



REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

915 I Street, Sacramento, CA 95814-2671

STAFF REPORT
August 5, 2010

**Honorable Members of the
Law and Legislation Committee**

**Title: Discussion on Possible Zoning Code Amendment for Beverage Bottling
Facilities**

Location/Council District: Citywide

Recommendation: Review and comment

**Contact: Joy Patterson, Principal Planner, (916) 808-5607; David Kwong, Planning
Director, (916) 808-2691**

Presenters: Joy Patterson, Principal Planner

Department: Community Development

Division: Planning

Organization No: 21001010

Description/Analysis

Issue: On October 13, 2009 the City Council requested that staff place on the Council agenda a discussion regarding tiered water rates for commercial water bottling facilities and a possible urgency ordinance for special permits for bottled water facilities. This discussion was held by the City Council on October 27, 2009. At the conclusion of the public hearing the Council decided not to adopt an urgency ordinance but instead directed staff to prepare a report for the Law and Legislation Committee discussing whether or not a special permit and/or tiered water rates for commercial beverage bottling plants was feasible.

Currently the Zoning Code lists a beverage bottling plant as a permitted industrial land use in the Heavy Commercial (C-4), Light Industrial (M-1, M-1S) and Heavy Industrial (M-2, M-2S) zones. Beverage bottling facilities are similar to other manufacturing and assembling facilities in that raw materials are transported to the facility, the product is produced and packaged (in this case canned and bottled beverages), and then the product is distributed from the plant. Currently the Zoning Code also permits manufacturing and assembly facilities in the C-4, M-1, M-1S, M-2 and M-2S zones. Planning staff conducted a survey of 28 cities in California that have bottling facilities to determine if a special permit is required

for the use. These cities do not require special permits for the use in an industrial zone. (Attachment 1) The Utilities Department does keep track of the 20 largest commercial water consumers in the City of Sacramento. Two bottling facilities (Seven up Bottling Company and Sacramento Coca Cola Bottling Company) are in the top 20, but are not the top two water consumers in the City.

Planning staff finds that a beverage bottling facility is not unique in its water consumption when compared to other commercial and industrial uses and the land use impacts of the use in an industrial zone do not warrant the need for a special permit. Planning staff, therefore, recommends that beverage bottling plants continue to remain a permitted use in the Heavy Commercial, Light Industrial and Heavy Industrial zones, and an amendment to Title 17 is not necessary at this time.

The Department of Utilities (DOU) indicates that the development of a tiered water rate structure that adequately recovers costs, is revenue neutral, and encourages conservation requires a complex and detailed analysis of water use data. DOU estimates that 45,000 residential water customers representing approximately 36% of all residential customers will transition to the metered water rate by 2012 providing a broader base for data review. As more data becomes available, DOU recommends hiring a water rate consultant to develop recommendations that will serve as the basis of a tiered water rate structure.

The issue of tiered water rates has been discussed at the Utility Rate Advisory Commission (URAC) and is in the URAC's future work plan. As recommendations are developed, DOU will bring these forward for URAC and City Council consideration. DOU sent an off-agenda memo to the Mayor and City Council in July 2010 addressing tiered water rates as requested at the October 27, 2009 City Council meeting.

Policy Considerations: Permitting beverage bottling plants in heavy commercial and industrial zoned areas is consistent with the goal of the City's General Plan to provide opportunities for expansion and development of businesses by ensuring availability of suitable sites, appropriate zoning, and access to infrastructure and amenities (ED 3.1) and the policy to create and market manufacturing districts in one or more of the city's opportunity areas to encourage growth in manufacturing businesses (ED 3.1.3).

Committee/Commission Action: None.


Environmental Considerations:

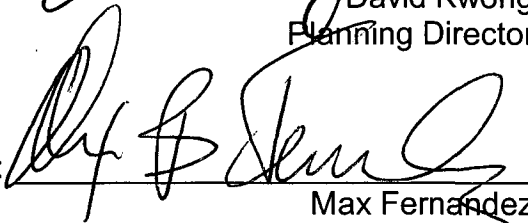
California Environmental Quality Act (CEQA): This report is not considered a project and therefore has no potential for an effect on the environment as stated by the provisions of the California Environmental Quality Act (Section 15061 (b) (3)).

Rationale for Recommendation: Discussion and direction only.

Financial Considerations: Not applicable.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
David Kwong
Planning Director

Approved by: 
Max Fernandez
Director of Community Development

Recommendation Approved:

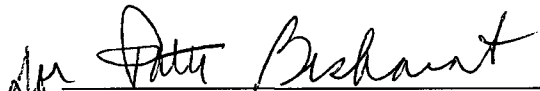

Gus Vina
Interim City Manager

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Beverage Bottling Plant Study

Information was gathered from 28 cities and counties in California that have a population of 16,000 or more and have at least one known bottling facility. The information indicates that bottling plants, also known as beverage manufacturing, food and kindred products, bottling works and beverage production, are allowed in the Industrial zones by right. The land use code shows that no restrictions were placed on this use. The City of Sacramento's population is 467,649.

Municipal Code Information for Bottling Plants

#	City	Population	Existing Plants	Land Use Code	Allowed in Zone or SP	Definition of Zoning
1.	American Canyon	16,268	Pepsi, Coca-cola	Beverage Processing	Permitted Use	Industrial general
2.	Anaheim	353,643	Pepsi, Coca-cola	Industry	Permitted Use	Limited
3.	Bakersfield	338,952	Pepsi, Coca-cola	Food Products - no odor	Permitted Use	M-1, M-2
4.	Bellflower	72,878	Culligan, Pepsi, Coca-Cola	Bottling plants	Permitted Use	M-1 M-2
5.	Buena Park	84,141	Pepsi, 7-up, Coca-cola	Bottling plants	Permitted Use	M-1, M-2
6.	Dana Point	37,326	Pepsi, Coca-cola	Beverage production	Permitted Use	Industrial Medium
7.	Downey	107,323	Coca-cola	Bottling plants	Permitted Use	M-1 M-2
8.	Fresno	502,303	Pepsi	Bottling plants	Permitted Use	C-M Commercial & Light Manufacturing
9.	Haywood	153,104	Pepsi	Manufacturing	Permitted Use	Industrial
10.	Hollister	34,413	Pepsi	Beverage production	Permitted Use	Industrial
11.	Los Angeles	4,094,764	Pepsi, 7-up, Coca-cola	Bottling plants	Permitted Use	M-1
12.	Manteca	66,451	Pepsi	Beverage bottling works	Permitted Use	M-1 M-2
13.	Merced	80,608	Pepsi	Manufacturing	Permitted Use	Industrial definition calls out beverages
14.	Modesto	211,536	7-Up	Food and kindred products	Permitted Use	M-1, M-2
15.	Oakland	430,666	Coca-cola	Manufacturing	Permitted Use	Industrial
16.	Orange	142,708	Coca-cola	Bottling plants	Permitted Use	M-1 M-2
17.	Pleasanton	63,654	Pepsi	Bottling works	Permitted Use	I-G
18.	Rancho Cucamonga	178,176	Coca-cola	Manufacturing	Permitted Use	Industrial
19.	Redding	91,561	7-Up	Manufacturing	Permitted Use	GI, HI
20.	Richmond	99,216	Nestle	Food and kindred products	Permitted Use	M-1, M-2 & M-3
21.	Riverside	304,051	Pepsi	Manufacturing	Permitted Use	Nonalcoholic beverages
22.	San Fernando	23,564	7-Up	Food Products - no odor	Permitted Use	M-1, M-2
23.	San Francisco	856,095	7-Up	Bottling Plant	Permitted Use	M-1, M-2
24.	Santa Ana	357,754	7-Up	Manufacturing	Permitted Use	M-1, M-2
25.	Santa Rosa	163,436	Pepsi	Bottling plants	Permitted Use	Industrial
26.	Stockton	292,133	7-Up, Pepsi, Niagara, Coca-cola	Beverage Manufacturing	Permitted Use	Industrial
27.	Vallejo	121,435	Coca-cola	Manufacturing	Permitted Use	M-1, M-2
28.	West Sacramento	46,492	Nor-Cal, Pepsi	Bottling plants	Permitted Use	M2, M3

Information was gathered on June 28, 2010 directly from each established zoning code.