

November 17, 2015

The Honorable Larry Cusack  
Mayor, Town of Apple Valley  
14955 Dale Evans Parkway  
Apple Valley, CA 92307



*Baldy View Chapter*

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**RE: Apple Valley Ranchos Water Company Purchase**

Mayor Cusack and fellow Council Members,

I am writing today to express my concerns regarding the proposed purchase of the Apple Valley Ranchos Water Company by the Town of Apple Valley. I will say from the outset that the Baldy View Chapter of the Building Industry Association of Southern California does not advocate on behalf of private or public owned utilities such as water systems. Instead our concerns revolve around ensuring both adequate infrastructure and affordable fees for our members.

In this case, our concerns are very specific to the potential establishment of new water connection fees on future construction once this acquisition is completed. As you know, Apple Valley Ranchos does not charge such a fee, whereas most municipal utilities do. The Town of Apple Valley already has the highest fees per single family home in the Victor Valley, estimated \$26,158 per home (please see attached chart). Increasing or establishing a new water connection fee not only hinders the homebuilders, it also puts additional financial burden on families who wish to purchase new homes.

The residential building industry has been at a virtual standstill for most of the last decade and I am pleased to report that this trend is beginning to change. Unfortunately, a new fee amounting to hundreds of thousands of dollars for new residential construction will not help our industry recover in your Town which will also hinder job creation and economic growth.

**We ask that the Council to forego any future development fee increases if the Town proceeds with the proposed purchase and look forward to discussing this issue at your earliest convenience.**

Sincerely,

Carlos Rodriguez  
Chief Executive Officer

CC: Apple Valley Town Council; Town Manager Frank Robinson

**2015 Development Impact Fee Comparison Table**  
(Single-Family Residential Unit, 2000sf.)

Hesperia		Victorville		Apple Valley		Adelanto	
Fee Type		Fee Type		Fee Type		Fee Type	
Transportation	\$9,781	Transportation	\$4,470	Transportation	\$6,745	Circulation	\$4,452
Drainage	\$1,284	Parks	\$5,055	Park Fees	\$3,208	Fire	\$235
Public Facilities	\$1,109	Public Facilities	\$1,334	Animal Control	\$54	Park and Rec	\$2,890
Police	\$423	Police	\$139	Aquatics Fac.	\$84	Drainage	\$3,132
Fire	\$1,425	Fire	\$329	Fire	\$740	Water Con.	\$5,595
Water (Facilities)	\$3,513	Water Con. Fee	\$3,778	Gov. Facilities	\$407	Sup. Water	\$2,420
Water (Supply)	\$2,662	Alt. Water Source	\$1,364	Police	\$147	Reclm. Water	\$250
Meter Install	\$350	Meter Cost	\$479	Public Facilities	\$261	Sewer Con.	\$1,543
Sewer	\$1,571	Sewer Con. Fees	\$350	Storm Drain	\$1,581	APUA Treat	\$1,511
Parks (HRPD)	\$5,487	Service Line	\$1,351	Fire Address	\$70		
VVWRA (20 FPU)	\$4,000	VVWRA (20 FPU)	\$4,000	Water Con. Fee	\$0		
				Meter Fee	\$0		
				Local Sewer Con.	\$834		
				Sewer Impact	\$2,127		
				Tract Water	\$900		
				Water Acq. Fee	\$5,000		
25% DIF Reduction Program*	-\$7,901			VVWRA (20 FPU)	\$4,000		
<b>Total Fees Per Home</b>	<b>\$23,703</b>		<b>\$22,649</b>		<b>\$26,158</b>		<b>\$22,028</b>

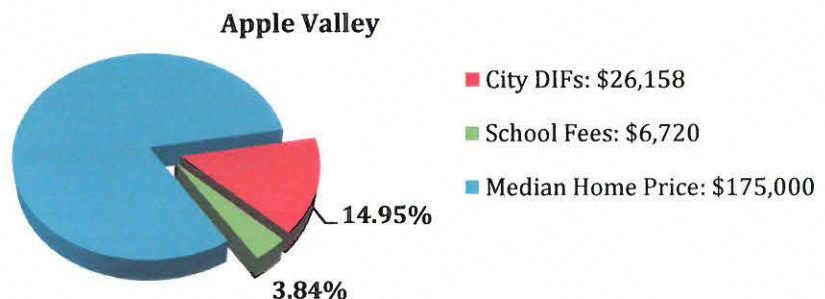
**Median Closing Price (Market Condition Report Victor Valley: Aug '13- Aug '14)**

Hesperia	Victorville	Apple Valley	Adelanto
\$185,000	\$180,000	\$175,000	\$145,000

**2014 Victor Valley School Fees by District**

District	Per SF.	2000 SF Home
Apple Valley USD	\$3.36	\$6,720

**Percentage of Median Closing Price Compared to Fees**



\*Permit data acquired from the California Construction Industry Research Board \*Median Closing Price data acquired from the Market Condition Sept. 2014 Report  
\*School fee data acquired from various district's SFNA's