



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
[www. CityofSacramento.org](http://www.CityofSacramento.org)

Consent
November 25, 2008

**Honorable Mayor and
 Members of the City Council**

Title: Sewer Credit Approval: Value Place Hotel

Location/Council District: 7789 La Mancha Way/District 8

Recommendation: Adopt a Resolution awarding a total of 60.88 Sacramento Regional County Sanitation District (SRCSD) connection fee credits to the described project known as Value Place Hotel.

Contact: Trevor Walton, Project Manager: 808-6764

Presenters: N/A

Department: Economic Development

Division: Citywide

Organization No: 18000

Description/Analysis

Issue: The City of Sacramento's Economic Development Department recommends approval of the attached resolution awarding 60.88 SRCSD sewer credits to the project known as Value Place Hotel. Value Place Hotel is located at 7789 La Mancha Way in District 8 (APN: 118-0133-010)

Policy Considerations: The City of Sacramento views projects that promote urban infill development as an important cornerstone of the City's economic development goals. The Value Place Hotel project will also create twenty (20) new jobs which support the City's objective of creating new jobs and furthering the economic growth of the City of Sacramento.

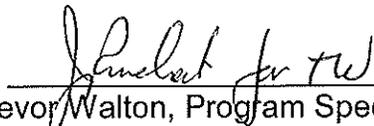
Environmental Considerations: This project is subject to the environmental review process as part of the approval of its development application.

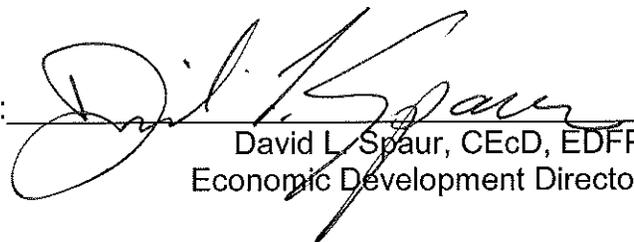
Sustainability Considerations: There are no sustainability considerations applicable to the awarding of sewer connection fee credits.

Rationale for Recommendation: This candidate for sewer credits meets Council-approved criteria for the granting of sewer credits pursuant to Resolution 2006-457, adopted on June 20, 2006. Value Place Hotel is a proposed four (4) story one hundred twenty-four (124) room, price point hotel. This commercial use project will be located on a currently vacant parcel at 7789 La Mancha Way. This project will create new jobs. To promote urban infill development and job creation, it is recommended that the City Council issue sewer connection fee credits to the Value Place Hotel project.

Financial Considerations: Approval of the resolution imposes no additional expense upon the City beyond the minimal administrative costs associated with processing the approved credits.

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by: 
Trevor Walton, Program Specialist

Approved by: 
David L. Spaur, CEcD, EDFP
Economic Development Director

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1**BACKGROUND:**

The Sacramento Regional County Sanitation District (SRCSD) established an Economic Development Treatment Capacity Bank (Bank) in June 2000 and the City of Sacramento received the June 2000 initial allocation of 7,971 Equivalent Single Family Dwellings (ESDs) Credits from the Bank. At the time, SRCSD limited local jurisdictions to using a maximum of 15 percent of its total allocation for residential purposes. The City of Sacramento subsequently received another allocation of 756 ESDs in March 2005, bringing the total ESDs to 8,727.

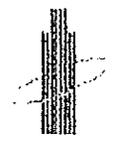
Following the allocation, the City requested greater latitude to use the Credits to assist in housing development. In response to the City's request, SRCSD reconvened the Stakeholders' Working Group to discuss the proposed additional flexibility for residential purposes, to recommend a methodology for allocation of additional excess capacity that the District has purchased, to recommend disbursement guidelines for the District's own allocation from the Bank, and to address other administrative actions.

Amendments adopted on June 20, 2006, in Resolution 2006-457 expanded the additional 15 percent annual allocation to also include infill and transit-oriented housing. This permitted each local jurisdiction to have more flexibility in using the Bank. As of October 2008, the City of Sacramento has issued 1,641.99 sewer credits since the program's inception.

Resolution 2006-457 approved the amended MOU between the Sacramento Regional County Sanitation District (SRCSD) and the City and authorized the City Manager to execute the amended MOU. The Resolution also approved the Guidelines for the allocation and awarding of Treatment Capacity Bank Credits for commercial development, Downtown, low-income, and infill / transit-oriented development (TOD) projects.

A prospective project for the sewer credit fee reduction (\$923 per ESD) must meet at least one of the following criteria:

1. Projects in redevelopment, CDBG and/or infill development areas;
2. Project that creates additional employment or is a catalyst project and creates high job creation that will further economic development;
3. Project is located in a neighborhood commercial corridor or is located at a targeted key development site identified in the adopted City Economic Development Strategy.



**CITY OF SACRAMENTO: Application for Economic Development
Treatment Capacity Bank Sewer Credits**

Before submitting this application for processing, please contact the Sacramento Regional County Sanitation District (SRCSD) at (916) 876-6100 to receive a quote stating the number of ESD's required for your business. **This application will not be processed without a quote from the SRCSD.** Please contact Trevor Walton at 916-808-6764 with any questions as to eligibility for sewer credits or for assistance in completing the application.

Please print or type your responses to the questions below and provide additional information as requested. When complete, return to: Economic Development Department, City of Sacramento, by mail at 915 I Street, 3rd Floor, Sacramento, CA 95814; or by fax to 916-808-8161.

1. Project Name: **Value Place Hotel**
2. Address for which Credits sought: **7789 La Mancha Way, Sacramento, CA 95823**
3. Assessor's Parcel Number: **118-0133-010**
4. Legal Name of Business Owner: **Pegasus Group**
5. Owner's Mailing Address: **1148 Alpine Road #100 Walnut Creek, CA 94596**
6. Owner's Phone Number: **(925) 930-0810** Owner's Fax Number: **(925) 256-0300**
Owner's email address: **dphebus@endvrcorp.com** (Owner's Representative)
7. Brief Project Description: **4 story, 124 room, price-point hotel**
8. Please mark the category that best describes your project:
Residential Number of Units _____ Low Income Project? Yes No
Commercial Number of new jobs from creation/expansion **20 +**
Mixed Number of Residential Units _____ Number of new jobs from creation/expansion _____
9. Are sewer credits being sought for a business relocating from another site within the Sacramento Metropolitan area? Yes No If yes, what address relocating from? _____

Applicant signature: Derek Phebus Date: 10/3/08
Print Applicant's Name: **Derek Phebus (Endvrcorp - Owner's Representative, Cell: (510) 589-9477)**

To be completed by City:

Prepared By: Jim W Number of approved ESDs: 60, 88

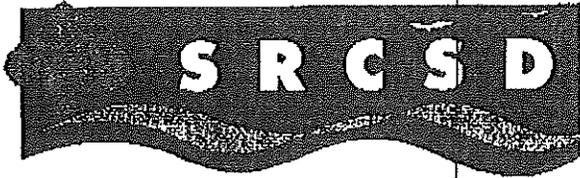
Project Manager

Approved By: Jim W FW

Jim Rinehart, Citywide Division Manager Date

Notes and Project Information:

- Residential To fill Area
- Canal District B



SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT
10545 Armstrong Ave Suite 101
Mather, California 95655

OCTOBER 2, 2008
EMAIL:DPHEBUS@ENDVRCORP.COM
EMAIL: DOYLEP@SACSEWER.COM

To: WHOM IT MAY CONCERN

From: **PATRICIA L. DOYLE**
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT

Re: **SEWER IMPACT FEES**
7789 LA MANCHA WAY

APN: 118-0133-010
CASE No. SICC2008-00307

The Sewer Impact Fees for the proposed project dba "VALUE PLACE HOTEL" located at the above address and parcel number have been calculated as follows:

	<u>ESDs</u>	<u>RATE</u>	<u>FEES</u>
<u>Sacramento Area Sewer District</u>			
1.88 Net Ac x 6 = 11.28ESDs	11.28	\$2,000	\$22,560
<u>Sacramento Regional County Sanitation District</u>			
124 Rooms x 0.4ESDs/1000 sq. ft.	49.60	\$2,800	\$138,880
TOTAL SEWER FEES DUE	60.88		\$161,440

Application may be made for ESDs from the Economic Development Treatment Capacity Bank. Approval would decrease the rate per ESD to \$923. Your contact at the City of Sacramento Economic Development Department is Noreen James (916-808-5470).

This fee is valid through March 31, 2009. Please make your check payable to the County of Sacramento.

If I may be of any further assistance, please do not hesitate to call me at 876-6100.

SEWER IMPACT FEE RATES QUOTED WITH THIS DOCUMENT REPRESENT CURRENT RATES APPLICABLE AT THE TIME OF QUOTE PREPARATION. SINCE SEWER IMPACT FEE RATES ARE SUBJECT TO CHANGE, THE RATES CURRENT AT THE TIME FEES ARE PAID SHALL APPLY. FEES ARE SUBJECT TO ADJUSTMENT IF THE DATA SUPPLIED IS CHANGED.

www.srccd.com
DPHEBUS@SACSEWER.COM

RESOLUTION NO.

Adopted by the Sacramento City Council

AWARD SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) CONNECTION FEE CREDITS FOR VALUE PLACE HOTEL, AT 7789 LA MANCHA WAY (APN# 118-0133-010).

BACKGROUND

- A. On March 20, 2001, City Council authorized the City Manager to sign a Memorandum Of Understanding (MOU) to initiate City participation in the Sacramento Regional County Sanitation District Economic Development Treatment Capacity Bank (CC2001-177);
- B. On June 20, 2006, City Council approved Resolution 2006-457, approving criteria for the granting of Treatment Capacity Bank Credits (Credits) for commercial development, Downtown, low-income, and infill / transit-oriented development projects, and amending the Memorandum of Understanding (MOU) between the Sacramento Regional County Sanitation District (SRCSD) and the City.
- C. The City of Sacramento has been awarded a total of 8,727 sewer credits. As of October 2008, the City of Sacramento has issued 1,641.99 sewer credits to eligible projects.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. City Council finds that award of credits by this resolution meets the approved criteria for granting of credits pursuant to Resolution 2006-457 , and hereby awards a maximum of 60.88 new SRCSD sewer credits (reduction in sewer credit fee to \$923 per ESD) to the project known as Value Place Hotel, located at 7789 La Mancha Way (APN #:118-0133-010).
- Section 2. Any and all credits awarded herein to each individual recipient shall expire if said individual recipient has not paid its requisite sewer impact fee to SRCSD within one year from the date of approval of this resolution.
- Section 3. Any and all credits awarded herein to each individual recipient will expire if said individual recipient has not been issued a building permit for its respective above referenced development project within one year after the City Council has awarded use of the aforementioned sewer credits.