



CITY OF FILLMORE
CENTRAL PARK PLAZA
250 Central Avenue
Fillmore, California 93015-1907
(805) 524-3701 • FAX (805) 524-5707

AGENDA ITEM # **38**

April 22, 2009

TO: Finance Committee

FR: Interim City Manager *Bill Bartels*

RE: Request by Mr. Jesus Ortiz to Restructure Debt Repayment.

RECOMMENDED ACTION

The Interim City Manager recommends the Finance Committee consider restructuring Mr. Ortiz's payment plan.

BACKGROUND

On March 29, 2009 Mr. Jesus Ortiz, owner of El Pescador Restaurant has requested that the City Council consider restructuring debt repayment. Mr. Ortiz is past due in the amount of \$11,849.37 for the months of February, March and April. A past due invoice was sent to Mr. Ortiz on April 16, 2009.

El Pescador Restaurant

1305 Ventura Street (Highway 126)
Fillmore, Ca. 93015
(805) 524-9999

March 29, 2009

City of Fillmore
250 Central Ave.
Fillmore, Ca. 93015

Dear members of the City Council;

My name is Jesus Ortiz, and I am the owner of El Pescador Restaurant in Fillmore, it is with great sadness that I have to write this letter. El Pescador Restaurant is currently experiencing a economic downturn in business due to the current economic recession. This has imposed a financial hardship im making monthly payments of development fees to the City of Fillmore in a timely and accountable manner. These development fees were established and assessed by the City of Fillmore as part of the new development and construction of the El Pescador Restaurant in 2005-2006. However, a continued decrease in business, will force me to shut my doors, unless the City of Fillmore will be willing to work with me.

Since July of 2006, El Pescador Resaurant has been striving to provide the City of Fillmore with unquestionable quality of Mexican food and an unparallel quality of service. Because of its location along Highway 126, El Pescador Restaurant has been a visual attraction not only to local residents but also to visitors to Fillmore and travelers from other southern California cities who pass through to Ventura, Santa Barbara and San Luis Obispo Counties. Undeniably, El Pescador Restaurant is slowly, becoming an important destination and point of interest for travelers.

However, all the success has come with a lengthy and costly process since 2005, when the architectural and engineering design began. I experience a series of unnecessary and costly delays in review and approval process of my project by the city planning department. These delays included:

1. A lack of definition and understanding of the architectural design for this project. Since it was one of the first projects along highway 126 with special architectural elements established by the city and some of the recommendations by the city (ex. The use of new metal roof materials, which add \$20,000.00 dollars extra, instead of a tile roof)

2. A lack of responsiveness by the city engineering staff to address project issues and simply respond to questions and inquiries. On countless occasions, My project engineer or myself would contact the city planning dept. to request information pertinent to the project and not receive a response in a timely manner or not receive a return call at all. Many times, matters that could be resolved rather quickly would take weeks to obtain an answer. Many times the city staff would not be available to meet with me or my engineer.
3. Delays associated with reviewing and plan checking the project. On more than one occasion, the city would misplace or lose the plans submitted, thus delaying the approval process. Also, the city would not provide pertinent information as to the existence of city owned infrastructure like storm drains, sewer lines and easements; thus later having to make engineering modifications to the designs of the project significantly in order to meet city requirements.

In addition, when my project was approved by the city, preliminary development fees for water and sewer, traffic, etcetera, were imposed on me in order to approve this project. The city had not established and assessed the development fees due the ongoing development projects associated with the waste water treatment plant. The city required me to agree to pay all these fees in order to proceed with my project. I agreed to pay the development fees with the understanding that these fees could be modified and lowered once the city projects would advance in development and a better cost assessment could be established. To this date, no one has talked with me about lowering my development fees.

In all, with all the delays and requiring me to install a metal roof, that I was told that all new developments along Highway 126 would be required to install, (the new strip mall project is installing a tile roof) my restaurant has cost me \$100,000.00 dollars extra to build, \$20,000 for the metal roof, and \$5,000.00 to redo my plans because of the wrong information was given to me by the city, and \$80,000.00 in delays.

This month I had to borrow money so I could make my payment to the city for the development fees. I currently pay \$3500.00 per month in sewer and water. I have lost one renter because of the high sewer rates, and I have been contacted by another, stating that he will be leaving soon.

I'm requesting that the city work with me so I can keep my doors open. I currently owe \$86,000.00 dollars in development fees, which I make monthly payments of \$3,900.00. The following are the options that I have in mind.

1. The city forgives the \$86,000.00 that I still owe.
2. The city forgive \$25,000.00 that I had to pay extra, \$5,000.00 for redoing my plans and the \$20,000.00 for installing a metal roof, that every new project was required to install. And the city to defer my payments to the city of 12 months. After, I would start paying \$1,000.00 a month, until I finish paying the balance. If the economy picks up, I would pay more than the \$1,000.00 a month, until my balance is paid.
3. I would like the city to defer the payments for 12 months. I will then make a monthly payment of \$1,000.00 a month until the balance is paid. If the economy picks up, I will pay more than the \$1,000.00 a month until my balance is paid.

Your prompt response would be greatly appreciated. If you have any questions or need any additional information please contact me at (805) 797-4341.

Sincerely,



Jesus Ortiz, Owner date