



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: 15-0475

Consent

May 19, 2015

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a. Authorize and direct the Resource Management Agency Director to sign the County owned property petition supporting the creation of a downtown City of Salinas Community Benefit District if a majority of property owners, excluding County and City held lands, support the petition.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Authorize and direct the Resource Management Agency Director to sign the County owned property petition supporting the creation of a downtown City of Salinas Community Benefit District if a majority of property owners, excluding County and City held lands, support the petition.

SUMMARY/DISCUSSION:

During the summer of 2014, a new group of property owners in Downtown Salinas was created to gauge property-owner support for the concept of a new special-benefits district for the Downtown Salinas business community. In support of this effort, the City of Salinas hired New City America, a firm which specializes in special benefit district formation and management, to work with the property owners to investigate the viability of a benefits district in Downtown.

Through their Redevelopment Agency, the City of Salinas (City) has assisted the downtown area with redevelopment funding through the Central City Redevelopment Project. With the dissolution of redevelopment agencies, the City can no longer provide the same level of enhanced services to the downtown. To continue funding for these services, the City is pursuing creation of a Community Benefits District (CBD) in the downtown area. County staff participated with drafting the proposed District boundaries (outlined on the map at the end of the attached Downtown Salinas Community Benefit District Newsletter). The City and Monterey County are the largest property owners in the proposed CBD area with 23 percent and 9 percent of the total area, respectively. County lands within the District boundary include:

- Government Center campus (168 W. Alisal and 230 Church Street)
- Parking Lot (142 W. Alisal Street/Capitol Street)
- Probation facility (21 E. Alisal Street)

The Community Benefit District Steering Committee has proposed three "benefit zones". These zones were determined based on the anticipated services to be provided in those areas. Benefit Zone 1 would include properties that border or touch Main Street. Zone 2 would include all commercial/retail and private parcels not included in Benefit Zone 1 including

apartments, City and County. Zone 3 would include all new residential condominiums (currently non-existent in the Downtown).

The CBD assessment methodology proposed by the Steering Committee is to assess properties based on the zone they are in and by parcel linear frontage to the street as well as lot square footage and improvements (building square footage). Based on these criteria, the Steering Committee has adopted the following methodology:

1. Parcel linear frontage assessments to fund approximately 50% of the sidewalk operations and beautification including sidewalk cleaning and maintenance, trash and graffiti removal, and tree and vegetation maintenance. This work will be done in all zones and will account for approximately 60% of the CBD's annual budget.
2. Parcel Lot Square Footage or lot size assessments would fund approximately 50% of total sidewalk operations and beautification, administration of the district (approximately 15% of the CBD's annual budget), contingency funding for fees and reserves (approximately 5% of annual budget).
3. Building Square footage assessments would fund district branding including marketing and events, beautification, public space development and improvements, signage (new Downtown landmark sign), and social media and web site public relations efforts. Tax exempt buildings in Benefit Zone 2 would not pay assessments to fund District Identity special benefit services.

Properties in Benefit Zone 1 will have a higher assessment rate as that area will have greater benefit from the district identity programs and services. A full description of anticipated services is included in the attached Downtown Salinas Community Benefit District Newsletter.

The projected annual budget of the CBD is \$450,000 which includes both service costs and district administration. Approximately 60% or \$270,000 will be used for the sidewalk operations program; 22% or \$100,000 for district identity; 14% or \$16,000 for administration; and 4% or \$17,000 for contingencies and reserves. The County properties are in zone two, which will have a lower assessment. The estimated County assessment for the CBD in Fiscal Year 2015-16 is \$40,436. A matrix estimating the County's fee is attached (Attachment C).

While the County currently provides maintenance, landscaping and security services on our campus, the County will benefit from improved street maintenance and beautification adjacent to our property. The County will receive benefits commensurate with the assessments paid into the CBD and equal to the privately owned parcels.

The District creation election is expected to occur in June and July. That ballot, along with the final details on the proposed CBD, will be brought to the Board for consideration in July.

OTHER AGENCY INVOLVEMENT:

County staff is working with staff from the City of Salinas and the Community Benefit District Steering Committee.

FINANCING:

There is no direct fiscal impact associated with supporting the petition. However, if the Community Benefit District is created, the County will be assessed \$40,436 in the first year (FY 2015-16) with a potential annual increase of 0 to 5 percent to be determined by the CBD governing board. At this time, funding for FY 15-16 has not been identified. A non-profit (501 c3) organization will be established to manage the CBD. The governance board will be made up of property owners and could include City and/or County representatives.

Prepared by: John Guertin, Acting Deputy Director, Resource Management Agency

Approved by: Carl P. Holm, AICP, Acting Director, Resource Management Agency

The following attachments are on file with the Clerk of the Board: Attachment A-Downtown Salinas Community Benefit District Newsletter; Attachment B-Community Benefit District Petition; Attachment C-Fee Estimate