



January 22, 2002

SRCSD

Attn: Board of Directors
10545 Armstrong Avenue
Mather, CA 95655

RE: OPPOSED TO TIERED FEE PROPOSAL FOR SEWER IMPACT FEE STRUCTURE

The North Sacramento Chamber of Commerce, representing one of Sacramento's more successful in-fill/redevelopment commercial districts strongly encourages you to keep the current rate structure.

After careful review of the proposals claiming to benefit "in-fill" areas, our Board unanimously voted to oppose the "Tiered -Fee Proposal" and the "Cost by Sewershed Proposal" that your Board will consider at your January 30th Boardmeeting. All alternative proposals appear fatally flawed as either an incentive to "in-fill" development or specific redevelopment efforts. Due to the constraints of the charter of SRCSD and the definition of "in-fill" by broad sewer sheds - staff has created inequitable areas that distort benefits and unfairly treat individual communities (especially designated redevelopment areas).

Unfortunately, in maps our Board reviewed, there appeared to be little economic rationale for which areas received a lower rate. For example one map showed that the Del Paso Heights Redevelopment area would not receive the "in-fill rate," but areas of East Sacramento and Carmichael, which economically don't need incentives, would be charged the lower rate. This would clearly be bad public policy regardless of anyone's zeal for "in-fill" investment.

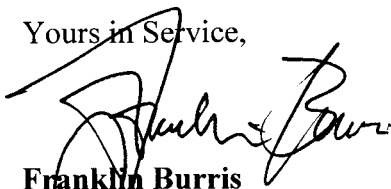
The Chamber does support reducing fees as barriers in designated Redevelopment Areas and older commercial districts, however, it was clear that none of the alternatives SRCSD staff has prepared will provide any real advantage to "in-fill" areas like ours.

The Chamber would like to suggest the following alternatives for your consideration:

- (1) Encourage first-time home owner opportunities by altering 1 Home=1 ESD to be less onerous on small homes.
- (2) Target Economic Development Bank ESD Credits for use solely within In-Fill/Redevelopment Areas as incentives for new investment.

Thank you for your thoughtful consideration to the North Sacramento Chamber of Commerce's position on this critical infrastructure issue.

Yours in Service,



Franklin Burris