



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2671
www. CityofSacramento.org

Consent

March 7, 2006

Honorable Mayor and
Members of the City Council

Continued from 3-7-06

Subject: Sewer Credits for Cal Expo

Location/Council District: Cal Expo, Council District 8

Recommendation:

Adopt a Resolution awarding a total of forty-eight (48) Sacramento Regional County Sanitation District (SRCSD) connection fee credits to Cal Expo.

Contact: Micah Runner, Senior Project Manager: 808-5448

Presenters: Not Applicable

Department: Economic Development

Division: Citywide

Organization No: 4453

Summary:

The City of Sacramento's Economic Development Department recommends approval of the attached resolution awarding 48 SRCSD sewer credits to Cal Expo. The recommendation to allocate sewer credits for this project falls under the previously approved criteria guidelines as a catalyst project for the City of Sacramento.

Committee/Commission Action: None

Background Information:

In 2001, the State Regional Water Quality Control Board notified Cal Expo that its storm water runoff from the horseracing facility was not in compliance with the Clean Water Act. Later, a Clean Up and Abatement Order was issued by the Board. During this period a diversion system was designed to eliminate dry weather water flows and the first flush of a rain storm from entering the storm water system by diverting the flow to the sanitary sewer system. This system has now been implemented at a cost of over 1.5 million dollars. The connection fees associated with the system have now been calculated to be \$390,000. This amount, along with the costs already incurred, places a strain on Cal Expo's ability to fund this expense.

Cal Expo’s request for a reduction in connection fees from the use of sewer credits will contribute to helping maintain horse racing in Sacramento. The associated economic benefits to the community of having this industry located here will further contribute to the regional economy. In a Statewide Fairs’ Economic Impact Report by the accounting firm KPMG, Cal Expo has an estimated economic impact of more than \$250 million on the Sacramento region.

Since Cal Expo is a regional project the City has agreed to share the costs of this project with the County of Sacramento and SRCSD. Each entity will be participating by awarding the use of 48 sewer credits each to cover the total connection fee costs. The award of 48 sewer credits to Cal Expo will leave a total of 5498.716 sewer credits for future award by the City to support economic development projects.

Financial Considerations: None

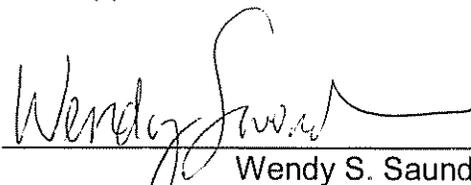
Environmental Considerations:

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

Policy Considerations:

The City of Sacramento views projects that create new employment opportunities and result in urban infill development as an important cornerstone of the City’s economic development. Additionally, the City of Sacramento supports the development and success of new and existing businesses of all sizes. Approval of the subject recommendation serves to promote this City policy objective.

Emerging Small Business Development (ESBD): Not Applicable

Approved By: 
Wendy S. Saunders
Economic Development Director

Recommendation Approved:

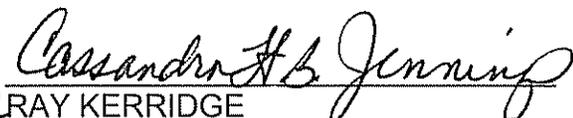

CASSANDRA H. JENNINGS
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

A RESOLUTION AWARDING ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK CONNECTION FEE CREDITS BY SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) FOR CAL EXPO.

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. Eighty-five percent (85%), or 6,775 of the total 7,971 ESD's (Equivalent Single-family Dwelling units) made available to the City of Sacramento under the MOU are allocated for economic development projects, the award of which must be approved by City Council resolution;
- C. Cal Expo meets City economic development objectives by being a catalyst project by maintaining an important industry within our community.

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

- 1. City Council hereby awards a maximum of 48 ESD credits from the Sacramento Regional County Sanitation District Economic Development Treatment Capacity Bank to Cal Expo.
- 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.
- 3. Award herein of 48 sewer credits will leave a total of 5498.716 sewer credits for future award by the City to support economic development projects.