REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
October 23, 2007

Honorable Mayor and
Members of the City Council

Title: Sewer Credit Approval and Reimbursement Agreement: Natomas Gateway Tower

Location/Council District: 2020 West El Camino; Council District 1

Recommendation: Adopt a Resolution awarding a maximum of 67.25 Sacramento Regional County Sanitation District (SRCSD) connection fee credits to the described project known as Natomas Gateway Tower.

Contact: Sheri Smith, Project Manager: 808-7204

Presenters: N/A

Department: Economic Development

Division: Citywide

Organization No: 4453

Description/Analysis

Issue: The City of Sacramento's Economic Development Department recommends approval of the attached resolutions awarding a maximum of 67.25 SRCSD sewer credits to the project known as Natomas Gateway Tower. The project is located at 2020 West El Camino Avenue, in District 1 (APN: 274-0042-035). The Natomas Gateway Tower is designed to the US Green Building Council's LEED Gold Standards, making it an energy-efficient green building. The Sacramento Regional County Sanitation District is working with the developer to calculate the actual usage of the efficient design which may lower the amount of sewer credits the project will ultimately utilize.

Policy Considerations: The City of Sacramento views projects that promote business creation and expansion 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. The 330,000 square foot office tower is estimated to create capacity for 1,000 jobs that will promote the City's objective of growing high paying 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.

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. The Natomas Gateway Tower is a commercial use, LEED Gold certified office building, which will be a leader in green office building and is anticipated to provide for 1,000 jobs. To promote the goal of making Sacramento the most Livable City in America, it is recommended that the Council issue sewer connection fee credits to the Natomas Gateway Tower 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: _____
James R. Rinehart
Citywide Economic Development Manager

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 July 2006, the City of Sacramento has issued 1,445.56 Credits in sewer credits since the program's inception. Since Resolution 2006-457, the City has issued 109.98 Credits: 90.98 Credits for commercial and 19.00 Credits for residential projects.

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.

Attachment 2

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 call Micah Runner at 916-808-5448 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 1030 15th Street, 2nd Floor, Sacramento, CA 95814; or by fax to 916-808-8161.

1 Project Name: Natomas Gateway Tower
2 Address for which Credits sought: 2020 West El Camino Zip: 95833
3 Assessor's Parcel Number: 274-0042-035-0000
4. Legal Name of Business Owner: Bannon Investors, LTD
5 Owner's Mailing Address: 3610 American River Drive, Suite 190; Sacramento 95864
6 Owner's Phone Number: (916) 978-4897 Owner's Fax Number: (916) 978-4950
Owner's email address: scottc KKninc.com
7 Brief Project Description: 12-Story Office Building. Approx. 320,000'
8 Please mark the category that best describes your project:
Residential_____ Number of Units_____ Low Income Project? Yes_____No_____
Commercial X Number of new jobs from creation/expansion Approx. 1,000 employees
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 X If yes, what address relocating from?_____

Applicant signature: Scott G. Nichols Date: 9/28/07
Print Applicant's Name: Scott G. Nichols, agent
Bannon Investors, LTD

To be completed by City:

Prepared By: _____ Number of approved ESDs: 1.25
Jennifer Witz, Project Manager

Approved By: _____ 10-2-07
Jim Rinehart, Citywide Division Manager Date

Notes and Project Information:

- _____
- _____

Sacramento Regional County Sanitation District
10545 Armstrong Ave Suite 101
Mather, California
95655

OCTOBER 2, 2007
To: rbrugger@lpasacramento.com;
ssmith@cityofsacramento.org

TO: **TO WHOM IT MAY CONCERN**

FROM: **DOLORES ROSS**
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT

RE: **SEWER IMPACT FEES**
2020 WEST EL CAMINO AVE.

APN: 274-0042-035
CASE NO. SICC2007-00174

The Sewer Impact Fees for the Natomas Gateway Tower, proposed to be the new location of the California Highway Patrol at Natomas Park and West El Camino, are as follows:

	ESDs	RATE	FEES
County Sanitation District-1			
100% Assessment District Credit	114	$1,600	$0
Sacramento Regional County Sanitation District			
336,255 sq.ft. x 0.2 ESDs / 1,000 sq.ft.	67.25	$2,725	$183,257

There is a program available known as the Economic Development Treatment Capacity Bank. Please check the following link on the City's website for an application and contact information: http://www.cityofsacramento.org/econdev/msc/82_other_incentives.html

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

Dolores Ross

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.srcsd.com
wqpsu@saccounty.net

Attachment 3

CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT DEPARTMENT
ED/Commercial Sewer Credits Repor

Updated: 10/9/2007

Date App Rcv'd	Project Name	Project Address	Project Type	Council District	Credits Awarded	Credits Balance 2000
6/30/2006	Pannu's Pizza Palace	4391 Gateway Park	ED/COMMERCIAL	1	3.42	
						1996.6
7/10/2006	Fins Market & Grill	1901 S Street	ED/COMMERCIAL	4	5	
						1991.6
8/1/2006	El Super Taco	6200 Mack Rd	ED/COMMERCIAL	8	4.9	
						1986.7
8/16/2006	Bangkok Garden	3230 Arena Blvd #21	ED/COMMERCIAL	1	2.574	
						1984.1
9/1/2006	Tuk Tuk Restaurant	4630 Natomas Blvd #1	ED/COMMERCIAL	1	5.7	
						1978.4
9/8/2006	Taste of Thai	2069 Arena Blvd #170	ED/COMMERCIAL	1	3.57	
						1974.8
10/16/2006	Armadillo Willy's BBQ	3620 N. Freeway, Suit	ED/COMMERCIAL	1	3.24	
						1971.6
10/23/2006	Division Nine	1812 Main Ave.	ED/COMMERCIAL	2	1.85	
						1969.7
11/2/2006	Beachhut Deli	3654 N. Freeway #325	ED/COMMERCIAL	1	2.3	
						1967.4
11/2/2006	L wine and Lounge	1801 L st. Suite 50, 95	ED/COMMERCIAL	3	5.27	
						1962.2
12/5/2006	Pacific Adhesives	8670 23rd Ave	ED/COMMERCIAL	6	10.84	

Date App Rcv'd	Project Name	Project Address	Project Type	Council District	Credits Awarded	Credits Balance 2000
						1951.3
12/26/2006	Frans Café	1616Del Paso Blvd.	SED/COMMERCIAL	2	1 8	
						1949.5
1/2/2007	Sacramento Children's	2750 Sutterville Rd. S	ED/COMMERCIAL	5	4	
						1945.5
1/5/2007	De Vere's Pub	1531 L Street	ED/COMMERCIAL	1	7 45	
						1938 1
1/11/2007	Gianni's	2728 J st., 95816	ED/COMMERCIAL	3	1 78	
						1936.3
1/11/2007	The Sandwich Spot	1630 18th St., 95814	ED/COMMERCIAL	3	1 8	
						1934.5
1/24/2007	Parlare Euro Lounge	1009 10th Street	ED/COMMERCIAL	1	6 4	
						1928.1
3/1/2007	All Star Kuts	6450 Folsom Blvd., 95	ED/COMMERCIAL	3	0.56	
						1927.5
3/21/2007	Daphne's Greek Cafe	1831 S Street	ED/COMMERCIAL	4	3 1	
						1924.4
4/12/2007	Wingstop	2992 65th Street	ED/COMMERCIAL	3	2.55	
						1921.9
4/23/2007	Quizno's	7501 Stockton Blvd.	ED/COMMERCIAL	8	2.7	
						1919.2
4/25/2007	Ella Dining Room	1131 K street	ED/COMMERCIAL	1	9.47	
						1909.7

Date App Rcv'd	Project Name	Project Address	Project Type	Council District	Credits Awarded	Credits Balance 2000
5/9/2007	Akebono Japanese Re	4970 Freeport Blvd	ED/COMMERCIAL	4	4.2	
						1905.5
5/11/2007	Straw Hat Pizza	4441 E. Commerce Dr	ED/COMMERCIAL	1	12.2	
						1893.3
6/1/2007	Crocker Art Museum	216 O Street	ED/COMMERCIAL	1	24	
						1869.3
6/2/2007	Rivage Hotel	4350 Riverside Blvd.	ED/COMMERCIAL	4	55.6	
						1813 7
7/2/2007	Fire Stars Nails & Spa	3661 North Freeway Bl	ED/COMMERCIAL	1	1.43	
						1812.3
7/2/2007	La Altena	4391 Gateway Park #	ED/COMMERCIAL	1	2.4	
						1809.9
7/2/2007	Oshima Sushi	2071 Natomas Crossin	ED/COMMERCIAL	1	5.1	
						1804.8
7/11/2007	QT Nails	7411 W Stockton #150	ED/COMMERCIAL	8	1.86	
						1802.9
7/11/2007	Azul Mexican Restura	1050 20th st #140, 95	ED/COMMERCIAL	3	2.5	
						1800.4
7/11/2007	Luigi's Slice	1050 20th St. Ste. 150	ED/COMMERCIAL	3	2.59	
						1797.8
7/11/2007	Saxbys Coffee	2010 Club Center Dr	ED/COMMERCIAL	1	2.83	
						1795.0
7/24/2007	Yogurtopia, Inc	2992 Freeport Blvd. 95	ED/COMMERCIAL	4	1 44	

Date App Rcv'd	Project Name	Project Address	Project Type	Council District	Credits Awarded	Credits Balance 2000
						1793.6
7/24/2007	Wingstop Resturant	3541 North Freeway Bl	ED/COMMERCIAL	1	2.42	
						1791.2
7/24/2007	Peet Coffee and Tea	3711 J street. 95816	ED/COMMERCIAL	3	2.5	
						1788.7
7/24/2007	UCD Medical Researc	2921 Stockton Blvd. 9	ED/COMMERCIAL	5	31.82	
						1756.8
7/25/2007	Big Spoon Yogurt	2281 Del Paso Rd #1	ED/COMMERCIAL	1	2.34	
						1754.5
7/25/2007	CHW Medical Office B	3000 Q St., 95816	ED/COMMERCIAL	3	46.59	
						1707.9
8/6/2007	Roly Poly Sandwiches	4630 Natomas Blvd. #	ED/COMMERCIAL	1	1.7	
						1706.2
8/21/2007	Taqueria La Estrella In	7521 West Stockton Bl	ED/COMMERCIAL	6	4.28	
						1701.9
8/21/2007	Mizu Resturant	3636 N. Freeway Blvd	ED/COMMERCIAL	1	11.7	
						1690.2
9/13/2007	Little Caesars Pizza	6100 Mack Rd Suite E	ED/COMMERCIAL	8	3.9	
						1686.3
10/9/2007	Natomas Gateway To	2020 West El Camino	ED/COMMERCIAL	1	67.25	
						1619.1
					380.92	

Attachment 4

RESOLUTION NO.

Adopted by the Sacramento City Council

AWARD SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) CONNECTION FEE CREDITS FOR THE NATOMAS GATEWAY TOWER 2020 WEST EL CAMINO AVENUE (APN: 274-0042-035)

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 July 2007, the City of Sacramento has issued 1,445.56 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 67.25 new SRCSD sewer credits to the project known as Natomas Gateway Tower, located at 2020 West El Camino Avenue (APN #:274-0042-035).

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.