



*Merri Ann Simanson*  
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## San Juan County Waterfront Parcels

If you own a waterfront parcel in the County, or hope to purchase one, I have detailed below some items to take into consideration. Historically, waterfront parcels were the most coveted investment in the islands but due to ever changing regulations, they are now the most confusing parcels to develop. For REALTORS they can be a challenge to sell due to our inability to give buyers concrete answers to their questions while on site.

### Important Considerations

#### Timing

Once you purchase a waterfront lot it is prudent to move forward with your plans as soon as possible as the regulations in the future may change and what you had hoped to build at the time of acquisition may not be approved in the future. The County has said they will never render a parcel unbuildable but regulations may restrict the size of residence and dictate the location of where you can build on the lot.

#### Residential Pre Application (RPA)

This is a conceptual approval of the footprint for the residence under the rules that exist at the time of review. While the RPA report is non-binding on the County, constructive reliance can be used for planning your new home including the home site, setback, tree removal, the location for the driveway, and well and septic, if applicable. This is a valuable tool to utilize upfront so that your design team and contractor have solid direction from the County early on in the process.

Your designer or architect may process the RPA for you as part of their service. If not, you can hire a land use consultant. The cost to process an RPA with a land use consultant is around \$900-\$1400 which includes County fees.

As an RPA is not binding, and in light of proposed regulation changes, one should only be used for near term planning. Currently the Shoreline Master Program is being updated and the likely 2017 implementation may change shoreline regulations, possibly voiding some conclusions from an existing RPA. In order to bind or vest your project under the current rules, a complete

permit application must be submitted to the County. Once the application is deemed complete that becomes the effective date prescribing which version of the regulations applies.

### **Shoreline Setbacks**

This is a difficult topic to address. The Critical Areas Ordinance (CAO) was approved in 2013 and significantly altered the setback regulations by placing the majority of the shorelines in the County into a Critical Areas designation. Basically a very simplistic definition of the current setback regulation impact includes there being a "no touch zone" in the first 35 feet from the shoreline, although a 5 foot trail to the beach is permitted. Only dead, dying and dangerous trees may be removed in the area located behind the first 35 feet to a total of 110 feet from the shoreline. It is possible to brush and clear for view and fire protection in the 110 foot zone and it may be possible to build between 110 and 75 feet if you have a forester design and the clearing planned will have a minimal impact to healthy trees.

In addition to the CAO regulations impacting shoreline properties, the Shoreline Master Program, as mentioned above, is currently being reviewed for adoption and could place further restrictions on shoreline development. The Shoreline Master Program dictates land use within 200 feet of the shoreline. While some key elements of these regulations are under legal challenge, they remain binding and in effect. Under the current SMP, setbacks differ from Critical Area setbacks. If you have "adequate" screening, you can build 50 feet back from the top of the bank. If not, you must stay back 100 feet. A screening analysis is an important component of an RPA.

However, because the two sets of rules differ, the law says that the most restrictive rule applies. This means that the home site will most likely be established around 110 feet back from the shoreline. It is also possible to average the 110 foot setback for certain, very specific reasons.

Due to the individual geometry of each lot, the geological conditions at the water's edge, the adjacent property home sites and the amount of vegetation available for consideration as screening, each setback can vary. One size doesn't fit all, and given the complex and somewhat subjective nature of shoreline setbacks, we recommend obtaining professional advice to assist in planning your project.

Additional rules regarding house location include the possibility of an unstable bank, which requires a site visit by a coastal geologist or engineer; and the fact that all the salt water is protected "fish habitat", which requires a proposed development impact analysis prepared by a marine biologist.

### **Property Survey**

It is always prudent to have the corner stakes properly identified for any construction project but it may be more important on the waterfront. If you don't know the lot line measurements, you may design a 65 foot wide home then find out you may only build a 50 foot wide home if the shoreline is only 100 feet wide (you are limited to a 50% lot width coverage). Having a survey will also confirm any encroachments and other issues that you may need to address.

## **Tree Removal**

A tree removal permit is required for any tree removal work done in the shoreline (200 feet from the water's edge) When tree removal is a necessary part of construction, trees to be removed must be clearly noted in your plans submitted for your building permit. Your plat Covenants, Conditions and Restrictions (CC&Rs) may also have an impact on your tree removal plan. If the plat CC&Rs are more restrictive than the County, they override the County regulations and guide the process.

For shoreline properties with existing development, tree removal may only be done with a standalone tree removal permit. Consultation with a certified arborist is recommended to discuss the condition of your trees and how the shoreline regulations would apply.

A tree removal plan will catalog and locate all trees on the lot and identify those designated for removal. Basically, to retain views, the County does allow 4% trimming per year or 40% over a ten year period. Good luck with figuring out the calculation, you may want to consider hiring an arborist to calculate the 4%.

## **Building Plans**

Having a clear, complete plan set is an essential early step in the process of building your new home. You may select an architect or designer to work with or engage one of the several general contractors on the island who provides design services. The design process should include working with an engineer for the structural elements of the design.

The plan creation process is typically 4-6 weeks or more. The fee range is too wide to quote as it depends on the complexity of the design and whether the service provider stays involved and conducts the inspections during the course of construction.

## **Builder**

It is prudent to interview several general contractors and find one who is compatible with you and your goals. A new build or significant remodel can be a lengthy process and it is not always about the pricing, it is important to find a general contractor that you communicate well with. Your REALTOR, architect or designer will have suggestions. Obtaining bids may take another 30-90 days as the contractor will bid out the major components with their subcontractors. On certain types of jobs, contractors will only work for time and materials as the homes are just too complex.

## **Permits**

The architect, designer, land use consultant or your contractor can submit to the County for permits. You may submit your plans directly as well. That process is quoted by the County at 10-12 weeks but further time may be needed depending on the complexity of your home design and completeness of your package.

Many factors come into play at the San Juan County building department. The County provides a detailed checklist for each type of permit. While comprehensive, the volume of

paperwork and order of operations may be overwhelming to someone unfamiliar with the County's process. Your file travels through several departments with each reviewing their component and hopefully issuing approvals. The components include, but are not limited to; water source and testing, septic permit, storm water management plan, energy study, engineering, lot lines and corner stake confirmation and possibly an archaeological or geological study.

### **Archaeological Sensitive Areas**

Cultural resources are evidence of past human activities. It is not uncommon for waterfront lots to have items of cultural significance or be located in the buffer zone of an existing identified site. In order to confirm whether the lot you own or are considering purchasing has archaeological sensitive areas, a property owner must contact San Juan County. Due to preservation and protection of the sites, the maps are not of public record.

### **Flood Insurance**

As you may be aware, the majority of our waterfront properties are designated as being in the flood plain as determined by the current Federal Emergency Management Act (FEMA) maps. **What you may not realize is that almost 90% of the homes and other structures, when further analysis is done, do not actually require flood insurance.** Contacting a surveyor to process a Base Flood Elevation (BFE) for your property should be on your checklist. The fee charged by the Corps of Engineers is in the range of \$105-\$350, subject to previous determinations in your immediate area and it typically takes 2-3 weeks. Base Flood Elevation certificates are required in order to obtain flood insurance and are also used to obtain a Letter of Map Amendment (LOMA) which is required to waive flood insurance. Processing a LOMA will be in the range of \$2200-\$2500.

### **Budget**

Again this topic is very custom and will depend on the type of home you plan to build and your building site. I know of some contractors on the island that can build for \$175 per foot but that would be for modest construction. I know of some homes that have been built on the island for \$1,000 per foot. Your budget needs to be established then monitored with every change order processed.

### **Site Development Costs**

You should budget around \$25,000 for a septic system installation and \$20,000 for well drilling and associated plumbing with a bit more if you plan on a water storage tank and a well house for all of the equipment.

Utility line trenching will vary due to length and terrain, but typically the excavation costs run \$9.50 per foot unless you hit rock then it can be as high as \$15.50 per foot. Don't forget to drop optical fiber in the trench for future use.

For your power, you can contact OPALCO and have them locate the closest transformer to the building site, then provide you the distance that the trench will need to run. This allows you to bid out the secondary power line installation with the local excavators.

Of course it is easier to have your general contractor include the site development costs in their bid or estimate.

### **Professionals**

I highly recommend hiring professionals at the start of your project, not that our County employees aren't pleasant to work with and always helpful, but they are often busy or unavailable, plus the regulations can be confusing and consultants work with the County on a regular basis and are more familiar with the procedures. Permit consultants in particular can monitor the entire process leading up to a building permit application, and can also assemble a team of specialists to provide the numerous site specific reports.

### **Construction Loans**

You can obtain a land loan to acquire the lot then once you have your plans, builder, costs and permits, you can apply for a construction loan. It is convenient if the seller will provide financing for you for a short term such as 1-3 years. Seller provided financing can be less expensive than a land loan at a lending institution as the rates are closer to 5-6% and there are no loan fees. Banks had a high level of defaults in their land loan portfolio so they currently charge a premium to fund land loans.

The construction loan can be a combination of construction term that will roll over into a permanent loan. You can set the construction period at 6-12 months with the remaining 29 years being the permanent loan portion. During the construction period of the loan, the bank will make regular inspections and disburse your funds based on a percentage of completion. Once the home is complete and loan fully disbursed, they roll it into the permanent loan terms.

### **Builder's Warranty**

Many property owners believe that Washington State requires a one-year builder's warranty on new construction, this is not correct. However, most builders will stand behind their product in order to maintain a good relationship with their client and future referrals.

### **Conclusion**

Other than dealing with the shoreline regulations addressing tree removal, setbacks and a higher likelihood of having an archaeological area, there is no difference in the process as compared to building on an interior lot.

As the existing home inventory on San Juan is being absorbed, buyers are now determining that building a custom home may be their best option. Their ending product will be exactly what they want and we currently have ample inventory of land for sale at great prices. Waterfront lot sales have been slow over the last few years due to the lack of recovery from the recession and regulation changes; now is a good time to purchase a waterfront lot.

**Written by**

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**Recommended Professionals:**

Casey Baisch 317-5559 Tree removal, Arborist  
Jack Cory 378-4900 RPA, Permit Processing, Septic Design, Home Design  
John Geniuch 317-6741 - RPA, Tree Removal Plans, Permit Processing, Arborist  
Francine Shaw 378-6278 RPA  
Bob Quarry [bobq@thepermitcenter.com](mailto:bobq@thepermitcenter.com) RPA, Permit processing

If you need a reference for archaeology, construction lenders or general contractors, please be sure to contact me.

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