



Rod K. Oshita
Principal
Fairway Commercial Partners Inc.
1601 N. Sepulveda Blvd #401
Manhattan Beach Ca 90266

July 10, 2018

Susan M. Dormen
City Clerk
City of Lake Elsinore
130 S. Main Street
Lake Elsinore, Ca 92530

Re: Proposed user fees and cost allocation plan - Update

Dear Susan,

I would first like to thank the Council for allowing the time to better understand the City's Entitlement processing and recommended user fee increase.

I'm encouraged by the suggested outline of a formalized structure for the development process as presented by staff within the draft "Entitlement Guide". A clear road map, if adhered to, would reduce many of the unknowns of the process and provide the development community with specific time frame for the processing.

I'm equally, if not more discouraged by the explanation and information provided relating the suggested user fee increase. The many hours spent working on this felt more like a game of hide & seek or cat and mouse. What was ascertained was the increase in fees would be in excess of 20%, not the 3%-8% stated at the meeting on June 12th. Based on the information provided to me, it is apparent that **NO ONE** knows the before and after impact of the suggested increase. At this point in the economic cycle the suggested increase would have an extremely negative impact on the future of commercial development in the City of Lake Elsinore.

Following the June 12th City Council Meeting I met with Staff on the 19th of June to discuss the suggested user fee increase and development process. Per messages leading up to the meeting, staff suggested

*1601 N. Sepulveda Blvd Suite 410
Manhattan Beach Ca 90266*

that they would provide a comparison of the fee calculation based upon those building permits issued in February of 2017 for Phase 1 within the Fairway Business Park. Upon review the comparison was incomplete and inaccurate. The comparison provided only considered building permits, but not all building fees. Additionally there were no fee comparisons for any other departments. As a follow up to our meeting, staff provided the Engineering fee comparison for Phase 2 of Fairway Business Park. The information again was both incorrect and incomplete. As example staff represented that there were no proposed changes to grading fees on both plan check and inspection where in actuality the report suggests a greater than 20% increase. Additionally the comparison only considered offsite improvements and precise grading. The comparison of our Phase 2 project did not consider additional fees such as Parcel Map, WQMP, SWPP review, bond releases, dedication easement, to name a few. This was communicated to staff in an email June 27th and there has been no response to date.

I received an email last night at 7:15pm from the City Engineer which purports to be an engineering comparison of fees for a third project, a hypothetical project. After a cursory review the comparison is again incomplete as it includes only a limited number of fees.

Lastly I would offer for consideration the lack of public outreach regarding the proposed fee increase. In my dealings with other commercial developers and brokers in the area I have yet to speak with one who had knowledge of this prior to my communicating with them. I can represent that the community feels as if the City is trying to slide one through.

I will be at the meeting tonight and happy to answer any questions.

Sincerely,

A handwritten signature in blue ink that reads "Rod K. Oshita". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rod K. Oshita
President
Fairway Commercial Partners Inc.