	West Mount Vernon	Develop 7 acre neighborhood park with children's play area, grass play areas, picnic tables and nature trails. This CIP was previously listed as an unidentified park location. The acquisition of property north of the existing Edgewater Park will qualify	Immediate	471,300	REET I, Impact Fees, Park Development (unfunded) Donations/Contributions
P-94-05 Neighborhood Park	Visits Conserv		Develop 3-5 acre neighborhood park with children's play area, grass play areas, picnic tables and nature trails.	Mid-Term	440,000	Impact Fees, Park Capital Improvements Fund

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
P-94-06 Community Park – Higgins Property	Visits Conserv	East Mount Vernon	Develop 15-20 acre park with passive fields, picnic shelters, restrooms, parking, trails, open space, picking and a splash park etc. Location for community center/library.	Mid-Term	2,227,000	General Tax Revenues, Impact Fees, Parks Capital Improvements Fund, Grants/Donations (Unfunded)
P-94-07 Open Space Acquisition	Conserv		Develop system of open space along major creeks, wetlands, steep slopes and wildlife habitat to buffer uses and help identify neighborhoods of the City. Provide for a buffer between neighborhoods as well.	Immediate	150,000	Path & Trail Fund, Impact Fees, Grants/Donations (unfunded)
S-03-01 Wastewater Utility – Collection Maintenance – Facility Improvements	BusDev	Mount Vernon	Site and building improvements for the Collection Maintenance Facility (Formerly Ackermann Electric building) including fencing, vehicle gate, building paint, building insulation, connection to public sewer, paving, ADA modifications,	Mid-Term	30,000	Sewer Capital Reserve
S-02-04 Wastewater Plant Upgrade Year 2009	BusDev	Mount Vernon	Engineering and design of a Selector Basin, Aeration Basin, Secondary Clarifier, DAF Thickener, and Anaerobic Digester. Construction is scheduled to begin in 2009.	Mid-Term	7,000,000	Sewer Capital Reserve, Public Works Trust Fund
S-00-01 WWTP Upgrade	BusDev	Citywide	Upgrade WWTP to comply with regulatory requirements and provide capacity consistent with flow and loading projections. Major elements include: increase influent flow capacity, add primary clarifier with pre-treatment with fine screening, activated basin.	Mid-Term	13,240,000	Wastewater Utility Fund, Sewer Capital Reserve, Public works Trust Fund

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
S-00-04 Park Street Pump Station – Emergency Discharge	BusDev	Park Street	Design and construct a discharge for the Park Street Station emergency pump.	Immediate	30,000	Sewer Capital Reserve
S-00-05 Sewer System Odor Control	BusDev	South Mount Vernon	Install bioxide odor control system at Maple Lane, College Way, and Alderlane sanitary sewer pump stations.	Immediate	30,000	Sewer Capital Reserve
S-00-06 Francis Rd Sanitary Pump Station	BusDev	North Mount Vernon	Pump station to serve growth in the Francis Road UGA.	Immediate	250,000	Sewer Facilities Expansion Fund, Developer
S-00-08 Belt Press Drain System	BusDev	Mount Vernon	Pump system for belt press filtrate.	Immediate	30,000	Sewer Capital Reserve
S-00-01 WWTP Outfall Upgrade	BusDev	Mount Vernon	Upgrade WWTP to comply with regulatory requirements and provide capacity consistent with flow and loading projections. Major elements include: increase influent flow capacity, add primary clarifier with pre-treatment with fine screening, activated basin	Immediate	1,100,00	Sewer Capital Reserve Public Works Trust Fund
S-02-01 Blackburn Rd Interceptor Sewer	BusDev	Blackburn Rd	Construct approximately 3,400 LF of sewer along Blackburn Road from S. 20th to 700 ft east of Little Mountain Road, and approximately 350 ft south on S. 20th to Aemmer St. This interceptor is an eastward extension of an existing interceptor that ends at Aerator.	Immediate	350,000	Sewer Facilities Expansion fund
S-02-05 Highland Street Sewer Improvement	BusDev	Highland St	Construct 1500 feet of 18 inch sewer pipe. Other routes are being considered (Fulton Street, Lawrence Street).	Immediate	150,000	Sewer Capital Reserve
S-02-06 N 4 th Sewer Improvement	BusDev	North 4 th	Replace 400 feet of failing sewer with 24 inch pipe.	Immediate	40,000	Sewer Capital Reserve

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
S-02-07 Alley South of Fulton Sewer Improvements	BusDev	Fulton St.	Replace 500 feet of combined sewer with 12 inch pipe.	Immediate	50,000	Sewer Capital Reserve
S-02-08 North 1 st Server Improvements	BusDev	N 1 st St	Construct 1200 feet of 24 inch combined sewer pipe.	Immediate	120,000	Sewer Capital Reserve
S-02-09 Sewer Comprehensive Plan Sewer Repairs	BusDev	Mount Vernon	Covers major sewer improvement projects included in the Sewer Comprehensive Plan. The annual cost represents \$3.75 million of improvements over a 15 year period.	Immediate	1,750,000	Sewer Capital Reserve
S-02-11 2 nd Street Sewer Improvements	BusDev	2 nd Street	Repair and replace 1200 feet of combined sewer.	Mid-tern	120,000	Sewer Capital Reserve
S-02-12 Sewer Extensions to Non-sewered parcels	BusDev	Mount Vernon	Extend sewer service to that currently don't have sewer service available.	Immediate	390,000	Sewer Capital Reserve
S-02-13 College Way Pump Station Relocation	BusDev	College Way	Build a new pump station facility away from the State Highway ROW. This project will include land acquisition, construction of a utility building, piping, ground vaults, mechanical, and electrical.	Immediate	370,000	Sewer Facilities Expansion fund
S-94-04 College Way force Main – Bike Trail – East of 26 th St	BusDev Trans	College Way & 26 th St	Construction of force mains for the College Way Pump Station from its location near Monte Vista Drive and College Way to 26th Street and Kulshan Avenue. Included is construction of the Kulshan Bike Trail and sewer access maintenance road.	Immediate	2,032,000	Sewer Facilities Expansion Fund, Sewer Capital Reserve, Sewer Facilities Expansion fund

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
S-94-08 I-5 Sewer Crossing Repair	BusDev	I-5	Identify options, complete design, and construct/repair sewer lines crossing beneath Interstate 5. The 2003 work will be coordinated with planned I-5 improvements at 2nd Street overpass.	Immediate	750,000	Sewer Repair Replace Sewer Capital Reserve
S-97-01 East College Way Interceptor	BusDev	College Way	Phase 1: Construction 700 ft., of 24-inch gravity sewer between existing Pump Station and new Pump Station Located at Horton Lane. Phase 2: Construct a 3000 ft., 24-inch sewer interceptor pipe - extending east from the existing Pump Station.	Immediate	661,000	Sewer Facilities Expansion fund
S-97-02 Flow Monitoring Manholes	BusDev	Mount Vernon	Install a flow measuring flume in existing manhole.	Mid-term	70,000	Sewer Capital Reserve
S-97-15 South SRVC- Blodgett Rd East	BusDev	South Mount Vernon	Construct 1400 feet of 15-inch sewer, and 5800 feet of 12-inch sewer, and 1400' of 8-inch sewer. Project scope is based on RW Beck 5/15/96, letter report concerning the extension of sewer service to South Mount Vernon, reference items C1-C4.	Mid-Term	896,000	Developer
S-97-16 South SRVC Hickox Rd	BusDev	South Mount Vernon	Construct 4200 feet of 8-inch gravity, this will cross beneath I-5 in alignment with Hickox Road.	Mid-term	594,000	Developer
S-97-28 Kulshan Creek Sewer Repair	BusDev	Kulshan	Repair or replace approximately 650' of sewer pipe. The method of repair or restoration of this pipe has not been determined (10/28/96). The cost estimate is based on replacing 650' of pipe at \$90.00/ft	Immediate	59,000	Sewer Repair/Replace

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
S-97-31 N. 1 st St between Lawrence to Highland Sewer	BusDev	North First	Repair or replace 350' of sewer pipe. The method of repair has not been identified.	Immediate	32,000	Sewer Repair/Replace
S-97-33 North 8 th St	BusDev	North 8 th	Construct 1500 feet of 18 inch combined sewer. system to prevent sewer surcharging during extreme rain events. This project may be dependent on Lawrence Street and N. First Street sewer repairs.	Immediate	206,000	Sewer Repair/Replace
S-97-35 W Mount Vernon Sewer Extension	BusDev	West Mount Vernon	Based on preliminary review, construction of approximately 6,000' of gravity sewer, 3000' feet of force main, and at least one pump station would be required to serve this area. There may be potential for phasing this project.	Mid-Term	1,750,000	Developer
S-99-01 Wastewater Utility Land Acquisitions	BusDev	Mount Vernon	Purchase properties in the vicinity of the wastewater treatment facility.	Immediate	2,366,000	Sewer Capital Reserve
T-02-25 Cleveland Connection Blackburn to Gunn	Trans	Cleveland & Blackburn	Repair, reconstruct, or resurface local streets.	Immediate	250,000	Developer
T-02-26 College Way I-5 Improvements Feasibility Study	Trans	College Way	Preliminary Design and feasibility study to improve traffic flows through the interchange and surrounding area.	Immediate	30,000	Arterial Street fund Impact Fees
T-03-01 Reconstruct Fourth St to Fir to I-5	Trans	Fir Street	Reconstruct roadway with new sidewalk, gutter. Construct turn lanes at Fulton in conjunction with WSDOT overpass project. ROW acquisition is necessary.	Immediate	800,000	General Tax Revenues, Arterial Street fund Impact Fees

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
T-94-13 Division St Widening-La Venture to Waugh Rd	Trans	Division	Widen the arterial to 44 feet of roadway. Provide curb, sidewalks and storm drainage	Immediate	2,861,000	Developer
T-94-14 Fir St widening – La Venture to Waugh Rd	Trans	Fir	Widen the arterial to 40 feet of roadway with three lanes. reconstruction of pavement, adding sidewalks and storm drainage Phase 1 - 26th to 30th Street north side; Phase 2 unfunded.	Immediate	1,346,000	Arterial Street fund TIB Developer
T-94-19 Blackburn Rd-18 th St to Little Mountain Rd	Trans	Blackburn Rd	Widen the arterial to 44 feet of roadway, and provide curbs, sidewalks and storm drainage.	Immediate	1,762,500	Developer
T-94-21 Blackburn Rd – Little Mountain to Eaglemont	Trans	Blackburn	Widen the arterial to 44 feet of roadway and provide curbs, sidewalks and storm drainage.	Immediate	2,191,000	Developer
T-94-24 N 30 th St – Martin Rd to Francis Rd	Trans	N 30 th St	Construct new road to collector road standard with 44 feet of roadway and three lanes.	Immediate	1,343,000	Developer
T-94-26 La Venture Rd – Section to Division	Trans	La Venture	Upgrade to principal arterial standards with four lanes and 48 foot roadway width. Provide curb/gutter & sidewalk, lighting, and storm drainage, approximately 60 lineal feet on the west side remains unfinished.	Immediate	313,000	Developer
T-98-01 N 30 th from College Way to Martin	Trans	N 30 th	Construction of a new road to arterial standards that will provide a link in a major North-South arterial. It will also provide a link in the bike/pedestrian trail system.	Immediate	1,343,000	Arterial Street fund, Impact Fees, Developer, School district

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
T-99-02 Riverside Drive – Hoad Rd to College Way	Trans	Riverside Drive	Overlay and Reconstruct Street	Immediate	300,000	Riverside Drive
T-00-02 Local Street improvements – REET II Funds	Trans	Mount Vernon	Repair, reconstruct, or resurface local streets.	Ongoing	1,125,000	REET II
T-00-03 Maddox Creek PUD Trail Improvements	Trans Visits	Maddox Creek	Trail construction thru the south portion of Maddox Creek PUD identified as the "Valley Area Trail" in the Maddox Creek PUD comprehensive settlement agreement.	Immediate	72,300	Health & Sanitation fund Developer
T-00-04 Digby Rd improvements and Maddox Creek Relocation	Trans	Digby Rd	Complete the widening of Digby Road from Section Street to Broadway including the relocation of Maddox Creek (HPA Required).	Immediate	83,400	Health & Sanitation fund
T-01-01 Widen Division Street at Fire Station #3	Trans	Division St	Widen approximately 250 feet of Division Street (with curb, gutter and sidewalk) in front of Fire Station 3.	Immediate	70,000	Impact Fees
T-02-02 Market Street Extension	Trans	Market St	Provide Arterial access to Roosevelt Avenue [1200 lf]	Ongoing	700,000	General Tax Revenues, Impact Fees, TIA
T-02-07 26 th St Traffic Signal	Trans	26 th St	Construct new traffic signal related to Performing Arts Center	Immediate	165,000	Impact Fees
T-02-09 Jacqueline Trail connection	Trans	Jacqueline St	Construct sewer maintenance access Rd/Pedestrian path	Immediate	33,000	General Tax Revenues Sewer Capital Reserve
T-02-17 River Dike Trail System	Trans	Downtown	Utilize existing dike top as pedestrian pathways pending property owner permission.	Mid-term	500,000	Path & Trail Fund

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
T-02-01 Parking Revetment alterations	Trans	Downtown	Alter portions of the parking revetment including removal of significant portions.	Mid-Term	538,500	Downtown
T-02-03 College Way Extension	Trans	College Way	Construct arterial extension east of I5 to connect to Memorial highway, including new bridge structure on Skagit River	Immediate	10,000	General Tax Revenues
T-02-04 Roosevelt Avenue Extension	Trans	Roosevelt St	Provide arterial roadway from Riverside West to I5 then South to Fir street [3200 lf]	Mid-term	1,625,000	General Tax Revenues, Impact Fees, Federal Demonstration Grant (unfunded)
T-02-05 Urban Avenue Extension	Trans	Urban Ave	Construct new arterial.	Mid-Term	665,000	General Tax Revenues, Impact Fees, TIA (unfunded)
T-02-06 30 th St to Blackburn	Trans	30 th Street	Construct new arterial.	Mid-term	330,000	Developer
T-02-08 Kulshan Trail Extension	Trans	Kulshan St	Complete sewer access road.	Mid-Term	360,000	Unfunded
T-02-10 Fowler Trail Connection	Trans	Fowler St	Connect sewer access road/pedestrian path from Al Venture to 30 th along the extension of Fowler St.	Mid-Term	76,000	Unfunded
T-02-11 30 th Street Pathway	Trans	30 th Street	Non-motorized pathway parallel to 30 th St.	Mid-Term	33,000	Unfunded
T-02-12 30 th Street Pathway	Trans	30 th Street	Pathway parallel to 30 th Street.	Mid-Term	33,000	Developer
T-02-13 30 th Street Pathway	Trans	30 th Street	Pathway parallel to 30 th Street.	Mid-Term	165,000	Developer
T-02-14 College Way Trail Extension	Trans	College Way	Non-motorized pathway parallel to College Way. [Skagit Highlands development]	Mid-Term	150,000	Developer

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
T-02-15 Flowers Creek Pathway	Trans	Flowers Creek	Non-motorized pathway [Skagit View Estates subdivision]	Mid-Term	7,500	Developer
T-02-16 La Venture to Anderson Pathway	Trans	La Venture	Construct pathway parallel to new La Venture Anderson Road Connection.	Mid-Term	125,000	Unfunded
T-02-19 Lions Park Trail Extension	Trans	Lion's Park	Construct pathway to connect major employment Center in Downtown Mount Vernon with North Mount Vernon.	Mid-Term	90,000	General Tax Revenues Developer
T-02-20 S 2 nd St Improvements	Trans	S 2 nd St	Reconstruct S. Second Street from Broadway south to Section St., including Broadway from S. Second to S. Third; Snoqualmie from Cleveland to S. Third; and Milwaukee from Cleveland to S. Third. Project includes street reconstruction, architectural lighting	Mid-Term	660,000	Unfunded, Grants/Donations (unfunded)
T-02-21 Downtown Parking Garage	Trans	Downtown	Construct parking garage on County-owned property. Conceptually, this would be a City/County/Developer project.	Mid-Term	13,000,000	Hotel/Motel Taxes, County Funding, Developer
T-02-22 Riverboat Landing	Trans Visits	Downtown	Acquire waterfront property and provide improvements required to serve as a tour boat landing.	Immediate	100,000	Hotel/Motel Taxes (Unfunded)
T-02-24 30 th St Improvements S of Fir	Trans	30 th Street	Complete sidewalks curb and gutter, street widening.	Mid-term	406,000	Unfunded, UATA (unfunded)
T-94-15 Roosevelt Ave Ext, Riverside to Leigh Way	Trans	Roosevelt	Construct new roadway with 40 foot of roadway and two lanes with curb/gutter & sidewalk, and storm drainage. A new grade-separated crossing of the BNRR is included.	On-going	11,350,000	General Tax Revenues, Federal Demo Grant (unfunded), STP Regional

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
T-94-25 Freeway Drive – College Way to Stewart Rd	Trans BusDev	Freeway Dr.	Widen arterial to 44 feet of roadway from College Way to Stewart Road; construct curb, gutter and sidewalk. 2003 funds would be used for maintenance overlay.	Immediate	1,392,000	General Tax Revenues, REET II Developer
T-97-06 Main Street	Trans BusDev	Downtown Mount Vernon	Construct sidewalks, storm drainage, reconstruct roadway and railroad tracks. Roadway width 30 feet from Kincaid Street to Myrtle Street. Roadway width 40 feet from Myrtle Street to SR 536. To be coordinated with the US Army Corps of Engineers.	On-going, Immediate	2,617,600	General Tax Revenues, WSDOT Rail, UATA (unfunded), Dike District
T-97-07 Freeway Drive	Trans BusDev	Freeway Dr	Widen to 44 feet, construct sidewalks and storm drainage	Mid-Term	1,471,000	Arterial Street Fund UATA (unfunded)
T-97-09 College Way and Riverside, Right Turn Lanes	Trans	College Way	Buy right of way and construct right turn lanes on east, west, and south approaches	Mid-Term	1,206,000	Arterial Street Fund UATA (unfunded)
T-99-05 S 3 rd Street	Trans	S 3 rd Street	Overlay and reconstruct street, possible stop controls and intersection improvements	Mid-Term	536,000	General Tax Revenues REET II
T-99-09 La Venture Road Extension, Phase II	Trans	La Venture	Construction of the extension of LaVenture Road Southerly to Anderson Road and West to I-5	Mid-Term	5,500,000	General Tax Revenues, TIA (unfunded), Developer, Skagit County (unfunded)
T-99-09A La Venture Road Extension, Phase I	Trans	La Venture	Preliminary design for construction of extension of LaVenture Road.	Mid-Term	2,500,000	General Tax Revenues, STP Regional, Unfunded

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
D-01-05 Park St Pump Station	BusDev	Park Street	Improve debris screening system. Construct a zone for grit separation.	Mid-Term	60,000	Surfacewater Utility Sewer Capital Reserve
D-98-01 Downtown Floodwall construction	Conserv	Downtown	Provide a permanent flood wall with capability to temporarily heighten during a flood event along the revetment where the majority of sandbagging is needed.	Mid-Term	1,367,400	FCAAP
D-99-02 Kulshan Creek Park	Conserv Trans	Kulshan Creek	Improvements to Kulshan Creek upstream of the pump station near shop complex to enhance fish passage, provide water quality and encourage pedestrian access.	Mid-Term	3,700,000	Surfacewater utility, Fisheries Enhancement Grant (unfunded)
D-01-02 Maddox Creek Restoration and Pond Retrofit	Conserv	Maddox Creek, S. Mount Vernon	Retrofit failed detention pond. Re-channelized Maddox Creek and re-plant site.	Immediate	100,000	Surfacewater Utility
D-01-03 S 18 th St Culvert Removal	Conserv	S 18 th St.	Remove 20,000 cubic yards of fill dirt and perched culvert from Maddox Creek near S. 18th Street. Remove perched culvert. Stabilize the slopes and replant.	Immediate	500,000	Surfacewater Utility, Centennial Clean Water fund Grant, Developer
D-99-04 Flowers Creek Culvert Replacement and Enhancement	Conserv BusDev	Flowers Creek	Replace culvert under Blodgett Road on Flowers Creek (E-14) and restore channel.	Immediate	500,000	Surfacewater Utility Centennial Clean Water Fund Grant, Developer
Skagit Valley Hospital	Human	Mount Vernon	Expansion & re-development of facility to meet current region-wide needs	Immediate	\$70,000,000	Bonds, private donations, state, federal
Skagit Valley Performing Arts Center	Visits BusDev	Mount Vernon	Development of region performing arts facility	Immediate	\$18,000,000	Private donations, state, federal, public facilities fund

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Mount Vernon School District	Human	Mount Vernon	Expansion of existing facility to meet growing public need	Immediate	\$55,000,000	State, federal
Skagit Valley Community College	Human BusDev	Mount Vernon	Expansion of existing facilities and programming to meet the training & retraining needs of residents		\$20,000,000	State, federal
City of Sedro-Woolley						
Redevelop vacant sawmill site	Conserv BusDev		Install sewer, roads, drainage, fiber optic	Short-term (1-3 years)	\$500,000	Skagit County Economic grant, developer monies, sewer connection fees
Fiber optic extension	BusDev Jobs			Short-term (1-3 years)	\$300,000	Skagit County economic development
Flood proof Wastewater Treatment Plant	Conserv	Plan is located in the Skagit River floodplain.	Flood protection: Protect as feasible major existing development from flood threats	Short-term (1-3 years)		Hazard funding, sewer ratepayers, connection fees
City hall retrofit or replacement	BusDev BusClimate		Protect city hall in the event of an earthquake, possibly reconstruct at new location	Short-term (1-3 years)	\$2,000,000	City-wide bond
Ladder truck for the fire department	BusDev BusClimate		Encourage redevelopment of the second and third stories of historically significant buildings. Serve large industrial and commercial sites. Lower insurance rates	Short-term (1-3 years)	\$700,000	City-wide bond, impact fees, donations, FEMA grant
Jones Road corridor	Trans BusDev		Provide parallel transportation route to reduce new traffic on SR 20, including citywide traffic model to implement transportation element. Support potential new industrial areas adjacent to corridor.	Short-term (1-3 years)	\$15,000,000	TIB grant, county roads funds.
Jones Road pump station and force main	BusDev		Provide infrastructure for industrial area north of highway 20	Short-term (1-3 years)	\$2,800,000	Sewer connection fees, ratepayers

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
F&S Grade Road/Hwy 20/Skagit Manufacturing Plant intersection & signage	Trans BusDev		Provide access and stimulate re-use of 38 acres of industrial property	Short-term (1-3 years)	\$1,300,000	Transportation & economic development grants, developer fee, impact fees
Interconnect Traffic signals on Hwy 20	Trans		Improve capacity and business circulation	Short-term (1-3 years)	\$50,000	Impact fees
Hammer Heritage Park Completion	Visitors		Encourage development of greater tourism	Short-term (1-3 years)	\$100,000	Skagit County Economic Development Grant/Community Donations
Thompson Lane Sewer improvement	BusDev	Thompson Lane to Borseth to end	Upgrade sewer capacity in CBD zone	Mid-range (3-6 years)	\$96,000	Sewer connect fees, economic development grants
Regional stormwater facility for downtown businesses, including redevelopment and new development	Conserv		Construct wetlands educational site with trails.	Mid-range (3-6 years)	\$200,000 - \$500,000	Clean water grants, economic development grants
Floodplain property purchases	Conserv		The City of Sedro-Woolley's UGA includes several properties located in the floodplain of the Skagit River. The City should purchase these properties for passive recreational purposes and to limit property damage for the current owners.	Mid-range (3-6 years)		FEMA monies
Riverfront Park bank protection – landfill remediation	Conserv	Skagit River banks	Either removing remaining trash or implementing protective measures for this property is essential.	Mid-range (3-6 years)	\$1,000,000	Salmon restoration funds, IAC

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
All-hazards assessment – citywide	BusDev BusClimate		Assess and prioritize natural hazards	Mid-range (3-6 years)	\$10,000	FEMA monies
United General Hospital flood protection	BusDev Conserv		Relocate or safeguard to protect this essential public facility	Mid-range (3-6 years)		Hazard mitigation funds
Land acquisition of railroad corridor	Conserv Visits		For a trail extension to connect Burlington and the Cascade Trail	Mid-range (3-6 years)	\$300,000 - \$500,000	Paths & trails grant and City paths monies
Corridor Park/Trolley Line	Trans Visits		Development of trolley line in conjunction with the trail. Develop a corridor park in the center of town.	Mid-range (3-6 years)	\$300,000	Port of Skagit County Grant, Parks grant, impact fees, community donations.
Upsize Metcalf Street sewer line in the CBD.	BusDev		Encourage downtown revitalization. Also as main line for this part of town, will encourage development in nearby industrial zone.	Mid-range (3-6 years)	\$300,000	Sewer connect fees
Park Property across from Riverfront Park	Conserv Human		Develop FEMA site as a mixed-use recreation facility	Mid-range (3-6 years)	\$50,000	FEMA monies for land purchase, impact fees
Fire Station #2	BusDev		As the City grows, an additional fire station will be necessary to provide adequate response time to the portion of the City north of Hwy 20	Mid-range (3-6 years)	\$1,000,000	Developer donation of land, impact fees, City-wide bond
CBD Subarea Improvements	Coml BusDev BusClimate	Between Eastern and Ferry Streets from SR 20 to Metcalf St.	Downtown recreation/aesthetic improvements to enhance commercial opportunities	Mid-range (3-6 years)	\$2,000,000	Downtown revitalization grants, CBD business donations
Highway 20/Moore Street Sewer Lines	BusDev	Borseth to Metcalf	Upgrade capacity in Industrial and Commercial Zones	Mid-range (3-6 years)	\$300,000	Sewer connection fees
Drainage Master Plan – Stormwater	BusDev		Develop drainage plan for City UGA, including commercial and industrial zones	Mid-range (3-6 years)	\$100,000	Clean water grant funds

Name of Project	Goals(s) Addressed	Location	Description/Benefits	Priority	Estimated Cost	Potential Funding Sources
Sedro-Woolley SR 20 Improvements	Trans		Replace project with Jones/State parallel routes	Long-range		Transportation grants, impact fees
Brickyard Creek	Conserv	Jones Road area improvements	Enhance for additional flood storage and fish habitat, add creek side walking trail	Long-range	\$100,000	Paths & trails monies, conservation and fisheries grants
Downtown building façade improvements	Visits Coml		Including entire renovations	Long-range	\$200,000	Downtown revitalization grant monies, business contributions
Parking facilities	Trans Coml	Downtown	Acquire and improve to encourage redevelopment of existing second and third stories	Long-range	\$500,000	Downtown revitalization grant monies, business contribution, impact fees
Potential for re-use of Basset Road Landfill	Conserv			Long-range		IAC
Develop a “high tech” industrial park with appropriate infrastructure	BusDev			Long-range	\$1,000,000	Economic development grants
Northern State/North Cascades	BusDev	Adjacent to Fruitdale and Helmick Rd. North of Hwy 20.	Upgrade capacity of the infrastructure (i.e. streets, sewer, storm drainage and water).	Long-range		Skagit County Parks funding, City Parks funding (\$30,000)
East State Street Sewer Lines	BusDev				\$2,000,000	Sewer connection fees

IV. EVALUATION & DOCUMENTATION

This chapter looks both ahead and to the past, to ensure that the effectiveness of economic development efforts is properly assessed and to document the broad efforts that contributed to this document.

A. EVALUATION

The projects included within this CEDS will be monitored according to performance benchmarks developed for the county in 2002. Benchmarks are to be regularly assessed and published through the county's Growth Management Indicators Report, developed to track the county's progress towards successfully implementing the Comprehensive Plan. Because the CEDS goals match the goals of the Comprehensive Plan's Economic Development element, benchmarks will also serve to track the successful implementation of this CEDS.

The report includes 26 benchmarks within five categories. Eight benchmarks fall within the category of Economic Development:

Benchmark: **Skagit County's economy will become more diverse.**

Indicators: Non-agricultural wage & salary employees by sector
Non-agricultural employment change by sector
Number of jobs created Countywide

Benchmark: **The number of "livable wage" jobs will increase.**

Indicators: Annual payroll by industry sector
Changes in real wages
Average annual wage per worker

Benchmark: **Natural resource industries (i.e. agriculture, forestry, fishing, mineral extraction) will remain viable economic sectors.**

Indicators: Employment in residence
Value of timber harvest

Benchmark: **Skagit County's retail mix will improve over time.**

Indicators: Number & type of retail businesses in Skagit County
Dollar value of overall retail sales
Retail sales by jurisdiction

Benchmark: **Agriculture will remain a viable and vibrant part of the local economy.**

Indicators: Farm operators by principal occupation
Dollar value of agricultural products
The number of farms and total land in farms
Number of dairy farms

Benchmark: **Availability and use of industrial sites in Skagit County will remain stable.**

Indicator: Acres of “ready to build” site in Skagit County by UGA (i.e., business and industrial parks)

Benchmark: **Over time, the County unemployment rate will become more equalized with the statewide unemployment rate.**

Indicator: Employment/unemployment rate

Benchmark: **The education skill level of Skagit County residents will increase.**

Indicators: Educational background of adult population
High school graduation rate

B. PROCESS DOCUMENTATION

This section begins with a historical overview of Skagit County economic development efforts, and then documents the steps of the process followed by the document’s many contributors.

History of Economic Development Efforts

The history of organized economic development efforts in Skagit County can be traced back to formation of the Port of Anacortes in 1926. The Port of Skagit County was established in 1964 to provide marina, industrial and aviation services for much of the remainder of the county.

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

To obtain eligibility for federal funding from the U.S. Economic Development Administration (EDA), the Skagit Council of Governments has been responsible for preparation of the county's Overall Economic Development Plan (OEDP). OEDP reports were submitted in 1976, 1982, 1984/85, and 1987/88. The most recent OEDP report and updates were completed in 1994/1995 and 2000.

The history of planning for economic development in Skagit County goes back to at least 1957 when the University of Washington prepared an Economic Base Study of Skagit County. That report identified two key changes shifting the county's economy away from total dependence on natural resource-based industries: the location of two oil refineries at March's Point, and the establishment of a pleasure boat building industry.

Other important conclusions include the identification of *potentials* for economic development as tourism and industrial diversification. *Needs* identified included development of high quality tourism facilities, improvements to water distribution and storage systems, and preparation of a detailed inventory of available sites.

Over the course of the last 40 years, Skagit County has needed to adapt to changing economic conditions, particularly to adjust to the closures of major employers. These closures have included, in the late 1960s, Superior Portland Cement Company (with 210 jobs) and Dairygold Milk (80 jobs), Northern State Hospital (the county's then-largest employer with 424 jobs) in 1973, the subsequent closures of Cascade Foods and Publishers Plywood (in total displacing over 500 workers) and the August 1990 closure of Skagit Manufacturing (which had previously employed upwards of 800 workers).

A more recent impact on the community includes Jansport, which had significant community support (1994) to locate their regional plant in Skagit County (100 jobs), but which announced a full operational shut-down in 1998.

Previous OEDPs in the 1962-95 era identified two basic economic development needs:

First, the need for major water system improvements; and *second*, the need for coordinated efforts to promote and sustain economic development in the county.²⁰

The U.S. Economic Development Administration (EDA) has been a participant in funding both planning and implementation projects to assist in diversification of Skagit County's economic base. Other outside funding support also often has proved to be instrumental.

In the mid 1960s, the water systems of La Conner, Burlington/Mount Vernon and Anacortes had all reached capacity, with reduced ability to support peak demands from the county's food processors. Successful applications were made to EDA by the Skagit Public Utility District, the City of Anacortes, and the town of La Conner for grants totaling \$4.1 million to upgrade these water systems.

EDA funds were used to improve opportunities for the successful establishment and expansion of industrial plants. Approximately 1,000 new year-round jobs were created and seasonal work equivalent to 800 full-time jobs was saved.

During this time period, assistance was received from the then State of Washington Department of Commerce and Economic Development to extend water lines to the Bayview Airport, which, at the time, had 800 acres of industrially-zoned land above floodplain elevation. The Bayview Business and Industrial Park has become one of the major locations for industrial plant investments in subsequent years.

Subsequent to the closure of the Northern State Hospital, the Skagit Council of Governments was awarded a \$55,000 grant from EDA to study the feasibility of re-opening the facility. The state contributed \$14,000 and the Northern State Re-Utilization Committee contributed \$6,000 — for a combined total of \$75,000.

The governor used a resulting *Northern State Engineering Study and Space Allocation and Capital Improvement Plan* to support a decision to reopen the facility to house a federal Job Corps Training Center together with a state, residential alcohol treatment program and mental health program. The state legislature appropriated \$1.5 million for remodeling and federal agencies coordinated by EDA committed \$3 million to capital improvements.

Major accomplishments subsequent to the 1994-95 OEDP include the ongoing capitalization of a Revolving Loan Fund with grants from the Federal Economic Development Administration and State Community Economic Revitalization Board (CERB) in 1985. For example, Skagit Council of Governments manages 54 business account relationships with loans totaling \$3.5 million. These loans have facilitated the creation or retention of over 1,400 jobs.

CEDS Evolution

Skagit County's CEDS is intended to serve as a comprehensive statement of plans for countywide economic growth and development over the next twenty years. It is organized to address requirements of both the U.S. Economic Development Administration (EDA) and the economic development element of Skagit County's growth management (or comprehensive) plan. In 2002, the Washington Legislature adopted SSH2697, which included a Growth Management Act amendment mandating that comprehensive plans include an economic development element when funding allows. This document is in accordance with that legislation.

Preparation of this CEDS document has been a cooperative venture involving Skagit County, the Skagit Council of Governments, local jurisdictions, the Economic Development Association of Skagit County (EDASC) and a Citizens Advisory Committee (CAC). Participating members are listed in Figure 25 at the end of this section. The economic and development consulting firm E.D. Hovee & Company has assisted in compiling background research and in preparing plan documentation.

This CEDS is based upon the initial 1994 Overall Economic Development Plan for Skagit County. It also incorporates results from key subsequent OEDP planning efforts including:

- OEDP for Skagit County: 1995 Update
- OEDP for Skagit County: 2000 Update
- 1997 Skagit County Urban Growth Area Analysis Update: Population, Employment & UGA Land Allocations by Jurisdiction.
- Skagit County 2002 Growth Management Indicators Report

Together, these efforts represent the complete statement of economic development goals and objectives, development strategy and implementation plan consistent with guidelines of the U.S. Economic Development Administration (EDA).

CEDS/Growth Management Plan Relationship

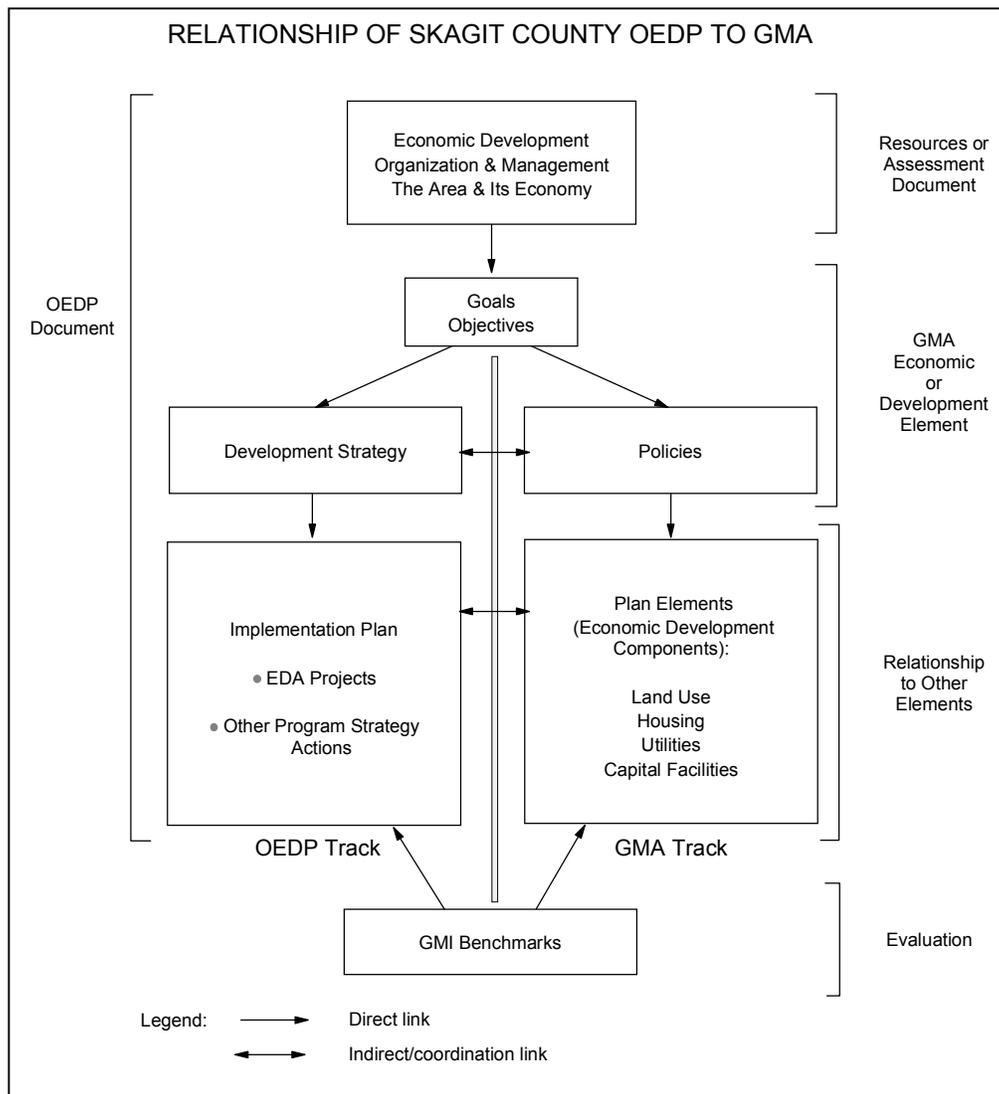
This CEDS document reflects the economic development element of Skagit County's growth management plan. The State of Washington Growth Management Act (GMA) of 1990 (as subsequently amended) recommends local comprehensive plans and development regulations in affected counties (including Skagit) to address a series of 13 goals. Goal 5 relates to economic development:

(5) Economic development. Encourage economic development throughout the state that is consistent with adopted comprehensive plans, promote economic opportunity for all citizens of this state, especially for unemployed and for disadvantaged persons, and encourage growth in areas experiencing insufficient economic growth, all within the capacities of the state's natural resources, public services, and public facilities.²¹

In 1990, economic development –as one of 13 goals – was an optional element to be included in comprehensive plans at the discretion of local governments. In 2002, SSH2697 amended the Growth Management Act to require comprehensive plans to have economic development elements, should funding allow. Skagit County and several cities in the county have opted to prepare economic development elements as part of their comprehensive plans. This document aims to address federal, state, and local objectives through an integrated, coordinated planning process.

The process for integrating the federal CEDS process with comprehensive planning consistent with the state Growth Management Act (GMA) is illustrated by the following chart.

Figure 24. Relationship of Skagit County OEDP/CEDS to GMA



These documents have been modified over time to achieve consistency with changing statutory requirements and local planning objectives. During the past several years, the Skagit County Planning and Permit Center has incorporated recommended Economic Development Goals &

Objectives (with minor revisions) from the 1994 and updated 1995 OEDP reports within the economic development element of the county's Comprehensive Plan.

Skagit County's initial Comprehensive Plan prepared pursuant to GMA is now complete. With completion and implementation of the plan, the Planning and Permit Center has begun community specific (or subarea) plans to generate interest in projects that may be submitted as part of this and future CEDS. Future Comprehensive Plan updates are anticipated, in compliance with GMA requirements for urban growth areas and updating of all required plan elements.

CEDS Advisory Committee

The following representatives of local government entities participated in the creation of this 2003 CEDS document. The assistance and time provided by CEDS Advisory Committee participants is gratefully acknowledged.

Figure 25. Skagit County CEDS Advisory Committee

Member	Affiliation
John Doyle	Town of La Conner
Gary Christiansen	Skagit County
Michelle Eichhorn	Swinomish Tribe
Margaret Fleek	City of Burlington
Jeroldine Hallberg	City of Sedro-Woolley
Kirk Johnson	Skagit County
Patsy Martin	Port of Skagit County
Roxanne Michael	City of Mount Vernon
Bruce McBane	Skagit Valley College
Ian Munce	City of Anacortes
Harry Ota	Business Representative
Patsy Nelson	City Sedro-Woolley
Dan Pike	Transportation Representative
Elizabeth Sjostrom	City of Mount Vernon
Bob Rose	Agriculture Representative
Scott Spahr	Public Utility District #1
Don Wick	Economic Development Organization for Skagit County

Source: Skagit County Council of Governments

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APPENDIX B. ENDANGERED SPECIES

Endangered, Threatened & Sensitive Vascular Plant Species (2000)

Common Name	Federal/State Status
Lance-leaved Grape-fern	State Sensitive
Mountain Moonwort	State Sensitive
Buxbaum's Sedge	State Sensitive
Bristly Sedge	State Sensitive
Poor Sedge	State Sensitive
Russet Sedge	State Sensitive
Long-styled Sedge	State Sensitive
Golden Indian Paintbrush	Federal Candidate/State Endangered
Pink Fawn-lily	State Sensitive
Boreal Bedstraw	State Sensitive
Water Lobelia	State Threatened
Alpine Azalea	State Sensitive
Branching Montia	State Sensitive
Blunt-leaved Pondweed	State Sensitive
Alaska Alkaligrass	State Sensitive
Soft-leaved Willow	State Threatened
Pygmy Saxifrage	State Sensitive

Source: Department of Natural Resources, Washington Natural Heritage Information System.

Endangered, Threatened, Sensitive, Candidate, Monitor & Priority Fish & Wildlife Species (2000)

Common Name	Federal/State Status
<i>Fish:</i>	
Puget Sound Chinook Salmon ²²	Federal Endangered
Pacific lamprey	Federal Species of Concern
River lamprey	Federal Species of Concern & State Candidate
Pacific herring (Discover Bay)	State Candidate
Chinook salmon (Puget Sound)	State Candidate
Pygmy whitefish	State Sensitive
Westslope cutthroat	Federal Species of Concern
Bull trout	Federal Candidate
Eulachon	State Candidate
Olympic midminnow	State Candidate
Lake chub	State Candidate
Leopard dace	State Candidate
Umatilla dace	State Candidate
Mountain sucker	State Candidate
Pacific cod (S&C Puget Sound)	State Candidate
Pacific hake (C Puget Sound)	State Candidate
Brown rockfish	State Candidate
Copper rockfish	State Candidate
Greenstriped rockfish	State Candidate

Common Name	Federal/State Status
Widow rockfish	State Candidate
Yellowtail rockfish	State Candidate
Quillback rockfish	State Candidate
Black rockfish	State Candidate
China rockfish	State Candidate
Tiger rockfish	State Candidate
Bocaccio rockfish	State Candidate
Canary rockfish	State Candidate
Redstripe rockfish	State Candidate
Yelloweye rockfish	State Candidate
Margined sculpin	Federal Species of Concern & State Sensitive
<i>Mollusks:</i>	
Northern abalone	State Candidate
Olympia oyster	State Candidate
Newcomb's littorine snail	Federal Species of Concern & State Candidate
California floater	Federal Species of Concern & State Candidate
Giant Columbia River limpet	State Candidate
Great Columbia River snail	Federal Species of Concern & State Candidate
<i>Beetles:</i>	
Beller's ground beetle	Federal Species of Concern & State Candidate
Long-horned leaf beetle	State Candidate
Columbia River tiger beetle	State Candidate
Hatch's click beetle	Federal Species of Concern & State Candidate
<i>Butterflies:</i>	
Mardon skipper	Federal Species of Concern & State Candidate
Yuma skipper	State Candidate
Shepard's Parnassian	State Candidate
Makah (Queen Charlotte) copper	State Candidate
Chinquapin hairstreak	State Candidate
Johnson's hairstreak	State Candidate
Juniper hairstreak	State Candidate
Puget blue	State Candidate
Oregon silverspot butterfly	Federal Threatened & State Endangered
Valley silverspot	State Candidate
Silver-bordered fritillary	State Candidate
Whulge checkerspot	State Candidate
Great arctic	State Candidate
<i>Other Insects:</i>	
Fender's soliperlan	Federal Species of Concern
Lynn's clubtail	Federal Species of Concern
<i>Amphibians:</i>	
Oregon spotted frog	Federal Candidate & State Endangered
Columbia spotted frog	Federal Species of Concern & State Candidate
Northern leopard frog	State Candidate
Cascades frog	Federal Species of Concern

Common Name	Federal/State Status
Red-legged frog	Federal Species of Concern
Van dyke's salamander	Federal Species of Concern & State Candidate
Larch mountain salamander	Federal Species of Concern & State Candidate
Dunn's salamander	State Candidate
Cascade torrent salamander	State Candidate
Columbia torrent salamander	Federal Species of Concern & State Candidate
Reptiles:	
Western pond turtle	Federal Species of Concern & State Endangered
Olive Ridley sea turtle	Federal Threatened
Leatherback sea turtle	Federal & State Endangered
Green sea turtle	Federal & State Threatened
Loggerhead sea turtle	Federal & State Threatened
Sagebrush lizard	Federal Species of Concern
California mountain kingsnake	State Candidate
Striped whipsnake	State Candidate
Birds:	
Common loon	State Candidate
American white pelican	State Endangered
Brown pelican	Federal & State Endangered
Brandt's cormorant	State Candidate
Aleutian Canada goose	Federal & State Threatened
Harlequin duck	Federal Species of Concern
Marbled murrelet	Federal & State Threatened
Golden eagle	State Candidate
Bald eagle	Federal & State Threatened
Northern goshawk	Federal Species of concern & State Candidate
Merlin	State Candidate
Peregrine falcon	Federal & State Endangered
Sage grouse	Federal Species of Concern & State Threatened
Sharp-tailed grouse	Federal Species of Concern & State Threatened
Spotted owl	Federal Threatened & State Endangered
Vaux's swift	State Candidate
Black-backed woodpecker	State Candidate
Pileated woodpecker	State Candidate
Purple martin	State Candidate
Sandhill crane	State Endangered
Snowy plover	Federal Threatened & State Endangered
Upland sandpiper	State Endangered
Common murre	State Candidate
Tufted puffin	State Candidate
Yellow-billed cuckoo	State Candidate
Flammulated owl	State Candidate
Burrowing owl	Federal Species of Concern & State Candidate
Vaux's swift	State Candidate
Lewis' woodpecker	State Candidate
White-headed woodpecker	State Candidate

Common Name	Federal/State Status
Olive-sided flycatcher	Federal Species of Concern
Willow flycatcher	Federal Species of Concern
Streaked horned lark	State Candidate
Slender-billed white-breasted nuthatch	State Candidate
Sage thrasher	State Candidate
Loggerhead shrike	Federal Species of Concern & State Candidate
Oregon vesper	State Candidate
Sage sparrow	State Candidate
<i>Mammals:</i>	
Destruction Island shrew	Federal Species of Concern
Yuma myotis	Federal Species of Concern
Townsend's Big-eared Bat	Federal Species of Concern & State Candidate
Grey Wolf	Federal & State Endangered
Grizzly Bear	Federal Threatened & State Endangered
Fisher	Federal Species of Concern & State Endangered
Pygmy rabbit	Federal Species of Concern & State Endangered
Washington Ground Squirrel	Federal Species of Concern & State Candidate
Western Gray Squirrel	Federal Species of Concern & State Threatened
Merriam's Shrew	State Candidate
Brush Prairie pocket gopher	State Candidate
Western pocket gopher	Federal Species of Concern & State Candidate
Gray-tailed vole	State Candidate
Shaw Island Townsend's vole	Federal Candidate
Steller sea lion	Federal & State Threatened
Wolverine	Federal Species of Concern & State Candidate
Sea otter	State Endangered
Lynx	Federal Candidate & State Threatened
Gray whale	State Sensitive
Fin whale	Federal & State Endangered
Sei whale	Federal & State Endangered
Blue whale	Federal & State Endangered
Humpback whale	Federal & State Endangered
Black right whale	Federal & State Endangered
Pacific harbor porpoise	State Candidate
Sperm whale	Federal & State Endangered
Columbian white-tailed deer	Federal & State Endangered
California bighorn sheep	Federal Species of Concern
Woodland caribou	Federal & State Endangered

Source: Washington State Department of Fish and Wildlife, October 28, 1998.

APPENDIX C. SITES OF HISTORIC SIGNIFICANCE

Jurisdiction	Historic Site
Anacortes	La Merced, waterfront off Oakes Avenue
Anacortes	W.T. Preston, waterfront, R Avenue at foot of 7th Street
Anacortes	Anacortes Public Library, 1305 Eighth Street
Anacortes	California Fruit Store, 909 Third Street
Anacortes	Causland Park, Eighth Street and "M" Avenue
Anacortes	Deception Pass Bridge, spans Deception Pass from Pass Island to Whidbey Island on WA 20
Anacortes	Great Northern Depot, "R" Avenue and Seventh Street
Anacortes	Marine Supply and Hardware Complex, 202-218 Commercial Avenue/1009 Second Street
Anacortes	Canoe Pass Bridge, spans Canoe Pass from Anacortes to Pass Island on WA 20
Anacortes	Semar Block, 501 "Q" Avenue
Burlington	Burlington Carnegie Library, 901 Fairhaven Street
Concrete	Concrete Theatre, 128 Main Street
Concrete vicinity	Baker River Bridge, on WA 17A over Baker River
Concrete vicinity	Lower Baker River Hydroelectric Power Plant, on Baker River
Diablo vicinity	Rock Cabin, Fisher Creek Trail south of Diablo Lake
Diablo vicinity	Swamp/Meadow Cabin East, Thunder Creek Trail south of Diablo Lake
Diablo vicinity	Swamp/Meadow Cabin West, Thunder Creek Trail south of Diablo Lake
La Conner	Bethsaida Swedish Evangelical Lutheran Church Parsonage, 1754 Chilberg Road
La Conner	La Conner Historic District, Swinomish Channel waterfront
La Conner	La Conner Civic Garden Club, Second and Calhoun
La Conner vicinity	Sqwikwikwab (Fishtown), Dodge Valley Road
Lyman	Minkler Birdsey D., House, 201 South Main Street
Hamilton	Slipper House, 584 Maple Street
Marblemount	Backus/Marblemount Ranger Station House Nos. 1009 and 1010, Ranger Station Road, 1 mile north of WA 20
Marblemount vicinity	Gilbert's Cabin, Cascade River Road west of Gilbert Creek
Marblemount vicinity	Hidden Lake Peak Lookout, Mt. Baker Ranger District, Mt. Baker-Snoqualmie National Forest
Mount Vernon	Lincoln Theatre and Commercial Block, 301-329 Kincaid Street and 710 – 740 First Street
Mount Vernon vicinity	Skagit City School, 3.5 miles south of Mount Vernon on Moore Road
Sedro-Woolley vicinity	Park Butte Lookout, Mt. Baker Ranger District, Mt. Baker-Snoqualmie National Forest
Sedro-Woolley	US Post Office – Sedro-Woolley Main, 111 Woodworth Street
Source:	Washington State Department of Community, Trade and Economic Development, January 2000.

APPENDIX D. SKAGIT ENVIRONMENTAL PLAN POLICIES

Skagit County is guided by Goals, Objectives, and Policies when developing the County Comprehensive Plan and the associated implementing Ordinances, Regulations, and Cooperative Agreements that address Critical Areas within Skagit county. Critical Areas include Wetlands, Frequently Flooded Areas, Aquifer Recharge Areas, Geologically Hazardous Areas, and Critical Fish and Wildlife Habitat Conservation Areas. The following Countywide Planning Policies provide specific guidance to the analysis and policies developed in addressing critical areas:

- Land uses and developments which are incompatible with critical areas shall be prohibited except when impacts from such uses and developments can be mitigated (CWPP 10.1)
- Land use decisions shall take into account the immediate and long range cumulative effects of proposed uses on the environment, both on and off-site (CWPP 10.2)
- Skagit County shall recognize the river systems within the county as pivotal freshwater resources and shall manage development within the greater watershed in a manner consistent with planning practices that enhance the integrity of the aquatic resource, fish and wildlife habitat, and recreational and aesthetic qualities (CWPP 10.5)
- Septic systems, disposal of dredge spoils and land excavation, filling and clearing activities shall not have an adverse significant affect on Skagit County waters with respect to public health, fisheries, aquifers, water quality, wetlands, wildlife habitat, natural marine ecology and aquatic based resources (CWPP 10.9)
- When evaluating and conditioning commercial, industrial or residential development, Skagit County shall consider threatened or endangered wildlife (CWPP 10.11)

Goals:

Wetlands	Preserve and protect wetlands to prevent their continual loss and degradation. Encourage the voluntary restoration and enhancement of lost or degraded wetlands.
Aquifer Recharge Areas	Protect aquifer recharge areas, and wellhead areas, ground and surface water quality and quantity for supplying all needs within Skagit County, including potable water for human use.
Frequently Flooded Areas	Protect hydrologic functions and reduce the potential for physical injury and property damage associated with flooding.
Geologically Hazardous Areas	Minimize risk to life, property, infrastructure, and resources caused by disrupting geologically hazardous areas or by locating development in areas subject to naturally hazardous geologic processes.
Fish and Wildlife Habitat Conservation Areas	Protect, restore where practical, and enhance fish and wildlife populations and their associated habitats.

Objectives:

- In cooperation with local, state, federal and tribal agencies and jurisdictions, Skagit County shall identify, classify, designate, and map critical areas to protect and conserve them.
- Provide for coordinated educational opportunities and the involvement of a well-informed citizenry in the development of programs and ordinances for the conservation and protection of critical areas.
- Develop a system of economic incentives, including but not limited to: buffer averaging, density credit transfers, transfer of development rights, tax incentives, cluster housing, conservation easements, public benefit rating systems, and regulatory incentives, as appropriate, to encourage the public to voluntarily conserve, protect and restore critical areas.
- Improve communication and seek cooperation and coordination among county, city, state, tribal, federal agencies, and the public to avoid duplication and achieve efficiency and effectiveness in development of standards, policies, regulations, programs, projects, planning and funding efforts that conserve and protect critical areas.
- Skagit County shall, in cooperation with federal, state, local, and tribal jurisdictions, require that protection and conservation of critical areas within the county consistent with legal requirements.

Source: Skagit County Regional Comprehensive Plan – Environmental Element, adopted June 1, 1997.

ENDNOTES

- ¹ Washington Employment Security Department covered employment data.
- ² *Mt. Baker-Snoqualmie National Forest Region Diversification Strategy* prepared for the state of Washington Department of Trade and Economic Development, November 1990.
- ³ The Tulip Festival alone operates significant economic benefit estimated at \$34 million annually in tourism expenditure. This is based on the Tulip Festival's estimate of approximately 850,000 visitors spending an average of \$40 per day in Skagit County (for day visitors alone).

The Festival is working with the state Tourism Division to establish an economic model to track tourism spending in greater detail. Per contact with Audrey Smith of the Tulip Festival, January 2000.
- ⁴ This analysis relies on retail sales data from *Sales and Marketing Management*, a business publication that publishes retail sales estimates for every county in the U.S. annually. Another source of retail sales data is from the state of Washington Department of Revenue, which provides information on sales subject to retail sales tax. However, food and pharmacy sales are excluded from sales tax. A final source of retail sales data is the U.S. Census of Retail Trade, conducted by the U.S. Department of Commerce every five years. Results of the 2002 Census of Retail Trade are expected to be available in 2004.
- ⁵ The Port of Skagit County's Bayview Business & Industrial Park provided an example of the impacts of environmental constraints. A portion of the property planned for a rail-served industry was challenged due to identification of wetlands. This caused a firm interested in the property, Ocean Fiber, which could have provided up to 100 jobs, to locate outside Skagit County.
- ⁶ Material for this discussion has been drawn from a variety of sources including: E.D. Hovee & Company, Port of Skagit County *Target Industry Program*, 1988; Washington Department of Trade & Economic Development, *Diversification Strategies for Timber Dependent Communities of Washington State* (1990); contacts with area industrial brokers; and appraisal data from the MAI firm Palmer, Groth & Pietka in Seattle.
- ⁷ Dyvon Havens, WSU/Skagit County Cooperative Extension.
- ⁸ The U.S. Census of Agriculture is updated every five years. The 2002 Census is not expected to be ready for public distribution until about 2004.
- ⁹ Washington State Employment Security, *Agricultural Workforce in Washington State 2000*
- ¹⁰ Skagit County Growth Management Indicators Report, December 2002.
- ¹¹ United States Department of Agriculture, Washington Agricultural Statistics Service, *1997 Census of Agriculture County Profile*
- ¹² CAC members have noted that relocation of food processors to eastern Washington is due, in part, to less expensive land and labor and lower level of regulation.
- ¹³ *Agricultural Land Protection: A Survey of Skagit County Voters*, May 28, 1996, conducted by Elway Research, Inc., co-sponsored by Economic Development Association of Skagit County (EDASC) and Skagitonians to Preserve Farmland (SPF).
- ¹⁴ The Washington Department of Natural Resources was contacted for trend data on revenue Skagit County realizes annually from timber sales. However, the information could not be obtained by the deadline for this report.
- ¹⁵ Washington Employment Security covered employment data, which excludes proprietors, but includes persons involved on an occupational basis in fishing and hunting.
- ¹⁶ Washington Department of Wildlife and the Department's *Final Environmental Impact Statement for Grandy Creek Trout Hatchery*, January 10, 1994.

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- ¹⁷ The *Skagit County Coordinated Water System Plan Regional Supplement*, July 1993, reports fire flow as the rate needed for the sole purpose of fighting fires. The fire flow volume shall be in addition to the requirements of the water system for domestic demand, and a 20 psi residual pressure should be maintained throughout the system under combined maximum demand flow conditions. A current *Skagit County Coordinated Water Plan* is was drafted in 1999.
- ¹⁸ *Skagit/Island Regional Transportation Plan*, April 1996, *Skagit Sub-Regional Transportation Plan*, pages 4-5.
- ¹⁹ *Demographics Magazine* book *The New Rating Guide to Life In America's Small Cities* as reported in the Skagit Valley Herald article: *Mount Vernon Named Best Small City in US*, September 26, 1997.
- ²⁰ Source of prior OEDP needs assessment is the *Overall Economic Development Plan* prepared by the Skagit Council of Governments for 1984-85.
- ²¹ Revised Codes of Washington (RCW) 37.70A.020
- ²² *Salmon Hit Endangered List Today*, Seattle Times, March 16, 1999; National Marine Fisheries Service Internet Website: <http://www.nwr.noaa.gov>.