

Meeting Date: 4/23/2013

Report Type: Consent

Report ID: 2013-00333



Title: Sewer Credit Allocation: Sacramento Laundry Company

Location: District 2

Issue: The City Council's guidelines for the allocation of sewer credits require that the City Council approve allocations exceeding 15 credits. See Resolution 2006-457.

Recommendation: Pass a Resolution allocating 38.84 Treatment Capacity Bank Credits to the Sacramento Laundry Company located at 3750 Pell Circle (District 2).

Contact: Sabrina Tefft, Project Manager, (916) 808-3789, Economic Development Department

Presenter: None

Department: Economic Development Dept

Division: Citywide Development

Dept ID: 18001031

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form
Joseph Cerullo
4/17/2013 1:13:40 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
4/9/2013 10:55:25 AM

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart - 4/17/2013 11:40:24 AM



Description/Analysis

Issue: The City of Sacramento's Economic Development Department recommends approval of the attached resolution allocating 38.84 Treatment Capacity Bank Credits ("**Credits**") to Sacramento Laundry Company, Inc. for the project known as "Sacramento Laundry Company," located at 3750 Pell Circle in Sacramento (APN 237-0400-020). If the City Council allocates the requested 38.84 Credits, the City will have 3,545.49 Credits remaining.

Policy Considerations: The City views projects that promote job growth and creation as an important cornerstone of the City's economic development goals. The City of Sacramento also supports such projects to make Sacramento the most Livable City in America. Approval of the attached resolution serves to promote this City policy objective by creating new jobs and encouraging business expansion.

Economic Impacts: None

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

Sustainability: Not applicable

Commission/Committee Action: Not applicable

Rationale for Recommendation: The Sacramento Regional County Sanitation District ("**SRCS**D") established an Economic Development Treatment Capacity Bank (the "**Bank**") in June 2000. Creation of the Bank was made possible by SRCS D's purchase of unused sewer capacity from industrial users (e.g., closed canneries). The Bank allocated the Credits to SRCS D's member agencies, which in turn allocate the Credits to new development projects in accordance with SRCS D's guidelines and their own guidelines.

Since 2001, the City has participated in the Bank under City Agreement No. 2001-054, a memorandum of understanding with SRCS D (the "**MOU**"). As required by the MOU, the City Council has approved guidelines for allocating Credits, most recently by the adoption of Resolution 2006-457 in 2006. This application for 38.84 Credits meets the Council-approved guidelines for allocating Credits because Sacramento Laundry Company is a commercial use project, which will expand a local business from 6,000 square feet to 60,000 square feet and increase its workforce from 45 employees to 145.

Financial Considerations: None

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this action.



RESOLUTION NO.

Adopted by the Sacramento City Council

ALLOCATING 38.84 TREATMENT CAPACITY BANK CREDITS TO THE SACRAMENTO LAUNDRY COMPANY, INC. PROJECT LOCATED AT 3750 PELL CIRCLE (DISTRICT 2)

BACKGROUND

- A. On March 20, 2001, the City Council approved City Agreement No. 2001-054, a Memorandum of Understanding ("**MOU**") initiating the City's participation in the Economic Development Treatment Capacity Bank (the "**Bank**") established by the Sacramento Regional County Sanitation District ("**SRCS**").
- B. On June 20, 2006, the City Council approved an amendment of the MOU to increase the amount of Treatment Capacity Bank Credits ("**Credits**") that may be awarded from the Bank to housing projects.
- C. Resolution 2006-457 approved guidelines for the granting of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects.
- D. The Bank has awarded the City a total of 8,727 Credits. As of April 1, the City had allocated 5,142.67 Credits to eligible projects.
- E. Sacramento Laundry Company, Inc. (the "**Recipient**") is expanding and moving to a new location at 3750 Pell Circle in Sacramento (APN 237-0400-020) (the "**Project**"). The Project falls within the guidelines for granting Credits because it is commercial development.

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

- Section 1. The City Council finds that the Project meets the approved guidelines for allocation of Credits. Accordingly, the City Council hereby allocates a maximum of 38.84 Credits to the Recipient for use on the Project.
- Section 2. Credits allocated under this resolution will expire automatically and without notice if either of the following occurs:

- (a) the Recipient has not paid its requisite sewer-impact fee to SRCSD within one year after the date of this resolution; or
- (b) the Recipient has not been issued a building permit for the Project within one year after the date of this resolution.