



Board Report

File #: 19-0921, **Version:** 1

Receive an Annual Report on the implementation of the 2016 Memorandum of Understanding with the City of Salinas regarding mutual planning and implementation of government services and facilities in downtown Salinas (aka “Downtown Government Center MOU”).

RECOMMENDATION:

It is recommended the Board of Supervisors:

Receive the 2019 Annual Report on the implementation of the 2016 Memorandum of Understanding between the City of Salinas and the County of Monterey regarding mutual planning and implementation of government services and facilities in downtown Salinas (aka “Downtown Government Center MOU”).

SUMMARY:

In 2012, the Salinas City Council (Council) and Monterey County Board of Supervisors (BOS) entered into a Memorandum of Understanding (MOU) to provide the 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. That MOU formally expired on October 31, 2015. However, the Council and BOS approved a comprehensive update to the MOU on February 9, 2016 (referred to as the “Downtown Government Center MOU”), which 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. The Salinas City Council received a 2019 annual review on November 19, 2019.

The 2016 MOU reflects 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, including:

1. *Downtown Vibrancy Plan (DVP)* - In 2015, the City Council and the BOS accepted the Salinas Downtown Vibrancy Plan as a strategic planning document to guide the revitalization of downtown Salinas including the government center. The MOU includes several provisions addressing the strategies and actions that will need to be implemented as part of the DVP.
2. *Schedule of Performance* - A Schedule of Performance was included (Exhibit “A” of the MOU) which specifies action items, identifies the responsible party for implementation, plus estimates a completion date and the funding status of each action item. This schedule is intended to keep action items on track and to apprise the Council and the BOS of upcoming funding and resource needs. The City Manager and County Administrative Officer may amend the Schedule of Performance administratively to address changing circumstances and/or add new action items as deemed appropriate. Exhibit A of the MOU has been updated to reflect current conditions (**Attachment A**).
3. *Annual Review* - The MOU requires an annual review by the Council and BOS to promote oversight and public engagement. As part of the annual review process, each agency is to prepare a written report 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 and any revisions proposed from the previous year. Staff has also developed a list showing all of the items that have been completed (

Attachment A).

Timing for this review is slated for November of each year in order 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 of Commerce and Salinas City Center Improvement Association) has ample time to review and comment on the report prior to the BOS and Council consideration of the document. On October 21, 2019, a draft annual Schedule of Performance review matrix was provided to the Salinas Valley Chamber of Commerce, Salinas City Center Improvement Association (SCCIA) and SPARC for review and comment. On November 1, 2019, SCCIA submitted a comment letter supporting this annual report.

4. *Period of Performance* - The term of the 2016 MOU is five years, through February 2021, and can be extended by the mutual consent of the parties. This time frame is more reflective of the implementation timeframes established in the Downtown Vibrancy Plan.

DISCUSSION:

On May 8, 2012, the Salinas City Council approved a resolution authorizing the Mayor to execute a Memorandum of Understanding with the County of Monterey to set forth mutual understandings and actions regarding a government center planning and implementation strategy (referred herein as the “Downtown Government Center MOU”). 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 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, and a comprehensive update was approved by both agencies on February 9, 2016.

Staff from both agencies meet monthly to review the progress and collaborate on other opportunities that arise (e.g. housing). In addition to the regular meetings, staff have had more focused meetings on the downtown parking and housing matters. Such collaboration was vital given that 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.

City and County staff have a standing meeting on the third Thursday of the month to discuss and coordinate current and 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 2018. An updated Exhibit “A” - Schedule of Performance is provided as an attachment to this report (**Attachment A**).

The County issued, but received no responses, to two Request for Proposals seeking adaptive reuse of the old jail building (Fall 2018 and March 2019). In October 2019 the Board of Supervisors identified three preferred options for future use that generally involve retaining certain portions of the Old Jail and developing a commemorative park or some new facility behind it. County staff is to return to the BOS by June 2020 with a report on possible State funding.

The City released a Request for Qualifications (July 2019) and a Request for Proposals (September 2019) to identify a Master Developer for the Lincoln Street Corridor. The City owns approximately ten-acres of property along the Lincoln Avenue Corridor (between West Market Street and San Luis Street). Desired uses

include development of 1) a new parking structure to be used primarily by City, County and Courts, but also to support private development; 2) a new civic center to consolidate and house non-safety city service departments, and 3) redevelopment of city surface parking lots and obsolete facility parcels as mixed-use development. Community stakeholders, including the Salinas Valley Chamber of Commerce, Salinas City Center Improvement Association, and the County, have been, and will continue to be, included in the selection of the master developer and the creation and implementation of the master plan.

The County Resource Management Agency coordinated with City staff to include language relative to County-owned properties, including a shared parking structure at Gabilan/Church (priority site identified in the VDP) and adaptive reuse of the Old Jail facility/site. If a shared parking structure is developed within the campus, then the County's surface parking lots located across Alisal can be used for other purposes, which would also remove pedestrian traffic from crossing Alisal. In addition, City will be starting a project reducing Alisal from 4-lanes to 2-lanes in Spring 2020, which will assist pedestrians crossing Alisal at this location.

Monthly City and County staff meetings include evaluation of evolving downtown parking conditions. County staff had been exploring development of a temporary surface parking lot at Gabilan and Church Streets when County received notice terminating an agreement for County use of the Salinas Intermodal Transit Center parking lot for juror parking effective on September 13, 2019. In response, City and County staff collaborated with court staff to identify alternative locations for juror parking. In August/September 2019, the City and County Board of Supervisors approved Amendment 1 to Lease of City Property to allow the County use of Lot 17 for juror and employee parking. County, City and Courts will continue to consider utilizing City surface parking lots to manage parking demands while City, County and Courts continue to evaluate the feasibility of a joint permanent parking structure at Gabilan and Church streets to serve the Downtown Government Center.

City Public Works continues to work with parking consultants to develop a Downtown Parking Management Master Plan (PMP). The PMP will make recommendations for 1) location and timing for the development of new parking structures, 2) pricing parking to encourage efficient use of available parking; and 3) the financing of City parking projects. The PMP (draft January 2020) will include the anticipated recommendation for paid on-street parking for Downtown, incorporation of latest parking arrangements with the County, and the parking needs assessment taking into account new fiscal estimates based on recent rate changes. The delay in developing the facility needs result from the need to develop revenue base for the parking enterprises. Efforts in FY 2018-2019 focused on parking rate adjustments and enforcement. The City Council approved expanded parking enforcement services in December 2018, and in January 2019 approved a 2-year parking rate adjustment that went into effect July 2019. The rate adjustment took longer than anticipated due to needed discussion with the community. Both parking enforcement and the downtown parking program show promise of being self-sustaining.

The City/County monthly meetings also provide staff the opportunity to share information and coordinate the processing of development proposals at the periphery of the City, the Alisal Vibrancy Plan, the status of the West and Central Area Specific Plans, homelessness (clean ups, temporary warming shelter and permanent/transitional housing), and housing (affordable, farm worker and accessory dwelling units).

A key implementation recommendation of the Downtown Vibrancy Plan is to stimulate development activity through the rezoning of public surface parking lots to allow for 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 November 2019, the City submitted an application for California SB2 (Building Homes and Job Act) funding to hire a consultant to prepare technical studies and environmental analysis required to process rezoning of city-owned surface parking lots. At the time of staff report submission, City and Monterey-Salinas Transit staff have been collaborating on the preparation of an application to the Federal Transportation Agency under its Pilot Transportation Oriented Development (TOD) program. The proposed project evaluates the relocation of MST's downtown transfer station to the Salinas Intermodal Transit Center (ITC) to free up land in the downtown for mixed-used development and the feasibility of TOD at the ITC. Evaluation of bus rapid transit and its alignment with future mixed-use TOD along commercial corridors in East Salinas is also part of the project.

CEQA CONSIDERATION:

The proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines section 15378). Any subsequent discretionary projects resulting from implementation of MOU policies and actions will be assessed for CEQA applicability, and environmental review as appropriate would be conducted.

OTHER AGENCY INVOLVEMENT:

County staff from RMA (Planning, Building, Public Works, Facilities), Health, and CAO (Economic Development/Housing) attend monthly meetings with City staff from Community Development, Economic Development and Public Works for purposes of coordination. As highlighted in the Annual Review, these coordinated efforts support implementation of MOU tasks including assessing government center parking and facility needs and providing for attractive, safe and convenient pedestrian linkages and green spaces throughout the downtown.

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 2018-19 adopted budget for review of inter-agency projects and issues.

There will be capital and other costs associated with implementing the proposed action items listed in the Downtown MOU Schedule of Performance (Exhibit "A") for which funding is not currently identified or allocated in the County's budget. RMA will present potential projects for allocation of funding as part of the CIP and budget process, as applicable.

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 Strategic Initiative 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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Attachments:

A - 2019 Annual Report Exhibit A - Schedule of Performance Matrix