RESOLUTION NO. 2022-0061

Adopted by the Sacramento City Council

February 15, 2022

Approving Business Terms Related to Innovation Park Planned Unit Development

BACKGROUND

A. SBH Natomas LLC, a Delaware Limited Liability Company ("SBH") has proposed a 183-acre development in North Natomas at the site of the former Sleep Train Arena ("Innovation Park PUD"). The approximately 183-acre development includes Assessor Parcels Nos. 225-0070-059-0000; 225-0070-060-0000; 225-0070-063-0000; 225-0070-067-0000; 225-0070-076-0000; 225-0070-076-0000 (the “Property”).

B. SBH and California Northstate University LLC, a Delaware limited liability company ("CNU") each own portions of the real property comprising the Property (separately, the “SBH Property” and “CNU Property”). CNU has proposed the development of a medical campus on the CNU Property within the Innovation Park PUD (“Medical Campus”). SBH and CNU have applied for a Development Agreement; a General Plan amendment and rezone; a Planned Unit Development Guidelines and Schematic Plan; an amendment to the 2016 Bicycle Master Plan; a Tentative Subdivision Map and a Tentative Map Design Deviation for a Non-standard Roadway Centerline Radii; Conditional Use Permits for a hospital, helistop, and college campus; Site Plan and Design Review for a hospital and central plant; a variance to extend the hours of construction established by the noise ordinance; and a tree permit.

C. In 2013, SBH and the City executed a term sheet regarding the development of the Property. SBH, CNU, and the City recognize the significant investment required to ensure the SBH Property and the CNU Property become a vibrant, multi-use neighborhood. In 2016, the City’s consultant Keyser Marston Associates studied and assessed the potential formation and viability of an Enhanced Infrastructure Financing District (“EIFD”) to finance public facilities to be constructed on the Property. In 2017, another City Consultant, Economic & Planning Systems, analyzed and evaluated the potential annual fiscal impacts on the City associated with the Property’s development including impacts assuming 100% or 50% of the potential property tax-related increment would be diverted to an EIFD. In July 2021 SBH submitted to the City a request to form an EIFD to finance the public facilities on the Property. SBH seeks the City’s acknowledgment that it has received a request from SBH to establish an EIFD and further seeks a commitment from the City to evaluate and if appropriate, form the EIFD after adequate public participation.
D. In October of 2017, the Council passed the Job Growth and Employment Incentive Strategy (“JGEIS”) to attract businesses that will make significant economic impact and will bring high quality jobs to the City of Sacramento. The JGEIS, as currently defined, is available to businesses that create a minimum of 500, new to the region, high-wage full time jobs and should provide a direct public benefit for residents and businesses in Sacramento. Eligible businesses should improve the quality of life in such areas as: mobility, housing affordability, workforce development, employment opportunities for disadvantaged populations, business diversification, high-wage industry growth, air, water, and environmental quality, public health, energy efficiency, clean energy, public safety and emergency response, arts and culture amenities, and youth and education. CNU seeks recognition from the City that the proposed medical campus would provide more than 500 new jobs, and represents a significant benefit to the City of Sacramento’s workforce development, its public health, high-wage industry growth, emergency response, and investments in its youth and education. CNU seeks recognition that the Innovation Park PUD represents a significant benefit to the City of Sacramento’s economic growth. CNU seeks recognition that CNU has requested the establishment of a jobs incentive program.

E. CNU seeks deferral of fees pursuant to City Code section 18.52.020.

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

Section 1. The City acknowledges that it has received a request from SBH to establish an EIFD covering the boundaries of the Property. The City commits to evaluate the utilization of an EIFD, and if appropriate, form the EIFD with appropriate levels of public participation.

Section 2. The City acknowledges that it has received a request from CNU to utilize the JGEIS and has agreed to review the use of the JGEIS (as it may be structured at the time of the review) for the CNU medical campus. The proposed terms of the JGEIS will be developed in collaboration with CNU and will consider the overall net fiscal benefits the CNU medical campus will bring to the City. Review of this assistance request will be done in conjunction with the request for formation of the EIFD in Section 1 and the fiscal reviews conducted as part of that requested formation.

Section 3. The City commits to processing a fee deferral application submitted by CNU to defer payment of eligible impact fees to certificate of occupancy.
Adopted by the City of Sacramento City Council on February 15, 2022, by the following vote:

Ayes: Members Ashby, Guerra, Harris, Jennings, Loloee, Schenirer, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.