

Harter Packing Company, LLC.  
1321 Harter Parkway  
Yuba City, CA 95993

Ms. Diana Langley  
Yuba City Public Works  
1201 Civic Center Blvd.  
Yuba City, CA 95993

Date: November 13, 2019  
Reference: HSP Developmental Obstacles

Dear Ms. Langley:

I'm sending you this brief letter in reference to your recent email of November 9, 2019 pertaining to developmental issues, costs, impact fees, prior City actions, and related matters for development of the Harter Specific Plan.

Developmental Costs:

As you are aware, the Harter Specific Plan (HSP) is located in the Western area of Yuba City. Prior to the creation of the HSP the area surrounding the property was developed with office and commercial to the East and Residential to the North and West of the project. These areas that border the HSP had little to no City services prior to Harter Packings annexation to the city.

When Yuba City did its infrastructure study for the HSP it was very extensive and much of the costs for the HSP were due to the lack of services from development that previously was done by the county, which lack water, sewer and adequate roads.

Many developers simply bypassed the Harter Specific Plan area and its higher cost to develop, and instead opted to build on the edges of the City's Sphere of influences where there were little to no previous infrastructure deficiencies to fund other than its own development cost burden.

Impact Fees:

Yuba City continues to have one of the highest impact fees in the regional area. High impact fees along with the current required infrastructure requirements and given the market pricing for new homes does not leave the builder nor the land owners a profit margin worth the risk.

Prior City Actions:

Previous City Councils decided to approve a fifty percent reduction of impact fees for the core areas of Yuba City. The Harter Specific Plan was, and still is at a disadvantage due to this action. Most of the commercial development that has taken place was done in the fee reduction areas. Accordingly, a developer would contract with an existing property, demolish any existing buildings and not pay any Impact Fee for new building development, or pay for only the square footage over what was removed. Additional cost can be saved as there would be no sewer or water line extension or oversizing. A developer could easily save in excess of Twenty Dollars per square foot in development cost. On a 40,000 square foot mid-size store the realized saving would be in the range of \$800,000. Harter does not see much opportunity for its commercial development as long as the current fee reductions are limited to the core areas of the City.

Buildout of HSP is critical to the City's goals of orderly and systematic development and avoiding leapfrogging or other unsustainable growth patterns. A failure to ensure the competitiveness of building in the HSP will effectively abandon a critical corridor connecting multiple areas of western Yuba City.

Diana,

Feel free to give me a call should you have any question or concerns with this letter?

Sincerely,

Tom Tucker

Harter Packing Company, LLC.

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