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Subject: Potential cost of Not exempting Sudden Valley

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VIA E-MAIL TO

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ALL COUNCIL MEMBERS
WHATCOM COUNTY COUNCIL

Dear Members of the Whatcom County Council,

As a tax payer in Whatcom County for many years, residing in Sudden Valley , I'm thankful that you have an exemption for Sudden Valley vacant lot owners in the proposed chapter 20.51.

I support the passing of 20.51 because I feel the Members of the Sudden Valley Community Association(SVCA) have shown that they are good Stewarts of Lake Whatcom. And are very concerned about protecting the quality of the Lake for years to come. These are not just words since due to Our actions roughly 1300 building sites will no longer be built on in SV. This was the goal of Our density reduction program which started over 10 yrs ago and on an annual basis costs Our Community roughly \$936,000 in lost revenues or nine million three hundred sixty thousand dollars over 10 years. Which cost is absorbed by ALL Member of Our Community. We also implemented a system in the 80's which has since been used as a model for the Counties water retention efforts. To the cost of roughly \$1,500,000-\$2,000,000 paid by Our Members to once again help protect Lake Whatcom.

Sudden Valley consists of roughly 1,600 acres of which over 400 are reserved as park land or some other non buildable property. That means that each average sized 6,000 sq ft. lot has over a tenth of an acre of offsite storm water filtration. At no cost to the County.

Sudden Valley currently has approximately 700 vacant lot which would be negatively affected should they not be exempt from a change in the proposed chapter 20.51. The estimated cost of the system proposed for the water shed has been stated to be anywhere from \$4,000 per lot to \$60,000. The resent evaluation from a group of engineers working for the County was I think between \$10,000 to \$20,000 per lot. So, to be reasonable I'd like to use the average cost of \$15,000 for my next point. Side note: the engineers use a home value of about \$360,000, to determine the % of the home value that the system would cost those who built. In 2012 the average home sold in SV was only \$216,000,so the %'s used need to be increased by almost 50%. The new % would certainly be a hardship on the average Whatcom County family.

In 2012 the average cost of a lot sold in SV was \$15,000. So, if buyers are only willing to pay \$15,000 for a SV lot, how much do you think they will be willing to pay if the County or Department of Ecology(DOE) mandates that the buyer pay \$15,000 for a system that according to an engineer would only keep one teaspoon of phosphorus out of the Lake per year. \$15,000-\$15,000=0 ! Now I'm not saying this is a "taking" by regulation but if it's not what is?

And why if the County Assessor has voluntarily lowered the assessed value of SV lots in anticipation of the new fee having a negative financial impact on the value of SV lots, is this not a "taking"? Or at least a partial "takings" and why would the County or DOE not be required then to pay the damaged lot owners. By the way, the SVCA owns 100 SV lots and would be the biggest looser should the above scenario occur!

Possible financial damages should SVCA not be exempt and all 700 lots go back to the County, like what happened in the 80's !

ACC building fee
\$3,500 x 700 = \$2,450,000
Annual Dues
\$720 x 700 = \$504,000/year

Times 10 years equals \$7,490,000.

Now let's take a look at what the County and State may lose if we are not exempt and the vacant lot owner quit paying their taxes and eventually the County owns all 700 lots.

State sales tax on new construction

\$200,000 building cost x 8.5% sales tax = \$17,000 x 700 lots = \$11,900,000

\$300,000 sales price x 2% excise tax = \$6,000 X 700 lots = \$4,200,000

Total \$16,100,000

County building permits for new construction, probable a lot higher

\$15,000 x 700 = \$10,500,000

w/sewer fee

\$10,000 x 700 = \$ 7,000,000

Total \$17,500,000

Property Tax revenue

\$300,000 x 1% = \$3,000 x 700 = \$2,100,000/yr Over 10 years \$21,000,000 or more of course. Lost because no home were built.

Total \$21,000,000

So, the rest of Whatcom County Tax payers will have to make up the lost revenue of approximately \$54,000,000. Not to mention the potential cost of a class action law suit by either the SVCA on behave of the its Members or a group of individual SV owners.

Please protect ALL who benefit by keeping Lake Whatcom healthy and don't allow the DOE or any other uninformed biased entity to destroy our way of life.

Resident of "Sudden Valley-the undevelopment".


Respectfully,
Chris Weitzel

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