

From: [Gary Tripp](#)
To: [*Bainbridge Citizens](#)
Subject: Unintended Consequences of the SMP --- It's Always The Little Guy That Gets Hurt The Most
Date: Tuesday, March 19, 2013 3:02:55 PM

From: [Russ Young bibestfriends@msn.com](mailto:Russ.Young_bibestfriends@msn.com)

Dear City Council Members:

My wife, Linda, and I are very concerned about the impact of the SMP on the so-called "little guy", who could turn out to be the big loser if the proposed SMP is passed. Isn't it always the little guy who gets hurt the most when big issues are involved?

A reduction in income or worse, loss of livelihood, is the predictable result for many a little guy upon passage of the proposed SMP regulations which would reduce Island economics at the homeowner, business, City and worker levels. Attached is my e-mail of February 21, in which I detailed the broad economic impact of the SMP as currently proposed.

Turning to the little guy, his situation looks like this:

1. Unintended consequences can often be the cause of pain for the little guy.

When decisions are made affecting broad economic matters, even though seemingly unconnected to the middle class, the ricochet of economics can hit that segment of society right between the eyes.

2. The little guy has no power or resources to fall back on.

Unlike the powerful, such as those involved with City Hall, the little guy has no power & is not represented in the discussion. He lacks the financial resources to take care of sudden income shortfalls. The little guy is simply crushed when community economics turn downward.

3. If implemented, the zoning classification for shoreline homes (by imposing restrictive regulations on building activities, regardless of whatever terminology or semantics are used) will cause:

- shoreline construction to dry up;
- local retail business revenues to suffer;
- the realtor community to suffer
 - due to lower property values, fewer completed real estate transactions & the major difficulty in arranging financing;

Island employment to decline;
& further depression of local business revenues, in turn, as Island employment falls.

4. An example of another targeted law --- the federal luxury tax on yachts.

In 1990, Congress in Washington D. C. passed a luxury tax on the sale of all new yachts valued over \$100,000 and also on jewelry, furs, etc. It was a 10% excise tax. This was a tax targeting the rich and only the rich. However, the wealthy reacted to the new tax by dropping their plans for new yachts. Disappointingly, collected tax revenues were just a fraction of what had been anticipated. More importantly, the middle class workers in the shipyards lost their jobs in droves. According to the Joint Economic Committee, some 7,600 workers lost their jobs in the boating industry. This is what unintended consequences can look like for the little guy; he is simply crushed.

5. Some damage can never be reversed.

Congress later acted to repeal the 1990 yacht tax. But economic decisions had already been made that could not be reversed. Some shipbuilding businesses had permanently moved to other countries. Those good jobs were lost forever. The structural employment problem our country has been experiencing for decades, with millions of manufacturing jobs moving overseas, can be partially attributed to particular decisions that have been made where unintended consequences developed. These unintended results involving job losses could have been avoided had all the integrated economics been understood up front.

The SMP is a community-wide issue. Let's address it in a smart way, in a way that is best for all the people. Let's not implement a plan that hurts those least capable of absorbing its impact, such as middle class workers. Let's not roll the dice with Bainbridge's economic vitality and future. Let's not take actions that cannot be fully reversed.

The proposed application of severe use restrictions to virtually all shoreline homeowners is an experimental gamble; unfortunately, recent zoning word games that have been suggested do not remove the actual peril represented by the proposed overly-restricting building and use regulations. The high risk experiment will directly impact Island economics for years to come.

The goal of advancing a not-yet-proven science about shoreline ecological impacts does not make any sense when the science points squarely to the water runoff from our roads as the most likely culprit; something we all agree upon. Let's focus on that obvious cause. The proposed regulations cannot possibly be worth the predictable destruction to real people's lives, especially those in the middle class who have not yet recovered from the recent economic downturn.

I'm confident in my findings but even if you hold some level of skepticism about the precise outcome, is it worth the impact on humanity? For sure, much that I envision will, in fact, materialize. I think Bainbridge should regard all of its people, especially those who are less well off, with a high level of concern, don't you?

Sincerely,

Russell S. Young

For reference, my background includes:

MBA in Finance, The Wharton School, University of Pennsylvania, 1974

Senior finance positions with well-regarded organizations, including as former Fortune 500 company Chief Financial Officer

From: [Russ Young](#)

Sent: Thursday, February 21, 2013 11:35 AM

To: [Anne Blair](#) ; [Sarah Blossom](#) ; [steven bonkowski](#) ; [Kirsten Hytopoulos](#) ; [Debbi Lester](#) ; [Bob Scales](#) ; [David Ward](#)

Subject: Shoreline Master Program Affects All Islanders, Not Just Those on the Shoreline

Dear City Council Members:

My spouse, Linda, and I have been long term residents of Bainbridge Island for more than 15 years. We selected Bainbridge so that we could be part of a shared island living experience. We love Bainbridge, especially its sense of being a true local community.

But now we are very concerned by the divisive and destructive proposal to label certain community residents & their property different from the rest of the community. The homes along the shore are generally typical of all island homes & they generally comply with all City rules, regulations and building codes. So why split the island into two classes of homeowners? Why divide the community by introducing labels such as "non-conforming"?

Using a label is divisive; it is a weapon to denigrate someone who is viewed as just "not like me". Sadly, we see this technique widely used in Washington D.C. today, where the toxic environment has made common goals and common progress almost impossible to achieve. Let's not bring that to Bainbridge.

My spouse and I ask the Council to approach the Shoreline Master Program with a view that supports community efforts and collaborative gains. Please eliminate the use of arbitrary

labels such as “non-conforming” when considering any SMP plan. Let’s not pit neighbor against neighbor, islander against islander.

The recession has left much of Bainbridge weakened, with many people struggling just to pay their bills and to keep a roof over their head. Let’s not add to their challenges by introducing the widespread economic loss and pain that will result from the “non-conforming” approach. If implemented, labeling shoreline homes as “non-conforming” will:

1. Send a message that water views are not valued or protected on Bainbridge.

Prospective home buyers and “tourists” who would otherwise come to look & dream about a water-view home will be less interested. These would-be buyers and tourists will go elsewhere.

2. Shoreline construction will dry up.

Existing homeowners & prospective buyers will conclude that remodeling or building in compliance with the new SMP rules is prohibitively expensive. And no one will want to plant vegetation that will block water views.

3. Revenues of local builders & related businesses will drop significantly as shoreline construction dries up.

This drop will ripple through the local economy.

4. Less shoreline construction means less building permit revenues for the City.

5. Water-view properties not located on the shoreline will decline in value.

This decline will be caused by degradation of their view, as a result of tall vegetation on the shoreline.

6. Deterioration of neighborhoods near the water means less property tax revenues.

The virtual inability of shoreline homeowners to improve or rebuild their homes due to the prohibitive cost of SMP requirements will cause many homes to fall into disrepair. In turn, the value of surrounding non-waterfront, neighborhood properties will decline. The result will be lower property tax revenues. Schools will suffer as a result.

7. Local retail business revenues will suffer.

There will be a drop in the number of on-island customers with substantial discretionary income to spend & a drop in the number of real estate tourists who visit Bainbridge. This means less trade for local businesses.

8. The realtor community will suffer.

Undercutting one of Bainbridge’s greatest natural resources, its water views, will depress the

number and value of transactions upon which local realtors depend for their livelihood.

9. Island employment will decline.

When local business revenues drop, island employment will follow it down.

10. Less island employment will depress local business revenues even further.

The newly unemployed will shop less locally or not shop at all on Bainbridge.

11. Litigation the City can ill afford would result.

The cost of defending various SMP lawsuits would threaten the City's financial viability, as we have no surplus resources to fund it. We need every dime we have for our schools, libraries, police and fire protection and for roads.

Kitsap County faced the SMP issues recently and opted for an approach which did not divide its community & did not bring economic pain to its residents or those in its working community.

This important issue is a community-wide issue. Let's address it in a smart way that is best for all, steering clear of self-inflicted wounds that would portend years of economic depression.

Sincerely,

Russell S. Young