



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
December 1, 2009

Honorable Mayor and
Members of the City Council

Title: Sewer Credit Approval: Globe Mills

Location/Council District: 1131 C Street, Council District 1

Recommendation: Adopt a Resolution awarding a total of 108.84 Sacramento Regional County Sanitation District (SRCSD) connection fee credits to the described project known as Globe Mills.

Contact: Trevor Walton, Program Specialist: 808-6764

Presenters: N/A

Department: Economic Development

Division: Citywide

Organization No: 18000

Description/Analysis

Issue: The Globe Mills project transformed a former grain storage and flour mill into a mixed-income residential development; located at 1131 C Street. This project consists of 146 housing senior units. The business owners, GMA Investors, have filed an application for Economic Development Treatment Capacity Bank Sewer Credits. The City of Sacramento's Economic Development Department recommends approval of the attached resolution awarding 108.84 SRCSD sewer credits to the project known as Globe Mills.

Policy Considerations: The City of Sacramento views projects that promote urban infill development as important to the economic development strategy of the City.

Environmental Considerations:

California Environmental Quality Act (CEQA): The allocation of sewer credits is not a project under the California Environmental Quality Act (CEQA) that requires prior environmental review. The development project will be subject to the environmental review process as part of the approval of its development entitlements.

Sustainability Considerations: There are no sustainability considerations applicable to the awarding of sewer connection fee credits.


Rationale for Recommendation: The Globe Mills project

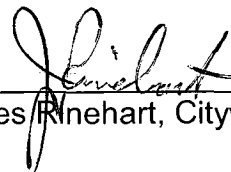
- is located within a targeted urban infill area as described in the General Plan.
- promotes urban infill development which is important to the economic development strategy of the City; and
- meets Council-approved criteria for the granting of sewer credits pursuant to Resolution 2006-457, adopted on June 20, 2006.

Based on the project's eligibility, staff recommends that the City Council issue sewer connection fee credits to the Globe Mills project.

Financial Considerations: Approval of the resolution imposes no additional expense upon the City beyond the nominal administrative costs associated with processing the approved credits.

Emerging Small Business Development (ESBD): Not Applicable

Respectfully Submitted by: 
Trevor Walton, Program Specialist

Approved by: 
James Rinehart, Citywide Division Manager

Recommendation Approved:


Ray Kerridge, City Manager

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Attachment 1**BACKGROUND:**

The Sacramento Regional County Sanitation District (SRCSD) established an Economic Development Treatment Capacity Bank (Bank) in June 2000 and the City of Sacramento received the June 2000 initial allocation of 7,971 Equivalent Single Family Dwellings (ESDs) Credits from the Bank. At the time, SRCSD limited local jurisdictions to using a maximum of 15 percent of its total allocation for residential purposes. The City of Sacramento subsequently received another allocation of 756 ESDs in March 2005, bringing the total ESDs to 8,727.

Following the allocation, the City requested greater latitude to use the Credits to assist in housing development. In response to the City's request, SRCSD reconvened the Stakeholders' Working Group to discuss the proposed additional flexibility for residential purposes, to recommend a methodology for allocation of additional excess capacity that the District has purchased, to recommend disbursement guidelines for the District's own allocation from the Bank, and to address other administrative actions.

Amendments adopted on June 20, 2006, in Resolution 2006-457 expanded the additional 15 percent annual allocation to also include infill and transit-oriented housing. This permitted each local jurisdiction to have more flexibility in using the Bank. As of November 9, 2009 the City of Sacramento has issued 2094.28 Credits in sewer credits since the program's inception.

Resolution 2006-457 approved the amended MOU between the Sacramento Regional County Sanitation District (SRCSD) and the City and authorized the City Manager to execute the amended MOU. The Resolution also approved the Guidelines for the allocation and awarding of Treatment Capacity Bank Credits for commercial development, Downtown, low-income, and infill / transit-oriented development (TOD) projects.

A prospective project for the sewer credit fee reduction (\$923 per ESD) must meet at least one of the following criteria:

1. Projects in redevelopment, Community Development Block Grant (CDBG) and/or infill development areas;
2. Project that creates additional employment or is a catalyst project and creates high job creation that will further economic development;
3. Project is located in a neighborhood commercial corridor or is located at a targeted key development site identified in the adopted City Economic Development Strategy.

On June 20, 2006 the City Council adopted Resolution 2006-454 assigning 108.84 sewer credits from the Sacramento County Regional Sanitation District Economic Development Bank to the Globe Mills project. A lapse in communication among the parties resulted in the transaction not being formally completed. One year past and the credits were never issued.



CITY OF SACRAMENTO: Application for Economic Development Treatment Capacity Bank Sewer Credits

Before submitting this application for processing, please contact the Sacramento Regional County Sanitation District (SRCSD) at (916) 876-6100 to receive a quote stating the number of ESD's required for your business. This application will not be processed without a quote from the SRCSD. Please call Noreen James at 916-808-5470 with any questions as to eligibility for sewer credits or for assistance in completing the application.

Please print or type your responses to the questions below and provide additional information as requested. When complete, return to: Economic Development Department, City of Sacramento, by mail at 915 I Street, 3rd Floor, Sacramento, CA 95814; or by fax to 916-808-8181.

1. Project Name: Globe Mills
2. Address for which Credits sought: 1131 C Street, Sac, CA Zip: 95814
3. Assessor's Parcel Number: 002-0074-010
4. Legal Name of Business Owner: GMA Investors, A California Limited Partnership
5. Owner's Mailing Address: 1006 4th Street, Suite 701, Sacramento, CA 95814
6. Owner's Phone Number: (916) 446-4040 Owner's Fax Number: (916) 446-4044
Owner's email address: cfyinc@yahoo.com
7. Brief Project Description: Seniors Low Income Housing & Market Rate Apartments
8. Please mark the category that best describes your project:
Residential xx Number of Units 146 Low Income Project? Yes xx No
Commercial Number of new jobs from creation/expansion 6
Mixed Number of Residential Units Number of new jobs from creation/expansion
9. Are sewer credits being sought for a business relocating from another site within the Sacramento Metropolitan area? Yes No xx If yes, what address relocating from?

Applicant signature: [Signature] Date: November 5, 2009
Print Applicant's Name: Cyrus Youssefi - General Partner

To be completed by City:

Prepared By: [Signature]
Noreen James, Project Manager

Number of approved ESDs: 108.84

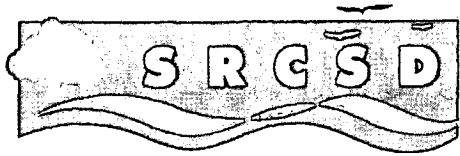
Approved By: [Signature]
Jim Rinehart, Citywide Division Manager

11/17/09
Date

Notes and Project Information:

- _____
- _____

Attachment 3



Sacramento Regional County Sanitation District
10545 Armstrong Ave, Suite 101
Mather, CA 95655

November 5, 2009

TO: WHOM IT MAY CONCERN
CYRUS YOUSSEF [CFYINC@YAHOO.COM]
FROM: DOLORES ROSS
PERMIT SERVICES UNIT
RE: SEWER IMPACT FEES
1131 "C" ST.
APN: 002-0074-010
CASE No. SICC2009-00164

The Sewer Impact Fees for the **GLOBE MILLS** project, which transformed a former grain storage and flour mill into a mixed-income residential development, have been calculated as follows:

	<u>ESDs</u>
<u>Impact:</u>	
115 senior housing units @ 0.75 ESD	86.25
31 market rate apts @ 0.75 ESD	23.25
3295 sq.ft. historic building	n/a
4500 sq.ft. community room @ 0.3 ESDs/1,000 sq.ft.	1.35
5572 sq.ft. retail @ 0.1 ESD/1,000 sq.ft.	<u>0.56</u>
	111.41
<u>Credit from previous billing:</u>	
2,500 sq.ft. office @ 0.2 ESDs/1,000 sq.ft.	0.50
20,700 sq.ft. warehouse @ 0.1 ESD/1,000 sq.ft.	<u>2.07</u>
	108.84
<u>Fee Calculation:</u>	
108.84 ESDs @ \$2,800/ ESD = \$ 304,752	

A copy of this letter is being sent to the City of Sacramento Economic Development Department. If I may be of any further assistance, please do not hesitate to call me at 916-876-6100.

cc: Desmond Parrington, City of Sacramento
Trevor Walton, City of Sacramento

916-876-6100 permitservices@sacsewer.com
www.srcsd.com

RESOLUTION NO.

Adopted by the Sacramento City Council

AWARD SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) CONNECTION FEE CREDITS FOR GLOBE MILLS (APN# 002-0074-010)

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. On June 20, 2006, City Council approved Resolution 2006-457, approving criteria for the granting of Treatment Capacity Bank Credits (credits) for commercial development, Downtown, low-income, and infill / transit-oriented development projects, and amending the Memorandum of Understanding (MOU) between the Sacramento Regional County Sanitation District (SRCSD) and the City.
- C. The City of Sacramento has been awarded a total of 8,727 sewer credits. As of November 9, 2009 the City of Sacramento has issued 2094.28 sewer credits to eligible projects.
- D. The Globe Mills project meets the criteria for granting credits and the project developer, GMA Investors has applied to the City for such credits.

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

- Section 1. City Council finds that award of credits by this resolution meets the approved criteria for granting of credits pursuant to Resolution 2006-457 , and hereby awards 108.84 new SRCSD sewer credits reduction in sewer credit fee to \$923 per ESD) to the Globe Mills project (APN #:002-0074-010) to the recipient GMA Investors.
- Section 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.
- Section 3. Any and all credits awarded herein to each individual recipient will expire if said individual recipient has not been issued a building permit for its respective above referenced development project within one year after the City Council has awarded use of the aforementioned sewer credits.