

Peter Gill

From: Laurence W Brown <lwbrown_svca@icloud.com>
Sent: Monday, June 24, 2013 1:56 PM
To: Barbara Brenner; Bill Knutzen; Council@co.whatcom.wa.us; Carl Weimer; Kathy Kershner; Ken Mann; Pete Kremen; Sam Crawford; sCrawford@co.Whatcom.WA.US
Cc: Rich Davis; Naomi Bunis; Russell Harlan; Chris Weitzel; David Onkels; gregpaul@remax.net; Marv DeMilio; BOD Valley; cesm; Jeff Schlaack; Perry Eskridge; Peter Gill; Brian Markee
Subject: Re: Update from County Council meeting Thursday

Dear Council Members-

Having not been at the last Council meeting, due to discussions related to this year's SVCA budget development, I am only able to address the various reports I have received of what transpired last Thursday night.

I originally had been informed that several favorable comments were made during the meeting, by both county and state personnel, regarding the "Homeowners Association exemption" provision that I had worked on personally with County staff, at the urging of Natural Resources Committee members, and which language subsequently had been added to the draft run-off mitigation regulatory language as it appeared on the County website to be addressed at the meeting last week.

To now read, as copied below, that in fact no exemption would be available for Sudden Valley lots under that language, despite its being included in the general "exemption" section of the proposed regulation, is both disappointing and counter-intuitive.

Perhaps the problem comes down to a lack of familiarity on the part of individual some Council members with every detail of the revised regulatory proposal as it was finally presented. Perhaps the misunderstanding arises simply from use of the word "exemption," which could indeed have differing implications.

It was not ever intended that the proposed language would result in "zero" run-off restrictions being applicable inside Sudden Valley. The exemption language clearly does not say that. Rather, that proposed language was intended only to enable lots in Sudden Valley (or in any incorporated HOA), after SVCA or such HOA entered into a written agreement with the County, to be relieved of meeting the higher, increased level of restrictions proposed to become applicable to lots in the rest of the watershed under the new regulation as a whole. All such lots would, instead, be required to continue meeting the currently existing restrictions, in recognition of the additional mitigation measures undertaken now and in the future by SVCA (or such HOA) as a whole.

Hoping that this apparent dispute results from a simple, and easily correctible, misunderstanding, which can be addressed as the Natural Resources Committee continues its work, I remain at your service to help create solutions that work for everyone.

-Laurence W. (Larry) Brown,
President, SVCA Board of Directors

On 24. Jun, '13, at 12:51 PM, Chris Weitzel wrote:

ALL,

For personal reasons and my desire to hear from anyone on the BOD since I spoke at the BOD meeting on June 13th regarding my concerns regarding this issue and the results of the County Council meeting, I waited until now to write to you ALL, can't wait any longer.

On the agenda at last Tuesdays meeting of the Whatcom County Council, was a discussion and possible vote on adopting Chapter 20.51. By now, thru my emails and public statements at last week's SVCA Board meeting, you are all aware of my opinion that passage would create a substantial long term negative effect on ALL SVCA Members. Initially it would negatively impact the value of vacant SV lots owned by Members, which includes the SVCA's 100 lots. Then, as Members stop paying their dues, it would cost All remaining Members more to cover the short fall. I fear that history is repeating itself and that the BOD is not doing enough to protect the assets of All SVCA Members. By the way, I was the only Member at the meeting that spoke in favor of what I was told would be in the best interest of All SVCA Members. And to my embarrassment, two Council Members stopped me to question why I thought SV vacant lots would be exempt. I told them that I was lead to believe that SV lots would be exempt because of the wording in the proposed Chapter, which one of our Members was instrumental in getting put into the Chapter. At that point it was explained that I was wrong to believe anything in the Chapter would exempt SVCA lots. Imagine my surprise. Attached you will find follow up emails to confirm the Councils opinion.

I continued to explain many of the reasons I believe that SVCA as a Community should have our vacant lot owners/Members exempt. And the huge loss of revenue that both the SV and the County would encounter if the Chapter was passed without exempting SVCA. Here's one of the rationalizations staff come up with to indicate to the Council that there would not be an issue in SV as I had stated. It was reported that when the Silver Beach vacant lots had to comply with the Cities new regulations that their lot values were not affected in a negative way. Please note, their lot values start at \$100,000 and go up from there. Our average lot price last year was \$15,000 which has improved this year. So if you do the math $\$178,892 - \$15,000(\text{system cost}) = \$163,892$ or a 8.4% reduction. SV lot $\$15,000 - \$15,000(\text{system cost}) = "0"$ or a 100% reduction in value. Once again that sounds like a "taking" to me. But even if it's not a "taking" it's a hell of a lot worse than a 8.4% reduction to a net value of \$163,892 or in SV case "0" remaining value. What would you do with a lot worth "0"? The staff is comparing the value 2 historically very different market areas which no professional Realtor or Appraiser would ever do without making huge corrections for the difference in base land values. Staffs math for Silver Beach may be correct but their conclusion that it won't negatively affect Our values is terrible wrong!!! Others in the process are also making statements about Our lots or retentions systems without knowing the FACTS.

As in most mystery novels, there is always a last minute twist. This one came when Mr. Hood spoke representing the DOE position, thoughts or approach to removing the required phosphorous from the Lake was discussed. He now believes that "picking the low fruit" meaning

vacant lots paying for the new required system would not be enough to solve the problem. Really? So, he stated that the existing homes in the water shed may have to be retrofitted with some kind of system to keep 100% of the phosphorous from coming off "YOUR" homes and getting into the Lake. Not to be a broken record but I've mentioned this concern before. And, it is currently being applied to homes in Bellingham! So with this shocking revelation and other public concerns being voiced the vote was put off for now by a 6 to 1 vote.

So the good news is the County Council should be receptive to a dialog with the BOD to possibly exempt SVCA. Which of course will not happen if we continue the current method of communications!! I suggest everyone receiving this get a transcript or listen to the audio recording of the first part of the meeting when this was discussed. You may even get a laugh out of my shocked reaction to being told at a public meeting how misinformed I was.

I've reached out to some in the Community in search for the individuals or the report by them, who stepped up a few years ago and provided their scientific data which I believed showed us as not being the problem. If anyone can send me the report or a contact person I'd really appreciate it.

In closing " if YOU think YOU can or YOU think YOU can't, either way YOU are right", Henry Ford. Let's work together and make a difference.

To the SVCA BOD, please individually give me your thoughts, concerns, comments, so I will be able to better understand your positions on this matter. And, see if there is anything we as a Community can collectively do to resolve this issue in a positive fashion for All Members. I'd be happy to participate in a round table type discussion should the BOD decide it would be valuable. I may even be able to get a County Commissioner and Council member to attend.

Respectfully reaching out,
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

From: Chris Weitzel

Sent: Tuesday, June 18, 2013 5:59 PM

To: 'council@co.whatcom.wa.us'; 'bod@suddenvalley.com'

Cc: 'Laurence W Brown'; 'naomibunis@comcast.net'; 'Brian Markee'; 'Marv DeMilio'; 'gm@suddenvalley.com'; 'gregpaul@remax.net'; 'Tom Doll'

Subject: Potential cost of Not exempting Sudden Valley

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 Stewards 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 loser 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

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

Annual Dues

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

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 \times 8.5% sales tax = $\$17,000 \times 700$ lots = $\$11,900,000$

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

Total $\$16,100,000$

County building permits for new construction, probable a lot higher

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

w/sewer fee

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

Total $\$17,500,000$

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.

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 behalf of 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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