

Initial Citizen Committee Recommendations

GOAL STATEMENT #1:

A Regional Vision: Stronger Regional Coordination, Collaboration and Cooperation

The challenge of protecting what Skagit County residents love most about their landscape in the face of population growth over the next 50 years is enormous. In later sections of this report, we state our recommendations for protecting working lands and the ecosystem, while increasing the vibrancy and economic health of our human communities. However, these recommendations cannot be implemented without changes in how we envision the future and work together toward a common vision.

To accomplish these changes, the Citizen Committee recommends:

I.A Regional Coordination, Collaboration and Cooperation

1. Establish a broad-based regional “smart growth alliance” that calls for a unified approach to Skagit County’s growth, development and conservation of natural resources and the environment.

Currently the Skagit Council of Governments (SCOG) is the lone entity with a mandate to foster regional cooperation, related primarily to transportation and economic development. Planning for a 50-year future, however, involves a broader set of issues and should involve a broader set of parties. Given the inherent complexities, conflicts and competition for limited resources and priorities, the Committee believes it is unrealistic to expect governments alone to solve the challenges we face today and into the future. The Committee sees a need for the formation of a Skagit Smart Growth Alliance (SSGA) comprised of regional leaders from both the public and private sectors.

Through coordination, collaboration, cooperation and inclusiveness, the Skagit Smart Growth Alliance would continue the work begun by Envision Skagit to implement a long-term, regional vision and action plan, with the goal of providing stability and predictability for residents, developers, planners and governing bodies alike. It would:

- build a common vision of shared principles;
- speak for the interests of the entire county, both public and private;
- foster creative approaches to manage future growth and leverage that growth as a regional opportunity;
- break down the silos that each jurisdiction operates within;
- assist development of a long-range conservation plan for Skagit County, including next steps that add specificity to the adopted UGA Open Space Plan (as discussed in Goal Statement 3);
- consider opportunities for consolidating governments or programs for the more efficient delivery of services; and
- make decisions that are best for the region as a whole.

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Because this is a complex issue that extends beyond the scope of the Citizen Committee’s charge and knowledge, the Committee is not prepared to recommend the exact structure and composition of such an entity. However, the guiding philosophy is to bring everyone together under “one big tent” and work together to achieve a unified vision.

- 2. As a precursor to the establishment of the SSGA, the Committee recommends engaging a broad cross-section of Skagit County’s leaders in a long-range planning exercise that would result in:**
 - a. establishing guiding principles related to Skagit County’s future growth and,**
 - b. creating a task force to perform an in-depth study and make recommendations about the formation, structure and composition of an enduring Skagit Smart Growth Alliance.**

An example of such a long-range planning exercise is “Reality Check,” developed by the Urban Land Institute. Reality Check is a day-long unique regional visioning process that explores ways to accommodate economically, environmentally and socially sustainable growth. Building upon the work of Envision Skagit 2060, it would bring diverse citizens and regional leaders around large-scale regional maps that function like a game board. Beginning with a consensus process to establish guiding principles for Skagit County’s future growth, each group of participants negotiates how and where to locate projected numbers of new residents and jobs, and where to establish major transportation corridors and open space networks. The process has proven very successful elsewhere at identifying shared principles and visions for future growth from participants who might normally focus on their differences.¹

We recommend that a Leadership Skagit alumni committee sponsor and coordinate a Reality Check exercise for Skagit County. The participants in the Reality Check exercise should be broad-based from across the County, including tribes and all Skagit governmental jurisdictions and representatives from groups such as (but not limited to) business, developers, ports, agriculture, forestry, environmental and recreation groups, utilities, financial institutions, chambers of commerce, non-profits and other special interest groups.

I.B Industrial Tax Revenue Sharing

- 3. The Committee recommends establishing a new industrial tax revenue sharing mechanism (“Industrial Tax Basket” or ITB), to develop a more regional and effective approach to designating and marketing industrial lands, while providing tax revenue benefits in an equitable manner to all participating jurisdictions.²**
 - To implement the proposal, the proposed Skagit Smart Growth Alliance, working with participating jurisdictions, would set a point in time after which all tax revenues collected from new industries in industrial-zoned land would be allocated by population (formula to be determined), not according to the location of the industry. Existing (before launch of the Industrial Tax Basket) industries' tax revenues would continue to be allocated by the current formula so as not to shock the system. The population formula would count city populations within existing urban growth areas, thus rewarding cities with higher populations and higher densities.

¹ For information on Reality Check, see [.ULI Seattle - Reality Check Event](http://seattle.uli.org/Community%20Building/Quality%20Growth%20Alliance/Reality%20Check%20Event.aspx), or <http://seattle.uli.org/Community%20Building/Quality%20Growth%20Alliance/Reality%20Check%20Event.aspx>

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- To qualify for the Industrial Tax Basket, the cities and the county would be required to accept a population increase consistent with the allocations determined by the Skagit Smart Growth Alliance and agree to do so within their existing UGAs. An additional requirement would be to contribute a portion of financing for the Skagit Smart Growth Alliance whose purpose would be to collaboratively implement the long-range Envision growth strategy.

Revenue sharing would avoid interjurisdictional competition for industrial tax base, allowing industrial land to be sited and zoned rationally out of the floodplain, off of natural resource lands, and close to transportation and infrastructure. While the time it would take to realize the benefits would depend on the pace of industrial growth, it could actually lead to more overall industrial development in the County, because it will be easier to market a larger basket of properties, which should in turn be more attractive to industry, providing better locations, greater certainty, and better preservation of our high quality of life.

- 4. Working through a regional body such as SCOG or the SSGA (if it is created in a timely manner), designate approximately 1,600 acres of new industrial land, which is outside of the floodplain and NRL land, readily served by appropriate infrastructure, and within reasonable trucking distance of I-5 or SR 20. This new land would be subject to the industrial tax basket for distribution of resulting tax revenues.**

The Port of Skagit County estimates that 3,429 acres of industrial land will be needed in the county by 2060 to meet employment goals, while only 1,772 acres exist today, leaving a deficit of 1,657 acres. This is an important land use to plan far in advance, to ensure that desirable industrial lands are not occupied by other land uses whose siting needs are much more flexible.

I.C Consolidation of Services/City Merger

- 5. Consider possible consolidation of government services and taxing districts as the region grows, both to gain efficiencies and to promote the regional interest and a regional identity.**

We believe there are significant opportunities for consolidating separate governments and taxing districts in Skagit County, including school districts, library districts, hospital districts and other special purpose taxing districts. While separate governments can enhance local access and a sense of local representation, they also can create inefficiencies, with each district requiring its own administrative programs, and can promote narrow views of the public interest. As Skagit County grows, it will be increasingly important for local governments and local residents to consider their future as interconnected. Consolidating government services and taxing districts, where that makes sense, would be one of the most concrete and meaningful ways of recognizing that fact.

- 6. The two cities of Mount Vernon and Burlington should ultimately merge or consolidate into one, because the strengths of each city address the weaknesses of the other. While this would likely be an evolutionary process, the process itself should begin now and would logically start with discussions between the two cities of how they combine various services to improve efficiencies and delivery of those services.**

This consolidation is the most important example for the previous recommendation, with added rationales rooted in land use. Essentially the entire City of Burlington is in the floodplain. Mount Vernon has room to grow—and is allocated a large share of the entire county's future growth—but has an

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inadequate commercial tax base to pay for the services needed by that additional population. Burlington has a very strong existing commercial tax base through many retail businesses that serve the region, including many Mount Vernon residents. Mount Vernon has no prime locations for adding new commercial areas that are not in the floodplain or agricultural lands.

In the short-term, this idea may appear extreme or politically infeasible, but we believe that looking over the long-term it makes imminent sense. It also would be far from the first time in our area that such a merger took place. Sedro and Woolley came together, as did the town of Concrete from the separate communities of Baker and Cement City. To the north, modern Bellingham is the result of a merger between Fairhaven, Sehome, Whatcom, and historic Bellingham. Just as with other government consolidations that may be possible, a merger of Mount Vernon and Burlington offers great potential for efficiencies. In the case of these two cities, however, the unique ways in which each complements the other make for an even stronger argument. The two cities are already collaborating on an appeal of FEMA's floodplain mapping. The merger of Mount Vernon and Burlington would help Skagit Valley move beyond strategies that benefit only one jurisdiction to consider what would be best for the region as a whole.

Because this issue goes beyond Burlington and Mount Vernon, and is about the overall balance and equity in the allocation of population relative to commercial (especially retail) and industrial lands and resulting tax revenues across jurisdictions in the Skagit Valley, the Citizen Committee also recommends the following:

- 5. Future planning decisions allocating population and employment among Skagit jurisdictions should address and analyze the fiscal (public financial) costs and benefits associated with those allocations among jurisdictions with an overall goal to ensure that the cities, towns, county, and tribes have the financial resources needed to support the population growth allocated to them.**