



Legislation Details (With Board Report)

File #: 15-0780 **Name:** Authorize and direct RMA Director to vote in favor of City of Salinas CBD

Type: General Agenda Item **Status:** Consent Agenda

File created: 7/7/2015 **In control:** Board of Supervisors

On agenda: 7/14/2015 **Final action:**

Title: Authorize and direct the Resource Management Agency Director or his designee to vote in favor of the formation of the Downtown City of Salinas Community Benefit District. (ADDED VIA ADDENDUM)

Sponsors: Resource Management Agency

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Attachment A-Downtown Salinas Community Benefit District Boundary Map, 3. Attachment B-Community Benefit District Ballot, 4. Completed Board Order

Date	Ver.	Action By	Action	Result
7/14/2015	1	Board of Supervisors		

Authorize and direct the Resource Management Agency Director or his designee to vote in favor of the formation of the Downtown City of Salinas Community Benefit District. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize and direct the Resource Management Agency Director or his designee to vote in favor of the formation of the Downtown City of Salinas Community Benefit District.

SUMMARY/DISCUSSION:

During the summer of 2014, the City of Salinas began working with a group of property owners in Downtown Salinas to gauge property-owner support for the concept of a Community Benefit District (District) for the downtown 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 benefit district in Downtown. On May 19, 2015, the Board directed the Resource Management Agency Director to sign a petition supporting the creation of the District.

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 proposed District boundaries. The City and 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 Street and 230 Church Street)
- Parking Lot (142 W. Alisal Street/Capitol Street)
- Probation facility (20 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 2, which will have a lower assessment. The estimated County assessment for the CBD in Fiscal Year 2015-16 is \$40,436.

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.

Creation of the District involves a number of steps, starting with initial outreach to property owners, followed by a petition of interest process, and finally a property owner vote and City Council action. Sufficient property owner support was received through the petition to initiate a vote of property owners on the creation of the District. The voting period ends July 21, 2015. The District will be formed if a weighted majority of all the returned ballots supports formation of the District and if the City Council adopts a resolution of formation to levy the assessment on the parcels in the District.

OTHER AGENCY INVOLVEMENT:

County staff worked with staff from the City of Salinas and the Community Benefit District Steering

Committee. The County Administrative Office has reviewed and concurs with the recommendation.

FINANCING:

If the Community Benefit District is created, the County will be assessed \$40,436.22 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. 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. If the District is approved this special assessment tax will be budgeted and paid by the Auditor's Office along with other current special taxes payments. Because this assessment was not considered as part of the current FY 2015-16 Adopted Budget, staff may need to return to the Board at a later time to modify the budget.

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

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

Attachments: Attachment A-Downtown Salinas Community Benefit District Boundary Map; Attachment B-Community Benefit District Ballot (Attachments on file with the Clerk of the Board)