



October 24, 2008

**Office of the Mayor and Council
915 "I" Street, Fifth Floor
Sacramento, CA. 95814**

RE: Development Impact Fee Deferral Program (Item #18)

Dear Mayor and Council:

The Downtown Sacramento Partnership (DSP) strongly supports the City of Sacramento's efforts to create economic incentives to assist developers in deferring development impact fees until Certificate of Occupancy or until the project closes escrow.

Development Impact Fees can be a major obstacle to moving projects forward. Especially in light of the current economic environment, a fee deferral program can act as a catalyst to projects that might otherwise stall due to financing struggles. This fee deferral program is a responsible incentive that allows a developer, who can represent they can move a project forward in a timely manner, and can post security as required by the ordinance.

The fees deferred by this ordinance are city controlled impact fees only, and not operational fees necessary to maintain staffing and current budget levels. This fee deferral program will not place additional financial burdens on the General Fund or any department in the City of Sacramento.

This fee deferral program, one that mirrors several jurisdictions fee deferral programs in the region, is one step towards removing additional barriers in a down market. The DSP joins others in the development community in asking that you strongly support the proposed Development Impact Fee Deferral Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Ault", is written over a light blue background.

Michael Ault
Executive Director

CC: Ray Kerridge, Office of the City Manager
Leslie Fritzsche, Downtown Development Group

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