



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

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Receive a 2017 Annual Review on the implementation of the Memorandum of Understanding with the City of Salinas regarding mutual planning and implementation of government services and facilities in downtown Salinas.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Receive a 2017 Annual Review on the implementation of the Memorandum of Understanding with the City of Salinas regarding mutual planning and implementation of government services and facilities in downtown Salinas.

SUMMARY:

In 2012, the County and the City of Salinas (City) entered into a Memorandum of Understanding (MOU) to provide a means by which the two agencies would work together to provide necessary resources to develop a comprehensive planning and implementation program for a multi-agency campus-style government center located in and around downtown Salinas. Such collaboration was vital given each agency owns and/or occupies a significant share of downtown properties. This concentration of government offices in the downtown is beneficial for the efficient and effective provision of many government services/functions and is a key component of the economic health and well-being of the downtown Salinas. The MOU requires that an annual review, including an update on the Schedule of Performance (Exhibit "A" to the MOU) be conducted by November 30th of each year.

DISCUSSION:

On May 8, 2012, the Board of Supervisors approved the MOU and authorized the Chair to execute a Memorandum of Understanding (MOU) with the City to set forth mutual understandings and actions regarding a government center planning and implementation strategy. See Attachment 1.

The original term or "period of performance" of the Downtown Government Center MOU was three years, with an expiration date of May 8, 2015. On April 28, 2015, the County Board of Supervisors (BOS) and the City Council approved an amendment to extend the term of the MOU to October 31, 2015 to allow additional time for County and City staff to update the document. The MOU formally expired on October 31, 2015. The BOS and Council approved a comprehensive update to the MOU on February 9, 2016.

Summary of Comprehensive Update of the Downtown Government Center MOU (2016)

The 2016 MOU reflects the current and future plans for County/City properties and facilities in downtown Salinas. Several provisions were incorporated into the MOU to provide greater oversight, promote public engagement and facilitate the implementation of specified action items. Key provisions include but are not limited to:

1. Downtown Vibrancy Plan (DVP) - In 2015, the Salinas Downtown Vibrancy Plan was accepted by the City Council and the BOS as a strategic planning document to guide the revitalization of downtown Salinas including the government center. Given this fact, the MOU includes several provisions addressing the numerous strategies and actions that will need to be implemented as part of the DVP are included in the MOU.
2. Schedule of Performance - A Schedule of Performance was included (Exhibit “A” of the MOU) which specifies each action item in the MOU and identifies the responsible party for implementation, the estimated completion date and the funding status of each action item. The schedule is intended to serve to keep action items on track and to apprise the Council and the BOS of upcoming funding and resource needs. The Schedule of Performance may be amended administratively by the County Administrative Officer and City Manager to address changing circumstances and/or add new action items as deemed appropriate. County and City staff meet regularly to review progress and specifically to update the matrix.
3. Annual Review - The MOU included a requirement for annual review by the Council and BOS to promote oversight and public engagement. As part of the annual review, a written report is to be prepared by each agency documenting the progress of the MOU to date. The report is to include an updated Schedule of Performance showing the status (including funding) of each action including any revisions proposed from the previous year. The timing of the review is slated for November of each year to allow each agency the opportunity to allocate resources in the mid-year budgets as may be needed to keep the completion of action items moving forward. A provision was also added to ensure the public (including the Chamber) has ample time to review and comment on the report prior to the BOS and Council’s consideration of the document. On October 27, 2017, a draft staff report and annual Schedule of Performance review matrix was provided to the Salinas Valley Chamber of Commerce, Salinas City Center Improvement Association and Services and Programs Assisting Residents in our Communities (SPARC, Inc.) for review and comment. Staff is not aware of any comments being submitted.
4. Period of Performance - The term or the period of performance of the MOU was increased from three years to five years. This time frame is more reflective of the implementation timeframes established in the Downtown Vibrancy Plan. The current MOU term is until October 31, 2020. The MOU can be extended by the mutual consent of either party.

General Coordination

City and County staff have a standing meeting on the third Thursday of the month to discuss and coordinate future planning and activities related to government owned property and facility needs in downtown Salinas identified in the MOU. The following is a brief overview of the MOU accomplishments achieved since November 2016. An updated Exhibit “A” - Schedule of Performance is provided as an attachment to this report (See Attachment 2).

Implementation of Downtown Vibrancy Plan

The DVP recommends changes in general plan land use designation and rezoning actions for identified opportunities sites as well as traffic and circulation improvements. These changes would increase development

capacity in the downtown and could be sources of potentially significant environmental impacts. Therefore, the adoption of the DVP as an area plan would trigger California Environmental Quality Act (CEQA) review. The City is proceeding to implement DVP recommendations and actions that do not require CEQA review.

Rezoning of publicly owned surface parking lots (1.b). One of the key implementation recommendations of the DVP was to stimulate development activity by creating catalyst sites through the re-zoning of public surface parking lots to allow for desired uses such as residential or mixed-use development, and to focus on aligning the land use approval process to facilitate private investment in downtown development. This includes amending City land use designations and regulations to allow for and incentivize the recommended type(s) of housing development.

Economic and Planning Systems, Inc. completed a Housing Target Market Analysis (HTMA) for the Downtown in June 2017. The HTMA provides the City with an understanding of the housing target market, product demand, and absorption rates to assist the City and its partners and stakeholders to prioritize housing development efforts downtown. The analysis also includes review of existing policy and regulations to determine how to remove barriers to new development and how to facilitate adaptive reuse of the existing buildings.

The HTMA, received and accepted by the City Council in July 2017, provides actionable, strategic recommendations to advance viable development prototypes for specific development sites. Its focus is on ensuring that zoning, parking, densities, and other regulatory policies do not constrain development feasibility. Based on the recommendations of the HTMA, the City Council approved the removal of the bedroom mix requirement for residential development in the Central City Overlay (April 2017). While a development application at 401 Monterey Street triggered this action, staff and Council recognized that this zoning amendment removed barriers to residential development in the downtown by allowing the shifting market demands of entry-level homebuyers, millennials, and empty nesters to be the driver of housing product type mix. The HTMA also found that recent adaptive reuse projects, repurposing underutilized upper floor space as residential units, have been well received by the market. Prospects for well-conceived adaptive reuse are promising. In response to this market demand, a next step will be to draft and consider an Adaptive Reuse Ordinance for the Downtown to remove regulatory barriers, such as density and open space requirements by December 2017.

Another HTMA implementation recommendation is for the City to issue a Request for Qualifications/Proposals for key development sites and to process necessary land use/zoning changes associated with individual project (s) instead of a wholesale rezoning of surface parking lots identified in the DVP. The rezoning of all city-owned parking lots would increase development capacity in the downtown and could be sources of potentially significant environmental impacts triggering lengthy and costly CEQA review. A more comprehensive consideration of broader scale land use/zoning changes will be considered as part of the General Plan update process, which is planned to commence mid-2018.

Parking and facility needs and fiscal assessment of existing government facilities. (1.c.) The City 2016-2017 Budget appropriated \$350,000 to analyze the feasibility to establish an infrastructure district to pay for public works projects in support of the DVP, and to establish a parking district to include enforcement and a capital improvement plan. In September 2016, the City entered into a professional services agreement in the amount of \$127,330 with Kimley-Horn to complete a parking and facility needs for the entire Downtown area, including existing government facilities.

The City is working with Kimley-Horn to develop a Parking Management Plan (PMP), which will consolidate

all parking functions to better manage the City's parking program and infrastructure. For downtown, the Parking Management Plan will make recommendations for 1) location and timing for the development of a new parking garage, 2) pricing parking to encourage efficient use of available parking; and 3) the financing of City parking projects.

One of the first products of this effort is a Downtown Parking Memorandum prepared and presented in conjunction with the HTMA to address the increase in parking demand and the loss of parking supply resulting from the conversion of surface public parking lots to infill development sites. The Parking Memorandum provides some tools and strategies that can be offered as options to developers to increase the feasibility of providing downtown housing.

The City will be presenting various elements of the PMP to its Council in several presentations between October 2017 and April 2018 leading to a completed parking management strategy and partial implementation before the beginning of the 2018-19 fiscal year.

Provide for attractive, safe and convenient pedestrian linkages and green spaces. (1.e.) A conceptual Streetscape Master Plan for the 100, 200, and 300 Blocks of Main Street and the surrounding streets was presented to the City Council in October 2017. The Plan addresses safe and convenient pedestrian linkages from Government offices to the Downtown, W. Alisal "road diet design" and the provision of green spaces as part of the streetscape design. The County, as a stakeholder, has been included in design preparation and vetting process. The City has completed the DRAFT Main Street Master Plan, the basis for design of streetscape improvements that considers community and stakeholder feedback from meetings held in 2016 and another in September 2017. City staff will confirm the budget for construction of Main Street improvements this month. The Council appropriated \$310,000 for W. Alisal Improvements design and received \$2.3 million in state funding for construction. The design work for W Alisal Complete Streets project is 75% complete. Both the Main Street Improvements Project and the Alisal Complete Streets project are scheduled to be in the construction phase in fall 2018.

Coordination of City and County facilities

County staff has kept city staff informed as to the status of the East/West Wing building renovation, the future removal of District Attorney Modular Buildings, and the relocation of the Public Defender's Office into the County Administrative Building. In November 2016, the County completed Phase I renovations to the East/West Wing including hazardous material abatement, window replacement and interior demolition. Currently, the East/West Wing is now under a full renovation that will feature a new interior layout, new second floor bridge within the existing north peristyle porch, and fully renovated interior courtyard. Project completion is scheduled for summer 2018.

In June 2017, the Resource Management Agency (RMA) moved to 1441 Schilling Place. Tenant improvements are complete for the Public Defender's (PD) offices and the PD successfully relocate to the 2nd floor of the County Administration building in November 2017. The Public Defender's modular will be used for a temporary warming shelter through May 2018, while a permanent facility is identified. County will remove the former PD modular buildings in phases by the end of summer 2018. The property where the Public Defender modular is located is to be transferred from the City to the County as part of an agreement for the City to use County land for a Regional Soccer complex. Upon removal of that modular, the parking lot will be used for juror parking so that the County can eliminate use of the train station parking (separate agreement).

The District Attorney is planned to move into the East/West building late summer 2018. Modular buildings are

to be removed within 90-calendar days of the relocation of the District Attorney's offices. The corner where the District Attorney modular buildings are located was initially planned to return to open space. City/County consultation has led to a concept to plan for a shared parking structure at that corner that would serve the entire government center. The corner of Alisal and Capital would become open space with the visitor parking relocated off Gabilan.

Other Coordination efforts

The City/County monthly meetings also provide staff the opportunity to share information regarding Economic Development implementation, the Alisal Vibrancy Plan, the status of the West and Central Area Specific Plans, Affordable Housing MOU, and the Farmworker Housing Study and Action Plan.

CEQA Consideration

Monterey County has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Because the proposed action is an administrative activity of the County that will not result in direct or indirect physical changes in the environment pursuant to CEQA Guidelines section 15378(b)(5), this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

OTHER AGENCY INVOLVEMENT:

The City of Salinas is signatory to the MOU.

FINANCING:

There is neither direct nor indirect fiscal impacts to the General Fund associated with the acceptance of the Annual Review, nor as a result of staff's time to collaborate with the County on implementation of the MOU, as these efforts are already allocated in the RMA's FY 2017-18 adopted budget for review of inter-agency projects and issues.

The East/West Wing Renovation Project, relocation of the Public Defender's offices to the 2nd floor of the County Administrative Building, and the removal of District Attorney modular buildings, are fully funded. Funding for these projects is contained in Fund 404 - Facilities Master Plan Projects.

The City will seek County funding contribution anticipated for FY2018-2019 for the Alisal Capitol Traffic Signal. Staff is working with the City to identify the funding contribution needs, and will return to the Board with a funding request and strategy during the FY18-19 budget process.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The MOU facilitates the continuation of the County's and City's mutual planning and implementation related to the downtown government center which promotes the Board's 2015 Strategic Initiative for Administration by promoting an organization that practices efficient and effective resource management through on-going collaboration and coordination with the City.

The MOU also promotes the Board's 2015 SI for Infrastructure by enabling the County, in cooperation with the City, to plan and develop a sustainable, physical infrastructure that supports the quality of life for County residents and supports economic development results.

Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

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Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment 1 - Memorandum of Understanding between the County of Monterey and City of Salinas regarding the Mutual Planning and Implementation of Government Services and Facilities in Downtown Salinas (2016)

Attachment 2 - 2017 Annual Report Exhibit A Schedule of Performance Matrix