

ECONOMIC DEVELOPMENT DEPARTMENT

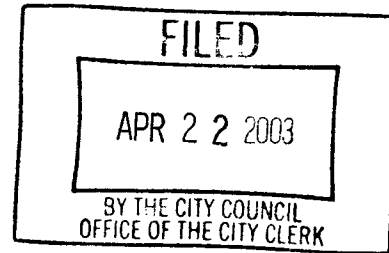
CITY OF SACRAMENTO

3.17

April 9, 2003

City Council
Sacramento, California

Honorable Members in Session:



SUBJECT: Economic Development Treatment Capacity Bank Status Report

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION: For Information Only

CONTACT PERSON: Kristan Otto, Economic Development Manager, 264 -7948
Greg Schulte, Administrative Manager, 264-7116

FOR COUNCIL MEETING OF: April 22, 2003

SUMMARY:

Attachment 1 summarizes the credits awarded by the City Council as recommended by the Economic Development Department under this Program. In the two years since the inception of the program, there have been a total of 384.87 credits awarded to 32 businesses employing an estimated 934 new employees. A companion report prepared by the Planning & Building Department provides a status report for sewer credits for residential projects.

BACKGROUND INFORMATION

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 connection fee credits for award by the City. The MOU allocated a total of 7,971 Regional Sanitation sewer credits to the City of Sacramento for award by the City to qualifying development projects.

Approval of the MOU followed prior action by the City Council to approve Resolution No. 2000-539, which sets aside 85 percent of the City's sewer credit allocation (6,775 ESDs) for award to economic development projects and 15% (1,196 ESDs) for award to residential projects. Council established the following guidelines for award of City sewer credits:

A. General Guidelines

1. Projects located in redevelopment, CDBG, and/or infill development areas;
2. Projects that create additional employment;
3. Catalyst projects such as restaurants or high job creations projects that will further economic development efforts;
4. Credits may not be used as a means of attracting business from a neighboring jurisdiction that is a member of the Economic Development Treatment Capacity bank.

B. Commercial and Industrial projects located in one of the following geographic areas

1. Neighborhood commercial corridors identified in the adopted City Economic Development Strategy;
2. Targeted key development opportunity sites identified in the adopted City Economic Development Strategy;
3. Redevelopment of CDBG eligible areas.

FINANCIAL CONSIDERATIONS:

There has been no additional expense beyond minimal administrative costs associated with processing the approved credits.

Issuance of the credits reduced the required sewer facility impact fees from either \$4,500 per ESD in new growth areas or \$2,300 per ESD in SRCSD-defined infill areas to \$923 per ESD. The total value of the 384.47 credits awarded to date represents approximately \$530,000 in reduced regulatory costs for new or expanded City of Sacramento businesses.

Effective April 1, 2003, sewer facility impact fees increased from \$4,500 per ESD to \$5,255 per ESD in new growth areas and from \$2,300 to \$2,314 in SRCSD-defined infill areas. Use of the credits continues to reduce costs to \$923 per ESD in any location.

ENVIRONMENTAL CONSIDERATIONS:

The recommended action is exempt from CEQA review pursuant to Section 15378(b)(3) of the California Environmental Quality Act, "general policy and procedure making".

POLICY CONSIDERATIONS:

SRCSD has purchased additional credits to supplement the Economic Development Treatment Bank program, of which approximately 700 additional ESDs will be available to the City of Sacramento. City staff is currently participating in working group meetings with other member jurisdictions to determine the allocation and criteria for distributing these additional credits and to consider modifications to restrictions on housing allocations. A policy discussion of these issues will be brought back to the City Council prior to SRCSD Board action.

The program is operated under the guidelines of the approved Memorandum of Understanding, the Council-approved Guidelines and The Economic Development Strategy. Implementation of the program also is consistent with the following goals in the 2001-2004 City of Sacramento Strategic Plan:

1. Enhance and preserve the neighborhoods.
2. Retain, attract and develop a highly qualified and diverse City workforce.
3. Promote and support economic vitality.

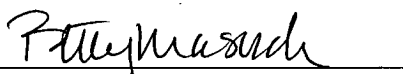
ESBD CONSIDERATIONS:

As no goods or services are being purchased, ESBD considerations do not apply.

Respectfully submitted:



KRISTAN OTTO
Economic Development Manager



BETTY MASUOKA
Assistant City Manager

RECOMMENDATION APPROVED:


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ROBERT P. THOMAS
City Manager

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**CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT DEPARTMENT**

Attachment 1

REGIONAL SANITATION DISTRICT SEWER FEE CREDIT LOG

Updated: 3/26/2003

Business Name	Business Address	Council Date	Council District	Status	No. of Emp.	Credits Awarded	Credits Balance
							6775
Celestin's Restaurant	1815 K Street	5/1/2001	3	Approved Res. #2001-256	12	17.87	6757.13
Selland's Market Café	5340 H Street	5/1/2001	3	Approved Res. #2001-257	20	6.87	6750.26
Embassy Suites Hotel	100 Capitol Mall	5/15/2001	1	Approved Res. #2001-294	150	11.60	6738.66
Landry's Restaurant	Waterfornt Site A	5/15/2001	1	Approved Res. #2001-295	60	55.83	6682.83
Jag's India Restaurant	2416 18th Street	7/3/2001	4	Approved Res. #2001-486	5	5.25	6677.58
Carneceria 2000 Restaurant	5637 Mack Road	7/31/2001	8	Approved Res. #2001-530	7	4.04	6673.54
Lee's Legacy Café	1910 Frutiridge Rd	8/14/2001	4	Approved Res. #2001-562	5	5.70	6667.84
Nishiki Sushi	1501 16th Street #111	8/21/2001	3	Approved Res. #2001-574	30	13.64	6654.2
Zen Toro Sushi Expansion	900 15th Street	9/4/2001	1	Approved Res. #2001-603	5	5.48	6648.72
Candy Express @ Macy's	414 K Street	10/16/2001	1	Approved Res. #2001-682	12	8.79	6639.93
The Naked Lounge Coffee Shop	1500 Q Street	10/23/2001	4	Approved Res. #2001-709	7	5.06	6634.87
Deboo's Indian Cuisine	1518 West El Camino Ave.	11/27/2001	1	Approved Res. #2001-799	4	4.39	6630.48
Embassy Suites Hotel	100 Capitol Mall	1/15/2002	1	Approved Res. #2002-016	0	15.60	6614.88
Woodruff Hotel/Guild Theatre	3456/3428/3418 3rd Avenue	1/22/2002	5	Approved Res. #2002-028	67	14.00	6600.88
Gim Lea Sang Restaurant	918 S Street	2/5/2002	4	Approved Res. #2002-061	3	5.72	6595.16
Milgard Window	6050 88th Street	2/5/2002	6	Approved Res. #2002-060	100	68.26	6526.9
Frank's Quality Meats	6580 Belleau Wood Lane	4/25/2002	4	Approved Res. #2002-212	8	2.40	6524.5

Business Name	Business Address	Council Date	Council District	Status	No. of Emp.	Credits Awarded	Credits Balance
							6775
Hot Rods Burgers	2007 K Street	4/25/2002	3	Approved Res. #2002-213	15	1.65	6522.85
Togo's/Baskin & Robbins	1441 Meadowview Rd. #114	5/14/2002	8	Approved Res. #2002-269	20	3.58	6519.27
Lucca Restaurant	1615 J Street	6/11/2002	3	Approved Res. #2002-358	85	9.00	6510.27
New Blends, Inc.	1031 Arden Way	6/11/2002	2	Approved Res. #2002-357	50	21.19	6489.08
Inderkum's	Arena Blvd & Truxel Rd., NW	6/25/2002	1	Approved Res. #2002-418	15	4.50	6484.58
Superior Auto	E. Stockton Blvd	8/13/2002	8	Approved Res. #2002-549	11	1.00	6483.58
Baja Fresh Mexican Grill	2600 Gateway Oaks Drive, Suite 100	9/3/2002	1	Approved Res. #2002-586	24	5.40	6478.18
Starbucks	2620 Gateway Oaks Drive, Suite 200	9/3/2002	1	Approved Res. #2002-585	10	2.79	6475.39
Togo's Baskin Robbins	2620 Gateway Oaks Drive	9/3/2002	1	Approved Res. #2002-584	25	3.87	6471.52
Del Paso Pipe & Steel, Inc.	5519 Raley Blvd.	9/24/2002	2	Approved Res. #2002-638	10	14.85	6456.67
The Arnold Brothers Building	1801 Capitol Avenue	12/3/2002	3	Approved Res. #2002-789	100	19.02	6437.65
KBAR	1200 K Street, #9	1/23/2003	1	Approved Res. #2003-018	15	1.50	6436.15
Venture Oaks Hotel, L.L.C.	Venture Oaks Way	2/4/2003	1	Approved Res. #2003-050	30	39.00	6397.15
Maria's Tacos	6367 Power Inn Road	3/4/2003	6	Approved Res. #2003-094	15	4.68	6392.47
Natomas Surgery Center	616 Northfield Drive	3/4/2003	1	Approved Res. #2003-093	14	2.34	6390.13
					934	384.87	