

Meeting Date: 8/7/2014

Report Type: Consent

Report ID: 2014-00562

Title: Award of Sewer Credits: HP Hood Project

Location: District 6

Recommendation: Pass a Resolution awarding 200 Economic Development Treatment Capacity Bank Credits to the HP Hood Project located at 8340 Belvedere Avenue.

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

Presenter: None

Department: Economic Development Dept

Division: Citywide Development

Dept ID:

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form

Joseph Cerullo

7/24/2014 3:27:27 PM

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart - 7/23/2014 1:59:06 PM

Description/Analysis

Issue: The City of Sacramento's Economic Development Department recommends approval of the attached resolution allocating 200 Economic Development Treatment Capacity Bank Credits ("**Credits**") to HP Hood LLC for its project located at 8340 Belvedere Avenue in Sacramento (APN 061-0140-072) (the "**Project**"). If the City Council allocates the requested 200 Credits, the City will have 3,168.978 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 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: The 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 a series of agreements, the first of which was City Agreement No. 2001-054, a memorandum of understanding with SRCS D. As required by these agreements, the City Council has approved guidelines for allocating Credits, most recently by the adoption of Resolution 2006-457 in 2006. This application for 200 Credits meets the Council-approved guidelines for allocating Credits, because the Project is a commercial development that will expand HP Hood LLC's milk-processing operation in Sacramento and increase HP Hood LLC's local workforce.

Financial Considerations: None.

Local Business Enterprise (LBE): HP Hood LLC.

RESOLUTION NO.

Adopted by the Sacramento City Council

ALLOCATING 200 ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CREDITS TO HP HOOD LLC FOR A PROJECT LOCATED AT 8340 BELVEDERE AVENUE (DISTRICT 6)

BACKGROUND

- A. On March 20, 2001, the City Council approved City Agreement No. 2001-054, thereby initiating the City's participation in the Economic Development Treatment Capacity Bank (the "**Bank**") established by the Sacramento Regional County Sanitation District ("**SRCS**D"). The City Council subsequently approved amendments to City Agreement No. 2001-054 on June 20, 2006, and October 8, 2013.
- B. Under City Agreement No. 2001-054 as amended, SRCSD transferred Economic Development Treatment Capacity Bank Credits ("**Credits**") to the Bank and then allocated the Credits to the jurisdictions that were participating in the Bank, including the City.
- C. Resolution No. 2006-457 approved guidelines for the the City Council's awarding of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects, as well as a contingency usage.
- D. The Bank has awarded the City a total of 8,993.1 Credits. As of July 10, 2014, the City had allocated 5,624.122 Credits to eligible projects.
- E. HP Hood LLC (the "**Recipient**") is expanding its milk-processing operation at 8340 Belvedere Avenue in Sacramento (061-0140-072) (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 200 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.