



## City Council Report

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Sacramento, CA 95814

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**File #:** 2016-01086

September 20, 2016

**Consent Item 08**

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**Title: Allocation of Sewer Credits to Sacramento Laundry Company, Inc. for the Sacramento Laundry Expansion Project**

**Recommendation:** Pass a Resolution allocating 55.582 Economic Development Treatment Capacity Bank Credits to Sacramento Laundry Company, Inc. for the Sacramento Laundry Expansion project located at 3750 Pell Circle.

**Location:** District 2

**Contact:** Sabrina Tefft, Project Manager, (916) 808-3789, Economic Development Department

**Presenter:** None

**Department:** Economic Development Department

**Attachments:**

1-Description/Analysis

2-Resolution

## Description/Analysis

**Issue Detail:** Sacramento Laundry Company, Inc. ("**Sacramento Laundry**") is expanding its operation by purchasing a new and efficient tunnel-washing system. This new system will use 133% less water than the conventional washer and will also increase output and load capacity.

Additionally, the expansion will add five 300-pound dryers, four high-speed flat-work ironers, four towel folders, and six trucks. Although energy efficient, this expansion will still increase Sacramento Laundry's sewer capacity with the Sacramento Regional County Sanitation District ("**SRCS**D").

The Economic Development Department recommends approval of the attached resolution allocating 55.582 Economic Development Treatment Capacity Bank Credits ("**Credits**") to Sacramento Laundry for the expansion of its laundry operation at 3750 Pell Circle. If the City Council allocates the requested 55.582 Credits, the City will have 1855.078 Credits remaining.

**Policy Considerations:** Allocation of these credits to Sacramento Laundry is consistent with the adopted 2013 Economic Development Strategy goal to invest in building Sacramento and the objective to "encourage strategic investments and initiatives that lead to economic development, job growth and enhance the quality of life in Sacramento." It is also consistent with adopted 2035 General Plan, Goal 3.1 from the Economic Development Element: "Provide opportunities for expansion and development of businesses by ensuring availability of suitable sites, appropriate zoning, and access to infrastructure and amenities."

**Economic Impacts:** Sacramento Laundry's expansion is estimated to increase its production team by 125 employees, bringing its total employee count to 350 by the end of 2017.

**Environmental Considerations:** This project was subject to environmental review as part of its development-application approval.

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** The Sacramento Regional County Sanitation District ("**SRCS**D") established an Economic Development Treatment Capacity Bank (the "**Bank**") in June 2000.

Creation of the Bank was made possible by SRCSD's purchase of unused sewer capacity from industrial users (e.g., closed canneries). The Bank allocated the Credits to SRCSD's member agencies, which in turn allocate the Credits to new development projects in accordance with SRCSD's guidelines and their own guidelines.

Since 2001, the City has participated in the Bank under a series of agreements, the first of which was City Agreement No. 2001-054, a memorandum of understanding with SRCSD. As required by these agreements, the City Council has approved guidelines for allocating Credits, most recently by the adoption of Resolution No. 2006-457 in 2006. This application for 55.582 Credits meets the Council- approved guidelines for allocating Credits, because Sacramento Laundry qualifies as a "high job creation" project. Sacramento Laundry has been increasing both its production and its workforce since it opened in 2014. Currently, it has 225 employees and plans to increase its workforce by 125 employees by the end of 2017.

**Financial Considerations:** Not applicable.

**Local Business Enterprise (LBE):** Not applicable.

**RESOLUTION NO. 2016-\_\_\_\_\_**

Adopted by the Sacramento City Council

September 20, 2016

**ALLOCATING 55.582 ECONOMIC DEVELOPMENT TREATMENT  
CAPACITY BANK CREDITS TO THE SACRAMENTO LAUNDRY  
PROJECT LOCATED AT 3750 PELL CIRCLE  
(DISTRICT 2)**

**BACKGROUND**

- A. On March 20, 2001, the City Council approved City Agreement No. 2001-054, thereby initiating the City's participation in the Economic Development Treatment Capacity Bank (the "**Bank**") established by the Sacramento Regional County Sanitation District ("**SRCS**D"). The City Council subsequently approved amendments to City Agreement No. 2001-054 on June 20, 2006, and October 8, 2013.
- B. Under City Agreement No. 2001-054 as amended, SRCS D transferred Economic Development Treatment Capacity Bank Credits ("**Credits**") to the Bank and then allocated the Credits to the jurisdictions that were participating in the Bank, including the City.
- C. Resolution No. 2006-457 approved guidelines for the City Council's awarding of Credits for commercial development, Downtown, low-income, and infill / transit-oriented development projects, as well as a contingency usage.
- D. The Bank has awarded the City a total of 8,993.1 Credits. As of August 25, 2016, the City had allocated 7,082.44 Credits to eligible projects.
- E. Sacramento Laundry Company, Inc. (the "**Recipient**") is expanding its laundry operation at 3750 Pell Circle in Sacramento (APN 237-0400-020) (the "**Project**"). The Project falls within the guidelines for granting Credits because it is a commercial development that qualifies as a "high job creation" project.

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

- Section 1. The City Council finds that the Project meets the approved guidelines for allocation of Credits. Accordingly, the City Council hereby allocates a maximum of 55.582 Credits to the Recipient for use on the Project.
- Section 2. Credits allocated under this resolution will expire automatically and without notice if either of the following occurs:

- (a) the Recipient has not paid its requisite sewer-impact fee to SRCSD within one year after the date of this resolution; or
- (b) the Recipient has not been issued a building permit for the Project within one year after the date of this resolution.