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To: Mason County Hearings Examiner
From: David Douglas
Re: Taylor Shellfish Proposed 50 Acre Industrial Aquaculture Facility

Good afternoon, my name is David Douglas. My wife and I own a home at 1020 E Sunset Rd.

I am an industrial real estate broker and have been practicing in Washington state since 1979. I have earned designations as a Certified Commercial Investment Member (CCIM) of the Realtors National Marketing Institute, and since 1991, have been designated an "Industrial Specialist" member of the Society of Industrial & Office Realtors.

My comments address three points:

1. The proposed use conflicts with the Mason County Rural Residential 5 zoning classification
2. The applicants conclusion the environments in which other large scale industrial oyster farms operate are comparable to Oakland Bay is wrong
3. The negative impact the project will have upon the Mason County property tax revenues over the life of the project is significant and should be considered by the County

1. Conflict with Rural Residential 5 Zoning

My practice has focused quite heavily upon land acquisitions and dispositions. I have therefore worked through the State Environmental Policy Act (SEPA) approval process many times for different projects. Typically, SEPA determinations are not issued prior to the 120 day minimum decision deadline; SEPA determinations often require 9 to 12 months, or more, in most jurisdictions. This is the first time in over 40 years where I have seen a jurisdiction provide a Determination of Non Significance (DNS) within a week of the applicant filing their complete SEPA application, and most certainly, prior to notifying any neighboring ownerships that may be impacted by a proposed development. The DNS decision is most surprising due to our State's Shoreline regulations, which typically require a much more rigorous project review. It is also surprising due to our state's supposed dedication to preservation of sensitive environmental

2. Misrepresentation of Comparable Project Environments

Relative to industrial aquaculture projects cited as “comparable” to the 50 acre project proposed by Taylor Shellfish, there are substantive differences between Oakland Bay and the environments in which the referenced projects are located. Oakland Bay is just over 5.25 miles long and is just 0.74 miles wide in the widest portion of the bay, and as stated in the filings, has low velocities and volumes of water flow. According to the Habitat Management Plan, Oakland Bay comprises 4,203 acres of intertidal and subtidal lands.

It is not even reasonable to compare Oakland Bay to the environments cited as examples of other aquaculture operations and conclude the impact of Taylor’s proposed project will, indeed have the same “minimal” impact of aquaculture or mariculture operations in the referenced locations. Humboldt Bay in California is over 16,000 acres and is 14 miles long and 4.5 miles wide. Chesapeake Bay is the largest estuary in the United States, stretching 193 miles north into Maryland from Virginia, and ranges from 2.4 miles at the narrowest to over 30 miles in width. The only real aspect of the Humboldt and Chesapeake Bays which is comparable is their average depth; all three are less than 25’ of average depth. The volume of water changed daily in both Humboldt and Chesapeake is substantially greater than Oakland Bay. Humboldt, the much smaller example replaces 41% of the water every day.

Both Humboldt and the Chesapeake Bays and the state of Maine have completed significant environmental study prior to moving forward with new aquaculture developments. Chesapeake Bay established an Aquaculture Enterprise Zone, in Maine coastal environments were studied and identified for establishment of aquaculture in master planned regional areas.

A vast majority of these industrial oyster operations are located in rural areas where there is minimal or no nearby residential, or residential on only one side of the farm. On Chesapeake Bay, most of the operations are between 5 and 10 miles from any opposing shoreline.

Review of the aquaculture established in other states leads quickly to the conclusion the Taylor Shellfish proposal will have significantly more negative impact on Oakland Bay due to the small size and low volume of water change within the bay. Most importantly, the scale of the proposed project in Oakland Bay is significantly greater than the examples cited by Taylor’s consultants due to the much larger water bodies where these projects are located.

The Taylor Shellfish proposal does not adequately address the environmental risk associated with the installation and should not be approved.

3. Negative Impact on Property Tax Revenues

The proposed site imposes severe restrictions on recreational water use in Oakland Bay and will negatively impact the visual aesthetic of the bay. This will lead to reductions in property values for both waterfront and adjacent properties.

Research completed by the University of Maine studied the valuation impact of aquaculture projects on residential housing values. Published in 2017, "A Hedonic Analysis of the Impact of Marine Aquaculture on Coastal Housing Prices in Maine" established, over the course of a three year study that aquaculture projects impact property values up to two miles from the shore. The study also established that proximity to aquaculture developments was an important factor impacting value, with the greatest impact created by proximity, size and density of the aquaculture, which were identified as the "density effect, the acreage effect and proximity effect".

To estimate the impact of the Taylor project upon Mason County tax receipts, we researched the current valuations of 543 properties fronting upon or having waterfront views of Oakland Bay. We did not extend our study area to the two mile distance established by the University of Maine study; we purposely looked only at a smaller sample of properties. All of the properties considered were located north of the Hammersly Inlet and south of Johnson Creek.

Using the 2023 property tax assessments for these properties, which have a total assessed value of \$44,036,335, the current property tax totals \$417,696. Assuming a negative value impact of just 6% for the 543 properties if the project is approved and installed, the reduction in property tax revenues will be roughly \$290,163 at current millage rates. Over 50 years, this is more than \$14.5 million dollars! The impact is even greater if the University of Main study parameters of a two mile impact are considered.

The Taylor Shellfish industrial aquaculture project should not be approved.