

Attachment A

MEMORANDUM OF UNDERSTANDING

between

THE COUNTY OF MONTEREY

and

THE CITY OF SALINAS

regarding the

**MUTUAL PLANNING AND COORDINATION OF RESOURCES AND SERVICES TO
IMPLEMENT THE ALISAL VIBRANCY PLAN**

This Memorandum of Understanding (MOU) is between the County of Monterey (“County”) and the City of Salinas (“City”), which hereafter may be referred to as “Parties”, regarding the mutual planned coordination of resources and services to implement the Alisal Vibrancy Plan (“AVP”) and the County Board of Supervisor’s Strategic Initiatives (Strategic Initiatives).

WHEREAS, on November 5, 2019, by Resolution 21731, the Salinas City Council unanimously accepted the Alisal Vibrancy Plan (“AVP”) as a strategic planning document; and

WHEREAS, the AVP is an action-oriented, comprehensive strategy for Salinas’ Alisal (East Salinas) neighborhoods; and

WHEREAS, AVP implementation is a priority City Council Economic Development Goal Strategy (2022-2025); and

WHEREAS, AVP priorities focus on the production of affordable housing, safe pedestrian and bicycle access to community parks, government facilities and services, and increased health and mental health services in the Alisal; and

WHEREAS, the AVP identified several opportunity sites, including Division Avenue shown on Exhibit B (City/County Owned or Leased Property – Division Avenue Opportunity Site.) for the development of affordable housing, community amenities, and government health and mental health services; and

WHEREAS, the City owns seven small parcels, approximately 2.5 acres in total, on the west side of Division Avenue with one small building fronting Market Street as identified and shown on Exhibit B); and

WHEREAS, based on conversations held at community workshops, steering committee meetings and “pop-up” community activities, a community-driven vision for the site was developed and analyzed by the AVP consultant team and accepted by the community; and

WHEREAS, in October 2020, the City issued a Request for Proposals seeking a developer team to design, build, and manage the development of a project that implements the vision articulated by the community for the Division Avenue Opportunity Site, with preference for affordable housing as shown on Exhibit C; and

WHEREAS, the AVP's priorities are in support of the County's goal of "To enhance and improve County services to assure an adequate safety net and quality of life for all County residents"; and

WHEREAS, the County's Strategic Initiative under its Health and Human Services Policy Area, "To improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities", directly supports the community's vision for the Alisal; and

WHEREAS, the County owns two parcels, approximately 8.5 acres in total, at the intersection of N. Sanborn Road and Circle Drive, adjacent to the Division Avenue Opportunity Site; and

WHEREAS, the County is currently building an 18,000 square foot integrated health facility at 331 N. Sanborn Road, a one-acre county owned parcel, to bring mental health and primary care services to children, youth, and their families; and

WHEREAS, the County owns and operates a Youth Center facility at 970 Circle Drive, located on two parcels totaling eight (8) acres as identified and shown on Exhibit B; and

WHEREAS, County desires to expand availability of health, mental health, and social services at the eight (8) acre parcel when available, in response to the community's vision for the Alisal; and

WHEREAS, in April 2022, the Monterey County Board of Supervisors directed staff to move forward with a feasibility study through an outside consultant at the cost of \$70,000 to consolidate the Youth Center with the new Juvenile Hall; and

WHEREAS, in August 2021, the Parties established a joint ad hoc committee ("Committee") focused on the development and implementation of City and County agreements such as the Greater Salinas Area Memorandum of Understanding ("GSA-MOU") and the Downtown Government Center Memorandum of Understanding ("Downtown MOU"); and

WHEREAS, in March 2022, the Committee expressed interest in the Alisal as an area of opportunity for coordinated planning; and

WHEREAS, in April 2022 the Committee toured the Division Avenue Opportunity Site and provided direction to staff to prepare an MOU focused on planning and coordination efforts in the Alisal and Alisal Vibrancy Plan implementation; and

WHEREAS, Section 15061 (b) (3) of the CEQA Guidelines states that when it can be seen with certainty that there is no possibility that the activity in question, in this case the adoption of an MOU, may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, this MOU only outlines the City’s and County’s intent for planning, policy and service coordination for the implementation of the Alisal Vibrancy Plan including conducting due diligence, feasibility and planning activities for the Division Avenue Opportunity Site, all of which can be seen with certainty to have no possible significant effect on the environment; and

WHEREAS, if recommended policies or actions progress to a “project” level further CEQA analysis will be required to address potential environmental impacts of a proposed project.

WHEREAS, the following Exhibits A-F are attached and incorporated by this reference,

Exhibit A: Schedule of Performance – Planning Activities

Exhibit B: City/County Owned or Leased Property – Division Avenue Opportunity Site

Exhibit C: Division Avenue Opportunity Site Concept

Exhibit D: Proposed Trail Network

Exhibit E: Expansion of Services – Alisal Integrated Health Center

Exhibit F: Funding and Reimbursement Terms

NOW, THEREFORE,

AGREEMENT

The Parties mutually agree to undertake the actions specified in this MOU to support the implementation of policies and actions recommended in the Alisal Vibrancy Plan and in support of the County Board of Supervisor’s Strategic Initiatives. The Parties further agree the recitals set forth above are true and correct.

I. Division Avenue Opportunity Site Planning Activities

Parties agree to work collaboratively to undertake feasibility and planning activities (“Planning Activities”) for the phased redevelopment of the Division Avenue Opportunity Site consistent with the AVP concept and Strategic Initiatives. The City will lead Planning Activities for design and development of City owned parcels identified as “Phase I” and the County will be lead for design and development of County owned parcels identified as “Phase II” as shown on Exhibit B – City/County Owned or Leased Property – Division Avenue Opportunity Site. Parties agree to coordinate master planning efforts to ensure maximum production of affordable housing, associated amenities and government and community services.

During Planning Activities, the Parties agree to:

1. Dedicate personnel and resources
 - a. Designate staff (the “Project Managers”) to coordinate Planning Activities as set forth in Exhibit A – Schedule of Performance – Planning Activities (Exhibit A);

- b. Meet regularly, no less than monthly or more frequently as necessary to coordinate the timely completion of Planning Activities
2. Coordinate and collaborate on the efficient completion of Planning Activities
 - a. Jointly develop project goals, objectives, and actions;
 - b. Share Planning Activities progress and reports;
 - c. Share relevant property and environmental records, reports, and studies as they become available;
 - d. Work collaboratively to review development proposals and scopes of work for a Master Plan Concept for Phase I and Phase II;
 - e. Ensure that any joint vendor procurement activities and/or RFPs are conducted and reviewed collaboratively, fairly, and transparently, including joint input; and
 - f. Bring forward any approval documents related to Planning Activities to its respective governing body for consideration.
3. Contribute fifty percent (50%) each of the costs of Master Plan Concept development as outlined in Exhibit A, and as authorized for the Division Avenue Opportunity Site, as outlined in Exhibit F – Funding and Reimbursement Terms (Exhibit F). Exhibit F may be updated and total funding increased if subsequent funding is authorized without the need for revision to this MOU and upon mutual agreement of the Parties. The City Manager and the County Administrative Officer are specifically authorized to administratively revise Exhibit F as necessary and mutually agreed upon to address new or changed circumstances or make other revisions to implement the understandings of this MOU;
4. Individually fund staff time for the roles and responsibilities outlined in this MOU and Exhibit A – Schedule of Performance; and
5. Identify, pursue and administer funding in support of Planning Activities.

The City of Salinas agrees to lead and coordinate Phase I Planning Activities including, but not limited to:

- a. Devote and fund personnel and other resources, to coordinate and lead Planning Activities for Phase I, in collaboration with community partners, subject to available funding.
- b. Submit invoices to the County for reimbursement of accrued Planning Activity expenditures according to City processes and as described in Exhibit F.
- c. Undertake site due diligence and complete any additional technical studies required to prepare the city-owned Division Avenue Opportunity Site parcels for development.
- d. Select and enter into an Exclusive Negotiation Rights Agreement with a developer team to design, build, and manage the development of a project that implements the vision articulated by the community.
- e. Engage adjacent property owners to maximize development opportunity and, if appropriate, develop and enter into a Memorandum of Understanding with adjacent property owners.

- f. Develop and lead a Phase I community engagement strategy with concurrence from the County.

Concurrently with Phase I Planning Activity, the County of Monterey agrees to lead and coordinate Phase II Planning Activities including, but not limited to:

- a. Devote and fund personnel and other resources to coordinate and lead Planning Activities for Phase II, in collaboration with the County departments and other community partners, subject to available funding.
- b. Reimburse the City upon receipt of an invoice according to County processes and as described in Exhibit F.
- c. Provide other support to City necessary for the efficient completion of Planning Activities. Such support may include, but not be limited to, scope of work development, consultant selection, review of prepared documents, provision of documents and information in the County's possession, management of third-party contracts, processing of any necessary entitlements and permits, and other such support including participating in community engagement activities, as may be mutually agreed upon.
- d. Coordinate County department capital project needs in the Alisal community.
- e. Develop and lead a Phase II community engagement strategy with concurrence from the City.
- f. Add project needs to the Five-Year Plan (CIP) to illustrate priorities and potential funding needs for the Board of Supervisors consideration.

II. Mobility and Connectivity

The Parties agree to work collaboratively to improve and expand a pedestrian and bicycle network that provides for attractive, safe, and convenient pedestrian crossings, linkages, trails, and green/open spaces between and among government service facilities, city parks, and primary commercial corridors in accordance with the Alisal Vibrancy Plan as shown on Exhibit D – Proposed Trail Network (Exhibit D). Planning and coordination activities include, but are not limited to

- evaluating primary points of access/existing connections,
- seeking funding to improve existing trails/paths,
- identifying opportunities to expand connectivity and complete missing links,
- placement of safe crossings,
- standardizing lighting and directional signage, and
- development of joint maintenance agreements.

III. Coordination of Resources and Expansion of Services

Increased access to and expansion of health and mental health services is a stated priority of the AVP. The Parties agree to coordinate and collaborate on opportunities to improve access to and increase the availability of mental health, physical health, and social services resources and activities. This includes, but is not limited to, coordinating, and facilitating the implementation of AVP recommendations to increase the number of locations, expand hour hours, and improve ease

of access and the provision of bilingual and bicultural services. Coordination activities may also include dedicating and leveraging of resources to further public health through, public art, farmers markets, and coordination of resources to respond to emergency situations.

IV. Other Provisions

1. The Parties agree to explore partnerships and to co-leverage funding wherever the potential exists, to fund planning activities, capital improvements and expansion of services deemed to be mutually beneficial to the implementation of the AVP and Strategic Initiatives. These may include, but are not limited to, various forms of financing and State and federal program and funding resources.
2. The Parties intend that this MOU and any subordinate documents do not constitute an entitlement for development, such development being the subject of other actions by public entities or of permits to be sought at later times. It is also the intent of the Parties that this MOU does not constitute a “project” for purposes of the California Environmental Quality Act (“CEQA”), and that any future development as may be described herein be subject to all requirements of law, including CEQA. Execution of the MOU constitutes a good faith agreement to work toward the mutual policy objectives as outlined herein, reserving for the future any specific project approvals or plans. Any specific project approvals shall become effective if and only after such applications have been considered by the City and/or County in their sole discretion following the conduct of all legally required procedures, including without limitation, all required environmental review processes and all other applicable governmental approvals.
3. The Parties agree to commence and use their best efforts to complete the actions within the projected timeframes set forth in the Schedule of Performance attached to this MOU as Exhibit A.
4. Right of Entry. The Parties and their representatives shall have full rights to enter upon the other Party’s property (the “Property”) to conduct inspections and investigations in accordance with this MOU. In connection with such entry and investigation, the Parties and their representatives shall:
 - a. For undeveloped parcels, provide 24-hour notice to the other Party prior to entry;
 - b. For occupied facilities, the other Party must coordinate visit as to not disrupt operations and/or security requirements;
 - c. Repair and restore any damage it may cause;
 - d. Indemnify, defend and hold the other Party, its decision making body (Board of Supervisors or City Council) and its officers, employees and agents harmless from any and all claims, liabilities, damages, losses, expenses, costs and fees (including attorneys’ fees and costs), with the exception of any injury or death to City or County staff or their consultants which may proximately arise out of the Parties’ or their consultants’ entry upon the Property or the investigation(s) and test(s) which the Parties may conduct, arising out of the negligent or intentional acts of

the Parties or dangerous conditions on the Property for which the property owner should know or have known to exist, provided, however, that this indemnity shall not apply to matters arising from the results of the Party conducting investigations, tests and inspections (e.g., this indemnity shall not apply to any diminution in value or remediation costs incurred by the property owner if the other Party's investigations were to discover an environmental condition that required remediation); and

- e. Maintain insurance or a self-insured program with the following limits: \$1 million general liability, and workers compensation insurance as statutorily required.

V. General Provisions

1. This MOU is effective from November 15, 2022, and shall remain in force until September 30, 2027, unless extended or sooner terminated by mutual consent of the Parties. The period of performance may be extended or shortened by written agreement of the Parties. The City Manager and the County Administrative Officer are specifically authorized to extend the period of performance of this MOU for up to one year. The City Council and Board of Supervisors shall approve any extension in the period of performance which exceeds one year.
2. Either Party hereto may terminate this MOU at any time by giving thirty (30) days written notice to the other Party. Upon termination, each Party shall remain responsible for reimbursement for Planning Activities as provided earlier in this document up through the effective date of termination. Documents prepared and information collected as a part of the Planning Activities shall remain the joint property of the City and County, and neither Party shall utilize said documents or information for any purpose without the express written permission of the other Party.
3. This MOU shall be reviewed by the City Council and the Board of Supervisors in October of each year following the effective date of this MOU. As part of the annual review, a written report shall be prepared by the City Manager and County Administrative Officer, or their designees, documenting the progress of this MOU. The annual review shall include a status update to the Schedule of Performance showing the completion and funding status of each action and any revisions from the previous year's report. The annual report shall be made available to Alisal community stakeholders for review and comment before the consideration of the report by either the City Council or Board of Supervisors.
4. The Schedule of Performance may be revised upon the written consent and agreement of both Parties. The City Manager and the County Administrative Officer are specifically authorized to administratively revise the Schedule of Performance as necessary to address new or changed circumstances, add, delete, or modify actions or completion dates, or make other revisions as necessary to implement the understandings of this MOU. The City Manager and County Administrative Officer shall have the right to refer any proposed revision of the Schedule of Performance to the City Council and Board of Supervisors for their consideration. The City Manager and County Administrative Officer shall inform the City Council and Board of Supervisors of any changes in the Schedule of Performance – Planning Activities (Exhibit A).

5. This MOU constitutes the entire agreement and understanding between the Parties, and supersedes any prior or contemporaneous agreement, or understandings, if any, with regard to the purposes of this MOU. Except as may be specifically identified within this MOU, any changes or modifications shall be accomplished by a written amendment to this MOU executed by the duly authorized representatives of the Parties.
6. In the event of a dispute arising out of the performance of this MOU, either Party may send a written notice of dispute to the other Party. Within fifteen working days of receipt of such notice, the notified Party shall respond and agree to a meeting for the purpose of negotiating a settlement or procedure for settlement of the dispute.
7. Except as provided under “Right of Entry” in Section 1 above, the Parties shall defend, indemnify and hold each other and their respective officers, employees, and agents harmless from and against any and all liability, loss, expense, including reasonable attorney’s fees, or claims for injury or damages arising out of the performance of this MOU, but only in proportion to and to the extent such liability, loss, expense, attorney’s fees, or claims for injury or damages are caused by or result from the negligent acts or omissions or willful misconduct of their respective officers, agents, or employees.
8. Any notice to be given to the parties hereunder shall be addressed as follows (until notice of a different address is given to the Parties):

COUNTY OF MONTEREY

County Administrative Officer
168 W. Alisal St.
Salinas, CA 93901-2439

Copy: Office of the County Counsel
Public Works, Facilities and Parks
Housing and Community Development
Health Department
Department of Social Services

CITY OF SALINAS

City Manager
200 Lincoln Avenue
Salinas, CA 93901

Copy: City Attorney
Community Development Department
Public Works Department

SIGNATURES CONTINUED ON NEXT PAGE

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IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as set forth below:

County of Monterey

Mary Adams
Chair

Date

Approved as to Form:
Office of the County Counsel
Leslie J. Girard, County Counsel

Mary Grace Perry
Deputy County Counsel

Date

City of Salinas

Kimbley Craig
Mayor

Date

Approved as to Form

Christopher A. Callihan
City Attorney

Date

LIST OF EXHIBITS

Exhibit A: Schedule of Performance

Exhibit B: City/County Owned or Leased Property – Division Avenue Opportunity Site

Exhibit C: Division Avenue Opportunity Site Concept

Exhibit D: Mobility and Connectivity Trail Network (update Soccer Complex figure)

Exhibit E: Expansion of Services – Alisal Integrated Health Center

Exhibit F: Funding and Reimbursement Terms

EXHIBIT A

SCHEDULE OF PERFORMANCE – Planning Activities

The Parties endeavor to comply with the following schedule and milestones in relation to Planning Activities related to implementation of this MOU.

Action Item	Lead Party	Completion Date
Development of community engagement and participation strategy for all stages of Planning Activities	City/County	On-going
Discussion and coordination with adjacent property owner and developer team to explore partnership and proposed development concept	City	Fall/Winter 2022
Preparation of Exclusive Negotiation Rights Agreement with development team for Phase I.	City	Fall/Winter 2022
Assembly of existing technical studies and site analysis	City	Fall/Winter 2022
Identification of Phase I/II predevelopment activities	City/County	Fall/Winter 2022
Develop scope of work and issue Request for Proposals seeking consultant team to develop a Phase I and II master plan concept to include site preparation analysis addressing access, connectivity and infrastructure.	City/County	Fall 2022/Winter 2023
Identify any additional technical studies and/or fiscal analysis required for CEQA or project financing for Phase I.	City	Winter 2023
Coordinate County department capital project needs in the Alisal community.	County	Winter/Spring 2023
Youth Facility Consolidation study	County	Spring 2023

Action Item	Lead Party	Completion Date
Five-Year Plan (CIP) to identify Capital priorities and potential funding needs for the Board of Supervisors consideration.	County	Spring 2023
Determination of final project description and commencement of CEQA review.	City	Summer 2023
Preparation and certification of documentation necessary for CEQA compliance	City	Summer 2023 – Spring 2024
Completion of the Alisal Integrated Health Clinic at 331 N. Sanborn	County	Fall 2023
Preparation Land Disposition Agreement for Site development.	City	Winter 2023/Spring 2024
Process Phase I entitlement and permit applications.	City	Winter 2023/Spring 2024

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EXHIBIT B

CITY/COUNTY-OWNED OR LEASED PROPERTY WITHIN THE GREATER DIVISION AVENUE OPPORTUNITY SITE AREA

The table below describes potential real property owned or leased (controlled) by the City and County that are within the Greater Division Avenue Opportunity Site Area Alisal defined by the planning area boundary of the Alisal Vibrancy Plan.

City/ County Controlled	Description/ Square footage	Address	APN	Current Use
City	19,855.67 (.46 acres)	115 Division Avenue	004091026000	undeveloped
City	16,356.15 (.38 acres)	123 Division Avenue	004091027000	undeveloped
City	14,703.33 (.34 acres)	137 Division Avenue	004091028000	undeveloped
City	16,999.35 (.39 acres)	145 Division Avenue	004091029000	undeveloped
City	3,200.77 (.69 acres)	151 Division Avenue	00409103000	undeveloped
City	16,834.88 (.39 acres)	923 E. Market Street	004091025000	undeveloped
City	1,895.78 (.04 acres)	Division Avenue	004091038000	undeveloped
County	(5.33 acres) (2.68 acres)	970 Circle Drive	004601055000 004601056000	County Youth Center Facility
County	(1.3 acres)	331 N. Sanborn Road	004601015000	County Health Department Alisal Integrated Health Center



EXHIBIT C OPPORTUNITY SITE CONCEPT



Division Avenue Concept: Residential, office, and open space

LAND USE	NUMBER OF UNITS OR APPROXIMATE SQUARE FEET	DESCRIPTION
RESIDENTIAL USES 2-STORY TOWNHOUSES	Total Units: 42 76,000 SF	<ul style="list-style-type: none"> • 20 Two-bedroom units • 22 three-bedroom units • Parking is tuck-under
COMMERCIAL USES/OFFICE	9,000 SF	Corridor uses that strengthens the street wall while maintaining neighborhood scale.
PUBLIC PARK/OPEN SPACE USES	27,000 SF	<ul style="list-style-type: none"> • Public park along E. Market St. • Multi-use path provides a connection to Cesar Chavez community park.
COMMUNITY PLAZA	4,000 SF	Gathering space and amenity
DETENTION/DRAINAGE AREA	43,000 SF	Existing detention/drainage areas are preserved.

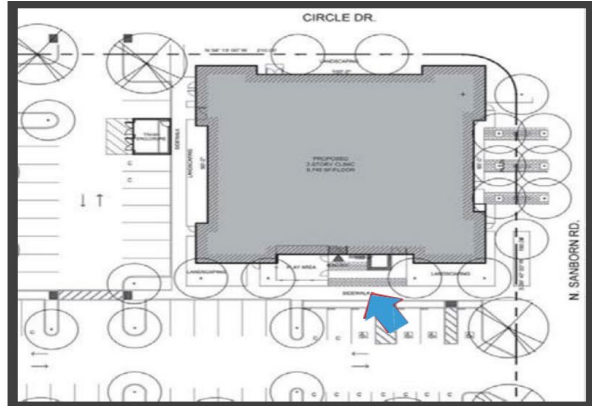
EXHIBIT D

MOBILITY AND CONNECTIVITY TRAIL NETWORK

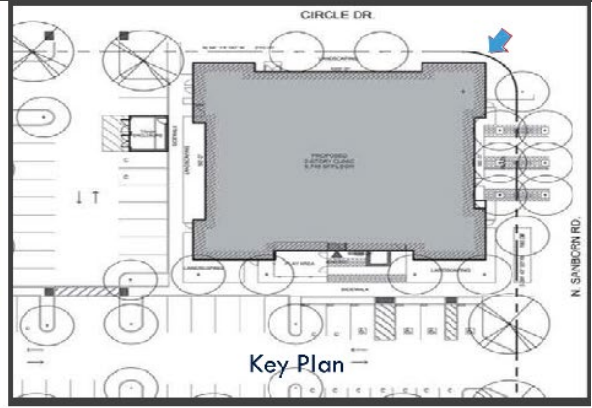


EXHIBIT E

EXPANDED SERVICES - ALISAL INTEGRATED HEALTH CENTER



Main Entrance



Key Plan

Street View
Sanborn & Circle Drive

EXHIBIT F

FUNDING AND REIMBURSEMENT TERMS

DUTIES AND RESPONSIBILITIES

Financial Contribution to Master Planning Activity Costs

The Parties agree to contribute equally toward the costs associated with Planning Activities of the Greater Division Area, as outlined in Exhibit A, for a total not to exceed amount of \$100,000 (\$50,000 each). Each party is responsible for contributing and funding staff time related to this agreement, which is in addition to the \$100,000. City shall recommend a funding source for City Council consideration and approval. County shall recommend a funding source for the Board of Supervisors consideration and approval.

It is recognized that periodically the County or City may authorize additional funds for the project, and it is the intent of the parties that this Exhibit F be updated administratively to reflect updated funding as periodically approved by the Board and/or Council. Parties may agree to each equally increase the funds available for costs associated with the Planning Activities as approved by the Board and/or Council as applicable.

Project Status and Financial Accounting Reports

Not less than quarterly, the Parties agree to provide the other with a project status report for activities conducted and financial accounting of expenditures to include a running total of expenditures to date and forecast of anticipated expenditures for Planning Activity costs for the Parking Facility. The Parties' respective financial accounting shall include a summary of all expenditures on Planning Activities. Expenditure summary is to include, but not limited to, a breakdown of time, individual completing the work, hourly rates, expenses, and any further information necessary.

Payment Provisions

Parties warrant that the costs charged for services under the terms of this MOU are not in excess of those charged to any other party for the same services by the same individuals.

Reimbursement of City Expenditures

City will submit invoices to the County for reimbursement of accrued expenditures for Planning Activity costs incurred by the City. All consultant invoices shall include a detailed breakdown of the time worked on each task, the individual completing the work, the hourly rates, and expenses, receipts for all materials and supplies, and any further information necessary to substantiate expenditures. County shall reimburse the City for one-half of City's actual costs. For contracts managed by City, County shall, in addition to reimbursing actual costs, reimburse the City for its administrative overhead at a rate equal to one-half of its generally applicable administrative overhead rate, not to exceed fifteen percent (15%).

Invoices shall be submitted electronically to the County Public Works, Facilities and Parks Department via email to 3200-PWFP-Finance-AP@co.monterey.ca.us, with a copy to Lindsay Lerable (LerableL@co.monterey.ca.us) and Dave Pratt (PrattDW@co.monterey.ca.us). County shall pay the City an amount not to exceed \$50,000 for Planning Activity costs incurred by the City. County will provide reimbursement in accordance with the County's processes upon receipt of an invoice from the City.

Reimbursement of County Expenditures

County will submit invoices to the City for reimbursement of accrued expenditures for Planning Activity costs incurred by the County. All consultant invoices shall include a detailed breakdown of the time worked on each task, the individual completing the work, the hourly rates, and expenses, receipts for all materials and supplies, and any further information necessary to substantiate expenditures. City shall reimburse the County for one-half of County's actual costs. For contracts managed by County, City shall, in addition to reimbursing actual costs, reimburse the County for its administrative overhead at a rate equal to one-half of its generally applicable administrative overhead rate, not to exceed fifteen percent (15%).

Invoices shall be submitted electronically to the City Economic Development Division via email to Michael Gomez at michaelgo@ci.salinas.ca.us. City shall pay the County an amount not to exceed \$50,000 for Planning Activity costs incurred by the County. City will provide reimbursement in accordance with the City's processes upon receipt of an invoice from the County.