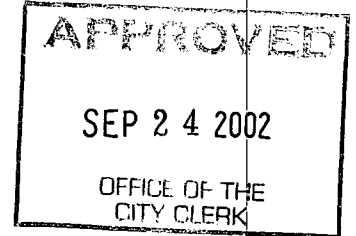


ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

September 13, 2002

2.11



City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT
ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK SEWER
CREDITS FOR DEL PASO PIPE & STEEL, INC.

LOCATION AND COUNCIL DISTRICT: District 2

RECOMMENDATION:

It is recommended that City Council approve a resolution awarding Sacramento Regional County Sanitation District (SRCSD) connection fee credits to the described steel distributor known as Del Paso Pipe & Steel, Inc.

CONTACT PERSONS: Aaron Anderson, Project Manager, 264-2796

FOR COUNCIL MEETING OF: September 24, 2002

SUMMARY:

The City of Sacramento's Economic Development Department recommends approval of the attached resolution awarding SRCSD sewer credits to the steel distributor known as Del Paso Pipe & Steel, Inc and located at 5519 Raley Boulevard (APN: #215-0230-024) as depicted on the map herein (Attachment 1). This candidate for sewer credits meets Council-approved criteria for the granting of sewer credits including creating 10 new employment opportunities.

BACKGROUND INFORMATION:

Building on Our History - Creating The Place to Be.

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 on September 12, 2002, which established the guidelines and criteria by which credits would be granted. On July 23, 2002, Resolution 2002-498 amended those guidelines to read as follows:

- A. A prospective project must meet at least one of the following criteria:
 - 1. Projects in redevelopment, CDBG and/or infill development areas.
 - 2. Projects located in neighborhood commercial corridors identified in the adopted City Economic Development Strategy.
 - 3. Projects located at a targeted key development opportunity site identified in the adopted City Economic Development Strategy.
 - 4. Projects that create additional employment.
 - 5. Catalyst projects such as restaurants or high job creation projects that will further economic development.

- B. Projects falling under any of the following criteria may be disqualified from receiving credits from the Economic Development Treatment Capacity Bank:
 - 1. Projects where the applicant is changing locations within the City of Sacramento without creating any new job opportunities.
 - 2. Projects that will be owned and/or operated by a jurisdiction that is a member of the Economic Development Treatment Capacity Bank.
 - 3. Projects that are relocating from a neighboring jurisdiction that is a member of the Economic Development Treatment Capacity Bank.
 - 4. Projects that add more undesirable uses to an already saturated area (Undesirable uses defined in an Urban Master Plan, Streetscape plan or Special Planning District).

- C. Low to moderate housing located in one of the following geographical areas:

1. Areas identified in the City's Infill Development Policy;
2. Redevelopment or CDBG eligible areas;
3. Areas consistent with the City's mixed Income Housing Ordinance.

On September 3, 2002, the City received an application from Del Paso Pipe & Steel, Inc. requesting award of 14.85 sewer credits to be used for a commercial warehouse and steel distributor facility located at 5519 Raley Blvd. Award of the requested 14.85 sewer credits will reduce total Regional Sanitation fees to be paid for this project from \$66,825 (at \$4,500 apiece) to approximately \$13,706 (at \$923 apiece).

Based upon a review of the application (Attachment 2), staff concludes that the applicant meets Council-approved objectives for the granting of sewer credits. This is based on Del Paso Pipe and Steel's willingness to accommodate the city's growth plans for Del Paso Blvd. by moving to 5519 Raley Blvd. and the need to accommodate their own growth. This growth includes the creation of approximately 10 new employment opportunities. Staff therefore recommends this project for award of sewer credits by City Council.

The award of 14.85 sewer credits to Del Paso Pipe & Steel, Inc. will leave a total of 6456.67 sewer credits for future award by the City to support economic development projects.

Attachment 3 provides a summary of City Economic Development Department sewer credit award activity to date.

FINANCIAL CONSIDERATIONS:

Approval of the resolution imposes no additional expense upon the City beyond the very minimal administrative costs associated with processing the approved credits.

ENVIRONMENTAL CONSIDERATIONS:

This project is subject to the environmental review process as part of the approval of its development application.

POLICY CONSIDERATIONS:

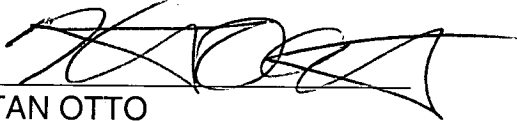
The City of Sacramento views projects that create new employment opportunities as an important cornerstone of the City's economic development. Additionally, the City of Sacramento supports the development and success of new and existing businesses of all sizes. Approval of the subject recommendation serves to promote this City policy objective.

ESBD CONSIDERATIONS:

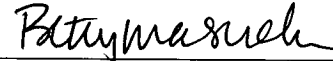
No goods or services are being purchased.

Respectfully submitted:

APPROVED:

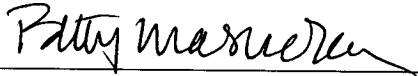


KRISTAN OTTO
Economic Development Manager



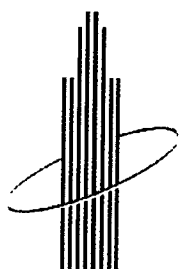
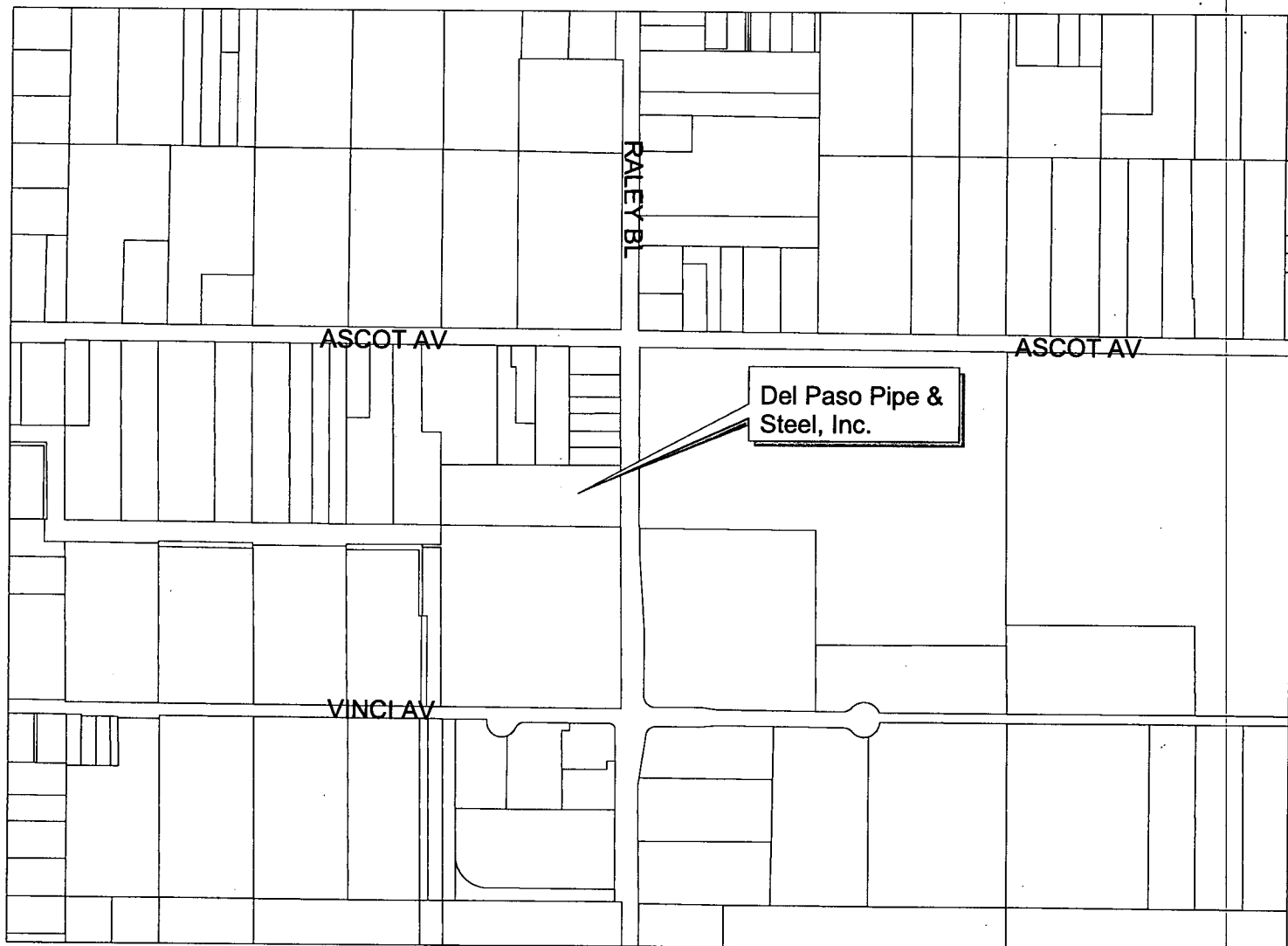
BETTY MASUOKA
Assistant City Manager

RECOMMENDATION APPROVED:



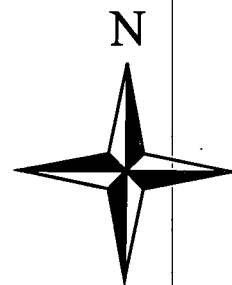
ROBERT P. THOMAS
City Manager

Del Paso Pipe & Steel, Inc.



ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO





**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 Aaron Anderson at 916-264-2796 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 1030 15th Street, 2nd Floor, Sacramento, CA 95814; or by email at akanderson@cityofsacramento.org; or by fax to 916-264-8161.

1. Name of Business: Del Paso Pipe & Steel, Inc.
2. Address for which Credits sought: 5519 Raley Blvd., Sacramento CA 95838
3. Assessor's Parcel Number: 215-0230-024
4. Legal Name of Business Owner: Harlan and Donna Karnofsky
5. Owner's Mailing Address: 5519 Raley Blvd., Sacramento CA 95838
6. Owner's Phone Number: (916)992-6500 Owner's Fax Number: (916)992-2832
Owner's email address: dbkarno@aol.com
7. Please describe the type of business or development project for which this application is being submitted: commercial warehouse and related office for steel distributor
8. Please attach a copy of the quote from the SRCSD stating the number of ESD's needed for the above-described project.
9. Is this application being submitted to permit a mixed-use development combining housing and business occupancies? Yes No If Yes, additional documentation may be required.
10. Is this a new business at this location or an expansion of a business already existing at this location? New Expansion NO
11. How many new jobs will be created by this new business opening or expansion? Please do not include already existing jobs connected to this business: 5-10 plus
12. Are sewer credits being sought for a business relocating from another site within the Sacramento Metropolitan area? Yes No If Yes, what address relocating from?
1113 Del Paso Blvd., Sacramento CA 95815
13. Has the subject parcel been previously occupied by a residence and / or a business? Yes No If Yes, applicant may need to provide evidence documenting preexisting use.

Applicant's signature: DKarnofsky

Date: 8/28/02

Print Applicant's Name: Donna Karnofsky

To be completed by City: Approved by: _____

Print Name and Title: _____

City Council Resolution Number: _____ Date: _____



Sacramento Regional County Sanitation District
10545 Armstrong Ave., Ste. 101
Mather, California
95655

AUGUST 27, 2002
RECEIVING FAX: 916-992-2832
SENDING FAX: 916-876-6161

TO: H / D KARNOFSKY FAMILY TRUST

FROM: SHELBY WILLIAMS
SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT

RE: SEWER FACILITY IMPACT FEES
5519 RALEY BLVD.

APN: 215-0230-024
Case No. SWD2001-00510

The Sewer Facility Impact Fees due for the Del Paso Pipe & Steel office/warehouse (40,000 sq.ft.) on 2.7 net acres of the above 3.34 net acre parcel are as follows:

2.7 net acres @ 5.5 ESDs/net acre = 14.85 ESDs
14.85 ESDs @ \$3,500 / ESD = \$ 51,975

If you have any questions regarding the above, please feel free to call me at 876-6100.

This fee is also subject to adjustment if the data supplied is changed.

www.srcsd.com

www.csd-1.com

CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT DEPARTMENT

Attachment 3

REGIONAL SANITATION DISTRICT SEWER FEE CREDIT LOG

Updated: 09/13/2002

Business Name	Business Address	Council Date	Council District	Status	No. of Emp.	Credits Awarded	Credits Balance
Celestin's Restaurant	1815 K Street	05/01/2001	3	Approved Res. #2001-256	12	17.87	6775
Selland's Market Café	5340 H Street	05/01/2001	3	Approved Res. #2001-257	20	6.87	6757.13
Embassy Suites Hotel	100 Capitol Mall	05/15/2001	1	Approved Res. #2001-294	150	11.60	6750.26
Landry's Restaurant	Waterfort Site A	05/15/2001	1	Approved Res. #2001-295	60	55.83	6738.66
Jag's India Restaurant	2416 18th Street	07/03/2001	4	Approved Res. #2001-486	5	5.25	6682.83
Carneceria 2000 Restaurant	5637 Mack Road	07/31/2001	8	Approved Res. #2001-530	7	4.04	6677.58
Lee's Legacy Café	1910 Frutiridge Rd	08/14/2001	4	Approved Res. #2001-562	5	5.70	6673.54
Nishiki Sushi	1501 16th Street #111	08/21/2001	3	Approved Res. #2001-574	30	13.64	6667.84
Zen Toro Sushi Expansion	900 15th Street	09/04/2001	1	Approved Res. #2001-603	5	5.48	6654.2
Candy Express @ Macy's	414 K Street	10/16/2001	1	Approved Res. #2001-682	12	8.79	6648.72
The Naked Lounge Coffee Shop	1500 Q Street	10/23/2001	4	Approved Res. #2001-709	7	5.06	6639.93
Deboo's Indian Cuisine	1518 West El Camino Ave.	11/27/2001	1	Approved Res. #2001-799	4	4.39	6634.87
Embassy Suites Hotel	100 Capitol Mall	01/15/2002	1	Approved Res. #2002-016	0	15.60	6630.48
Woodruff Hotel/Guild Theatre	3456/3428/3418 3rd Avenue	01/22/2002	5	Approved Res. #2002-028	67	14.00	6614.88
Gim Lea Sang Restaurant	918 S Street	02/05/2002	4	Approved Res. #2002-061	3	5.72	6600.88
Milgard Window	6050 88th Street	02/05/2002	6	Approved Res. #2002-060	100	68.26	6595.16
Frank's Quality Meats	6580 Belleau Wood Lane	04/25/2002	4	Approved Res. #2002-212	8	2.40	6526.9
							6524.5

Business Name	Business Address	Council Date	Council District	Status	No. of Emp.	Credits Awarded	Credits Balance
Hot Rods Burgers	2007 K Street	04/25/2002	3	Approved Res. #2002-213	15	1.65	6775
Togo's/Baskin & Robbins	1441 Meadowview Rd. #114	05/14/2002	8	Approved Res. #2002-269	20	3.58	6522.85
Lucca Restaurant	1615 J Street	06/11/2002	3	Approved Res. #2002-358	85	9.00	6519.27
New Blends, Inc.	1031 Arden Way	06/11/2002	2	Approved Res. #2002-357	50	21.19	6510.27
Inderkum's		06/25/2002	1	Approved Res. #2002-418	15	4.50	6489.08
Superior Auto		08/13/2002	8	Approved	11	1.00	6484.58
Baja Fresh Mexican Grill	2600 Gateway Oaks Drive, Suite 100	09/03/2002	1	Approved	24	5.40	6483.58
Starbucks	2620 Gateway Oaks Drive, Suite 200	09/03/2002	1	Approved	10	2.79	6478.18
Togo's Baskin Robbins	2620 Gateway Oaks Drive	09/03/2002	1	Approved	25	3.87	6475.39
Del Paso Pipe & Steel, Inc.	5519 Raley Blvd.	09/24/2002	2	Pending	10	14.85	6471.52
							6456.67
					760	318.33	

APPROVED
SEP 24 2002
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2002-638

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

**A RESOLUTION AWARDED ECONOMIC
DEVELOPMENT TREATMENT CAPACITY BANK,
HOUSING CONNECTION FEE CREDITS BY
SACRAMENTO REGIONAL COUNTY SANITATION
DISTRICT (SRCSD) FOR DEL PASO PIPE & STEEL, INC.**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

WHEREAS, 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);

WHEREAS, eighty five percent (85%), or 6,775 of the total 7,971 ESD's (Equivalent Single-family Dwelling units) made available to the City of Sacramento under the MOU are allocated for economic development projects, the award of which must be approved by City Council resolution;

WHEREAS, the steel distributor known as Del Paso Pipe & Steel, Inc. and located at 5519 Raley Blvd. in Sacramento meets City economic development objectives including creating 10 new employment opportunities;

NOW THEREFORE, be it resolved by the City Council of the City of Sacramento, as follows:

1. City Council hereby awards a maximum of 14.85 ESD credits from the Sacramento Regional County Sanitation District Economic Development Treatment Capacity Bank to the steel distributor known as Del Paso Pipe & Steel, Inc. and located at 5519 Raley Blvd. located in Sacramento (APN: 215-0230-024).
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.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____
DATE ADOPTED: _____

3. Any and all credits awarded herein to each individual recipient will also expire if said individual recipient has not been issued a building permit for its respective above referenced development project within one year after the date aforementioned sewer impact fees are paid to SRCSD.
4. Award herein of 14.85 sewer credits will leave a total of 6456.67 sewer credits for future award by the City to support economic development projects.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____