



# UPDATE *fall 2002*

On October 16 the BOCC met to start its deliberations on the County Planning Department's proposed regulations. FRIENDS' President Lynn Bahrych expressed concern that neither the consultant study nor the proposed regulations would be acceptable to the Growth Management Hearings Board. FRIENDS' Executive Director Stephanie Buffum criticized the proposal for its potential impact on the County's rural character and on water and other resources, while Board member Roger Collier took issue with the adequacy of the consultant analysis.

The next step? On November 7, the BOCC meets again to continue its deliberations.

## The Majority is Right!

A recently released poll shows – surprise! – that FRIENDS' beliefs are shared by the majority of Washington voters. The Washington Environmental Council released the results of a statewide poll that showed, despite considerable concern about the economy, that Washington voters remain strongly supportive of measures to protect land and water in our State.

53 percent of those polled believed that restoration of wild salmon (a major focus of FRIENDS' efforts) is "extremely" or "very important." A solid majority also supported laws to protect land, air, and water; with 51 percent calling for better enforcement of existing laws, while 16 percent said the laws should be made tougher.

67 percent of the respondents strongly supported a "better safe than sorry" approach to protection against water pollution, agreeing that "business or agricultural activities that may pollute our waters" should be prohibited. On a related question, 68 percent supported prohibiting development in 250-foot streamside buffer zones in order to protect fish and wildlife.

The bottom line? Whatever developers tell our elected officials – including those in San Juan County – most voters care deeply about the environment.

## President's Message

The first two years of the 21st Century have been amazing ones for FRIENDS OF THE SAN JUANS. We have come of age in many ways. We have set a gold standard for scientific research on shorelines, which for years in the

future will inform governmental decisions at the county, state, and federal levels. Thanks to FRIENDS, San Juan County is leading the nation in developing ways of understanding and protecting the complex web of life along salt-water shorelines and nearshore areas. At the same time, FRIENDS has embraced a wider range of members and volunteers, including folks who have never been actively involved in environmental issues before.

We've also been blessed with an incredible Board of Directors, who've led us into mainstream environmental studies, an impressive range of successful projects, and into fiscal health. It's been my pleasure to preside over our board meetings for two years -- it is more like having a party with a dozen of my favorite friends. As Edward Abbey put it, "*It is not enough to fight for the land; it is even more important to enjoy it.*" With our wonderful Executive Director and Board, we've done an amazing job these last two years of enjoying these glorious islands while working to keep them glorious.

I have to say more about our Executive Director, Stephanie Buffum. We won the lottery when she accepted the job in June of 2001. She has brought a true professionalism to FRIENDS, a wonderful network of environmental groups and foundations, and a grace and joyfulness that permeates our office and our work in the community. The incoming President, Roger Collier, brings another kind of professionalism to FRIENDS, having been a consultant with the "big boys and girls" in the outside world and being a writer of remarkable ability. He is not only responsible for our great newsletters, but can balance budgets, and assist with the strategic management of complicated projects such as our forage fish and eelgrass studies. Stephanie and Roger will be an awesome leadership team for FRIENDS.

I thank each member of FRIENDS for your encouragement and financial support, which keeps FRIENDS going strong. It has been a sweet two years for me as President, and I look forward to many more years on the Board.

Enjoy the rapture of being alive in this Garden of Islands,

Lynn

## COCS Study Completed – "Residential Development Costs Us All"

The results of the first major element of FRIENDS OF THE SAN JUANS' *Managing Growth Campaign*, the Cost of Community Services analysis, were presented to audiences of County residents on Shaw, Orcas, Lopez, and San Juan Island on October 23 and 24.

FRIENDS contracted in June with the American Farmland Trust to perform this important study. The Trust has completed more than two dozen similar studies across the United States, each comparing the relative tax revenues against the corresponding cost of public services for various land use categories: residential, commercial and industrial, and farmland, forest, and open space. All three Commissioners approved the County's participation, which for the first time in San Juan County's history brings together in aggregate form all tax receipts and all public service expenditures for the County, school districts, and junior taxing districts. The bulk of the fieldwork was done by the American Farmland Trust team during August, with assistance and advice from the County Auditor, County Assessor, and other department heads and their staffs.

The process involved analysis of tax revenues and expenditures for the County's 2001 fiscal year. Each revenue item and each expenditure were assigned to a particular land use type. Where more than one land use type contributed to revenue or received services, an appropriate distribution was made. For example, most education tax revenues were distributed according to the overall ratios of property values (residential is approximately 69 percent, commercial is 8.6 percent, and farm, forest, and open space total 22.3 percent), while education expenditures were attributed entirely to residential. Throughout the process, the American Farmland Trust team relied extensively on input from County department heads to determine appropriate allocations.

**The results?** Just as in every jurisdiction in which similar studies have been performed, both by the American Farmland Trust and by other organizations, the San Juan County study showed a major imbalance between the revenues received from residential property and the costs of public services provided.

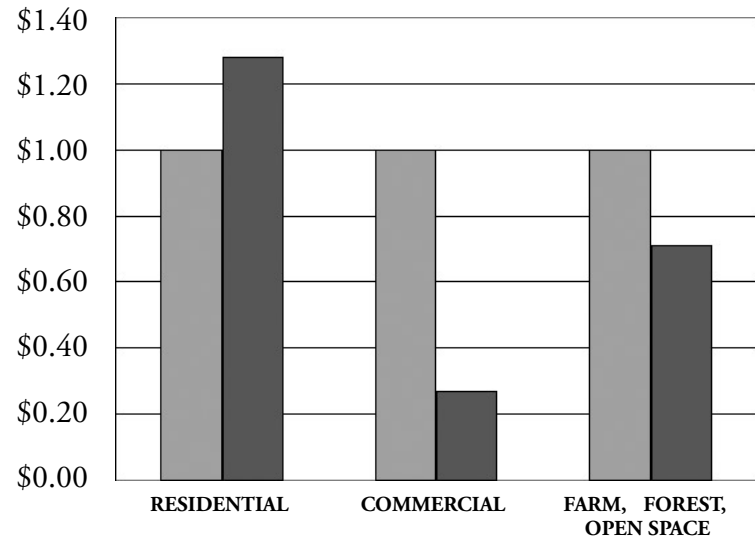
**Total Tax Revenues versus Tax Expenditures by Land Use Type in San Juan County – FY 2001**

	Residential Property	Commercial Property	Farm, Forest, Open Space	Total
<b>Revenues</b>	\$25,312,292	\$6,560,735	\$6,590,082	\$38,463,108
<b>Expenditures</b>	\$32,515,555	\$1,777,691	\$4,656,135	\$38,949,381
<b>Contribution</b>	(\$7,203,264)	\$4,783,044	\$1,933,947	

Excluding the effects of junior taxing districts such as the port districts, hospital district, fire districts, etc., residential property received some \$7.2 million more in public services than was paid in taxes. On the other hand, commercial development received \$4.8 million less in services than was contributed in taxes, although this figure does not take into consideration the cost of services provided to tourists. Farmland, forest and open space received \$1.93 million less in services than contributed in taxes, even including \$2.4 million in Land Bank capital expenditures among the service costs.

The San Juan County study shows that while residential development contributes the largest amount of revenue to the County and its school districts, its net fiscal impact is actually negative. The books are balanced only because commercial property and farmland and other open space receive substantially less value in services than they pay in taxes. In term of relative ratios, the imbalance looks like this:

**Ratio of Tax Dollars Received to Tax Dollars Spent by Land Use Type in San Juan County – FY 2001**



Note: Farm, Forest, Open Space ratio would be 0.33 without Land Bank capital expenditures.

For every \$1.00 of revenue generated by residential property in San Juan County in Fiscal Year 2001, an average of \$1.28 – much higher than the national average of \$1.17 -- was spent providing public services to the property and its residents. In contrast, for every \$1.00 of farm and open space tax revenue received, only \$0.71 of public services were provided, while for commercial property the ratio was even more extreme, \$1.00 of revenue for a mere \$0.27 in services. (The commercial ratio would have been less extreme if it had been possible to identify the cost of services related to tourism.)

The calculated ratios exclude revenue and expenditures of the junior taxing districts since none of these is Countywide. (School districts are included in the overall ratios since there is no area of the County not in a school district.) If the revenues and expenditures for the junior taxing districts such as the port and fire districts were added in to the County totals,

the imbalance between residential and other land uses would be even greater:

**Tax Dollars Received by Junior Taxing Districts versus Tax Dollars Spent in San Juan County – FY 2001**

	Residential Property	Commercial Property	Farm, Forest, Open Space	Total
Revenues	\$4,345,365	\$512,637	\$1,285,763	\$6,143,765
Expenditures	\$4,589,669	\$792,658	\$761,438	\$6,143,765
Contribution	(\$244,305)	(\$280,021)	\$524,326	

**What conclusions can be drawn?** The most immediate and obvious is that while building more homes increases the County's total tax collections, the additional revenues don't cover the cost of additional required services. (In fact, the \$1.00 to \$1.28 ratio underestimates the impact of a new home, since this is an average over all residential property and does not attempt to consider the additional necessary infrastructure costs of many new residences.) If it were not for the very stringent limitations of the "Tim Eynman initiatives" on aggregate property tax increases in the State of Washington, every additional home in San Juan County could potentially increase property tax rates. As it is, the effect is to squeeze tighter and tighter the County's ability to provide social services, law enforcement, public works, and other essential services.

**What should San Juan County do?** FRIENDS suggest four steps:

1. Recognize that encouraging residential development will result in increased taxes, reduced public services, or both.
2. Examine current land use regulations to determine the extent to which they encourage residential growth, and consequently risk the County's fiscal stability.
3. Determine whether impact fees or other measures are appropriate to compensate for the increased tax expenditures resulting from residential development
4. Identify additional mechanisms to encourage keeping farmland and forest in its present use.

## Neighborhood Buildout Study "Approaching Completion"

A second element of FRIENDS' Managing Growth Campaign has also made great strides in the past weeks as GIS consultant Dylan Stephens has worked with geographical data files from the County Planning Department and Assessor's Office to create drafts of maps designed to show how island neighborhoods will change as residential development grows. The initial map of what will eventually be a time-phased series shows every parcel in the County, together with an indication of whether a current structure exists on the parcel. The final map of the series shows "ultimate build-out" – with all allowable development superimposed on the existing parcels. As one visitor to FRIENDS' offices remarked: *"It looks like the threatened smallpox epidemic has already occurred on our islands."*

## No More "Water, Water Everywhere"

San Juan County's Department of Health and Community Services recently released a consultant study with critical implications for the future of our islands. The study, with the unglamorous title of "WRIA2 – Phase 2 Basin Assessment" (it'll never be a bestseller!) was conducted by a consortium of three specialist consulting firms to provide an assessment of San Juan County water resources, including comparisons of groundwater use versus availability and of water rights versus availability.

The study report reaches conclusions about groundwater use versus availability that could significantly impact island growth – or lead to serious water shortages, if ignored. While overall groundwater use in the County is less than the level considered to be the "maximum sustainable rate", the report identifies several major areas where this is not the case, and even one (Spring Point on Orcas Island) where water consumption is estimated to substantially exceed the recharge rate. The report also identifies areas where water rights allocations exceed water availability.

The implications of the report are that unless better water conservation is achieved or additional reservoirs and other storage facilities are constructed, possibly at considerable cost, areas of the San Juan Islands could face significant shortages of water as residential growth continues.

## FRIENDS Awarded Prestigious Bullitt Grant

In mid-October Executive Director Stephanie Buffum announced that FRIENDS' had received a \$30,000 grant from Seattle's prestigious Bullitt Foundation. The award will be used primarily to help fund FRIENDS' marine research programs, including the forage fish and eelgrass studies.

## Annual Meeting "a Huge Success"



FRIENDS' Annual Meeting, held in the open air on a splendid fall day at Fred Ellis' beautiful property on Shaw Island, was a huge success, with some 70 people attending, a new record for an Annual Meeting. Lynn Bahrych, FRIENDS' President, was the keynote speaker, talking about the history, structure and role of bird feathers, the subject of a book she is writing with the help of the Burke Museum. Executive Director Stephanie Buffum summarized the year's events, and President-elect Roger Collier provided an appraisal of FRIENDS' progress. The meeting was followed by a beach walk, with FRIENDS' Environmental Coordinator Tina Whitman talking about the forage fish study.

## Yet More ADU Hearings

The County's prolonged attempt to grapple with the issue of accessory dwelling units (guest houses) went through another couple of gyrations since FRIENDS' previous newsletter.

On September 27 the County's own Planning Commission, having reviewed and not been impressed by a consultant study performed for the County that discounted the impacts of ADUs, instead voted 3 to 2 to recommend that the current moratorium on guest house construction be continued.