

Quarterly Association Meeting
May 16, 2024

Research and Feasibility Committee

Purpose: To collect research and
data relative to
incorporation feasibility

Report to the BBIA Quarterly Meeting
May 16, 2024

Activities to Date

- Projected data from the previous feasibility study (completed)
- Collected available documents pertaining to taxes and expenses in cities such as Blaine (ongoing)
- Compiled data from similar cities to explore tax rates, median home values (ongoing)
- Collected other potential revenue sources such as short term rental revenue, real-estate excise tax, State Park/Rec revenue, and so on (ongoing)

Activities to Date

- Drafted and revised a survey targeting the services, priority of services, and level of services desired by the community, and the needs and concerns of part- and full-time residents.
(Distributed: May 7, 2024)
- Drafted letters to the County Executive and Department Heads requesting support for our data requests. Outcome: Incorporated into letters distributed by the Executive Committee; Resulted in a positive meeting with the County Executive and senior staff

Activity: Projecting from Prior Report

Public Safety

Sheriff Contract

Facility Costs

Police Dispatch Fees

Emergency Management

Correction and Detention Services

Public Works

Roads Maintenance Contract

City Engineer

Planning & Community Development

Current Expenses

Professional Services

City Manager

Finance

Legal

Parks and Recreation

Building

City Council

Non-Departmental

Animal Control Contract

Fire Marshal

Election Costs

State Audit

Return of 2/3 Public Safety Sales Tax

Miscellaneous

From Table 17, 2008 Feasibility Report, p. 48 (Projection)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Public Safety</u> | \$934,000 | \$976,000 | \$1,021,000 | \$1,067,000 | \$1,115,000 | \$1,165,000 |
| <i>Sheriff Contract</i> | \$784,000 | \$820,000 | \$857,000 | \$895,000 | \$935,000 | \$977,000 |
| <i>Facility Costs</i> | \$32,000 | \$33,000 | \$34,000 | \$35,000 | \$37,000 | \$38,000 |
| <i>Police Dispatch Fees</i> | \$39,000 | \$41,000 | \$43,000 | \$45,000 | \$47,000 | \$49,000 |
| <i>Emergency Management Participation</i> | \$13,000 | \$14,000 | \$15,000 | \$15,000 | \$16,000 | \$17,000 |
| <i>Correction and Detention Services</i> | \$66,000 | \$69,000 | \$73,000 | \$76,000 | \$80,000 | \$84,000 |
| <u>Public Works</u> | \$541,000 | \$566,000 | \$591,000 | \$618,000 | \$645,000 | \$674,000 |
| <i>Roads Maintenance Contract</i> | \$410,000 | \$428,000 | \$448,000 | \$468,000 | \$489,000 | \$511,000 |
| <i>City Engineer</i> | \$132,000 | \$137,000 | \$144,000 | \$150,000 | \$157,000 | \$164,000 |
| <u>Planning & Community Development</u> | \$317,000 | \$544,000 | \$564,000 | \$534,000 | \$556,000 | \$578,000 |
| <i>Current Expenses</i> | \$317,000 | \$444,000 | \$464,000 | \$484,000 | \$506,000 | \$528,000 |
| <i>Professional Services - Comprehensive Plan</i> | \$0 | \$100,000 | \$100,000 | \$50,000 | \$50,000 | \$50,000 |
| <u>City Manager</u> | \$345,000 | \$360,000 | \$376,000 | \$393,000 | \$410,000 | \$428,000 |
| <u>Finance</u> | \$293,000 | \$306,000 | \$320,000 | \$334,000 | \$349,000 | \$364,000 |
| <u>Legal</u> | \$104,000 | \$107,000 | \$111,000 | \$115,000 | \$119,000 | \$123,000 |
| <u>Parks and Recreation</u> | \$150,000 | \$157,000 | \$164,000 | \$171,000 | \$178,000 | \$186,000 |
| <u>Building</u> | \$117,000 | \$122,000 | \$127,000 | \$133,000 | \$139,000 | \$145,000 |
| <u>City Council</u> | \$34,000 | \$35,000 | \$37,000 | \$38,000 | \$40,000 | \$41,000 |
| <u>Non-Departmental</u> | \$138,000 | \$145,000 | \$152,000 | \$159,000 | \$166,000 | \$174,000 |
| <i>Animal Control Contract</i> | \$20,000 | \$21,000 | \$23,000 | \$24,000 | \$25,000 | \$27,000 |
| <i>Fire Marshall</i> | \$40,000 | \$42,000 | \$44,000 | \$46,000 | \$48,000 | \$50,000 |
| <i>Election Costs</i> | \$8,000 | \$9,000 | \$9,000 | \$9,000 | \$10,000 | \$10,000 |
| <i>State Audit</i> | \$10,000 | \$11,000 | \$11,000 | \$11,000 | \$12,000 | \$12,000 |
| <i>Return of 2/3 Public Safety Sales Tax to County</i> | \$49,000 | \$52,000 | \$54,000 | \$57,000 | \$60,000 | \$63,000 |
| <i>Miscellaneous</i> | \$10,000 | \$11,000 | \$11,000 | \$11,000 | \$12,000 | \$12,000 |
| Total Projected Core | \$2,973,000 | \$3,318,000 | \$3,463,000 | \$3,562,000 | \$3,717,000 | \$3,878,000 |

From Table 17, 2008 Feasibility Report, p. 48 (Projection)

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| \$1,217,425 | \$1,272,209 | \$1,329,459 | \$1,389,284 | \$1,451,802 | \$1,517,133 | \$1,585,404 | \$1,656,747 | \$1,731,301 | <u>Public Safety</u> |
| \$1,020,965 | \$1,066,908 | \$1,114,919 | \$1,165,091 | \$1,217,520 | \$1,272,308 | \$1,329,562 | \$1,389,392 | \$1,451,915 | <i>Sheriff Contract</i> |
| \$39,710 | \$41,497 | \$43,364 | \$45,316 | \$47,355 | \$49,486 | \$51,713 | \$54,040 | \$56,472 | <i>Facility Costs</i> |
| \$51,205 | \$53,509 | \$55,917 | \$58,433 | \$61,063 | \$63,811 | \$66,682 | \$69,683 | \$72,819 | <i>Police Dispatch Fees</i> |
| \$17,765 | \$18,564 | \$19,400 | \$20,273 | \$21,185 | \$22,138 | \$23,135 | \$24,176 | \$25,264 | <i>Emergency Management Participation</i> |
| \$87,780 | \$91,730 | \$95,858 | \$100,172 | \$104,679 | \$109,390 | \$114,312 | \$119,456 | \$124,832 | <i>Correction and Detention Services</i> |
| \$704,330 | \$736,025 | \$769,146 | \$803,758 | \$839,927 | \$877,723 | \$917,221 | \$958,496 | \$1,001,628 | <u>Public Works</u> |
| \$533,995 | \$558,025 | \$583,136 | \$609,377 | \$636,799 | \$665,455 | \$695,400 | \$726,693 | \$759,395 | <i>Roads Maintenance Contract</i> |
| \$171,380 | \$179,092 | \$187,151 | \$195,573 | \$204,374 | \$213,571 | \$223,181 | \$233,225 | \$243,720 | <i>City Engineer</i> |
| \$604,010 | \$631,190 | \$659,594 | \$689,276 | \$720,293 | \$752,706 | \$786,578 | \$821,974 | \$858,963 | <u>Planning & Community Development</u> |
| \$551,760 | \$576,589 | \$602,536 | \$629,650 | \$657,984 | \$687,593 | \$718,535 | \$750,869 | \$784,658 | <i>Current Expenses</i> |
| \$52,250 | \$54,601 | \$57,058 | \$59,626 | \$62,309 | \$65,113 | \$68,043 | \$71,105 | \$74,305 | <i>Professional Services - Comprehensive Plan</i> |
| \$447,260 | \$467,387 | \$488,419 | \$510,398 | \$533,366 | \$557,367 | \$582,449 | \$608,659 | \$636,049 | <i>City Manager</i> |
| \$380,380 | \$397,497 | \$415,384 | \$434,077 | \$453,610 | \$474,023 | \$495,354 | \$517,645 | \$540,939 | <u>Finance</u> |
| \$128,535 | \$134,319 | \$140,363 | \$146,680 | \$153,280 | \$160,178 | \$167,386 | \$174,918 | \$182,790 | <u>Legal</u> |
| \$194,370 | \$203,117 | \$212,257 | \$221,808 | \$231,790 | \$242,220 | \$253,120 | \$264,511 | \$276,414 | <u>Parks and Recreation</u> |
| \$151,525 | \$158,344 | \$165,469 | \$172,915 | \$180,696 | \$188,828 | \$197,325 | \$206,205 | \$215,484 | <u>Building</u> |
| \$42,845 | \$44,773 | \$46,788 | \$48,893 | \$51,093 | \$53,393 | \$55,795 | \$58,306 | \$60,930 | <i>City Council</i> |
| \$181,830 | \$190,012 | \$198,563 | \$207,498 | \$216,836 | \$226,593 | \$236,790 | \$247,446 | \$258,581 | <u>Non-Departmental</u> |
| \$28,215 | \$29,485 | \$30,811 | \$32,198 | \$33,647 | \$35,161 | \$36,743 | \$38,397 | \$40,125 | <i>Animal Control Contract</i> |
| \$52,250 | \$54,601 | \$57,058 | \$59,626 | \$62,309 | \$65,113 | \$68,043 | \$71,105 | \$74,305 | <i>Fire Marshall</i> |
| \$10,450 | \$10,920 | \$11,412 | \$11,925 | \$12,462 | \$13,023 | \$13,609 | \$14,221 | \$14,861 | <i>Election Costs</i> |
| \$12,540 | \$13,104 | \$13,694 | \$14,310 | \$14,954 | \$15,627 | \$16,330 | \$17,065 | \$17,833 | <i>State Audit</i> |
| \$65,835 | \$68,798 | \$71,893 | \$75,129 | \$78,509 | \$82,042 | \$85,734 | \$89,592 | \$93,624 | <i>Return of 2/3 Public Safety Sales Tax to County</i> |
| \$12,540 | \$13,104 | \$13,694 | \$14,310 | \$14,954 | \$15,627 | \$16,330 | \$17,065 | \$17,833 | <i>Miscellaneous</i> |
| \$4,052,510 | \$4,234,873 | \$4,425,442 | \$4,624,587 | \$4,832,694 | \$5,050,165 | \$5,277,422 | \$5,514,906 | \$5,763,077 | Total Projected Core |

Sheriff's Start-up Costs

Exhibit 21, p. 54

Capital/vehicles (8 cars
and 1 motorcycle)

Small Tools & Equipment

Capital/computers

Supplies

Professional Services

Uniform

Install Computers

| Sheriff's Start-up Costs Exhibit 21, p. 54 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Capital/vehicles (8 cars and 1 motorcycle) | \$306,000 | \$319,770 | \$334,160 | \$349,197 | \$364,911 | \$381,332 |
| Small Tools & Equipment | \$51,200 | \$53,504 | \$55,912 | \$58,428 | \$61,057 | \$63,805 |
| Capital/computers | \$40,000 | \$41,800 | \$43,681 | \$45,647 | \$47,701 | \$49,847 |
| Supplies | \$12,944 | \$13,526 | \$14,135 | \$14,771 | \$15,436 | \$16,131 |
| Professional Services | \$9,000 | \$9,405 | \$9,828 | \$10,270 | \$10,733 | \$11,216 |
| Uniform | \$8,210 | \$8,579 | \$8,966 | \$9,369 | \$9,791 | \$10,231 |
| Install Computers | \$8,000 | \$8,360 | \$8,736 | \$9,129 | \$9,540 | \$9,969 |
| TOTAL | \$435,354 | \$454,945 | \$475,417 | \$496,811 | \$519,168 | \$542,530 |

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
| \$398,492 | \$416,424 | \$435,163 | \$454,745 | \$475,209 | \$496,593 | \$518,940 | \$542,292 | \$566,695 | Capital/vehicles (8 cars and 1 motorcycle) |
| \$66,676 | \$66,677 | \$66,678 | \$66,679 | \$66,680 | \$66,681 | \$66,682 | \$66,683 | \$69,684 | Small Tools & Equipment |
| \$52,090 | \$52,091 | \$52,092 | \$52,094 | \$52,095 | \$52,096 | \$52,097 | \$52,098 | \$54,442 | Capital/computers |
| \$16,856 | \$16,858 | \$16,859 | \$16,860 | \$16,861 | \$16,862 | \$16,863 | \$16,864 | \$17,623 | Supplies |
| \$11,720 | \$11,721 | \$11,722 | \$11,723 | \$11,725 | \$11,726 | \$11,727 | \$11,728 | \$12,255 | Professional Services |
| \$10,692 | \$10,693 | \$10,694 | \$10,695 | \$10,696 | \$10,697 | \$10,698 | \$10,699 | \$11,180 | Uniform |
| \$10,418 | \$10,419 | \$10,420 | \$10,421 | \$10,422 | \$10,423 | \$10,424 | \$10,425 | \$10,895 | Install Computers |
| \$566,944 | \$592,457 | \$619,117 | \$646,977 | \$676,091 | \$706,516 | \$738,309 | \$771,533 | \$806,252 | TOTAL |

Activity: Compiling Comparable Data

| City | 2023 Population | General Fund Revenues | General Fund Expenses | General Fund Revenue Per Citizen | Median Household Income in 2022 Dollars |
|--|-----------------|-----------------------|-----------------------|----------------------------------|---|
| Blaine | 6,310 | \$8,772,730 | \$8,772,730 | \$1,390 | \$78,663 |
| Ferndale | 16,330 | \$9,666,906 | \$11,900,689 | \$592 | \$82,466 |
| Lynden | 16,520 | \$17,300,372 | \$14,859,792 | \$1,047 | \$86,175 |
| Duvall | 8,530 | \$7,712,305 | \$8,145,533 | \$904 | \$168,663 |
| Port Townsend | 10,330 | \$15,429,015 | \$15,915,177 | \$1,494 | \$59,193 |
| Birch Bay Census Designated Place | 10,115 | n/a | n/a | n/a | \$78,172 |

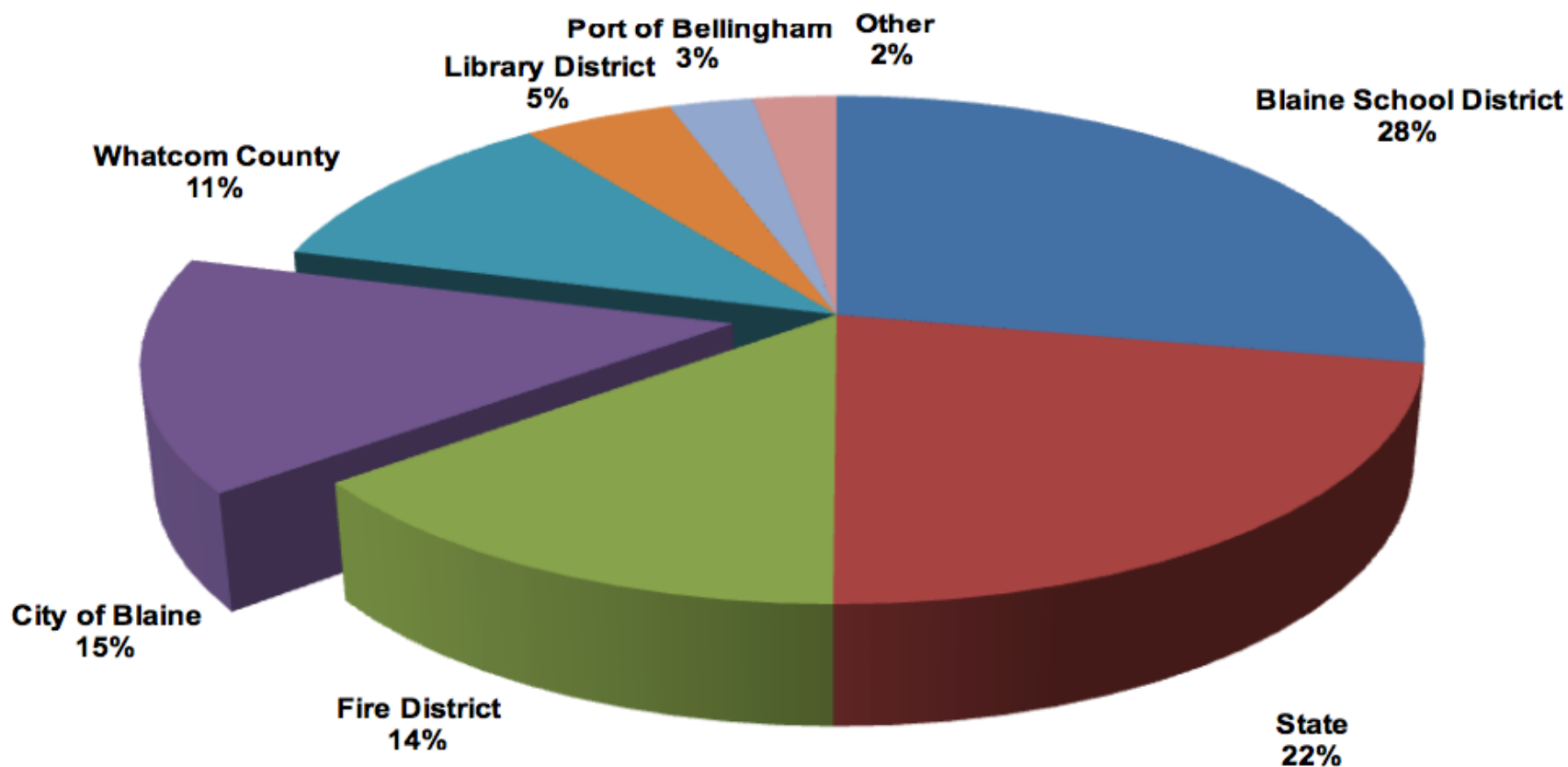
From "City Revenues & Expenses Summary" provided by Johathan Malahan
 Edited and truncated by Chuck Kinzer

Comparison of Property and Sales Tax Revenues – Birch Bay and Other Recently- Incorporated Cities (2007)

| City | Year of Incorporation | 2007 Population | Assessed Value per Resident | Sales Tax per Resident | Property & Sales Taxes (Assuming a levy rate of \$1.516 per \$1,000 of Assessed Value) | 2022 Population | 15 Year Change |
|----------------------|-----------------------|-----------------|-----------------------------|------------------------|--|-----------------|----------------|
| Burien | 1993 | 31,410 | \$109,427 | \$158 | \$324 | 50,806 | 61.8% |
| Covington | 1997 | 17,190 | 96,335 | 136 | 282 | 21,374 | 24.3% |
| Edgewood | 1996 | 9,560 | 126,426 | 55 | 247 | 12,896 | 34.9% |
| Kenmore | 1998 | 19,940 | 128,056 | 111 | 306 | 23,478 | 17.7% |
| Lakewood | 1996 | 58,950 | 87,317 | 132 | 264 | 62,572 | 6.1% |
| Liberty Lake | 2001 | 6,580 | 120,315 | 338 | 520 | 12,651 | 92.3% |
| Maple Valley | 1997 | 20,020 | 100,684 | 93 | 246 | 28,220 | 41.0% |
| Newcastle | 1994 | 9,550 | 187,298 | 103 | 387 | 12,902 | 35.1% |
| Sammamish | 1999 | 40,260 | 191,326 | 72 | 362 | 65,845 | 63.5% |
| Spokane Valley | 2003 | 88,280 | 66,640 | 197 | 298 | 107,325 | 21.6% |
| University Pl. | 1995 | 31,300 | 102,190 | 66 | 221 | 34,634 | 10.7% |
| <i>Median of All</i> | | | <i>63,000</i> | <i>130</i> | <i>242</i> | | |
| Birch Bay | | 5,900 | \$180,673 | \$60 - \$70 | \$334 - \$344 | 8,749 | 48.3% |

| | Population | 2023 Property | Valuation Per Resident | |
|-------------|-----------------|-----------------|------------------------|-----------------|
| City or UGA | 2023 Population | Tax Valuation | 2023 Levy | Approximate Tax |
| Lynden | 16,505 | \$3,085,128,032 | \$186,921 1.39 | \$4,323,260.47 |
| Ferndale | 16,164 | \$2,825,079,926 | \$174,776 0.73 | \$2,073,145.06 |
| Birch Bay | 8,903 | \$2,193,050,000 | \$246,327 2.48 | \$5,438,764.00 |
| Blaine | 6,125 | \$1,666,106,322 | \$272,017 0.83 | \$1,386,997.86 |
| Everson | 3,106 | \$375,748,157 | \$120,975 0.92 | \$347,161.62 |
| Sumas | 1,665 | \$292,656,572 | \$175,770 2.41 | \$704,415.47 |
| Nooksack | 1,689 | \$214,890,925 | \$127,230 0.75 | \$161,084.21 |

Distribution of Property Tax



Activity: Compiling Revenue Sources

| Date | Unique | B&B | Apartment | House | Total Monthly Revenue |
|-----------------------------|----------|---------|-----------|-----------|-----------------------|
| 09/01/22 | \$640 | \$2,275 | \$402,576 | \$232,717 | \$638,208 |
| 10/01/22 | \$2,667 | \$3,975 | \$278,086 | \$164,401 | \$449,129 |
| 11/01/22 | \$3,672 | \$2,950 | \$232,489 | \$163,148 | \$402,259 |
| 12/01/22 | \$4,019 | \$2,350 | \$273,823 | \$207,621 | \$487,813 |
| 01/01/23 | \$2,752 | \$5,650 | \$219,163 | \$132,504 | \$360,069 |
| 02/01/23 | \$1,129 | \$0 | \$265,595 | \$151,996 | \$418,720 |
| 03/01/23 | \$1,959 | \$0 | \$311,080 | \$185,744 | \$498,783 |
| 04/01/23 | \$3,559 | \$0 | \$333,400 | \$223,980 | \$560,939 |
| 05/01/23 | \$3,498 | \$0 | \$352,253 | \$246,972 | \$602,723 |
| 06/01/23 | \$4,559 | \$0 | \$421,889 | \$354,467 | \$780,915 |
| 07/01/23 | \$11,808 | \$0 | \$465,681 | \$543,417 | \$1,020,906 |
| 08/01/23 | \$13,173 | \$0 | \$507,499 | \$525,627 | \$1,046,299 |
| 09/01/23 | \$9,302 | \$0 | \$350,253 | \$355,976 | \$715,531 |
| Total past 12 months | | | | | \$7.344.086 |

Source: AirDNA.co, Birch Bay submarket

Activity: Drafting, Revising, and Distributing a New Survey

We need to know what services, priority of services, and level of services are desired by the community. And, the needs and concerns of part- and full-time residents must be understood so as to be incorporated into any future city of Birch Bay.

Respondents Needed at Error of $\pm 5\%$, and $\pm 10\%$

| Population | $\pm 5\%$ | $\pm 10\%$ |
|------------|-----------|------------|
| 500 | 220 | 80 |
| 1,000 | 285 | 90 |
| 3,000 | 350 | 100 |
| 5,000 | 370 | 100 |
| 10,000 | 385 | 100 |

5% means being 95% confident; 10% means being 90% confident in the obtained results.

From: <https://tinyurl.com/mkm7czju>

Respondents Needed at Error of $\pm 5\%$, and $\pm 10\%$

| Population | $\pm 5\%$ | $\pm 10\%$ |
|------------|-----------|------------|
| 500 | 220 | 80 |
| 1,000 | 285 | 90 |
| 3,000 | 350 | 100 |
| 5,000 | 370 | 100 |
| 10,000 | 385 | 100 |

We have 238 responses as of 05/16/24

(Population in the proposed boundary is ~ 8,800)

238

From: <https://tinyurl.com/mkm7czju>

Why are Error Rates Important?

Let's say 60% favor incorporation and 40% don't, with a $\pm 10\%$ error rate.

- In favor could actually be as low as $60\% - 10\% = 50\%$ and
- Not in favor could actually be as high as $40\% + 10\% = 50\%$

So we couldn't say there was a statistically significant difference between groups.

Why are Error Rates Important?

Let's say 60% favor incorporation and 40% don't, with a $\pm 10\%$ error rate.

- In favor could actually be as low as $60\% - 10\% = 50\%$ and
- Not in favor could actually be as high as $40\% + 10\% = 50\%$

So we couldn't say there was a statistically significant difference between groups.

BUT with a $\pm 5\%$ error rate:

- In favor could actually be as low as $60\% - 5\% = 55\%$ and
- Not in favor could actually be as high as $40\% + 5\% = 45\%$

So we might say there was a statistically significant difference between groups.

Activity: Drafting, Revising, and Distributing a New Survey

We need to know what services, priority of services, and level of services are desired by the community. And, the needs and concerns of part- and full-time residents must be understood so as to be incorporated into any future city of Birch Bay.

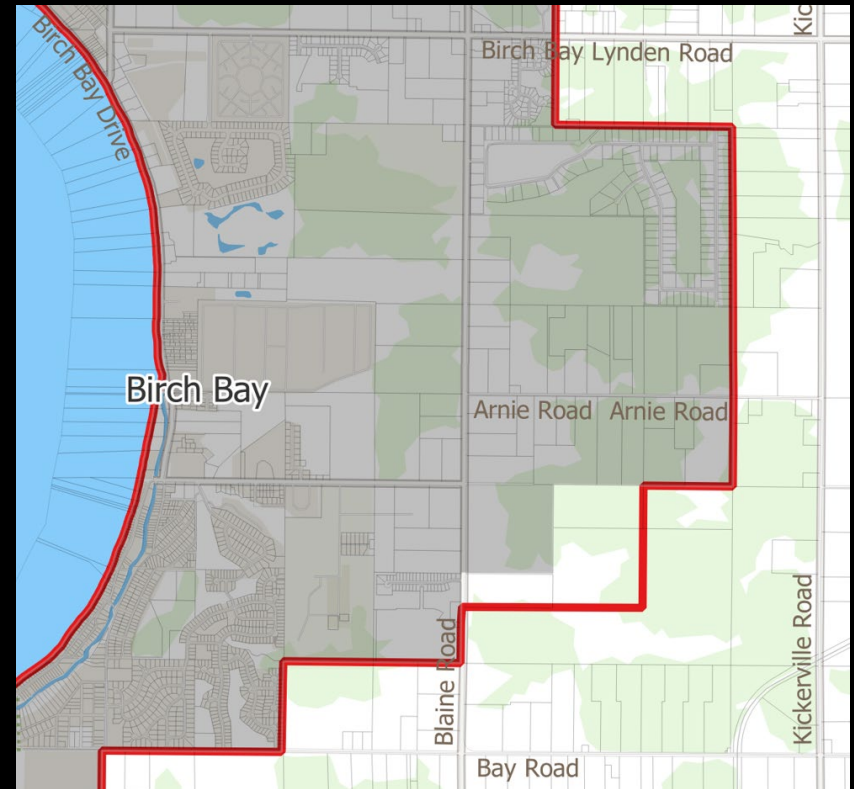
IMPORTANT: Please complete the survey at:

<https://shorturl.at/wzBL0>

Map Correction

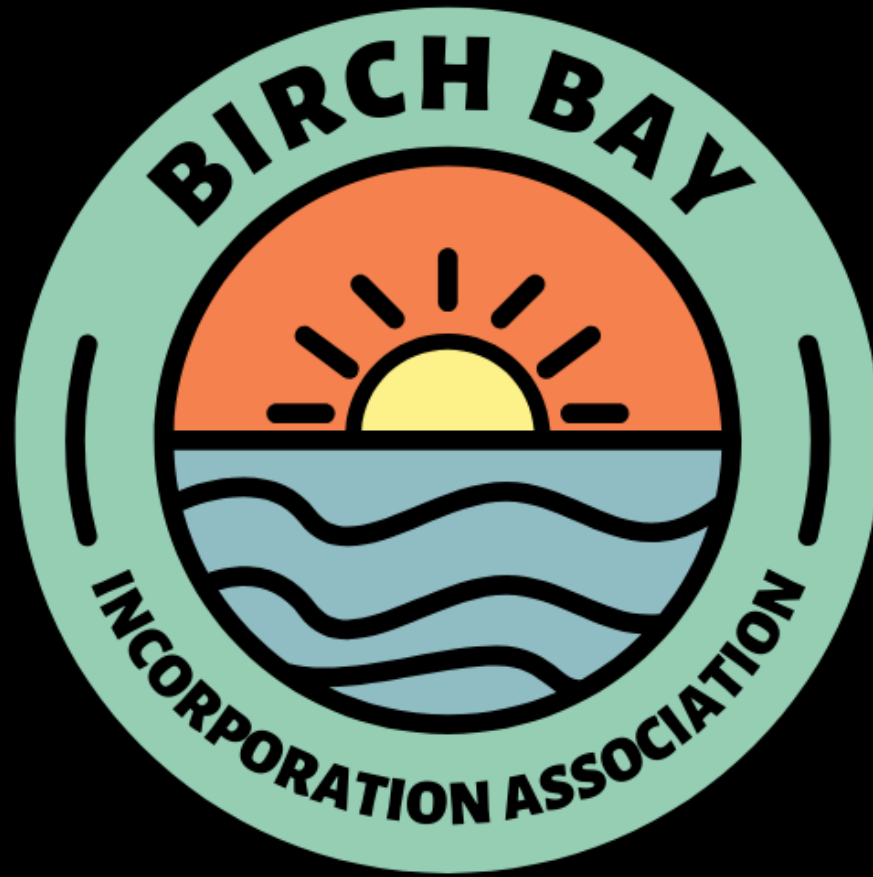


2008 Incorporation
Feasibility Study Map



Different boundary file
versions for comparison

Updated maps available in the back of the room and online
(Thank you, Pat J. for the donation)



Quarterly Association Meeting
May 16, 2024