



Staff Report

TO: City Council
FROM: Kyle Warsinski, Economic Development Manager
DATE: September 5, 2023
SUBJECT: Downtown Grease Trap Improvement Program – Funding Agreement –
704 E. Sixth Street

Description Consideration of a Funding Agreement for installation of a grease interceptor at the property located at 704 E. Sixth Street.

Background and Analysis:

On December 6, 2022, City Council approved the establishment of the Downtown Incentive Program which was launched in 2023. The program included the following incentives:

- Downtown Façade Improvement Program or Business Improvement Program
- Business Attraction and Expansion Program
- Pre-Application Fee Waiver
- Building Investigation Fee Waiver
- Sewer Connection Fee Deferral and Grease Trap Program

On September 1, 2021, the City received a new Statewide Waste Discharge Requirements Order for sanitary sewer systems. One of the requirements of this order was to require certain existing restaurants to install new facilities, a grease trap or grease interceptor. The Grease Trap/Interceptor program was developed to support the few restaurants which were open and in operation as of that date. Discharge compliance from all restaurants and other industrial users within the City is necessary for the City's adherence to the state order, which results in groundwater quality preservation, reduced spills, lower environmental impacts and reduced sewer rates.

Business retention and encouraging expansion of these restaurants within the downtown area stimulates private investment, supports customer patronage and retains dining opportunities leading to preservation of sales tax revenues.

One unique feature of this program is it allows for restaurants which were in operation as of September 1, 2021, who installed a grease interceptor or trap prior to creation of this program in December 2022, the ability to apply and gain funding for the

improvements previously made. This provision was added as staff did not feel it was fair to exclude a restaurant who complied with the City's requirement well before the establishment of the incentive program, and then reward others with City funding who have yet to comply.

Staff has received an application for the grease trap incentive program for the property located at 704 E. Sixth Street. The subject site contains a restaurant (Senorial Mexican Food) totaling 2,767 square feet and a residential unit in the rear. The application requests funding for reimbursement under the program for the installation of a grease interceptor which was permitted and installed in May 2022, which was before the incentive program was established. Senorial falls into the special category of the incentive program as described earlier in this report. The grease interceptor has been approved and permits were finalized by the Building Department.

The applicant submitted paid invoices and receipts for the work performed and staff has confirmed the contractors were paid in full for the work. The project totaled \$21,500 in materials and labor.

The funding agreement (Attachment A) provides for a 1:1 dollar match for eligible improvements. The maximum program grant amount for this project is \$10,750.

Fiscal Impact:

The total not to exceed amount under the agreement is \$10,750.

\$500,000 was allocated in the FY2023-24 Budget GL Fund 100-1235-7096 to fund these programs. Staff is tracking the total program funding and has determined sufficient funds exist should the City Council approve the proposed agreement.

Staff estimates the cost to prepare this staff report and funding agreement, including legal review to be \$250.

Recommended Action:

Approve the Funding Agreement with Raul Naranjo for Grease Trap Improvements for the property located at 704 E. Sixth Street.

Attachments:

- A. Funding Agreement – Grease Trap Improvements – 704 E. Sixth Street