

March 22, 2010

John McCarty
Southeast Metro Stormwater Authority
76 Inverness Drive East, Suite A
Englewood, Colorado 80112

Dear Mr. McCarty,

South Quincy⁹ Residential Developers would like to voice their concern over the adoption of one of two alternatives presented by staff. It is our belief that in these extremely difficult times in the development community it would be very counterproductive to increase fees to such outrageous rates. Under the 100% Cost Recovery Model fees would be increased in the city/county between 27%-42%! This increase is unjustified for several reasons:

- This assumes that 100% of SEMSWA's costs should be the burden of developers/builders. SEMSWA also collects fees from rate payers and therefore should not be obligated to pay 100% of overhead costs. Although we do agree that builders/developers should share in these costs but only at equitable rates.
- SEMSWA does not have enough historical data to accurately calculate what the full cost of providing services actually is.
- The analyses states that it is reasonable to charge hourly rates on par with the private sector. Private sector businesses generate profits and their fees reflect that. As a non-profit organization SEMSWA should have lower fees.

For these reasons we believe that the 85% cost recovery model should be adopted. The fees in the 100% formula are excessive, unjustified, and unfairly assessed. If this model is adopted it will most likely hinder development and lead to less development and less permits. We strongly encourage the Board to adopt Staff's initial recommendation of the 85% Cost Recovery Model.

Respectfully

A handwritten signature in black ink, appearing to read 'Richard Frank', written in a cursive style.

Richard Frank
South Quincy Residential Developers, President