WHATCOM COUNTY ADULT CORRECTIONS
FACILITIES AND SHERIFF’S HEADQUARTERS

FISCAL IMPACT ANALYSIS

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1.0 REPORT OVERVIEW

1.1 Background and Context

Whatcom County is currently in the planning process to site and construct an Adult Corrections Facility and Sheriff’s Headquarters. The proposed facility would address the growing demand for law enforcement staffing and adult inmate population bed requirements that Whatcom County expects to see over the next 50 years. The existing facilities in Bellingham are estimated to outgrow their capacity by 2015.

The County released a Draft Environmental Impact Statement (EIS) in 2010 that identified and analyzed potential sites for the proposed facility based on multiple factors such as lot size, access to transportation, use of surrounding property, and environmental impact. Based in part on this analysis and the fact that one of the sites originally under consideration is no longer available, the County has selected a site in the City of Ferndale for further consideration.

Washington State law states that cities cannot ban “essential public facilities” such as jails from being built, but can participate in deciding how these facilities are constructed within their boundaries. The City of Ferndale and Whatcom County are co-leads on a Supplemental EIS that will study the environmental impacts of the facility. While fiscal and economic issues are not required components of an EIS, the City has requested that it be studied. Whatcom County is funding this analysis as a component of the Supplemental EIS.

The purpose of this analysis is to understand how the proposed Facility will impact the fiscal and economic situation of the City of Ferndale. The City has hired BERK, a Seattle-based public policy consulting firm, to conduct this independent review. BERK has extensive experience analyzing the impacts of development on jurisdictions, including experience specific to correctional facilities. BERK has previously analyzed the economic and fiscal impact of a proposed new regional jail in King County as part of an EIS, as well as the feasibility of closing various institutional facilities at the state level.

1.2 Project Description

The proposed Adult Corrections Facilities and Sheriff’s Headquarters would be built in three phases from 2015 to 2050. This analysis focuses only on the first phase of construction, which is projected to open within the next few years, and includes construction of the majority of the space programmed across the three phases.

The proposed facility is comprised of three primary components, identified below. The staffing and space specifications listed below are estimates being developed as part of the Supplemental EIS process, so these numbers may change as final plans are developed.
1. **Adult Corrections Facilities.** The adult corrections facility will replace the current main jail facility and the interim minimum-security work center in Bellingham. Phase I of the Adult Corrections Facility will include:
   - Approximately 660 beds, including 12 medical housing beds.
   - On-site medical care, including dental, health care, and mental health examination rooms; x-ray capabilities; and 24/7 on-site medical staff.
   - 151,000 square feet
   - 91 corrections staff

2. **Sheriff’s Headquarters.** The proposed facility will also include space to replace the current Whatcom County Sheriff’s headquarters building:
   - 41,400 square feet
   - 116 Sheriff’s employees

3. **Warehouse and additional support space.** The proposed facility will also include approximately 17,500 square feet of detached warehouse space.

The proposed site is on approximately 40 acres of land that is currently privately owned. The site is located near the intersection of Sunset Avenue and Labounty Drive in the southeast portion of the City of Ferndale. For more specific site information and maps, please see Section 2.2.

Currently, there is no operating pro forma or exact construction estimates on which to base this draft fiscal impact analysis. To inform this analysis, BERK estimated operating and construction costs using best available information and relevant proxy data. Although operating and construction costs are not finalized, it is unlikely that actual costs will vary enough from the estimates used in this analysis to materially impact the conclusions of this study.

### 1.3 Report Structure

This assessment of potential fiscal impacts focuses on three key questions:

- **Impact to Property Values.** How could development of the facility affect the local property values in the surrounding areas?

- **Fiscal Impacts to City of Ferndale.** How could development of the facility affect the tax revenues and public services for the host jurisdiction?

- **Local Commerce Demand Assessment.** How could development of the facility affect patterns of commerce by influencing future land use decisions on properties near the facility?
2.0 SUMMARY OF FINDINGS

This section summarizes the main findings from the four analysis sections that follow. Overall, the City of Ferndale could reasonably expect a significant one-time revenue increase from construction activities of the proposed facility, followed by modest revenue increases resulting from ongoing operations. The City will likely not experience an increase in operating costs, provided that mitigation measures identified within the SEIS are appropriate to account for any needed adjustments in public services, which are estimated to be minimal. By area of impact, the high-level findings of this report can be summarized as follows:

Impact to Property Values. While property value impacts are difficult to assess, as any specific property’s value depends on a multitude of variables, this analysis focuses on the direction and magnitude of potential impacts on nearby sites. Overall, given the industrial nature of the properties with the greatest potential for impact, given the likely alternative use of the site, and given the geographic barriers and distance separating the site from residential neighborhoods, a jail located on this site is considered to have minimal potential to significantly impact property values. Section 3.0 provides more detail on this analysis.

Revenues Impacts to City of Ferndale. The City could realize approximately $617,500 in one-time tax revenues from sales tax charged on construction and Real Estate Excise Tax charged on the sale of property to the County. On an ongoing basis, the proposed facility could generate approximately $57,000 in annual tax revenues from sales tax on consumables and utility usage on site, and up to $15,000 more per year in sales tax from off-site spending by employees and visitors. Section 4.0 provides more detail on this analysis.

Cost Impacts to City of Ferndale. The proposed facility is not expected to increase costs of providing public services, and could generate small cost savings for the police department due to reduced travel distances. Our analysis estimates that Whatcom County Fire District 7 will not experience enough of an increase in calls for service to drive staffing increases, but identifies that if the District does need to increase service due to the facility, it would contract directly with Whatcom County to mitigate this need. Section 4.0 provides more detail on this analysis.

Illustrative Comparative Assessment. The analysis focuses on the costs and revenues that would be generated by the proposed facility for the City of Ferndale. To better understand how different uses would fiscally impact the City, an illustrative industrial use was conceived. Overall, the proposed facility would generate approximately $357,000 more in one-time tax revenue, while the illustrative Industrial Alternative could generate approximately $85,000 more per year in ongoing tax revenues. However, it’s important to note that there is not currently a proposal to develop an industrial use on the site. The proposed facility, which represents real potential revenues in the near-term, does generate revenue above and beyond the existing greenfield use. Section 6.0 provides more detail on this analysis.
### 3.0 IMPACT TO PROPERTY VALUES

To begin an assessment of potential property value impacts, it is important to acknowledge an obvious point:

*The value of a given property can be affected by land use changes on nearby properties.*

If a public park was redeveloped in an upscale neighborhood and replaced with a pulp mill, the houses that surround the new pulp mill will almost certainly have lower market values.

In economic terms, the issue of a park versus a pulp mill is discussed in terms of the property’s *amenity value*. An amenity is simply a desirable characteristic of a property, and for purposes of this discussion, the notion of amenity is used in the context of a property’s location. For example, if a house has a great view of Mount Baker, if it is located close to a park, or if it is located close to an attractive retail center with good restaurants, all of those would be described as locational amenities. A disamenity, in contrast, describes a locational characteristic of a property that is undesirable. Commonly cited disamenities include noise, pollution, or unattractive views.

In the case of the park versus the pulp mill, economists would say that (1) eliminating the park eliminated at least one amenity for the neighborhood and (2) developing the pulp mill introduced new disamenities to that same neighborhood (perhaps introducing noise, traffic, odors, and diminishing the quality of the views). A shorter way to say this would be to say the replacement of the park with a pulp mill “diminished the amenity value” of the neighborhood.

### 3.1 Framework for Assessing Potential Property Value Impacts

When it comes to assessing property value impacts associated with a new jail, there are two central questions:

1. In what ways and to what extent could a new jail diminish a neighborhood’s amenity value?
2. Under what circumstances could any such diminishment result in reduced property values?

At the end of this section, the area of the proposed jail is profiled and these questions are addressed. Specifically, this profile does three things:

- It graphically identifies the site and describes the ways in which the site relates to surrounding properties;
- It offers an assessment of the site by asking and answering a series of six key questions; and
- In light of the answers to those six questions, the profile concludes with a synthesis of the potential for property value impacts at the site.

To lay the groundwork for this summary profile, the following sections offer a foundational discussion in four parts:

- **Part 1** focuses on the challenges of trying to observe property value impacts of jails in the real world.
- **Part 2** focuses on the fundamental economic theory about the factors that drive property values and how development of a jail facility might be expected to fit into that construct.
- **Part 3** offers a brief examination of the question: Under what conditions might a new jail be viewed as a disamenity from the perspective of its neighbors (or potential neighbors).
- **Part 4** focuses on the specific considerations that, given the economic theory, would be expected to influence the extent and nature of property value impacts.
Part 1: The Challenge of Trying to Observe Impacts on Property Values

When considering the potential impact of a jail on property values, it is tempting to pose a straightforward question:

*Why not just look at where jails are located and look at property values of surrounding properties to see if they are lower, higher, or the same as can be found elsewhere?*

In reality, examining maps of property values of virtually any county across the country would show an immensely complex picture where property values varied from place to place, and in some instances, from block to block. In Seattle, WA, the King County Jail is next to some of the most expensive real estate in the state. Meanwhile, the Regional Justice Center in Kent, WA sits next to properties with somewhat lower property values. Extending this assessment to surrounding cities (and their city jails) produces different set of values and patterns.

The value of any given piece of property is influenced by a vast array of considerations. For example, if we think about the factors that impact the value of a single family home, there are a number of considerations beyond the use of surrounding properties:

- The size of the regional gross domestic product and income;
- How the house relates to local and regional employment centers;
- How the house relates to centers of regional and local retail and services;
- Quality of local schools;
- Characteristics of the house itself (square footage, number of bedrooms, number of bathrooms, layout, quality of materials and workmanship, lot size, nature and quality of landscaping, etc);
- Proximity of the house to parks and recreational opportunities;
- Quality and nature of views;
- Quality of transportation and other infrastructure;
- How the house relates to streets and nearby buildings; and
- The nature of the surrounding neighborhood.

Evaluating the impact of all the factors that can drive property is difficult (1) because of the sheer number of factors; (2) because all of these factors can differ in any number of ways, in terms of nature and extent, and from one property to the next; and (3) because it is difficult to acquire good data about many of their attributes.

**The Challenge of Complexity**

In theory, it is easy to identify factors like being close to a park or being close to a museum or library should have an impact on property values. However, given the immense complexity of how property values are defined in the market, economists who have tried to explore these relationships have found that it is very difficult to model these relationships in a way that even proves that relationships exist, let alone to assign a specific impact to a given category of amenity.

**Past Efforts to Determine Property Value Impacts of Jails Bear out the Challenges**

Over the years, a number of analysts have attempted to use statistical assessments to determine whether, and to what extent, jails have had an impact on the values of surrounding properties. Most of these analyses identified no meaningful impacts associated with jails. Of course, given the difficulty of
the task, it is not possible to know whether these findings mean that (1) no impacts exist or (2) impacts indeed do exist but the modelers were unsuccessful in identifying them.

At least one analysis (an analysis that studied property values before and after the location of a jail) did find a negative impact on property values on one of the seven locations included in the study. This finding of a statistically-significant impact occurred in the community of Perryville, Arizona and involved development of an Arizona State Prison Complex. It is interesting to note that this relatively affluent community strongly opposed development of the prison complex, and analysts speculated that the impact on property values may be a result, at least in part, of the high-profile political battle. The study did not find a statistically significant impact at the other six locations.¹

Given how challenging it has proven to be for analysts to assess the influence that a given amenity or disamenity may have on property values, and given our review of work that has been done around the specific impacts of jails, BERK believes that it would be overly speculative to try to estimate the quantitative impact a jail facility would have on the surrounding property values of the Ferndale site. This section instead works to understand the direction and magnitude of potential impacts and frames the issue around the relative potential for property value impacts.

Part 2: An Economic Perspective on Property Values

The Determinants of Property Value: Demand

For both residential and commercial uses, the selling price (the market value or market clearing price) of a given property is the mechanism that equilibrates supply and demand. In an efficient market, the value of a given property reflects what the buyer with the greatest willingness-to-pay would need to spend to out-bid the potential buyer with the second greatest willingness-to-pay.

In this context, it is useful to think of demand for a given property in terms of the property’s relative attractiveness to a pool of potential buyers. The characteristics that drive a property’s attractiveness differ for residential and commercial properties.

Setting aside the characteristics of buildings, the demand for residential properties is driven by factors such as:

- Access to centers of employment;
- Relation of property to amenities and/or disamenities (i.e. open space, views, environmental quality, noise);
- Availability and quality of public services;
- Taxes; and
- Expectations about future conditions.

Demand for commercial property is driven by different factors. These factors include:

- Access to markets;
- Access to factors of production:
- Labor;

¹ For additional discussion of BERK’s review of available literature and past analytic efforts, see the subsection entitled “Literature Review – Assessments of Impact on Property Values” at the end of this property value discussion.
- Production inputs; and
- Capital/Entrepreneurial initiative;
- Availability and quality of public services;
- Taxes; and
- Expectations about future conditions.

**Residential Users.** Among residential users, the intensity of demand is driven by each property’s bundle of attributes. Again, setting aside the specific characteristics of buildings, properties that offer the best of everything—easy access to major centers of commerce, high levels of amenities, great schools, and high levels of other public services—will see the greatest intensity of demand. Properties that present tradeoffs—ranking somewhat lower in regard to one or more factors (e.g. a property with long commutes to employment centers or with lower levels of amenities or services) will see a lower intensity of demand.

**Commercial Users.** For commercial properties, too, intensity of demand is driven by the property’s unique bundle of attributes. For commercial uses, however, it is also important to recognize differences among categories of users. Examinations of professional services, retail, and industrial uses are described below.

**Professional Services.** While all commercial users consider the same core attributes, different categories of commercial users bring different perspectives and different weights to the factors listed earlier in this section. For example, for a software development firm, the nature of their product (software that is inexpensively delivered to customers via the internet or other means) means that virtually any site offers access to markets. Further, non-labor production inputs (including computers, servers, telecommunication equipment, etc.) for software development are minimal and broadly available. For this kind of firm, therefore, the key siting considerations revolve around access to labor (i.e. Does the site allow my firm to access, and effectively compete for, the high-skill, creative labor force we need?)

**Retailer or Consumer Services.** For a retailer or consumer services business, on the other hand, access to markets is the most important factor. For retailers in particular, a site that gives them great access to the customers they want to attract is the dominant consideration. For most retailers, the key to success is to take advantage of synergies with other retailers. For the typical apparel or electronics retailer, this means locating in areas that possess a critical mass of retail activity (e.g. locating in or near a regional shopping center).

For an auto dealer, synergistic dynamics often mean the best locations are in close proximity to other auto dealers. When looking to purchase a car or truck, most buyers want to look at a variety of options before they make a purchase. This means that, when one assesses a pool of buyers, more buyers are likely to make a trip to an area with three or four auto dealerships in relatively close proximity than they are to an area with only a single dealership. For an auto dealer, a location in a highly visible, highly accessible cluster of dealerships is likely to represent the ideal location.

**Industrial.** The typical industrial user brings yet another set of siting considerations. For an industrial user, the most important considerations typically revolve around (1) access to markets; (2) access to production inputs; (3) absence of conflicting uses; and (4) site costs.

All else being equal, an industrial user that relies on large volumes of raw materials and delivers large volumes of finished products to regional, national, or international markets will look for a site that has good access to freight networks (highways, rail, and ports). The same industrial user would also prefer a site that is protected from land uses that could engender conflict (e.g. established residential neighborhoods or higher-amenity retail users who might object to noise, truck traffic, or other perceived
disamenities). Finally, this “typical” industrial user will tend to select a site with low land costs. In the competitive landscape, industrial users seek to minimize production costs and are well positioned to do so because they actively seek sites that are tolerant of noise and truck traffic—sites that are often low-cost because they engender less competition from residential and other more amenity-focused commercial users.

Industrial users that are more constrained in terms of geographic choice—users who need to be located in a given area because they provide goods or services to a local market—may be forced to compromise on one or more of their siting requirements. For example, a small metal fabricating business that provides custom, high-end residential fixtures may need to pay a higher land price, or settle for a site that is less protected from conflicting uses, to ensure that the business has access to its urban market.

The Determinants of Property Value: Supply

The supply of residential or commercial properties is a function of (1) the availability of comparable developed properties, (2) the availability of comparable properties that are suitable for development, and (3) the cost of construction.

Again, for both residential and commercial uses, the price (property value) is the mechanism that equilibrates supply and demand. Given the balance of the above demand determinants, and given the overall availability of usable sites relative to that demand, property values rise or fall to the point that allow a given property’s seller to come to terms with the buyer who exhibits the greatest willingness-to-pay.

Applying Economic Theory to an Assessment of Jail Impacts

As noted above, property values can be affected by changes to either demand or supply. From a supply perspective, the only impact associated with developing a jail would result from “using up” the property in question. By developing the site in question, one fewer site would be available for use. This means that within the City of Ferndale, there will be 40 acres of land that is no longer available for private industrial development. This would only become a limitation on supply if all other comparable sites were developed. Logic dictates that if supply conditions would not be significantly affected, then any potential property value impacts, if they occur, must come as a result of impacts to demand for the properties in question.

Focusing on Impacts to Demand

What the above discussion about the drivers of demand suggests is that different categories of land uses bring different perspectives to the introduction of an amenity or disamenity. This, in turn, suggests that the effects of a jail on demand (if they exist) should vary depending on the use-categories of the surrounding properties.

Land whose value is driven by uses that put less weight on amenity value (e.g. industrial and segments of retail and general commercial uses) would be less likely to be affected by an action that is perceived to diminish the amenity value of a neighborhood. Land whose value is driven by uses that put a great deal of weight on amenity (e.g. high- and mid-market value residential, or high amenity retail and office uses) are more likely to be affected by a perceived diminishment in a neighborhood’s amenities.

• Potential for Value Impacts – Distinctions within Categories. It is important to note that for uses like housing and office, virtually all users take into consideration the presence of amenities and disamenities. However, lower market value residential and office sites often exhibit lower market values precisely because they already offer a less-than-optimal mix of characteristics (from the perspective of buyers with the greatest ability to pay). Therefore, all else being equal, introduction
of a facility that is perceived to be a modest disamenity in proximity to lower market value residential or office uses is likely to have a more modest effect on their market values.

For example, if a cluster of housing has low property values because it has few amenities and is located next to a pulp mill, then building a jail near that neighborhood is unlikely to have a large incremental impact on property values.

Another, more straightforward reason why higher value properties are likely to see greater impacts is due to higher base value of these properties. If one is comparing a block of potentially-impacted properties that has a current value of $1 million to a similarly-sized block of properties with a current value of $4 million, in dollar terms, a 10% decrease in property values is much larger for the high-value block than for the low-value block (10% of $4 million is $400,000, while 10% of $1 million is $100,000).

- **Developing a Hierarchy.** If one applies the accepted economic principles discussed above to develop a hierarchy of uses, in terms of their potential to be impacted by a new disamenity, we propose that the hierarchy presented in Exhibit 1 reflects those principles.

### Exhibit 1

**Potential to be Impacted by Introduction of a Perceived Disamenity**  
(ranked from greatest to least)

<table>
<thead>
<tr>
<th>Greatest Potential for Impact</th>
<th>Least Potential for Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Market Value Residential</td>
<td>Industrial</td>
</tr>
<tr>
<td>Medium Market Value Residential, High-amenity Retail</td>
<td></td>
</tr>
<tr>
<td>High Market Value Office, Mid-amenity Retail</td>
<td></td>
</tr>
<tr>
<td>Medium Market Value Office, Low Market Value Residential</td>
<td></td>
</tr>
<tr>
<td>Low-amenity Retail, Low Market Value Office</td>
<td></td>
</tr>
</tbody>
</table>

Among the above list of uses, relative rankings among types of housing (and among categories and types of commercial uses) are more straightforward and tractable. Relative rankings between housing and commercial uses are less clear.

**Part 3: A Jail as Neighborhood Amenity or Disamenity**

As noted above, when economists talk about the characteristics of property, one of the key considerations revolves around the question of amenities that are associated with the property (i.e. *What are the desirable characteristics of the property that are a function of its location?*). Amenities can include things like views, air quality, access to desirable parks, restaurants, or shops, etc. Disamenities represent the flip side of the same coin (i.e. *What characteristics of the property’s location are viewed as detracting from its attractiveness?*) Disamenities might include noise, pollution, excessive traffic, a lack of parks, dilapidated buildings or overgrown lots in the neighborhood, etc.

When discussing the construction and operation of a jail, the question of the jail’s amenity or disamenity value tends to revolve around issues of noise; safety; traffic; the relative attractiveness of the physical facility itself; and the introduction of generally less desirable individuals into the neighborhood, in instances where detainees are released out the door.
Attractiveness. It is also worth noting that the relative attractiveness of a jail facility depends in large part on what one is comparing it to. In other words: If the jail is not there, what use could you expect to be in its place? To return to the extreme example cited in the beginning, if one is comparing a jail to a pulp mill, when it comes to questions of noise, air quality, traffic, and overall attractiveness of the physical plant, a jail is likely to be viewed as more attractive than the alternate use. On the other hand, if one is comparing a new jail and a new library, then the jail is likely to compare less favorably.

Safety Impacts. A final distinction that is important to point out, particularly in connection with safety impacts, is the distinction between real, observable impacts, and perceived impacts. In a review of experiences associated with other jails; it appears that real, observed impacts on crime rates associated with most jails range from very modest to non-existent (see discussion of potential on-going cost impacts). However, this is where the distinction between real and perceived impacts becomes important. Even in instances where no meaningful change in neighborhood safety is apparent, it is still possible that neighborhood residents, businesses, and/or visitors could perceive an increased risk of crime. Even if it is not grounded in reality, this perception of risk still has the potential to influence how residents and businesses (and potential residents and businesses) view the relative amenity-value of the jail development.

Part 4: How might Specific Circumstances around the Site Influence Potential Property Impacts?

Given the preceding discussion, a number of key questions rise to the surface that speak to the potential for property value impacts:

What is the mix of land uses in the surrounding area?

As discussed above, the use to which a nearby property is dedicated has a great deal to do with the potential for property value impacts.

What geographic and/or structural barriers exist around the site? And how do these barriers influence the potentially-impacted site?

When considering the list of surrounding uses, it is important to recognize the role that geographic or structural barriers play in determining which properties are most likely to be impacted such as highways or other geographic barriers like waterways or wooded hillsides (which, depending on the nature of the slope, can insulate a neighborhood from impacts to varying degrees).

How does the jail site relate to the surrounding properties?

The way in which surrounding properties relate to the contemplated jail site can influence the potential for impacts. Key questions include:

- Is the site highly visible from the perspective of surrounding properties?
- In what ways might comings and goings from the jail change conditions for nearby properties?
- Are potentially-impacted properties partially insulated from the site by arterial roadways and businesses?

Is the site located in an existing center of urban activity?

The densest urban centers contain a vast array of amenities and disamenities. Whether households or businesses, land users in dense urban centers enjoy access to a long list of amenities, including restaurants, shops, galleries, museums, theaters, concert venues, sporting events, and an array of other public spaces. Users also face any number of disamenities, including among others, street
noise, traffic, air pollution, scarce parking options, construction, and potential sidewalk interactions with people they might like to avoid.

In such centers of urban activities, all else being equal, introduction of yet another amenity or disamenity is unlikely to generate a marked impact on property values. Users of a downtown locate there with an expectation that they will be faced with a tapestry of competing effects, and addition of yet another would blend into the background noise condition.

This is not to say that introduction of a substantial amenity or disamenity has no impact on surrounding properties. However, in such an environment, one expects that the geographic reach of such effects will be much more constrained. Put simply, in a dense center of urban activity, something that happens at a distance of two city blocks will often be perceived as a long way away.

**How might the mix of surrounding land uses change in the foreseeable future?**

When assessing impacts of a proposed land use, most analysts and readers are accustomed to thinking about impacts to the environment as it exists today, not as it might exist in the future. When discussing property values, however, it is not possible to discuss current impacts without discussing expectations about potential futures.

The current value of any given piece of property reflects its current bundle of attributes (including its current use and the current use of surrounding properties), but it also reflects expectations about the future. For example, if I buy a retail store that is surrounded by a large number of vacant properties, I will behave differently (and be willing to pay a different price) if I have observed that many similar vacant properties in the area have developed into upscale condos and office buildings.

What we are recognizing here is the reality that expectations about future conditions are inextricably linked to current values. Further, given this reality, it is not possible to comment on potential impacts on property values without considering the range of potential future conditions. More specifically, it is not possible to comment on impacts on property values without considering expectations that reasonable buyers and sellers would be expected to consider when negotiating a sale.

**What alternative use might the site be put to if jail development does not go forward?**

As we noted in discussions above, the issue of whether a jail is perceived as an amenity or a disamenity is a relative issue. The key question is:

*If a property is not used to accommodate a jail, what use would it be likely to accommodate?*

A useful way to think about this question is to consider what goes through potential buyers’ minds as they stand on a nearby property and look at the contemplated jail site, with and without the jail.

In the without-jail instance, they look at the jail site with its existing current use. If the current use seems sustainable and unlikely to change in the foreseeable future, they will ask themselves how that fits with the use they envision for the purchase property. If the jail property is underutilized and seems likely to be redeveloped, they will look at the site, consider the likely future uses, and consider what those uses might mean to the property they are considering.

In the with-jail alternative, potential buyers will be looking at a newly constructed jail. They will know that the jail is unlikely to go away anytime in the foreseeable future. And they will consider what its presence means for the uses they envision on the purchase property. Clearly, expectations about future uses of the site enter into the value-calculations of potential buyers.
If the alternative is that the contemplated jail site will most likely be used for heavy industrial uses (uses that are likely to generate any number of disamenities), then the disamenity created by the jail will be relatively modest, if it exists at all.

If the alternative is that the contemplated site will be used for development of an attractive retail center or some other use that is perceived as relatively desirable by its neighbors, then the perceived disamenity introduced by the jail would be more substantial.

3.2 Proposed Site Profile and Property Value Assessment

As stated above, BERK believes that it would be overly speculative to try to estimate the quantitative impact a jail facility would have on the surrounding property values of the Ferndale site. This section instead works to understand the direction and magnitude of potential impacts and frames the issue around the relative potential for property value impacts.

In the following pages we provide a summary profile and assessment of the proposed jail site. The profile begins with a series of two maps: (1) a map identifying the site and surrounding zoning; and (2) a map that highlights geographic and/or structural barriers that may influence the set of potentially-impacted properties. After the maps, the profile asks and answers each of the six key questions identified above:

1. What is the mix of land uses in the surrounding area?
2. What geographic and/or structural barriers exist around the site? And how do these barriers influence the set of potentially-impacted sites?
3. How does the jail site relate to the surrounding properties?
4. Is the site located in an existing center of urban activity?
5. How might the mix of surrounding land uses change in the foreseeable future?
6. What alternative use might the site be put to if jail development does not go forward?

The goal of these questions and answers is to lay out the key considerations that influence our overall assessment of potential property value impacts. The summary profile concludes with a synthesis that seeks to:

- Pull together all of the key considerations;
- Emphasize the considerations and conditions that are of particular importance for a given site alternative; and
- Provide our summary assessment of the potential for impacts.

As stated previously, it would be overly speculative to try to precisely quantify the degree of impacts to the property with development of the jail. Rather, the following assessment discusses the prospect for, and potential nature of, observable impacts in relative terms.

Ultimately, the goal is to identify potential impacts and to understand the likelihood and possible extent of these impacts. Note that the concepts of likelihood and possible extent are related, but different issues. The issue of likelihood revolves around the question: How likely or unlikely it is that impacts could occur? The issue of possible extent revolves around the question: In dollar terms, how big could the impacts be?

As discussed previously, quantitative studies to date have found few instances where neighborhood property-value impacts were discernible. Given the nature of the statistical tools that are used for these
kinds of analysis, this circumstance suggests that, if impacts exist at all, the geographic extent of impacts in most cases will be limited. Moreover, the greatest potential for impacts certainly exists in the immediate vicinity of the facility.

To best characterize the surrounding environment and the pool of potentially-impacted properties, summaries of surrounding land uses identify the mix of land uses (by acreage) within a reasonable radius: one-quarter and one-half mile of the site.

**Ferndale Site Assessment**

**1. What is the mix of land uses in the surrounding area?**

The Ferndale vicinity is characterized by primarily non-residential and non-retail uses, including agricultural, industrial, warehouse, and other commercial uses. The immediate area also includes a large amount of vacant land or land that is used for small scale farming. The immediate area includes a small amount of residential use falling within one-quarter mile of the site.

Of the roughly 500 acres within a half mile of the site, approximately 40% of the area is within the City’s manufacturing zone (including the site itself). The next greatest use is the general business zone followed by the residential/office zone where residential uses are allowed (Exhibit 2).

**Exhibit 2**

**Overview of Zone Uses**

Source: City of Ferndale GIS; BERK, 2013.
From a zoning perspective, the site sits within the City’s manufacturing zone and those uses are the most adjacent to the site (Exhibit 3). The residential uses are located roughly a quarter mile from site in the residential office zone.

**Exhibit 3**

*Map of Zone Uses*

Source: City of Ferndale GIS; BERK, 2013.
2. What geographic and/or structural barriers exist around the site? And, how do these barriers influence the set of potentially-impacted properties?

The site has strong edges on the east and west. It is flanked on the west by rail tracks and Tenant Lake Park and on the east by Interstate 5 (Exhibit 4). Accounting for these barriers, the properties with the greatest potential for impact are dominated by industrial and residential/commercial uses to the south and north. Sites beyond the rail and park boundary on the west are very much buffered by the hard edge that this mix of amenity/disamenity provides. On the east side, Interstate 5 is a slight amenity (i.e. provides access and visibility for commercial uses) but is a disamenity for housing (i.e. traffic, pollution, and noise). The hard edge of the interstate effectively creates a physical and mental barrier to uses on the other side of the roadway – thus, properties to the east of Interstate 5 are not likely to be impacted.

Exhibit 4
Physical Barriers Map

Source: City of Ferndale GIS; BERK, 2013.
3. How does the jail site relate to surrounding properties?

The site is located on a relatively flat area. It would sit directly east of an agricultural-related industrial business processing raw animal products. The site would sit across the street on the south side from a waste disposal business. On the northeast and east sides of the site (across from Labounty Road) are a collection of industrial, commercial, and residential uses. Directly north of the site are some residential and agricultural uses.

4. Is the site located in an existing center of urban activity?

To a degree, the potential site lies within an established industrial area. From the perspective of non-industrial users, the area could be viewed as being dominated by disamenities that are commonly associated with industrial uses, and would not be viewed as offering a robust mix of amenities and disamenities. These include an animal product business, waste disposal, and other industrial uses.

5. How might the mix of surrounding land uses change in the foreseeable future?

The area in the immediate vicinity of the potential jail site is industrial in nature and would be perceived by potential competing uses as presenting significant disamenities. The pace of development in the immediate area has been slow in recent years, with only modest demand for new industrial space in the broader area. Given these factors, it appears that the area most immediately surrounding the site with the potential to be affected by the site would likely remain industrial in nature. However, the residential/office zone that allows residential uses has shown two recent platted and developed projects over the last decade. Generally, these projects have been developed away from more of the intense industrial uses.

6. What alternative use might the site be put to if jail development does not go forward?

Given trends of recent development in the area and the site’s industrial zoning, one could envision that the site would remain industrial in nature. Compared with the current use, development of a jail would likely be viewed, at most, as only a modest diminishment of amenity value in the area only because the current site is a vacant green field and would be valued for its pastoral setting. However, a potentially more intense industrial development at the site could be viewed as a greater diminishment of amenity value in the area than the jail.

Summary

Properties in the most immediately-affected areas that surround the site are dominated by industrial uses, the category of use that is least likely to see property value impacts from introduction of a disamenity. Further, because the potential site is likely to remain industrial in nature, development of a jail (which may generate fewer negative spill-over affects such as noise, odors, and truck traffic on nearby properties than a traditional industrial use) could be viewed as having little impact on the amenity value in the immediate area.

Likewise, from the perspective of households and others in the area, development of a jail is unlikely to be perceived as markedly diminishing the quality of views. The barriers of the rail and interstate are substantial and are likely to insulate for any impacts to the broader area. There is some potential for impact to the nearby residential uses, but the level of impact really depends on what might be built on the site if the jail does not go forward. Overall, given the industrial nature of the properties with the greatest potential for impact, given the likely alternative use of the site, and given the geographic barriers and distance separating the site from residential neighborhoods, a jail located on this site is considered to have minimal potential to significantly impact property values.
4.0 FISCAL IMPACTS TO CITY OF FERNDALE

This section presents the estimated impacts on the City of Ferndale within the following categories:

- **One-time fiscal impacts from facility construction.** In general, one-time impacts are driven primarily by the size of the facility and the costs of construction.

- **Ongoing fiscal impacts from facility operation.** Ongoing fiscal impacts are driven primarily by the average daily population at a facility, which contributes to demands on public services as well as tax revenues from consumables and utility usage.

The analysis looks at both the cost and revenue impacts from construction and operation:

- **Cost Impacts.** The cost impact analysis focuses on any costs that would be borne by the City of Ferndale, especially related to changes in demand for public services due to the jail site.

- **Revenue Impacts.** The revenue analysis focuses on the core tax revenues that support the delivery of general city services. It does not contemplate impacts to dedicated fee revenues for services that are charged on a cost recovery basis (e.g. planning and permitting fees, utility operation, etc.). Tax revenues were estimated based on the changes in the components of the host jurisdiction’s tax base resulting from construction and operation of the proposed facility.

4.1 One-time Fiscal Impacts from Facility Construction

**One-time Cost Impacts**

Whatcom County will be the jurisdiction responsible for purchasing the land from its current owner and paying for construction of the facility. The City of Ferndale will not incur any costs associated with siting or construction of the facility itself. The potential impacts to the City that were analyzed for this study are related to infrastructure improvements and public services.

**Utilities.** The City constructs, operates, and maintains its own water, sewer, and storm utility systems. These functions are managed within the City’s budget as enterprise funds, meaning the cost of both operations and capital for providing these services is paid for through user fees.

For a new development such as the corrections facility, there should be no net cost impact to the City from provision of utilities. Whatcom County will pay to offset any increases in service costs either through utility connection fees paid to the City, or through directly mitigating impacts by making necessary infrastructure improvements.

Necessary utility improvements and their associated costs are analyzed in more detail in the public services section of the Supplemental Environmental Impact Statement (SEIS).

**Transportation.** The transportation analysis conducted as part of the SEIS estimates that the proposed facility will generate approximately 84 trips daily during the PM peak traffic period (4pm to 6pm) within the City of Ferndale. These trips will be distributed across multiple roads and intersections throughout Ferndale. The PM peak traffic period is the default time for studying transportation impacts within an EIS, and in this case it is also the highest period for traffic generation by the proposed facility. Therefore, the 84 trips represents the maximum impact the facility will have on the City’s transportation infrastructure.

While the trips are a measurement of ongoing facility activity, any costs associated with mitigating these trips will be one-time costs of building additional infrastructure. Analysis by the City’s public works department finds that the addition of this level of traffic would allow the City to remain above its
required transportation levels of service, which means the facility will not drive demand for new transportation capacity.

However, there may be some site-specific transportation improvements necessary to improve lanes or intersections near the proposed facility. Any costs of these improvements will be paid for by Whatcom County through direct construction of the improvements or through one-time traffic impact fees paid to the City.

During construction and depending upon the precise nature of the construction activity, the City would likely require a haul route, traffic flagging, and other mitigation measures to ensure that access to surrounding properties is maintained or that alternative access points are preserved.

**General Administrative Services.** The construction of the jail will have to coordinate with the City’s planning and development services; however, any incremental need for staffing to process permits and other development processes is likely to be covered through planning and permit fees on a cost recovery basis. These demands would be new to the jurisdiction; however, their impact would be accounted for in the fee for service.

**Law Enforcement.** A high demand for police services is not anticipated during the construction of the facility. The construction site would be secured to prevent trespassing and vandalism, and to avoid accidents involving the public. It is anticipated that traffic impacts to policing would be dealt with via a Construction Transportation Management Plan. In addition, construction is not expected to result in any substantial population increase from construction workers relocating to the area that would result in increased demand for services beyond existing levels. No significant impacts to police services are expected during construction.

**Fire Protection and Emergency Medical Services.** A high demand for Fire/EMS services during construction is not anticipated for the facility. It is expected that the construction of the jail at the site would not generate activity that could not already be accommodated by the existing service in Ferndale. No significant impacts to Fire/EMS services are therefore expected during construction.

**One-time Revenue Impacts**

Construction of the facility is likely to occur over a number of years. This analysis uses current estimates of construction costs to determine revenue estimates in 2013 dollars, using 2013 tax rates for the City of Ferndale. The conceptual construction cost estimates shown below were provided by Whatcom County Corrections for the purposes of this study. These costs are an estimate and may vary with final construction.

The one-time revenues from facility construction will drive off the land acquisition price and the cost of constructing the facility. Exhibit 5 summarizes the estimated construction costs and land acquisition costs based on current planning scenarios. These numbers may be refined as project plans are finalized.

<table>
<thead>
<tr>
<th>Building Square Feet (SF)</th>
<th>Construction Cost per SF (Low, Mid, High)</th>
<th>Construction Cost</th>
<th>Taxable Construction Cost</th>
<th>Cost of Land Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jail</td>
<td>150,661</td>
<td>400, 410, 420</td>
<td>61,770,000</td>
<td>54,980,000</td>
</tr>
<tr>
<td>Sheriff’s Office</td>
<td>41,383</td>
<td>275, 300, 325</td>
<td>12,410,000</td>
<td>11,050,000</td>
</tr>
<tr>
<td>Warehouse</td>
<td>17,540</td>
<td>150, 163, 175</td>
<td>2,850,000</td>
<td>2,540,000</td>
</tr>
<tr>
<td>Facility Total</td>
<td>209,584</td>
<td>-</td>
<td>77,030,000</td>
<td>68,570,000</td>
</tr>
</tbody>
</table>

Source: City of Ferndale, 2013; Whatcom County, 2013; and BERK, 2013.
• This analysis uses the mid-range estimate of construction costs per square foot to estimate the total cost of construction. The actual construction cost may end up higher or lower than this number, but it provides a reasonable estimate for estimating one-time tax revenues.

The total construction cost includes some costs, such as architecture and design, that are not taxable costs. BERK estimated the taxable construction cost based on the ratio of taxable to non-taxable construction components from the 2009 NEC Regional Jail Property Value and Host Jurisdiction Impacts analysis of a similar proposed jail facility.

In Washington State, construction contractors are required to collect sales tax from their customers based on the job site location. Therefore, all taxable dollars from construction would generate sales tax to the City of Ferndale, regardless of where interim supplies and equipment were purchased.

• The estimated land acquisition cost comes from the County’s draft negotiated purchase agreement. This number is not finalized, and may change once additional project and site details are analyzed. However, it provides a reasonable estimate for tax impact analysis.

The largest one-time revenue source will be retail sales tax paid on the taxable construction cost of the facility (both materials and labor). Of the sales tax collected, only a 1% local option accrues to local jurisdictions. For sales tax collected within the City of Ferndale, Ferndale receives 0.85% and Whatcom County receives the other 0.15%.

The City will also receive Real Estate Excise Tax (REET) on the sale of land. The City charges 0.50% of the sale price, which is paid by the seller at the time of purchase.

Exhibit 6 summarizes the estimated one-time revenues that will be received by the City of Ferndale due to land acquisition and facility construction.

### Exhibit 6

**Estimated One-time Tax Revenues**

<table>
<thead>
<tr>
<th></th>
<th>Construction</th>
<th>Land Acquisition</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Cost</td>
<td>$ 77,030,000</td>
<td>$ 6,900,000</td>
<td></td>
</tr>
<tr>
<td>Portion Subject to Sales Tax</td>
<td>89%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Taxable Cost</td>
<td>$68,570,000</td>
<td>$ -</td>
<td>$ 68,570,000</td>
</tr>
<tr>
<td>Applicable Tax Rate</td>
<td>0.85%</td>
<td>0.85%</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal: Sales Tax Revenue</strong></td>
<td>$ 583,000</td>
<td>$ -</td>
<td>$ 583,000</td>
</tr>
<tr>
<td>Portion Subject to REET</td>
<td>0%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Taxable Cost</td>
<td>$ -</td>
<td>$ 6,900,000</td>
<td>$ 6,900,000</td>
</tr>
<tr>
<td>Applicable Tax Rate</td>
<td>0.50%</td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal: REET Revenue</strong></td>
<td>$ -</td>
<td>$ 34,500</td>
<td>$ 34,500</td>
</tr>
<tr>
<td><strong>TOTAL TAX REVENUE</strong></td>
<td>$ 583,000</td>
<td>$ 34,500</td>
<td>$ 617,500</td>
</tr>
</tbody>
</table>

Source: City of Ferndale, 2013; Whatcom County, 2013; and BERK, 2013.

**Sales tax revenues** will be the primary revenue source, as construction companies are required to report all materials and labor as taxable expenditures in the jurisdiction where construction occurs. These revenues will support the City’s general fund, which funds general municipal operations.

**Real Estate Excise Tax revenues** will result from the sale of the land to the County by a private seller. These revenues are restricted to capital expenditures.

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2 WAC 458-20-145 Local sales and use tax.
Other revenue sources, in addition to the two primary revenue streams identified in Exhibit 6, may accrue to the City but will have a minor impact. For example, construction-related employment may result in slightly higher spending at restaurants and retail stores during the construction period, which would result in a minor bump in sales tax revenues during this time.

4.2 Ongoing Fiscal Impacts from Facility Operation

Ongoing Cost Impacts

While the ongoing cost impacts of operating the facility will be borne by the County, there are potential impacts to the City of Ferndale related to how the proposed facility drives demand for public services.

This section addresses the potential impacts of the facility on the public services of the host jurisdiction. Specifically, this analysis focuses on the police, Fire/EMS, and general administrative services and how they may be impacted by new service demands generated by construction and operation of the facility. This analysis assumes that there will be little to no impact from the presence of the Whatcom County Sheriff’s office, and primarily focuses on the potential impacts of the jail.

There are two central questions that this assessment addresses in regards to the potential impacts on public services.

1. In what ways might the jail introduce new incremental demand for public services?
2. In what ways might any new demand translate into service costs for the host jurisdiction?

In general, cities have a great deal of fixed capacity already in place (e.g. key positions in leadership and management, and existing city service systems and infrastructure) that do not necessarily change in a linear fashion as the city grows. A city’s service delivery equation also has a variable side; meaning that a city deploys its service capacity to meet the demands as they are generated by activity within a city.

This capacity is fairly “lumpy” and varies by the unique service and policy characteristics of the individual city. In other words, for any given public service, service capacity is put into place to accommodate an amount of new demand before that capacity is exhausted. The proposed facility has the potential to impact public services depending on how the characteristics of the facility interact with each service.

Methodology

The answer to the first question above is challenging because no substantial roster of large, regional jails (in a variety of settings) exists to serve as examples. Ideally, one would like to have a lot of different regional jails to evaluate, to examine (1) whether the jails introduced any additional demand for public safety services, and (2) if so, under what conditions.

BERK approached this challenge by incorporating several different methods:

- **Literature Review.** BERK conducted a review of academic and professional literature on jail siting to summarize the current understanding of impacts to public services from operation of correctional facilities. This literature review was conducted as part of the 2009 NEC Regional Jail Property Value and Host Jurisdiction Impacts analysis, with updates as necessary to reflect the specifics of the facility being proposed in Ferndale.

- **Case Studies.** In addition to the literature review, BERK assessed a set of case studies to examine the public service impacts in other Washington State jurisdictions with jails similar to the proposed facility. BERK queried sites that presented a range of jail and host jurisdiction characteristics, but overall had a similar capacity as the proposed facility. A profile of each jail was developed by
contacting the jail, and administrative staff and law enforcement officials at the host jurisdiction were also contacted for their perspectives on the impact of the jail to their jurisdiction.

- **Department Interviews.** BERK conducted interviews with relevant staff to understand the potential impacts to their departments, including the chief of the Ferndale Police Department and the chief of Whatcom County Fire District 7.

**Key Findings from Literature Review and Case Studies**

As part of the 2009 *NEC Regional Jail Property Value and Host Jurisdiction Impacts* study, BERK conducted a literature review and an analysis of five jail siting case studies. This section presents the key findings of these two analyses.

**Literature Review.** The key findings of the literature review include:

- There were no studies surveyed that addressed the specific issue of impact to public services; most studies focused on the impact of correctional facilities on crime around a facility.

- In general, studies have shown that the presence of a correctional facility does not create additional crime in a community, but among community members there may be a perception that crime is more prevalent.

- Some studies report a drop in crime rates in areas surrounding a new correctional facility due to the increased police presence.

- A U.S. Department of Justice study of seven facilities in Idaho, Arizona, Florida, and Tennessee found that in all but one of the locations there was either: (1) no notable difference between the crime rates in the target and control area or (2) the target area experienced considerably lower crime rates than the control area.

  In the one case in which crime rates were higher in the target area, a higher degree of urbanization (more commercial and shopping centers) was identified as a factor contributing to the higher crime rate.

**Case Studies.** Key findings of the case studies/interviews with jail-hosting jurisdictions include:

- **Law enforcement impacts:**
  - The county sheriffs who operate the case study jails (except for the Maleng Regional Justice Center (MRJC) operated by the Department of Adult & Juvenile Detention of King County) are responsible for responding to incidents/investigations at the jail. Calls for service to the host jurisdiction for internal incidents were rare and were not identified as creating an impact on local law enforcement resources.
  - One police agency cited that the area around the jail had higher crime rates relative to other areas of their city. However, it was unclear if this was attributable to the jail or because of the baseline higher crime activity in the area.
  - Some respondents reported that the jail had no observable impact on crime in the area around the jail.
  - After release from the jail, most respondents noted that inmates typically leave the area immediately to return to where they are from.
  - All respondents identified that there have been no changes in staffing or shifting of resources because of the location of the jail above the baseline activity in the area. In other words, they felt that the jail itself had a negligible effect on the amount of service calls in the area.
• Fire Protection/Emergency Medical Service impacts:
  o While no specific data were provided, most respondents cited that calls for service were for EMS services for transport to other medical facilities.
  o Respondents observed that many of the jails have their own medical services that respond to less serious incidents at the jail.
  o For jails that were located in urban areas where there was existing Fire/EMS coverage, respondents thought that the jail did not impact the delivery of services.

• General City Administrative Services impacts:
  o Respondents felt that the jail did not create any additional impact to the city’s general administrative functions.

Please refer to Section 7.0 for citations for the literature review and a summary of the five facilities included in the case study.

Ferndale Impacts

Based on the literature review and case study assessment, two key themes emerged that help frame the discussion of potential impacts to public services of the host jurisdiction. First, there is building evidence from the literature and case studies that jails do not serve as sources or catalysts for increases in the level of crime around them. Based on discussions with police staff in the case studies, cases where relatively high crime rates are observable in the area around a jail occur because the broader area around the jail is an area with relatively high crime. Given that reality, it is difficult to isolate the incremental contribution of the jail, if such a contribution exists at all.

Second, not surprisingly, most jurisdictions have not experienced significant impacts on either their general city administrative services or Fire/EMS services because of the jail.

In addition to the literature review and case studies, BERK worked with both the Ferndale Police Department and Whatcom County Fire District 7, the law enforcement and Fire/EMS service providers at the jail site, respectively, to discuss potential impacts from the jail. With this information in hand, we can revisit the central questions that this assessment seeks to address with regard to the impact on public services.

1. In what ways might the jail introduce new incremental demand for public services?
2. In what ways might any new demand translate into service costs for the host jurisdiction?

General Administrative Service Impacts

General administration services for a local jurisdiction include those activities tied to the overall management of the jurisdiction’s affairs, such as finance and budget, internal support, planning and community development, legal, and clerk services. The facility would trigger new service demand to Ferndale commensurate with the extent that it has specialized needs for these services.

Once the jail is operational, it is not likely to generate any significant new demand for general administrative services. Clearly, the jail represents one constituent demander of a city or county’s administrative service. However, given the fixed-cost component of these services (i.e. the jail will not increase the administration, or budget/financial services), it would be atypical for addition of a single constituent user to translate to a change in resources required to use any of the city services above and
beyond the level that is needed to run basic city services. For these reasons, the jail will not impose any significant impacts on the host jurisdiction’s general administrative services.

**Law Enforcement**

The site of the proposed facility is served by the Ferndale Police Department. The Department provides 24/7 uniformed police response to emergency and non-emergency calls within the City of Ferndale. The Department also transports prisoners from initial holding in Ferndale to the current jail in Bellingham, as well as from the current jail to the Ferndale courthouse for court appearances.

This analysis focuses on two separate impacts to law enforcement due to jail operations: (1) calls for service due to incidents in and around the jail and (2) changes in cost and time commitments for transporting inmates.

**Incidents at the Jail.** At the jail, it is assumed that the Whatcom County Sheriff’s department will respond to common incidents such as theft or assault. In cases where there is a need for major support or back-up, the Ferndale Police Department may need to respond. However, such major events are rare and are not estimated to have a significant fiscal impact on police service.

**Incidents around the Jail.** The proposed jail in Ferndale is unique compared to the jails included in the case studies, as Whatcom County plans to transport inmates to the court house in Bellingham for release. Therefore, there will not be an influx of inmates released into the Ferndale community. Because of this policy decision, there will be no impacts to police services around the jail.

**Inmate Transportation.** The construction of the new facility will create changes in the distances traveled by Ferndale PD. Given the proximity of the proposed jail to the City’s police facilities and the plans to include video arraignment capabilities, the proposed facility is expected to have a net benefit to the City’s police department in terms of travel costs and time commitments.

Exhibit 7 shows how moving the jail from its current location in Bellingham to the proposed Ferndale site will save the Ferndale Police Department money on transportation costs. Currently, the police department has to transport individual inmates from holding cells in Ferndale to Bellingham for booking after their arrest. For these transports, an officer drives an individual inmate to Bellingham such that each booking results in a round-trip.

<table>
<thead>
<tr>
<th></th>
<th>Round-trip Distance (miles)</th>
<th>Cost of one trip*</th>
<th>Estimated Annual Cost**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Whatcom County Jail</td>
<td>20.0</td>
<td>$11.30</td>
<td>$5,650</td>
</tr>
<tr>
<td>Proposed Ferndale Site</td>
<td>6.0</td>
<td>$3.39</td>
<td>$1,695</td>
</tr>
<tr>
<td>Difference</td>
<td>20.0</td>
<td>$7.91</td>
<td>$3,955</td>
</tr>
</tbody>
</table>

* Assuming cost of $0.565 per mile (the Standard Internal Revenue Service mileage rate based on an annual study of the fixed and variable costs of operating an automobile)
** Based on 500 annual bookings by the Ferndale Police Department

This change results in a minor annual savings for the Police Department due to driving costs. The primary benefit of closer jail proximity will be staff hours saved due to shorter transportation times. Exhibit 8 shows how the change in jail location would result in approximately 200 fewer hours per year dedicated to inmate transportation. This time savings will allow the department to redeploy their staff in more productive ways in the community that may result in better levels of service.
Exhibit 8
Estimated Change in Transportation Time

<table>
<thead>
<tr>
<th></th>
<th>Round-trip Time (hours)</th>
<th>Estimated Annual Time (hours)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Whatcom County Jail</td>
<td>0.6</td>
<td>317</td>
</tr>
<tr>
<td>Proposed Ferndale Site</td>
<td>0.2</td>
<td>117</td>
</tr>
<tr>
<td>Difference</td>
<td>0.4</td>
<td>200</td>
</tr>
</tbody>
</table>

* Based on 500 annual bookings by the Ferndale Police Department

In addition to the benefit quantified above, discussions with the chief of the Ferndale Police Department highlighted other ways in which the jail will impact police services:

- Inmate transport represents a risk to the transporting officer proportional to the time spent in that one-on-one situation with the inmate. Therefore, reductions in transportation time will result in improved officer safety due to reduced opportunity for inmate misbehavior.

- Sometimes there are significant backlogs at the booking office when officers arrive at the current jail facility, which result in long wait times for officers because they are not allowed to transport inmates back into the City of Ferndale and return at a less busy time. If the jail is sited in Ferndale, officers will be able to return inmates to their temporary cell and return to productive police activities more quickly.

- The siting of the Sheriff’s office within the City of Ferndale may provide marginal benefits in terms of level of service, as the on-site officers will provide extra capacity very quickly if the Ferndale Police Department needs to rely on them through their mutual aid agreement. This proximity creates flexibility in responding to incidents near the facility.

Fire Protection and Emergency Medical Services

The City of Ferndale contracts with Whatcom County Fire District 7 (WCFD 7) to provide fire protection and emergency medical services (EMS) within the City’s boundaries. WCFD 7 provides these services through a mix of career and volunteer personnel. The District has three fire stations proximate to the proposed facility site, including two staffed and one all volunteer station.

Cost Impact to the City of Ferndale. The cost of the City’s fire contract with WCFD 7 is based on the taxable assessed value (AV) of real and personal property within the City, multiplied by WCFD’s levy rate. The current levy rate is $1.13 per $1,000 AV, and the legal maximum for a fire district is $1.50 per $1,000 AV.

Under the current contract structure, contract charges to Ferndale are based on this year’s levy rate of $1.13 per $1,000 AV. Using the current assessed value of the site of $1,872,000,\(^3\) the property tax exemption would yield approximately $2,115 less revenue to WCFD per year from the City’s contract if the contract calculation remains the same after the site is sold to Whatcom County.

Operational Impacts for WCFD 7. Although the City pays for fire services based on AV and not on calls for service, BERK analyzed the potential operational impacts to WCFD 7 to inform the overall conversation around the proposed facility.

\(^3\) Assessment for 2011-12 from Whatcom County Assessor; assessment for 2012-13 not available.
Fire and EMS services are time-sensitive and logistics-driven services. A district’s Fire/EMS service delivery structure is principally driven by the need to respond to any property in its service area. Once this geography-based service delivery structure is in place, adding a modest amount of new users within the service area does not trigger a need to expand services unless the new demand pushes the fire district based ability to handle calls based on the existing numbers of firefighters and apparatus.

Based on the case study analysis as well as statistics for calls at the current Whatcom County Jail, calls for Fire/EMS service at the facility are expected to be minimal. Calls will be primarily for aid; fire emergency incidents at the jail are expected to be minimal because the facility will be constructed to current fire codes and with robust fire control systems.

The primary means of estimating calls for service at the proposed facility was to analyze calls for service at the current facility in Bellingham, and understand differences between the current and proposed facility that may impact the number of calls at the proposed facility:

- The proposed jail will be larger than the current jail, with an average daily population of up to 660 inmates, versus approximately 430 for the current combination of medium and minimum security facilities.
- The proposed jail will have improved on-site medical capabilities compared to the current jail. At the current jail, emergency medical issues that occur when nurses aren’t present result in an EMS call. At the new jail, nurses will be available 24/7.
- Non-emergency transport of inmates to off-site medical facilities will be handled by Whatcom County Sheriff at both facilities.

Through conversations with the Chief of Corrections of the Whatcom County Jail, it is estimated that the changes between the current and proposed facilities will result in a similar level of calls for service at the proposed facility. Currently, the jail generates an average of 3 to 5 calls per month for EMS services, or about 40-60 calls per year. Even at the maximum level of 5 calls per month, this represents less than 2.5% of total calls for service handled by WCFD 7 last year.

Given the modest level of new demand that would be generated by the jail, it would be unexpected for introduction of the facility to push WCFD 7 over its level of service threshold. Therefore, the jail is expected to have minimal impact on Fire/EMS services.

Potential Mitigation of Impacts to Fire Service. If WCFD 7 determines that the proposed jail constitutes a financial burden to its district either because of increased calls for service or reduced revenues, the district could mitigate these impacts by contracting directly with Whatcom County for fire service at the jail. Under this scenario, the City of Ferndale would not be at risk for varying contract charges based on site-specific demands for service from the County-owned jail.

The Regulatory Code of Washington (RCW 52.30.020) states that when a fire protection district encompasses buildings owned by a municipal corporation, such as a county, the municipality “shall contract with such district for the fire protection services necessary for the protection and safety of personnel and property.” This statute implies that the County could contract directly with WCFD 7 to provide fire services at the jail site at a negotiated rate separate from its current contract with the City of Ferndale or its levy rate charged to other residents of the fire district.

Ongoing Revenue Impacts

A fully operational jail will generate a stream of tax revenue to the City. These revenues will principally come from taxes applied to the purchase of utilities, supplies, and consumables delivered to the site, and ongoing capital and maintenance needs.
There was not an operating pro forma for the proposed facility available at the time of this analysis. Revenue estimates below are based on best available information, including the following proxies used to estimate operating costs:

- **South Correctional Entity (SCORE) jail in Des Moines, Washington.** The SCORE facility opened in 2011 and provided us with detailed data on utility, consumables, and supplies consumption, as well as annual estimated capital and maintenance expenditures. BERK used this facility as a proxy because it is similar in scale to the proposed facility, and the modern construction reflects likely utility and maintenance needs of the proposed facility in Ferndale.

- **Spokane County Jail.** While the SCORE facility was used as the primary foundation for operating cost estimates, the Spokane County Jail was able to provide more detailed estimates on sewer utility use. Therefore, sewer operating cost estimates are based on Spokane’s experience with their County Jail.

- **Current Whatcom County expenditures.** For the Sheriff’s Office, consumables and supplies are based on current Sheriff’s Office budgets. The new facility is expected to employ a similar number of staff and have similar supply usage patterns.

Data from these sources were calibrated to the Ferndale site on a square foot and jail bed basis, depending if the cost center is driven by facility size or by the number of people using the service.

While the City of Ferndale has many tax tools for generating revenue for City operations, this analysis focuses on tax revenues that will be significantly impacted by the proposed facility:

- **Local Option Sales Tax.** Of the sales tax collected at the facility, only a 1% local option accrues to local jurisdictions. For sales tax collected within the City of Ferndale, Ferndale receives 0.85% and Whatcom County receives the other 0.15%. This tax is levied on taxable retail sales that occur within the City of Ferndale and purchased items that are delivered to the site.

- **Utility Tax and Franchise Fee.** The City of Ferndale levies a tax on utility consumption that will apply to utilities used by the facility once it is operational. The City levies a 6.5% tax on water, sewer, and storm utilities, a 6.0% tax on gas and electricity, and a 5.0% franchise fee on garbage hauling services.

- **Property Tax.** The City’s current general fund levy rate is $1.99 per $1,000 of assessed value (AV). Since changing the use of the site from private use to public use will render it exempt from paying sales tax, the analysis below looks at how that change may affect property tax collections.

Exhibit 9 summarizes the likely tax revenues the City of Ferndale will receive annually based on BERK’s conceptual operating expenditure estimates.

### Exhibit 9
**Estimated Ongoing Tax Revenues**

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Tax Rate</th>
<th>Revenue to City</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utility Taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>$ 70,000</td>
<td>6.50%</td>
</tr>
<tr>
<td>Sewer</td>
<td>$ 130,000</td>
<td>6.50%</td>
</tr>
<tr>
<td>Gas</td>
<td>$ 130,000</td>
<td>6.00%</td>
</tr>
<tr>
<td>Electricity</td>
<td>$ 295,000</td>
<td>6.00%</td>
</tr>
<tr>
<td><strong>Sales Tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumables &amp; Maintenance</td>
<td>$ 2,170,000</td>
<td>0.85%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 2,795,000</td>
<td></td>
</tr>
</tbody>
</table>

• **Sales Tax.** The City will collect sales tax from the facility’s purchases of consumables, such as office supplies, toiletries, or uniforms. With the City’s local tax rate of 0.85%, it’s estimated the City would receive approximately $18,000 annually in sales tax revenues on $2.2 million in taxable expenditures.

• **Utility Tax.** The primary sources of utility tax revenue will be water, sewer, and gas consumption. It’s estimated the City will receive approximately $39,000 annually in tax revenue from these four sources. In addition to these revenues, there may also be some minor tax revenue received from garbage expenditures, as the City charges a 5% franchise fee on garbage haulers.

**Impact to Property Tax Collections**

The real and personal property associated with the jail will be tax exempt due to its public use exemption. For those sites not already wholly or partially exempt due to public use and/or ownership, the conversion of property from taxable to tax-exempt will mean local jurisdictions will no longer collect property taxes from the site. However, due to the effects of Initiative 747 (described below) and subsequent legislative actions to limit the growth of property taxes, the City should not see a drop in property tax levy collections.

Legislative action in the wake of Initiative 747 limits cities in Washington to a maximum property tax levy increase of 101% over the previous year’s levy (plus additional levy revenues from the amount of new construction value in the previous year), unless a larger increase is allowed through a public vote. Because the assessed value of most property historically increases at a rate greater than 1% per year, the result of the 101% limit is a lessening over time of the property tax yield of any individual piece of property (in real, inflation-adjusted dollars), and absent public votes for a so-called “levy lid lift,” a gradual lowering of the levy rate.

As a matter of policy, city policy makers can choose a lower property tax levy in any given year. However, many cities, choose to use their entire authorized levy capacity, which means that the 101% limit becomes the controlling factor in the amount they can collect. This means that the amount of property tax a city can legally collect is driven by what they collected in the past, statutory limitations, and city policy. Modest shifts of property from taxable to tax-exempt status do not meaningfully affect the amount of property taxes the city can collect. Thus, the loss of taxable assessed value from a city’s tax base will result in a very small shift in burden to remaining taxable properties within the city.

**5.0 LOCAL COMMERCE DEMAND ASSESSMENT**

The location of the jail (and its associated activity) has the potential to change the local patterns of commerce by injecting new demand for commercial services. The mechanism for adding this new demand originates from the unique activities that occur at the jail related to employment of jail staff, processing of inmates, and visitation from professional services and inmate visitors.

These activities have the potential to generate new demand near the site for:

• Bail/bond firms serving inmates needing to post bail/bond for release.

• Professional services firms supporting the needs of inmates for arraignment and social services.

• Convenience-oriented retail businesses to meet the food, restaurant, drugstore, and other related needs of employees working at the jail, as well as professional staff and visitors traveling to and from the jail.

The following section discusses how the activity at the jail may lead to the introduction of new demand around the site. Each section assesses: 1) the market access factors for business that would serve
activity at the jail, 2) the relative scale of demand that would be created, and the ability of that demand to be accommodated by existing or new businesses.

5.1 Bail/Bond Firms

Bail/Bond services will be needed by prisoners at the jail. While bail/bond service can be accommodated electronically, many bail/bond firms find a competitive advantage by having a physical location near the locations where bail/bond is posted, typically near the correctional facility.

While the exact amount of new demand tied to the construction of a jail is not easily discernible, it is reasonable to conclude that the proposed jail will generate some demand for bail/bond services in the immediate area due to its size and flow of inmates.

In order to develop a general assessment for the number and size of bail/bond firms that may locate near the jail, a survey of bail/bond firms around a select number of regional jail facilities was conducted. Exhibit 10 summarizes the number of bail/bonds firms that are located within approximately a quarter mile of a jail site (the majority of bail/bond firms surveyed around the sites were located within this distance). The survey was done using business listings for bail/bond firms identified in a Google business search in July 2009.

<table>
<thead>
<tr>
<th>Sail Facility</th>
<th>Inmates</th>
<th>Beds</th>
<th>Bail Bonds within 1/4 mile</th>
</tr>
</thead>
<tbody>
<tr>
<td>King County</td>
<td>Felony/Misdemeanor</td>
<td>1,723</td>
<td>12</td>
</tr>
<tr>
<td>Thurston County</td>
<td>Felony/Misdemeanor</td>
<td>408</td>
<td>5</td>
</tr>
<tr>
<td>Kitsap County</td>
<td>Felony/Misdemeanor</td>
<td>477</td>
<td>5</td>
</tr>
<tr>
<td>Whatcom County</td>
<td>Felony/Misdemeanor</td>
<td>430</td>
<td>4</td>
</tr>
</tbody>
</table>


From this assessment, it is reasonable to conclude that the jail may generate demand in the order of 5-8 new bail/bond firms within a close proximity to the jail (approximately a quarter mile). The office space needs of bail/bond firms vary. A brief physical survey of firms found that many of these firms function with a minimal amount of office space, estimated to be in the 1,000 to 2,000 square feet range. Using these estimates, the location of the jail may trigger the demand for approximately 5,000 to 14,000 square feet of commercial space within ¼ mile of the jail.

However, the amount of new space demands around the area will need to be adjusted by the amount of that demand that is likely to be absorbed by existing bail/bond businesses in the area, such as facilities in Bellingham that serve the current jail site. These existing businesses may absorb much of the demand, although they are further from the proposed jail facility.

5.2 Professional Services

Attorney representation is needed at arraignments and other legal proceedings at the jail. While the location of a jail is an important factor for legal service professionals, it likely is not the most important issue driving the location decisions of these businesses. Criminal defense attorneys typically cover a large area and may need to split their time at multiple court and/or jail facilities. For this reason, most legal service firms locate in centralized urban areas with abundant office space, which typically optimizes their access to multiple markets of regional and local court/jail facilities. While the jail will generate activity for professional services, these services are unlikely to induce any perceivable demand for space near the jail site.
5.3 Convenience Oriented Retail

Daytime spending from employees, visitors, professional staff, and volunteers will generate demand for convenience oriented retail uses near the jail site (food, restaurants, convenience stores, drugstores, etc). There are no available estimates of consumer spending by jail employees so a survey estimate of office workers retail spending patterns developed by the International Council of Shopping Centers (ICSC) was used and supplemented by BERK to generate an estimate of the amount of spending that is likely to be captured close to the facility (ICSC, Office Worker Retail Spending Patterns, 2004).

It is assumed that the 207 jail and Sheriff’s office employees would generate approximately $125 in weekly spending per person on convenience oriented retail purchases based on ICSC’s survey work. Potentially up to 40% of this spending could be captured close to the facility, as staff step out for lunch or short errands. There are no established estimates of spending for family members and professional visits to jails. BERK assumes that the average weekly visits by family members for a facility of this size (approximately 700)\(^4\) would generate $30 per visit and average weekly professional service visits (approximately 230)\(^4\) would generate $10 per visit.

It’s important to note that these visit estimates are based on experiences at other jail facilities. The proposed facility will incorporate video conferencing capabilities that allow visitors to interact with prisoners remotely, which may result in fewer visits than previously built facilities. Therefore, the above visitor and visitor spending numbers likely represent a maximum potential for spending in the community.

Using these spending assumptions, there is potential for up to $1.7 million per year in convenience oriented retail spending associated with activity at the facility. It should be noted that all these estimates represent an upper range on visitors and potential spending, as it is unclear the exact amount of this spending that would materialize and be captured within Ferndale’s city limits.

If it were to all occur within City limits, Ferndale would realize additional sales tax revenues of approximately $15,000 per year. However, given the lack of currently available retail and food locations near the site, and the close proximity of Bellingham, much of this spending may instead be captured as staff and visitors travel to and from the location through other jurisdictions. Therefore, the City has the potential to receive as much as $15,000 per year, but may ultimately realize much less than that if existing retail and food options in surrounding areas absorb the new demand.

6.0 ILLUSTRATIVE COMPARATIVE ASSESSMENT

The analysis above focuses solely on the facility as its own entity and addresses the question of what costs and revenues would the proposed facility generate for the City of Ferndale? Another way to understand the fiscal and economic impacts of the facility is to compare the proposed development to other alternatives that could take place on the site.

It is important to note that the current zoning of the Labounty site allows for a wide variety of uses, some of which are likely to be advantageous and some of which would be disadvantageous to the City. For this illustrative comparative assessment, we compare the proposed facility to two alternative futures:

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\(^4\) Estimated number of visits are based on the 2009 NEC Regional Jail Property Value and Host Jurisdiction Impacts analysis, scaled by the difference in ADP between the NEC Regional Jail and the proposed Whatcom County Adult Corrections Facility.
• **No Action Alternative: The site remains undeveloped.** Under this alternative, the potential facility site remains a greenfield, as it has been to-date. This alternative assumes that any regional demand for industrial property is met elsewhere in the City or in neighboring communities, as there is adequate space throughout the region for industrially zoned land.

• **Industrial Alternative: The site gains an industrial occupant.** Under this alternative, we assume a private entity purchases the land and develops it for industrial use. This analysis assumes an “average” industrial occupant based on characteristics of industrial land currently being used in Ferndale. This example is used to drive assumptions on facility size, cost, employment, and productivity. This alternative was built for illustrative purposes only, as there are currently no proposals to develop the land for industrial use.

This analysis seeks to understand how the proposed facility compares to these alternatives in terms of one-time and ongoing costs and revenues. The first step in this analysis was to understand the land and development characteristics of the two alternatives.

### Exhibit 11
Land and Development Characteristics of Illustrative Alternatives

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>No Action Alternative</th>
<th>Industrial Alternative</th>
<th>Proposed Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable AV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$1.9 M</td>
<td>$1.9 M</td>
<td>0</td>
</tr>
<tr>
<td>Improvements</td>
<td>0</td>
<td>$26.6 M</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$1.9 M</td>
<td>$28.5 M</td>
<td>0</td>
</tr>
<tr>
<td>Building Size (SF)</td>
<td>0</td>
<td>287,000</td>
<td>209,584</td>
</tr>
<tr>
<td>Construction Cost</td>
<td>0</td>
<td>$26.6 M</td>
<td>$77.0 M</td>
</tr>
<tr>
<td>People On-site</td>
<td>0</td>
<td>371 employees</td>
<td>207 employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>660 inmates</td>
</tr>
<tr>
<td>Annual Taxable Retail Sales ($)</td>
<td>0</td>
<td>$7.1 M</td>
<td>$2.8 M</td>
</tr>
<tr>
<td>Annual Utility Usage ($)</td>
<td>0</td>
<td>$0.5 M</td>
<td>$0.6 M</td>
</tr>
</tbody>
</table>

Notes on Industrial Alternative:
- Building size was estimated using an FAR of 0.16, which is the average of all lands within the manufacturing zone of the City of Ferndale (south of Smith Road) with developments.
- Construction cost estimates were developed based on Rider Levett Bucknall 2012 Quarterly Construction Cost Report using the midpoint estimate of industrial construction for Seattle.
- Number of employees is based on current Ferndale industrial employment rates of approximately 775 employees per SF of building space.
- Taxable retail sales are based on statewide ratios of industrial employment to industrial taxable retail sales according to 2012 estimates from the Washington State Department of Revenue.
- Utility usage is based on 2012 ratios of utility usage to population and employment in the City of Ferndale.

Exhibit 11 above summarizes the key drivers of tax revenues and demand for public services for our two illustrative comparative developments. Exhibit 12 below summarizes how these two alternatives would translate into tax revenues for the City, as compared to the proposed facility.
Exhibit 12
Revenue Comparison of Illustrative Alternatives

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>No Action Alternative</th>
<th>Industrial Alternative</th>
<th>Proposed Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax on Construction</td>
<td>0</td>
<td>225,900</td>
<td>583,000</td>
</tr>
<tr>
<td>REET</td>
<td>0</td>
<td>34,500</td>
<td>34,500</td>
</tr>
<tr>
<td>One-time Revenue Total</td>
<td>0</td>
<td>260,400</td>
<td>617,500</td>
</tr>
<tr>
<td>Ongoing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Impact*</td>
<td>0</td>
<td>52,900</td>
<td>0</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>0</td>
<td>60,200</td>
<td>18,400</td>
</tr>
<tr>
<td>Utility Tax</td>
<td>0</td>
<td>28,500</td>
<td>38,600</td>
</tr>
<tr>
<td>Ongoing Revenue Total</td>
<td>0</td>
<td>141,600</td>
<td>57,000</td>
</tr>
</tbody>
</table>


* Property tax impact is 0 for the No Action and Proposed Facility, as the loss of the land AV during conversion to a public property would not result in decreased tax revenues to the City.

- The proposed facility could generate more one-time revenues from sales tax than the illustrative Industrial Alternative due to higher construction costs for jail and sheriff’s offices compared to manufacturing facilities. The No Action Alternative would not generate any one-time tax revenues.
- The illustrative Industrial Alternative could generate more annual tax revenues to the City because it would increase the taxable AV through new construction, and would likely generate more sales tax revenue than the jail and sheriff’s offices. The proposed facility could generate more revenue from utility taxes.
- The cost of serving the three alternatives is likely to be fairly similar, as none would be a significant generator of calls for service.

Overall, the proposed facility would generate approximately $357,000 more in one-time tax revenue, while the illustrative Industrial Alternative could generate approximately $85,000 more per year in ongoing tax revenues. However, it’s important to note that there is not currently a proposal to develop an industrial use on the site. The proposed facility, which represents real potential revenues in the near-term, does generate revenue above and beyond the existing greenfield use.

7.0 CITATIONS

Jail Siting and Public Safety Literature
- Fehr, Larry M. Literature Review of Impacts to Communities in Siting Correctional Facilities. July 1995. (This review references 51 studies (1981-1994) related to a correctional facility’s effect on (1) crime and safety (2) property values (3) local economic impact and (4) quality of life)


## Summary of Washington Jails included in Case Study Analysis

<table>
<thead>
<tr>
<th>Jail Facility</th>
<th>Maleng Regional Justice Center</th>
<th>Kitsap County</th>
<th>Pierce County</th>
<th>Spokane County</th>
<th>Thurston County</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>Downtown Kent, Court Complex</td>
<td>Port Orchard, County Administration Complex</td>
<td>Downtown Tacoma, County/City Administration Complex</td>
<td>(1) County Jail in downtown Spokane, (2) Geiger Corrections in rural area</td>
<td>Olympia, County Courthouse Complex</td>
</tr>
<tr>
<td><strong>Capacity</strong></td>
<td>1,384 inmates</td>
<td>477 beds</td>
<td>Up to 1,500 inmates</td>
<td>Up to 1,285 inmates</td>
<td>408 beds</td>
</tr>
<tr>
<td><strong>Inmate Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Types of Crimes</strong></td>
<td>Misdemeanors and felonies</td>
<td>Misdemeanors and felonies</td>
<td>Misdemeanors and felonies</td>
<td>Misdemeanors and felonies</td>
<td>Misdemeanors and felonies</td>
</tr>
<tr>
<td><strong>Average Stay</strong></td>
<td>18-21 days</td>
<td>17 days</td>
<td>14 days</td>
<td>9.8 days for misdemeanors 32.2 days for felons</td>
<td>25-30 days</td>
</tr>
<tr>
<td><strong>Jail Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average Bookings</strong></td>
<td>25-45 bookings a day</td>
<td>25-30 a day</td>
<td>70-75 a day</td>
<td>52 a day</td>
<td>16-22 a day</td>
</tr>
<tr>
<td><strong>Interface with Courts</strong></td>
<td>Courts located at MRJC; Inmates securely transported</td>
<td>Video municipal courts; District and Superior courts attached to facility</td>
<td>Video facilities; courts located within complex</td>
<td>2 video facilities; courts within complex</td>
<td>Video arraignment courts; main courthouse is attached</td>
</tr>
<tr>
<td><strong>Average Releases</strong></td>
<td>50-70 a day</td>
<td>25-30 a day</td>
<td>70-100 a day</td>
<td>52 a day</td>
<td>Not available</td>
</tr>
<tr>
<td><strong>Release Policy</strong></td>
<td>Inmates are released in the parking garage</td>
<td>Inmates are released out behind the courthouse</td>
<td>Inmates are released out the front door</td>
<td>Inmates released from facility through lobby</td>
<td>Inmates are released out the front door</td>
</tr>
</tbody>
</table>