



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
June 10, 2008

Honorable Mayor and Members of the City Council

Title: Expansion to the Sacramento Army Depot Enterprise Zone

Location/Council Districts: District 6

Recommendation: Adopt a **City Resolution** authorizing the Sacramento Housing and Redevelopment Agency (Agency) to submit the requisite information to the State of California Housing and Community Development Department (State HCD) for an expansion of the Sacramento Army Depot Enterprise Zone to include 61.15 acres along the south side of Florin Road east of French Road and take all actions reasonably necessary to implement.

Contact: Gregory H. Wessel, Assistant Director for Housing and Community Development, 440-1346
Geoffrey Ross, Program Manager for Housing and Community Development, 440-1357

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: Staff recommends expansion to the Sacramento Army Depot Enterprise Zone in anticipation of applying for a proposed new and expanded South Sacramento Enterprise Zone designation comprised of both the current Army Depot and Florin Perkins Enterprise Zones. Staff is seeking authorization to capture unrealized expansion capacity within the current Army Depot Enterprise Zone.

The State of California Housing and Community Development Department provided guidance on how to appropriately expand the zone. This configuration is based upon State HCD recommendations for approval and includes parcels originally identified for inclusion within the Florin Perkins Enterprise Zone but never added. State HCD anticipates the next application round for the Enterprise Zone Program to be released within the next month.

Expansion to the Sacramento Army Depot Enterprise Zone

Policy Considerations: The proposed action is consistent with the City's Economic Development Strategy and the General Plan which calls for the strengthening and diversifying of the City's economy.

Environmental Considerations: This action is in furtherance of the creation of a government funding mechanism, which does not involve any commitment to any specific project that may result in a significant impact on the environment; and therefore, pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378 (b) (4) does not constitute a project. The actions taken pursuant to adoption of the technical boundary modification will be reviewed to ensure compliance with CEQA.

Committee/Commission Action: At its meeting of May 21, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Coriano, Dean, Fowler, Gore, Mohr, Morgan, Otto, Shah, Stivers

NOES: None

ABSENT: None

Rationale for Recommendation: The Sacramento Army Depot Enterprise Zone has unused expansion capacity. Staff proposes to use it now to facilitate several location decisions to capture economic development potential immediately that will carry out the zone economic development plan. This expansion would use unrealized expansion capacity and position the zone to be reconstituted as a portion of the proposed Southern Sacramento Enterprise Zone that would be comprised of both the Florin-Perkins and the Sacramento Army Depot Enterprise Zones and possible other areas. This recommendation is consistent with the new Northern Sacramento Enterprise Zone configuration.

Financial Considerations: The action recommended in this report regarding the expansion of the Sacramento Army Depot Enterprise Zone does not require additional funding.

M/WBE Considerations: There are no Minority and Women's Business Enterprise requirements in this action.

Respectfully Submitted by:


LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:

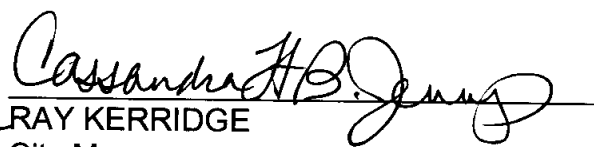

for RAY KERRIDGE
City Manager

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Background

Currently the Sacramento Housing and Redevelopment Agency (Agency) administers three Enterprise Zones on behalf of the City of Sacramento (City) and County of Sacramento (County). These zones help the County and the City attract businesses by providing a hiring tax credit and other incentives. In the last five years, over 400 employers have taken advantage of the program by hiring over 3,000 employees with barriers to employment.

The Florin-Perkins and Sacramento Army Depot Enterprise Zones are two of several zones expiring across the state in 2009. The Agency will prepare for a new zone designation proposing to incorporate both zones into a new zone in future actions. This is in part because the Army Depot zone is entirely surrounded by the Florin-Perkins Enterprise Zone. Other expansion areas throughout South Sacramento will be considered during the application process based on the State HCD application guidelines when they are available later in May or June 2008.

The Florin-Perkins Enterprise Zone was designated on April 4, 1989 and expires April 4, 2009. The zone had a five-year time extension as well as the maximum territory expansion as provided by State law. It has a total of 5,816 acres. It is not eligible for either a time extension or territory expansion.

The Sacramento Army Depot Enterprise Zone was designated on October 4, 1994 and expires on October 3, 2009. It is eligible for both time extension and territory expansion. It has a total of 485 acres and territory expansion capacity of 97 acres.

The Agency applied for the Florin Perkins Enterprise Zone on behalf of the City and County of Sacramento, but the City applied for the Sacramento Army Depot Enterprise Zone because of the economic development potential for private sector use during the military base closure process. The Agency has been the Enterprise Zone program administrator for both zones. The Sacramento Army Depot was designated as an Enterprise Zone before State legislation established the Local Area Military Base Reuse Agency (LAMBRA) program.

The Agency also administers the LAMBRA for the former McClellan and Mather Military Bases which share similar features and benefits with the Enterprise Zones.

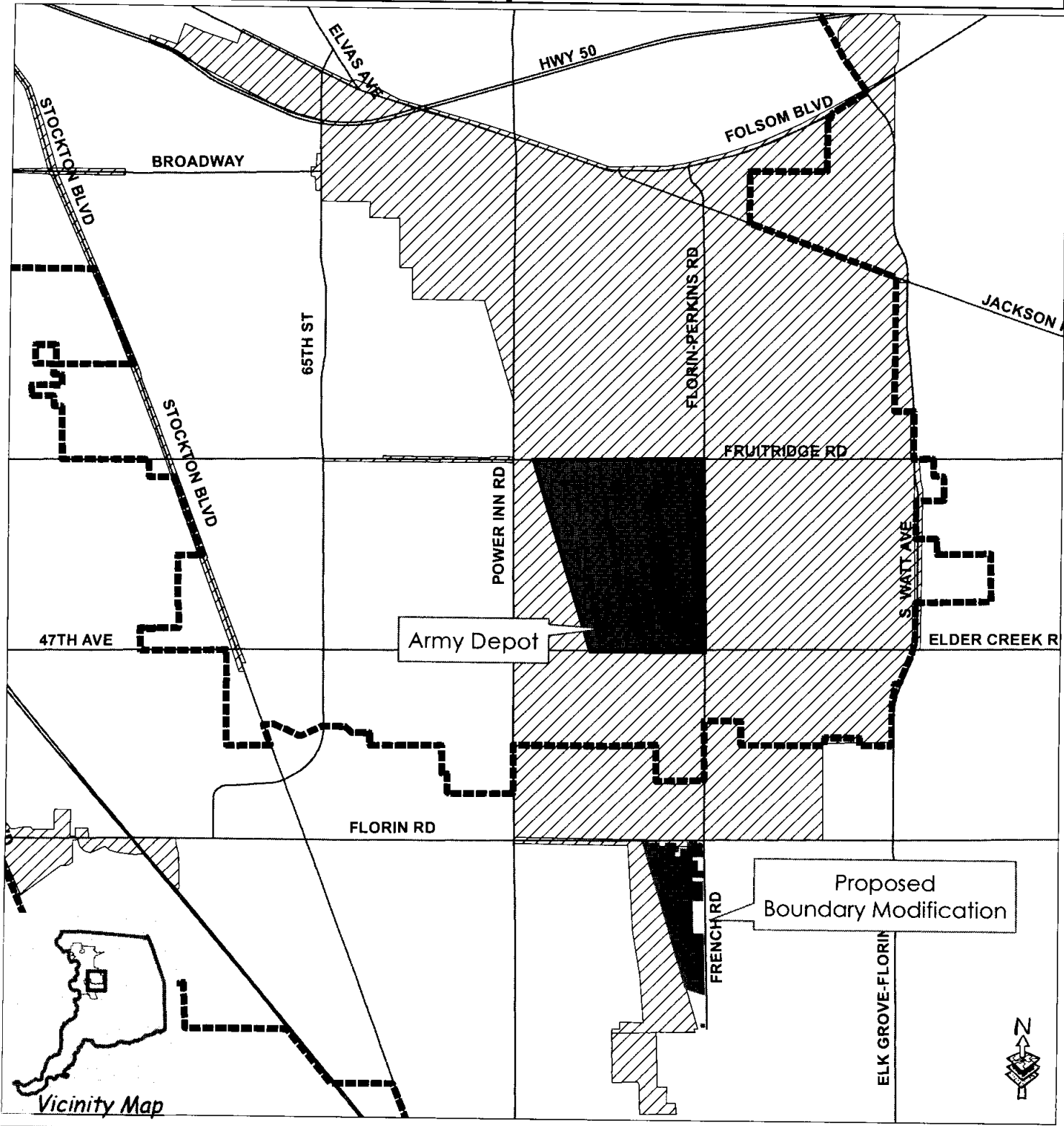
Competition among states for major employers remains fierce. The Enterprise Zone designation is viewed by employers as critical in high stakes location decisions. The City and County benefit from these employers locating in the Enterprise Zones as does the State of California. The Sacramento Army Depot zone has unused expansion capacity. Staff proposes to use it now to facilitate several location decisions that will carry out the zone economic development plan and further position the area for applying for the proposed new Southern Area designation. This proposed expansion area has been previously identified for the Florin Perkins Enterprise Zone but never incorporated within it.





The proposed expansion area is highlighted in Attachment 2 which also shows the current areas of the Sacramento Army Depot and Florin-Perkins Enterprise Zones and includes the parcels in the table below.

APN	Parcel Address	Acreage	Land Use
06500200330000	7232 Simon St.	0.491	M 2
06500600320000	0 French Rd.	1.6246	M 1 T
06500200450000	0 Simon St.	2.0657	M1/LC/RD2
06500600310000	7500 French Rd.	3.679	M 1 T
06500300160000	7340 French Rd.	3.8624	M 1 T
06500200470000	0 French Rd.	4.7247	M 1 T
06500300150000	7340 French Rd.	6.12	M 1
06500600360000	7464 French Rd.	8.4358	M 1 T
06500600370000	7440 French Rd.	14.6745	M 1 T
06500300210000	7338 French Rd.	15.5	M1/RD2
Total		61.1477	



Sacramento Army Depot & Florin-Perkins Enterprise Zone



	Florin-Perkins EZ		Proposed Bndry Mod	0 20 40 80 Miles	SHRA GIS May 22, 2008
	Army Depot E Z		City of Sac		

RESOLUTION NO. 2008 - _____

Adopted by the Sacramento City Council

ON DATE OF

EXPANSION OF THE SACRAMENTO ARMY DEPOT ENTERPRISE ZONE

BACKGROUND

- A. The City of Sacramento, supported by the County of Sacramento, successfully developed, applied for, and was awarded a State of California Enterprise Zone designation which was established as the Sacramento Army Depot Enterprise Zone on October 4, 1994; and
- B. The Sacramento Army Depot Enterprise Zone consists of 485 acres; and
- C. The existing California State law allows an enterprise zone to expand its geographic boundaries by up to a maximum of 20% of the original zone boundaries, given that the Sacramento Army Depot Enterprise Zone consists of less than 13 square miles; and
- D. The Sacramento Army Depot Enterprise Zone has the current expansion capacity of approximately 97 acres; and
- E. The City desires to use the Enterprise Zone incentives to their maximum capacity;

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

- Section 1. The Sacramento Housing and Redevelopment Agency is authorized to submit the requisite information to the California Department of Housing and Community Development for the expansion to the Sacramento Army Depot Enterprise Zone to include the approximately 61.15 acres along the south side of Florin Road east of French Road as described in Exhibit A attached hereto and incorporated herein by this reference, and to take all actions reasonably necessary to implement such action.

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Exhibit A

Exhibit A

The proposed Enterprise Zone expansion area includes the parcels in the table below:

APN	Parcel Address	Acreage	Land Use
06500200330000	7232 Simon St.	0.491	M 2
06500600320000	0 French Rd.	1.6246	M 1 T
06500200450000	0 Simon St.	2.0657	M1/LC/RD2
06500600310000	7500 French Rd.	3.679	M 1 T
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