

November 30, 2011

To: Lemoore City Council

From: Jeffrey Garcia, O.D.

Re: Reduction/elimination of Downtown Impact fees for new construction

I am requesting that Council consider temporarily reducing or eliminating impact fees for new construction in Downtown Lemoore. Other Valley Towns have done this, and we should follow suit, or lose even more opportunities in this down market. This is a critical time for new construction, while labor is cheap, interest rates are at an all time low, and impact fees may influence location for new construction projects.

Another significant factor is while construction costs are low, commercial property appraisals are also at an all time low. The cost for new construction is higher than current appraisal values, making borrowing money extremely challenging. In my particular project, my appraisal was \$200,000 lower than loan needed for cost of construction.

Building Downtown does "cost" more than building in other areas of Lemoore due to the Architectural Design Guidelines. For example, my construction costs are increased by **\$101,500**:

1) Landmark tower:	\$17,000
2) Articulation (deco arches around building):	\$8,500
3) Hand trowled stucco	\$8,000
4) Mansard roof system	\$25,000
5) Outriggers on roof line	\$9,000
6) "Spanish" style deep window ledges	\$5,500
7) Tiled arched recesses	\$3,000
8) Corner entry way with "Spanish" design	\$5,500
9) Minimum building height requirement	\$20,000

My City of Lemoore impact fees are estimated to be: **\$36,144.30**

Dollars from impact fees mean absolutely nothing to the City's coffers if there are few or no projects occurring to generate this income. I would rather see impact fees reduced or eliminated to encourage new construction to occur than to see impact fees remain the same or "increased" and see nothing happen resulting ZERO dollars for the City and no new infill projects.

This is a business decision that needs careful consideration. Those of us in the business community put on a "sale" to generate more interest and business. The City needs to put on a "sale" for new

commercial construction Downtown and generate some excitement and interest in building commercial property in Lemoore. We have so many locations that could benefit, particularly in Downtown, where there several empty lots and an opportunity for infill projects.

I would suggest that the City reduce or eliminate the impact fees Downtown for new construction, contact and educate Downtown lot landowners that the City is ready to facilitate new construction. We have some great façade projects that were recently completed and this has created a new energy and excitement Downtown. Let's keep up the momentum!

Please consider my request for a reduction or elimination of my impact fees.

Respectfully,

Jeff Garcia, O.D.