

**Meeting Date:** 6/16/2015

**Report Type:** Consent

**Report ID:** 2015-00510

**Title:** Allocation of Sewer Credits to SG Downtown LLC for the Mixed Use Tower/Downtown Tower Plaza Project

**Location:** District 4

**Recommendation:** Pass a Resolution allocating 140.279 Economic Development Treatment Capacity Bank Credits to SG Downtown LLC for the Mixed Use Tower/Downtown Tower Plaza Project located at 560 J Street.

**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

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**City Attorney Review**

Approved as to Form

Joseph Cerullo

6/8/2015 3:20:04 PM

**Approvals/Acknowledgements**

Department Director or Designee: John Dangberg - 6/8/2015 12:39:33 PM

## Description/Analysis

**Issue Detail:** The City of Sacramento's Economic Development Department recommends approval of the attached resolution allocating 140.279 Economic Development Treatment Capacity Bank Credits ("**Credits**") to SG Downtown LLC for the project known as "Mixed Use Tower/Downtown Tower Plaza," located at 560 J Street in Sacramento (APN 006-0087-062-00001). If the City Council allocates the requested 140.279 Credits, then the City will have 2,507.285 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 objective by creating new jobs and encouraging business expansion.

**Economic Impacts:** None.

**Environmental Considerations:** The Mixed Use Tower/Downtown Tower Plaza 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 SRCSD's purchase of unused sewer capacity from industrial users (e.g., closed canneries). The Bank allocated Credits to SRCSD's member agencies, which in turn allocates Credits to new development projects in accordance with SRCSD'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 SRCSD. As required by these agreements, the City Council approved guidelines for allocating Credits, most recently by the adoption of Resolution 2006-457 in 2006. This application for 140.279 Credits meets the Council-approved guidelines for allocating Credits because the Mixed Use Tower/Downtown Tower Plaza Project is a development project that qualifies as "infill" under the City's General Plan. The project will facilitate construction of a 250-room hotel, 69 residential units, and commercial space within the Central City Community Plan Area, creating a sustainable and livable community.

**Financial Considerations:** None.

**Local Business Enterprise (LBE):** Not applicable.

## RESOLUTION NO.

Adopted by the Sacramento City Council

### **ALLOCATING 140.279 ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CREDITS TO THE MIXED USE TOWER/DOWNTOWN TOWER PLAZA PROJECT, LOCATED AT 560 J STREET (DISTRICT 4)**

#### **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, SRCS D 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 2006-457 approved guidelines for the City Council's allocating of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects, as well as a contingency usage.
- D. The Bank has allocated to the City a total of 8,993.1 Credits. As of May 1, 2015, the City had allocated 6,345.536 Credits to eligible projects.
- E. SG Downtown LLC (the "**Recipient**") is the developer for the Mixed Use Tower/Downtown Tower Plaza Project at 560 J Street in Sacramento (APN 006-0087-062-0001) (the "**Project**"), which will include a 250-room hotel, 69 residential units, and commercial space. The Project falls within the guidelines for allocating Credits because it is a development that qualifies as "urban" and "infill" under the City's General Plan.

#### **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 allocating Credits. Accordingly, the City Council hereby allocates a maximum of 140.279 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.