

VIA E-MAIL TO

JUN 20 2013

APR 2013 102a

ALL COUNCIL MEMBERS COUNTY COUNCIL

**From:** Brian Markee <bdkinc123@yahoo.com>  
**To:** Chris Weitzel <chrisweitzel@nwhomes.net>, "council@co.whatcom.wa.us"  
**CC:** 'Laurence W Brown' <lwbrown\_svca@icloud.com>, "naomibunis@comcast.net" ...  
**Date:** 6/20/2013 7:40 AM  
**Subject:** Re: Potential cost of Not exempting Sudden Valley

Hi Chris,

you are right on with your concerns.

Additionally the Lake Whatcom Water District will take a big hit as well. You noted the \$10K per lot hookup fee which is double what it was a few years ago, not happy about that but that is a side point. If all 800 lots were included that would be about \$8 Million in lost revenue. I don't know how much remains owed on the ULID Bond but I'm sure it is in the Millions. Then there is the lost revenue of approx. \$1080 per year in water and sewer fees for each house which is about \$864,000.00 per year, on going, for the 800 lots when actually built out.

None of these calculations include all of the jobs in the construction business that are so desperately needed for our economic recovery or all the jobs in the supporting supply businesses. You also have to consider the impact on all the businesses and people associated with Real estate, the brokers, agents, Title Insurance, general insurance, Banks and who knows how much in further trickle down.

This is a huge issue will tremendous financial ramifications.

Sincerely,

Brian Markee

Whatcom County taxpayer, Whatcom County. business owner, Sudden Valley property owner and part time resident.

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>From: Chris Weitzel <chrisweitzel@nwhomes.net>  
 >To: "council@co.whatcom.wa.us" <council@co.whatcom.wa.us>; "bod@suddenvalley.com" <bod@suddenvalley.com>  
 >Cc: 'Laurence W Brown' <lwbrown\_svca@icloud.com>; "naomibunis@comcast.net" <naomibunis@comcast.net>; 'Brian Markee' <bdkinc123@yahoo.com>; 'Marv DeMilio' <marv.demilio.b0p3@statefarm.com>; "gm@suddenvalley.com" <gm@suddenvalley.com>; "gregpaul@remax.net" <gregpaul@remax.net>; 'Tom Doll' <tommyd429@gmail.com>  
 >Sent: Tuesday, June 18, 2013 5:59 PM  
 >Subject: Potential cost of Not exempting Sudden Valley

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>Dear Members of the Whatcom County Council,

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>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.

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>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.

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>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.

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>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 recent 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.

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>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 loser should the above scenario occur!

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

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>ACC building fee

> $\$3,500 \times 700 = \$2,450,000$

>Annual Dues

> $\$720 \times 700 = \$504,000/\text{year}$

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

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

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>State sales tax on new construction

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

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

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>Total \$16,100,000

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>County building permits for new construction, probable a lot higher

> $\$15,000 \times 700 = \$10,500,000$

>w/sewer fee

> $\$10,000 \times 700 = \$7,000,000$

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>Total \$17,500,000

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>Property Tax revenue

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

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>Total \$21,000,000

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>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.

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>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.

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>Resident of "Sudden Valley—the undevelopment".

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>Respectfully,

>Chris Weitzel

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>

>Chris Weitzel, CRS & CDPE

>Managing Broker | RE/MAX Whatcom County, Inc.

>Call me at (360) 312-5151 or visit [www.ChrisWeitzel.com](http://www.ChrisWeitzel.com)

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