

AGENDA ITEM TYPE

- Consent
- Public Hearing
- Regular Action

AGENDA ITEM NO. 5.13

## CITY OF ELK GROVE

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ELK GROVE CITY COUNCIL AGENDA ITEM  
July 27, 2005

**TO: MAYOR AND COUNCIL**

**FROM: REID MONTGOMERY, ECONOMIC DEVELOPMENT**

**SUBJECT: GUIDELINES FOR THE USE OF ECONOMIC  
DEVELOPMENT TREATMENT CAPACITY BANK  
CREDITS**

**RECOMMENDATION:**

Staff recommends the City Council of the City of Elk Grove adopt the attached guidelines for the use of Sacramento Regional County Sanitation District (SRCSD) Economic Development Treatment Capacity Bank Credits.

**BACKGROUND:**

The Sacramento Regional County Sanitation District established an Economic Development Treatment Capacity Bank (Bank) in June of 2000. The creation of the Bank was made possible from the purchase of permitted, unused sewer capacity from industrial dischargers. The total value of the initial excess capacity bought by the District was \$12.3 million, or 16,606 ESD (equivalent single-family dwelling) credits. These credits were placed in the Bank to be sold at a rate that will recoup the purchase price of these credits, which in turn, will promote economic development.

The primary objective of the Bank is to provide economic incentives for industrial and commercial sewer customers. However, it is also recognized that the Bank could be utilized on a limited basis to assist with community based projects.

Once the Council has adopted the guidelines the City can begin offering the program as an economic development incentive. Elk Grove's Bank allocation would enable the City to provide over \$7 million in sewer development impact fee saving to new businesses.

Projects completed and having fees paid prior to June 2005 will not be considered for reimbursement, however new projects may be considered for reimbursement as long as the request comes within 60 days of final permit being issued.

**FINANCIAL IMPLICATIONS TO CITY:**

There will be no impact to the General Fund associated with the proposed action.

**ATTACHMENT(s):**

1. Resolution
2. Guidelines

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE  
APPROVING GUIDELINES FOR THE USE OF SACRAMENTO REGIONAL COUNTY  
SANITATION DISTRICT ECONOMIC DEVELOPMENT TREATMENT CAPACITY  
BANK CREDITS**

**WHEREAS**, on June 30, 1999, the governing board of Sacramento Regional County Sanitation District enacted a District Treatment Capacity Buyback Ordinance; and

**WHEREAS**, pursuant to the provisions of that Ordinance, the District did purchase \$12.3 million dollars worth of excess wastewater treatment capacity from four industries within the jurisdictional limits of the District; and

**WHEREAS**, on April 27, 2005, the City Council adopted the amended agreement with SRCSD for the Treatment Capacity Bank Program; and

**WHEREAS**, the City Manager, or his designee, will receive and review all applications for use of Credits; and

**WHEREAS**, the Guidelines are hereby referenced and shown as an attachment to this resolution.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Elk Grove hereby approves the Guidelines.

**PASSED AND ADOPTED** by the City Council of the City of Elk Grove this 27th day of July 2005.

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DANIEL BRIGGS, MAYOR of the  
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

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PEGGY E. JACKSON  
CITY CLERK

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ANTHONY B. MANZANETTI  
CITY ATTORNEY

## **CITY OF ELK GROVE**

### **Guidelines for the use of Treatment Capacity Bank Credits**

1. The project must be located in the City of Elk Grove.
2. The project must create additional employment and be consistent with the City's General Plan. The project should create 2 jobs for every Credit used (example 3.24 credits – 6 jobs).
3. The project may be a “catalyst” project, such as a restaurant that will further the overall economic development efforts of a commercial corridor and/or the City of Elk Grove.
4. Each applicant will follow the procedures outlined by the SRCSD, as originally established and/or subsequently amended, in applying for Credits.
5. The City Manager, or his designee, will receive and review all applications for use of Credits.
6. The Credits remain with the parcel they are initially applied to.
7. The selling and buying of Credits is not allowed.
8. The Credits may not be used to attract businesses from a neighboring jurisdiction that is a member of the SRCSD Treatment Capacity Bank Program.
9. Residential projects will not be considered unless they are a part of a mixed use development and may not be more than 15% of available Credits.
10. Prior to making an application pursuant to these Guidelines, Applicant/Developer shall execute an Indemnification and Hold Harmless Agreement (“Agreement”) with the City of Elk Grove, satisfactory to the City Attorney, and Applicant/Developer shall thereafter cause its contractors, subcontractors, agents and/or employees to execute the same.
11. Priority for Credits will be given to those projects that enhance Elk Grove's economic development and generate long term employment.
12. Non-profit or public facilities projects may be considered as long as they meet economic development objectives and /or improve the quality of life.
13. Projects requesting 15 credits or less will be processed by staff while those projects requesting over 15 credits will be forwarded to City Council for consideration.