

**Theresa Rice**

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**From:** Roz Lassoff on behalf of Council  
**Sent:** Tuesday, June 19, 2012 1:13 PM  
**To:** Theresa Rice  
**Subject:** FW: SMP - Unintended Consequences

*Roz Lassoff*  
Rosalind D. Lassoff, City Clerk  
City of Bainbridge Island  
280 Madison Avenue North  
Bainbridge Island, WA 98110  
(206) 780-8624

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**From:** Robert Dashiell [mailto:rgdimages@aol.com]  
**Sent:** Tuesday, June 19, 2012 11:25 AM  
**To:** Council  
**Cc:** CityAdmin  
**Subject:** Fwd: SMP - Unintended Consequences

Members of the City Council,,

I normally do not forward personal correspondence and thereby make it a public record, , but since the SMP issue has become a mainstream issue, I think the forwarded exchange of perspectives is informative enough to be useful to the City Council as they consider one significant SMP decision that has to be made.

Respectfully,

Robert Dashiell  
6370 NE Tolo Road  
206-855-8112

Begin forwarded message:

**From:** Robert Dashiell <rgdimages@aol.com>  
**Date:** June 19, 2012 11:14:24 AM PDT  
**To:** Lewis Mandell <lewm@buffalo.edu>  
**Subject:** Re: SMP - Unintended Consequences

Mr. Mandell,

Thank you for your response. We could both argue our respective viewpoints, but that would not result in anything but a polite disagreement.

Your ENTIRE argument is based on the specific premise waterfront values will decline if they are legally labeled non-conforming. You have used 25% decline and have alluded that might be conservative.

I was just requesting you provide some study or analysis or at least some basis other than an statement of assumed fact that may or may not be valid.

There are assessors all over the United States ... the very basis of property taxation. They determine property tax values, which by law reflect sale trend prices.

You might be correct in your analysis ... I'm simply asking you to produce something with general credibility to support your devaluation premise.

I don't think that's an unreasonable request.

Respectfully,

Robert Dashiell

On Jun 19, 2012, at 9:38 AM, Lewis Mandell wrote:

Mr. Dashiell:

You state that "The Kitsap County Assessor stated that there is no assessor valuation evidence of a waterfront parcel loss of any value due to non-conforming status." I have not examined this study and cannot comment authoritatively on its methodology but assume that it is purely cross-sectional and doesn't capture differentials due to major reclassification over time. I also do not know the extent to which differences in historical classification have impacted freedom of use and have been made known to buyers.

The proposed Bainbridge reclassification would impose certain additional restrictive uses and some uncertainty of the effect of future administrative decisions. As an economist, I cannot see how that would cause an increase in the relative valuation of waterfront properties and would strongly suspect that it would lead to a decrease. How large would that decrease be? Here, there is little existing precedent but within a few years, other jurisdictions will probably be citing the Bainbridge example. If the courts compel disclosure by realtors and/or if administrators take a hard line on enforcement and/or if the Bainbridge "experiment" becomes synonymous with the Scarsdale firefighting experiment, the relative decrease could be much larger than the hypothetical 25% that I used in my example.

Since the downside of such reclassification is unknown, but could be large, what is the upside? If it is a substantial improvement in the quality of water in the Sound, I feel that it would be worth the risk. If the improvement is small or negligible, shouldn't we be triaging -- focusing on the big polluters such as road runoff to try to improve our environment?

Finally, you are right that a house on Whidbey that is grandfathered for rebuilding on the footprint is more valuable than an identical non-conforming house that is not grandfathered. But would it be more valuable than an identical conforming house that is similarly grandfathered but imposes fewer restrictions on planting a garden or lawn or building a deck and never threatens to impose native plants on the water-side with a 4 foot path to the water?

***Lewis Mandell, Ph.D.***

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**From:** Robert Dashiell <[rgdimages@aol.com](mailto:rgdimages@aol.com)>  
**To:** [lewmandell@yahoo.com](mailto:lewmandell@yahoo.com)  
**Sent:** Monday, June 18, 2012 9:11 PM  
**Subject:** SMP - Unintended Consequences

Mr. Mandell,

I assume you have read Proofiness: The Dark Art of Mathematical Deception? I hope what you are stating isn't in that category, but I suspect it might be.

The Kitsap County Assessor stated that there is no assessor valuation evidence of a waterfront parcel loss of any value due to non-conforming status.

You base your analysis on a 25% loss.

Please provide evidence that parcels will actually change assessed value, especially to that degree.

With your substantial credentials, you almost certainly would have evidence to support that 25% loss assumption.

I would like to examine that evidence to see if it holds up.

If it does, I will be on board with you about this tax shift.

Depending on the SMP rules, I think property assessed values could shift somewhat.

I was on Whidbey Island this past week looking at two waterfront parcels. One salesperson made a point of saying one of the properties was non-conforming.

I thought the price was too high, and the sales person reminded me that this house was grandfathered ... couldn't build new on the same footprint under current rules. That increased, not decreased, the parcel value.

Looking forward to you evidence,

Thank you,

Robert Dashiell