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 CITY OF SACRAMENTO
 MAR 17 4 40 PM '81
 OF COUNSEL
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March 17, 1981

Ms. Lorraine Magana
 City Clerk of the City
 of Sacramento
 City Hall
 915 I Street, Room 308
 Sacramento, CA 95814

RE: Improvement Proceeding No. 4891 - Kennedy
 Acres Sanitary Sewer Assessment District

Dear Ms. Magana:

This law firm represents Hokanson Building Blocks Company. The Company has received a Notice (a copy of which is attached) that the City Council of the City of Sacramento proposes to include the Company's property within the above-referenced proposed assessment district.

Hokanson Building Block Company is the sole owner of the property. The property is approximately 35 acres in size and is located at 4751 Power Inn Road, Sacramento (assessor's parcel nos. 061-121-0400, 0100, 0200, and 0300 and 061-131-0100 and 0200). The Company has been informed by the Office of the City Engineer that the property comprises approximately 28 percent of the area of the proposed assessment district.

Part of the property has buildings on it and has been used for storage of building blocks since 1947. The rest of the property is unused at the present time. The Company has no plans to change the use of the part of the property presently being used or develop the property in the future, and it would be very impracticable and economically unfeasible to do so. The Company plans to use the presently unused portion of the property for production and storage expansion.

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The Company has consulted the Office of the City Engineer as to the effects of excluding the Company's property from the proposed assessment district. The City Engineer's staff has indicated that exclusion of the Company's 35 acres will not seriously jeopardize the formation of the district. The Company has also been informed by the City Engineer's staff that the Company's property would be assessed approximately \$73,000 if included in the proposed district, while it would cost only \$70,000 plus engineering costs for the Company to add sewer services at a later date.

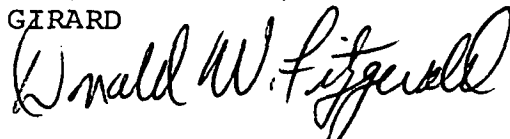
For these reasons, inclusion of the property within the proposed assessment district would not provide any short term or long term benefit to the property. The Company understands that should it wish to develop the property in the future, it may be unable to do so because of the lack of a sewage system and that the installation of a sewage system might be much more expensive at a later date. However, in exercising its business judgment with respect to the best present and future uses of its property, the Company is willing to accept the possible adverse future consequences of declining an opportunity to participate in and receive the benefits of the proposed assessment district project.

If the property were included in the proposed assessment district and assessed for its share of the cost of the project, the property would be subject to a cost grossly disproportionate to the benefit of the project, in light of the Company's plans for use of the property and the economic infeasibility of changing that use so that the property can benefit from the project.

For these reasons, the Company protests inclusion of the property within the assessment district and requests the City Council to change the boundaries of the proposed assessment district by excluding the property.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN
& GIRARD



By: Donald W. Fitzgerald
Attorneys for Hokanson
Building Blocks Company

DWF/lm

IMPROVEMENT PROCEEDING NO. 4891

KENNEDY ACRES SANITARY SEWER

ASSESSMENT DISTRICT

NOTICE OF HEARING
ON
RESOLUTION OF INTENTION

I, LORRAINE MAGANA, CITY CLERK OF THE CITY OF SACRAMENTO,
HEREBY NOTIFY ALL PERSONS:

That on February 24th, 1981 the City Council of the
City of Sacramento acting under the provisions of the law known
as the Improvement Act of 1911 adopted a Resolution of Intention
for Improvement Proceeding No. 4891.

That in said Resolution the City Council declared its
intention to order the public improvement work to be done that I
here briefly describe, viz: Sanitary sewers and sewer services

That in said Resolution the City Council declared its
intention to order all of the costs of said work assessed in a
Special District of lands and I inform you that your land is included
in said district and that the amount assessed on your land will be
payable over fifteen (15) years, unless you choose to pay your
assessment in full at the time it is levied.

That on March 17th, 1981 at 7:30 o'clock
P.M. the City Council will conduct a public hearing in the City
Council Chambers in the City Hall at 10th and "I" Streets at
Sacramento, California.

That the City Council at said hearing will hear any
protest to the proposed work and to the extent of the proposed
District and to all proposed acquisitions described in said
Resolution of Intention.

Should you desire to file a protest, it must show your
name and describe your property in the District by street address,
subdivision lot number, or full legal description, and you must
file it in my office in the City Hall before the time when the above
public hearing commences.

That the City Engineer estimates that the total cost
of said work including all incidental expense of the work is
\$ 329,497.48 and I refer you to his office at
Room 207, City Hall for all information on the amount that may
be assessed on your property.

Any interested person with inquiries concerning the protest
proceedings or the appeal procedure may call the office of the City
Engineer of the City of Sacramento at 449-5626, for answers to said
inquiries.

LORRAINE MAGANA