



STAFF REPORT

7/9/2024

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: COLLEEN T. DOAN
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT: ADOPTION OF ORDINANCE NO. 2024-06-1548, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SIGNAL HILL AND EDCO, FOR CERTAIN REAL PROPERTY LOCATED WITHIN THE CITY OF SIGNAL HILL PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ

Summary:

At the June 11, 2024, City Council meeting, the City Council introduced Ordinance No. 2024-06-1548. Ordinance No. 2024-06-1548 is now presented for second reading and adoption.

EDCO Recycling and Waste Transfer Facility (Facility), requested to amend the Development Agreement and Facility Operations Agreement, and to modify Condition of Approvals (COA) of CUP 09-01 to allow an increase to the maximum permitted volume of waste that may be processed per day from 1,500 tons per day (tpd) to 2,500 tpd. Staff negotiated an updated Development Agreement wherein EDCO pays additional host fees commensurate with the increased tonnage.

Strategic Plan Goal(s):

Goal No. 1 Financial Stability: Ensure the city's long-term financial stability and resilience.

Goal No. 3 Economic & Downtown Development: Improve the local economy, support local businesses, and create a vibrant downtown core.

Recommendation:

Adopt Ordinance No. 2024-06-1548, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SIGNAL HILL AND

7/9/2024

EDCO, FOR CERTAIN REAL PROPERTY LOCATED WITHIN THE CITY OF SIGNAL HILL
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65864 ET SEQ

Fiscal Impact:

The Development Agreement provides for a Host Fee to be paid to the City. The Host Fee is calculated using a percentage factor multiplied by the aggregate monthly collection of solid waste tonnage collected annually. The Host Fee tiered percentages/ton thresholds are as follows: Minimum 2% Host Fee up to 150,000 tons, 3% Host Fee for 150,001 to 300,000 tons and 5% Host Fee for 300,001 tons to 912,500 tons. The tonnage count resets to zero tons on April 27th annually. At the reset point, the Host Fee earnings start back at 2% of revenues collected.

Fiscal Year 2022-2023 Host Fee Revenue totaled \$715,882, with an average revenue per ton of \$1.78 with a maximum allowable tonnage of 1,500 tons per day. The proposed Development Agreement would allow up to 2,500 tons per day and increase the City's revenues over time commensurate with the terms of the agreement; therefore, the recommended actions have a positive impact to the City's General Fund.

Background and Analysis:

At the June 11, 2024, City Council meeting, the City Council introduced Ordinance No. 2024-06-1548. Ordinance No. 2024-06-1548 is now presented for second reading and adoption. Upon adoption, the City Clerk will cause a Notice of Exemption under State California Environmental Quality Act (CEQA) Guidelines § 15061 (b)(3) to be filed as authorized by CEQA and the State CEQA Guidelines.

The City posted a summary of Ordinance No. 2024-06-1548 in accordance with Signal Hill Municipal Code (SHMC) 1.08.010 and published in the Signal Tribune newspaper on June 14, 2024. Upon adoption of the Ordinance, the summary will be posted in accordance with SHMC 1.08.010 and published in the Signal Tribune newspaper. Ordinance No. 2024-06-1548 will be published in its entirety on the City website.

Attachment:

- A. Ordinance No. 2024-06-1548
- B. Development Agreement