



County of Monterey

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

Board Report

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Receive an update on implementation of the City of Salinas/County of Monterey Memorandum of Understanding regarding mutual planning and implementation of government services and facilities in Downtown Salinas.

RECOMMENDATION:

It is recommended that the Board of Supervisors receive an update on implementation of the City of Salinas/County of Monterey Memorandum of Understanding regarding mutual planning and implementation of government services and facilities in Downtown Salinas.

SUMMARY:

On May 8, 2012, the Board of Supervisors approved and signed an MOU (Agreement A-12212) with the City of Salinas wherein the two agencies agreed to collaborate on planning for a multi-agency campus style government center located in downtown Salinas. Each agency owns and/or occupies a significant share of downtown properties, and the County and City each recognized that the concentration of government offices in the downtown is beneficial for the efficient and effective provision of many government services and functions. In addition, it is agreed that a well-planned government center could be beneficial to the economic health and well-being of downtown Salinas. With this in mind, the City and County drafted the MOU to work together to provide resources necessary to develop a comprehensive planning and implementation program for a Government Center.

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 29, 2015, the City Council and the Board of Supervisors (BOS) approved an amendment to extend the term of the MOU to October 31, 2015 to allow additional time for City and County staff to update the document. The MOU formally expired on October 31, 2015. A comprehensive update to the MOU was approved by Council and BOS on February 9, 2016 (Attachment A).

DISCUSSION:

A matrix attached to the updated MOU identifies current and future plans for County/City properties and facilities in downtown Salinas. The following is a summary of the progress to date on the specified action items listed in that matrix.

Downtown Government Center MOU Update

General Coordination:

Since February 2016, City and County staff met on the third Thursday of each month, with the exception of a brief hiatus due to conflicts such as the Soberanes/Chimney Fires, 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 accomplishments that were achieved since February 2016 under the Downtown Government Center MOU: A status update on implementation in 2016 of the measures listed in Exhibit A of the MOU is provided as an attachment to this report (Attachment B).

Implementation of Downtown Vibrancy Plan (DVP)

The City is proceeding to implement Downtown Vibrancy Plan (DVP) recommendations and actions that do not require CEQA review.

- *Rezoning of publicly owned surface parking lots.* 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 investments in downtown development. This includes amending City land use designations and regulations to allow for and incentivize the recommended type(s) of housing development.

In June 2016, the City entered into a professional services agreement in an amount of \$54,010 with Economic Planning Systems (EPS) to prepare a Housing Target Market Analysis (HTMA) for the Downtown. An understanding of the housing target market, product demand, and absorption rates will allow the City and its partners and stakeholders to prioritize housing development efforts Downtown. The analysis also includes review of existing regulations to determine how to facilitate adaptive reuse of the existing buildings. HTMA findings and recommended strategies will inform how the City proceeds with processing land use/zoning amendments. The City may issue a Request for Proposals for key development sites and process necessary zoning changes to incentivize and advance market rate housing in the downtown instead of a wholesale rezoning of surface parking lots identified in the DVP. A more comprehensive consideration of broader scale land use/zoning changes would be considered as part of the City's General Plan update process, which is planned to commence in 2017.

City staff is currently reviewing EPS' draft HTMA which includes recommended product type with static pro-formas to determine downtown residential development demand and financial viability. Final findings, policy and regulation recommendations, and proposed strategy are pending the parking and facility needs analysis currently being conducted by Kimley-Horn. The parking study will provide quantitative data to compliment EPS' qualitative assessment of parking as it relates to future residential development. The City anticipates having the downtown HTMA finalized in late 2016, early 2017.

- *Parking and facility needs and fiscal assessment of existing government facilities.* In September 2016, the City entered into a professional services agreement with Kimley-Horn to complete a parking and facility needs for the entire Downtown area, including existing government facilities. In addition, in FY 2017-2018 RMA anticipates recommending to the Board that the County prepare an EIR for disposition of the old jail that includes assessment of parking facilities at Gabilan/Church Streets.
- *Provide for attractive, safe and convenient pedestrian linkages and green spaces.* A draft Streetscape Master Plan for the 100, 200, and 300 Blocks of Main Street and the surrounding streets will be presented to the City Council in December 2016. 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 appropriated \$229,000 for the Main Street Streetscape design, of which approximately \$116,000 has been spent. The Council appropriated \$310,000 for W. Alisal Improvements design and received \$2.3 million in state funding for construction. Design and roadway improvement recommendations will be presented in December to the City Council.

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 removal of the Modular Buildings, and the planned relocation of the Public Defender's Office into the County

Administrative Building. The County has completed hazardous material abatement and interior demolition of the East/West Wing and has started window replacement that is scheduled to be completed in December 2016. The modular buildings are scheduled to be removed after the East/West Wing renovations are completed. Estimated completion of the East/West Wing is late 2018, early 2019. The Public Defender's offices are planned to relocate to the 2nd floor of the County Administration building after Resource Management Agency (RMA) moves to the new Schilling Facility in April 2017.

Other Coordination Efforts

The City/County monthly meetings 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. Two accomplishments since February 2016 include:

- *Property Exchange Agreement for 312 E. Alisal Street and 331 N. Sanborn Road.* Both the City Council and the Board of Supervisors approved the property exchange agreement in March 2016. Since March, city staff has completed the relocation of the telecom facilities from the Sanborn site and are preparing requests for proposal for demolition of the site. Job orders for Class B work are out to bid and are due in December. Staff anticipates a contract award in January 2017 with work commencing in February/March 2017.
- *Code Enforcement Coordination Efforts.* The City Code Enforcement Division continues to develop a great working relationship with Monterey County Health Department and has utilized their services a number of times to respond to health related issues such as 480 Front Street where a sewer lateral was backing up, 238 Main Street for the unpermitted occupancy of a wine bar, 1 Bridge Street for possible fluid leaks on to the ground, and 261 Rianda in response to a structure fire of a tortilla factory.

City and County Code Enforcement Divisions have held collaborative training on updates on the California Codes and mold issues and worked as active committee members organizing the Food Safety Award Event held on September 20th 2016, which hosted over 200 attendees.

OTHER AGENCY INVOLVEMENT:

Staff with the Resource Management Agency (RMA) is working with staff from the City of Salinas Community and Economic Development Department on projects in the MOU.

FINANCING:

There is no additional impact to the General Fund as a result of the recommended action. Both parties have agreed to provide staff and financial resources as necessary to develop and implement the government center planning programs detailed in the MOU. The scope of work was developed to be implemented using existing staff resources. Sufficient funding for staff resources is included in RMA's FY 2016-17 Adopted Budget. Any unfunded capital or other costs associated with projects tracked in the MOU are not recommended for consideration at this time and with this report. Funding for project costs is dependent upon specific approval by the appropriate City and/or County authority in their sole discretion. .

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

The following attachments are on file with the Clerk of the Board:

Attachment A - Salinas/County Downtown Memorandum of Understanding

Attachment B - MOU 2016 Annual update Matrix