

# The Construction Coalition

## A North Coast Builders Exchange & Building Industry Association of the Bay Area Program

November 4, 2013

### **The Honorable Mayor Scott Bartley & Members of the Santa Rosa City Council:**

As you may know, The Construction Coalition (TCC) is an advocacy partnership program representing the interests of members of the Building Industry Association of the Bay Area and the North Coast Builders Exchange.

Representatives of our Coalition have been included in the initial public feedback sessions regarding the study and the companion policy of “Full Cost Recovery” for the Community Development Department. We appreciate our input being sought by CDC Director Chuck Regalia.

We want to acknowledge the Community Development Department for its willingness to undergo such a deep-dive into its cost/value proposition and are pleased to hear that this effort has already led to efficiencies above and beyond those the Department has implemented in the last few years.

However, The Construction Coalition has several significant concerns regarding the concept of a “total cost of service recovery model” for the following reasons:

1. A total cost recovery model is a flawed and unsustainable concept that must be re-thought.
2. Adding costs to the tenuous viability of any new development in these economic times would be seriously counter-productive to the Council’s stated goal of stimulating job creation.
3. The benefit of development to our community’s economic health needs to be valued and supported, not treated as a cost burden to be eliminated to help balance the City’s budget.
4. The fees charged by the Community Development Department need to be assessed within the context of all fees and costs levied upon projects from all government and regulatory agencies, rather than evaluated in isolation.

Our Construction Coalition members unanimously recommend that the City table any further efforts to adjust fees based on this premise until there is a more thorough understanding of the impact that increasing fees could have on the Council’s own goal of creating a strong, sustainable economic base for our community. We also request an opportunity to discuss this matter with you further in the near future, preferably in a study session where time would allow a more thorough job of vetting the economic advantages of local development.

If you, as City Council members, want to promote sound economic development, you need to ensure that ours is a City that is:

1. Transparent in revealing the justification for all of its costs for services.

2. Realistic in its fee and costs relative to these economic times.
3. Efficient and effective in its approval process.
4. Understanding of the contribution that development makes to the economic viability of the region and recognizes that development is the first step in growing Santa Rosa's economic base.

In short, stifling development with barriers such as ever-increasing fees is counter-productive to the City Council's goals.

We look forward to discussing this important issue at your meeting on Tuesday, November 5<sup>th</sup> and in a study session. If you have any questions or comments about our positions, please contact me or our Coalition members. Thank you.

Sincerely,

*Robert Cantu*

**Robert Cantu**

(Western Builders)

Chair, The Construction Coalition, on behalf of the Members listed below:

**The Construction Coalition Steering Committee Members:**

Doug Hilberman (*AXIA Architects*)

Greg Hurd (*BKF Engineers*)

Craig Lawson (*CALCBS*)

Robert Cantu (*Western Builders*)

Mark Soiland (*Soiland Co., Inc.*)

Joan Woodard (*Simons & Woodard, Inc.*)

Scott Cheeseman (*Pinnacle Tile & Stone*)

Curt Nichols (*Carlile\*Macy*)

Joe Ripple (*Schellinger Brothers*)

Beth Tuxhorn (*The Tuxhorn Co.*)

Vin Smith (*Smith, Sickler & Associates*)

**TCC Advisors:**

Bob Glover (*Building Industry Association of the Bay Area*)

John Bly (*Engineering Contractors Association*)

Keith Woods (*North Coast Builders Exchange*)