

The Press Democrat

Rohnert Park 'invests' in sewers

By JEREMY HAY THE PRESS DEMOCRAT on Monday, July 1, 2013

Rohnert Park will use its entire fund for public facilities -- which consists of a one-time payment from the Federated Indians of Graton Rancheria -- to build a long-planned trunk sewer line on the city's east side.

The decision by the City Council on Tuesday means that after the upcoming fiscal year, the city will have no money left to make much-needed improvements to its aging public infrastructure.

But the \$13 million project is intended to spur housing and commercial development that needs the sewer capacity. That in turn, city officials hope, will provide Rohnert Park an economic boost and generate development fees to pay for more infrastructure improvements.

Already, several developers are indicating that their projects have now been given new impetus.

"It removes the sewer line as an issue that was basically stopping not only (our) Southeast plan but the University District and Sonoma Mountain Village," said Ken Blackman, a consultant to Redwood Equities, which plans to build 475 homes on the city's southeast flank.

"We look at this as an investment," City Manager Gabe Gonzalez said on Thursday. "Sometimes, you have to spend money to make money."

The city had hoped that the developers to be served by the line would pay for it up front. The funds for the project came instead from the Graton Rancheria, which is building a 320,000-square-foot casino on its reservation just west of the city.

The tribe paid \$12.8 million to connect to Rohnert Park's sewer system under an agreement reached last year that was criticized by casino opponents, who said it further cleared the way for the controversial project to move forward.

Codding Enterprises -- developer of one of the four major projects the sewer line will serve -- has already informed its potential financial partners of the city's move, said Brad Baker, the company's president and CEO.

"It was definitely well received," he said. "Capital's still tight and it was a big capital outlay, so this definitely advances our project as well as other projects in the area."

Codding Enterprises is developing Sonoma Mountain Village, a \$1 billion mixed-use project with 1,694 homes on the former Hewlett-Packard campus in south Rohnert Park.

The sewer project's urgency is greater, too, Gonzalez said, because the existing collection system is near its capacity, according to a new study.

Redwood Equities paid for that study, and Blackman said that with action on the sewer line, the company foresees being able start construction next spring on 80 acres it owns along Petaluma Hill Road.

"The only thing that would change that is always the market," he said.

The city had approached Brookfield Homes, the company behind a stalled 1,645-home subdivision at Petaluma Hill Road and Rohnert Park Expressway, about helping to fund the project. But the company said no, Assistant City Manager Darrin Jenkins told the council Tuesday.

Brookfield representatives did not return a call for comment.

Jenkins told the council that if the approved developments that will rely on the new line are built -- totaling about 4,000 homes -- the city will realize \$88 million in subsequent fees.

"Spending the available balance (of impact fees in hand) will then generate more development impact fees" for the

city's public facilities finance program, Gonzalez said.

Half of the eastside sewer line was built in 2007 with \$9.5 million in redevelopment bonds; it extended from west of Highway 101 to Avram Avenue and Commerce Boulevard. The second half of the line is to run from Commerce Boulevard to East Cotati Avenue and Snyder Lane.

The city's 2000 general plan called for thousands of housing units to be built; virtually none has been. The new sewer line should catalyze that construction to the city's benefit, said Councilman Jake Mackenzie, who helped craft the general plan.

"If, in fact, you make sure that the burdens (of new development on city services) are taken care of by maintenance and other impact fees, then there will be people living in your city and spending money, presumably to some fairly large extent, in your city," he said.

"That's revenues in sales taxes and property taxes. There are economic advantages," he said.

More residents will also attract more retailers and other companies to Rohnert Park, which is still searching for a robust economic development policy, Gonzalez said.

"This is an investment in our local economy," he said. "With new rooftops, we're hopeful that we'll be able to attract new businesses."

You can reach Staff Writer Jeremy Hay at 521-5212 or jeremy.hay@pressdemocrat.com.

Rohnert Park will use its entire fund for public facilities -- which consists of a one-time payment from the Federated Indians of Graton Rancheria -- to build a long-planned trunk sewer line on the city's east side.

The decision by the City Council on Tuesday means that after the upcoming fiscal year, the city will have no money left to make much-needed improvements to its aging public infrastructure.

But the \$13 million project is intended to spur housing and commercial development that needs the sewer capacity. That in turn, city officials hope, will provide Rohnert Park an economic boost and generate development fees to pay for more infrastructure improvements.

Already, several developers are indicating that their projects have now been given new impetus.

"It removes the sewer line as an issue that was basically stopping not only (our) Southeast plan but the University District and Sonoma Mountain Village," said Ken Blackman, a consultant to Redwood Equities, which plans to build 475 homes on the city's southeast flank.

"We look at this as an investment," City Manager Gabe Gonzalez said on Thursday. "Sometimes, you have to spend money to make money."

The city had hoped that the developers to be served by the line would pay for it up front. The funds for the project came instead from the Graton Rancheria, which is building a 320,000-square-foot casino on its reservation just west of the city.

The tribe paid \$12.8 million to connect to Rohnert Park's sewer system under an agreement reached last year that was criticized by casino opponents, who said it further cleared the way for the controversial project to move forward.

Codding Enterprises -- developer of one of the four major projects the sewer line will serve -- has already informed its potential financial partners of the city's move, said Brad Baker, the company's president and CEO.

"It was definitely well received," he said. "Capital's still tight and it was a big capital outlay, so this definitely advances our project as well as other projects in the area."

Codding Enterprises is developing Sonoma Mountain Village, a \$1 billion mixed-use project with 1,694 homes on the former Hewlett-Packard campus in south Rohnert Park.

The sewer project's urgency is greater, too, Gonzalez said, because the existing collection system is near its capacity, according to a new study.

Redwood Equities paid for that study, and Blackman said that with action on the sewer line, the company foresees being able start construction next spring on 80 acres it owns along Petaluma Hill Road.

"The only thing that would change that is always the market," he said.

The city had approached Brookfield Homes, the company behind a stalled 1,645-home subdivision at Petaluma Hill Road and Rohnert Park Expressway, about helping to fund the project. But the company said no, Assistant City Manager Darrin Jenkins told the council Tuesday.

Brookfield representatives did not return a call for comment.

Jenkins told the council that if the approved developments that will rely on the new line are built -- totaling about 4,000 homes -- the city will realize \$88 million in subsequent fees.

"Spending the available balance (of impact fees in hand) will then generate more development impact fees" for the city's public facilities finance program, Gonzalez said.

Half of the eastside sewer line was built in 2007 with \$9.5 million in redevelopment bonds; it extended from west of Highway 101 to Avram Avenue and Commerce Boulevard. The second half of the line is to run from Commerce Boulevard to East Cotati Avenue and Snyder Lane.

The city's 2000 general plan called for thousands of housing units to be built; virtually none has been. The new sewer line should catalyze that construction to the city's benefit, said Councilman Jake Mackenzie, who helped craft the general plan.

"If, in fact, you make sure that the burdens (of new development on city services) are taken care of by maintenance and other impact fees, then there will be people living in your city and spending money, presumably to some fairly large extent, in your city," he said.

"That's revenues in sales taxes and property taxes. There are economic advantages," he said.

More residents will also attract more retailers and other companies to Rohnert Park, which is still searching for a robust economic development policy, Gonzalez said.

"This is an investment in our local economy," he said. "With new rooftops, we're hopeful that we'll be able to attract new businesses."

You can reach Staff Writer Jeremy Hay at 521-5212 or jeremy.hay@pressdemocrat.com.