



# CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Approve Wastewater Development Incentive for Scientific Specialties

MEETING DATE: February 4, 1998

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council approve the following development incentive for Scientific Specialties:

- Reimbursement for the cost of extending the 10-inch sewer main in Thurman Street including ten percent (10%) for engineering, but not to exceed \$25,000.

BACKGROUND INFORMATION: Scientific Specialties is a local firm which manufactures small plastic items used by the medical industry. Its manufacturing facility is currently located at 1901 Ackerman Drive and has approximately 40 employees. The owners, Kenneth and Roberta Hovatter, are planning to relocate their facilities to a new site on the south side of Thurman Street which will provide room for future expansion (Exhibit A).

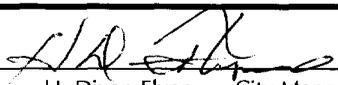
The site will be developed in phases. The first phase includes the construction of a 51,900 square foot manufacturing facility, which will have an ultimate capacity of about 80 employees, and the construction of street improvements in Thurman Street. The second and third phases will add buildings totaling approximately 52,000 square feet. At ultimate capacity, the plant will have about 120 employees.

In keeping with the City's ongoing economic development and business retention efforts, a fee payment agreement will be provided for development impact mitigation fees and sewer capacity fees associated with the first phase of the project. Based on a first phase development of 3.1 acres and 80 full-time employees, these fees will total \$113,308. The payment agreement will be in conformance with the terms and conditions approved by Council on September 17, 1997, for standard fee payment agreements.

In addition, staff recommends that the following development incentive be approved to assist the relocation and expansion efforts of this firm:

- Reimbursement by the City for the cost of extending the existing 10-inch sanitary sewer main in Thurman Street, including 10% for engineering, but not exceeding \$25,000. The total cost of the street improvements in Thurman Street will be on the order of \$150,000. The City will be reimbursing the developer for a portion of those costs (approximately \$25,000) for oversize lines in accordance with LMC §16.40. Existing Thurman Street improvements west of the project site were installed and paid for by the City. Reimbursement to the City for the cost of these improvements has not been required of recent industrial developments along the improved frontage, thus providing those developments with a substantial cost savings.

APPROVED: \_\_\_\_\_

  
H. Dixon Flynn -- City Manager

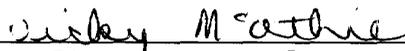
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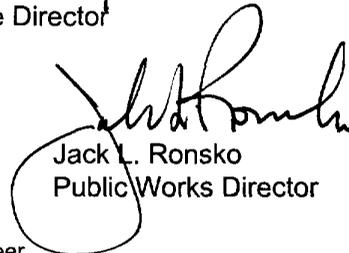
In view of this practice, staff recommends that the cost of the sanitary sewer main extension in Thurman Street, including 10% for engineering, be paid by the City. The current estimate for the cost of this work is \$24,300.

As a matter of information, in an effort to recover a portion of the costs of the Thurman Street improvements paid for by the City, staff will be bringing a request to Council at a later date to establish an area of benefit and reimbursement agreement for these improvements. The reimbursement agreement would affect only currently undeveloped parcels which benefit from the improvements. If Council approves the sewer payment incentive outlined above, the City will have paid for the entire sewer main in Thurman Street which will greatly simplify the reimbursement process.

FUNDING: Sewer Utility Fund

Funding Available:

  
Finance Director

  
Jack L. Ronsko  
Public Works Director

Prepared by Sharon A. Welch, Associate Civil Engineer

JLR/SAW/lm

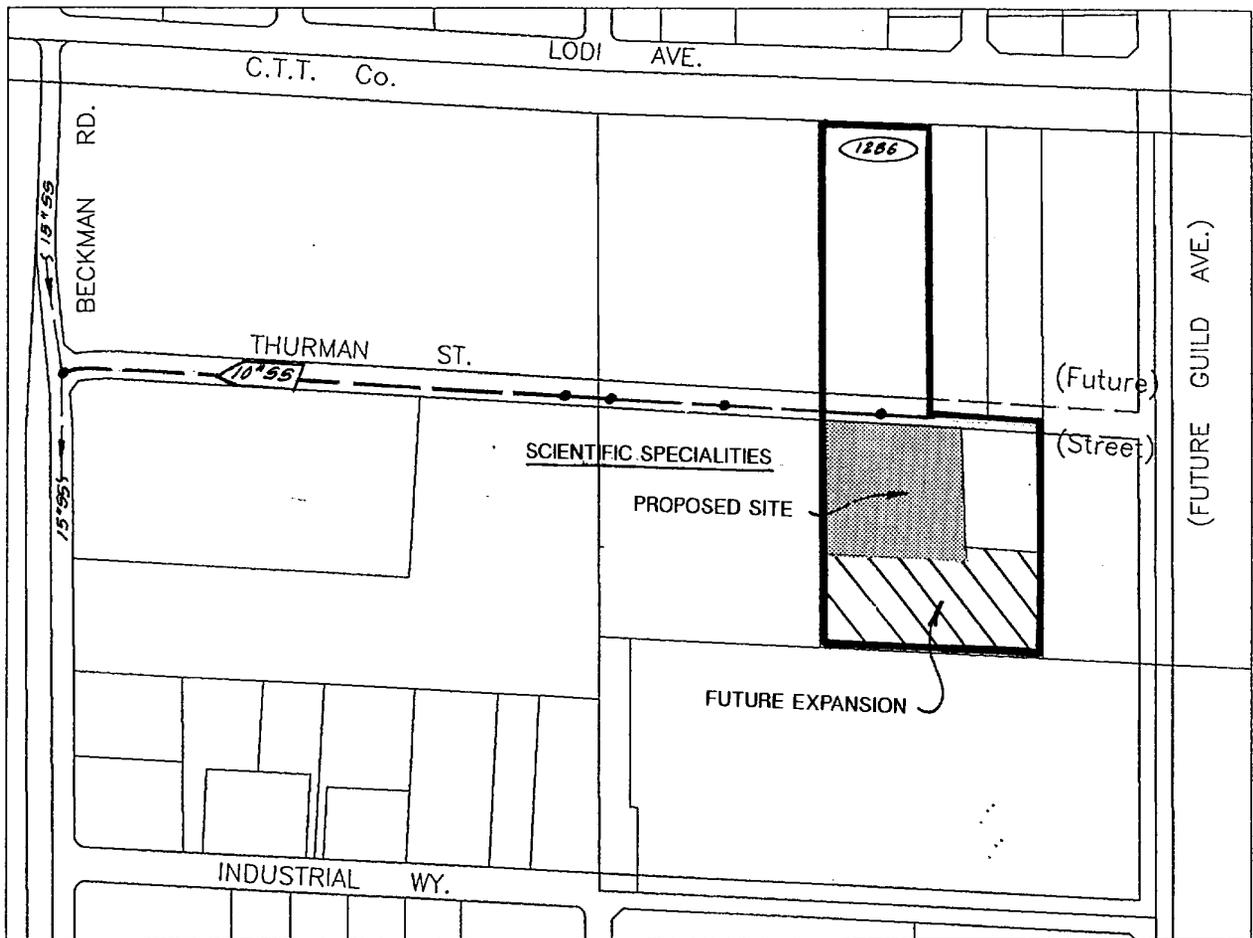
Attachment

cc: Economic Development Coordinator  
Water/Wastewater Superintendent  
Associate Civil Engineer - Development Services  
Kenneth and Roberta Hovatter



CITY OF LODI  
PUBLIC WORKS DEPARTMENT

# EXHIBIT A



N.T.S.

CITY COUNCIL

JACK A. SIEGLOCK, Mayor  
KEITH LAND  
Mayor Pro Tempore  
STEPHEN J. MANN  
PHILLIP A. PENNINO  
DAVID P. WARNER

# CITY OF LODI

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January 28, 1998

H. DIXON FLYNN  
City Manager  
ALICE M. REIMCHE  
City Clerk  
RANDALL A. HAYS  
City Attorney

Mr. and Mrs. Kenneth Hovatter  
1901 Ackerman Drive  
Lodi, CA 95240

**SUBJECT: Approve Wastewater Development Incentive for Scientific Specialties**

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, February 4, 1998. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a Council Member requests discussion. The public is given an opportunity to address items on the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Alice Reimche, City Clerk, at 333-6702.

If you have any questions about the item itself, please call Sharon Welch at 333-6800, ext. 659.



Jack L. Ronsko  
Public Works Director

JLR/Im

Enclosure

cc: City Clerk