



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 23, 2025

DEPARTMENT: OFFICE OF THE CITY MANAGER

FROM: LISA MURPHY, ASSISTANT CITY MANAGER
CHRISTOPHER CALLIHAN, CITY ATTORNEY

TITLE: SALE OF CITY-OWNED PROPERTY TO THE MONTEREY COUNTY OFFICE OF EDUCATION; DECLARATION OF EXEMPT SURPLUS LAND

RECOMMENDED MOTION:

A motion to approve a Resolution declaring 342 Front St. and 323 California St. exempt surplus land no longer needed by the City, approving a Purchase and Sale Agreement to sell the properties to the Monterey County Office of Education in the amount of \$2,500,000, and authorizing the Mayor to execute the agreement.

EXECUTIVE SUMMARY:

The City has been leasing a building and associated parking lot to the Monterey County Office of Education (MCOE) since 2003. They have been using the location as a child development center. The MCOE would like to purchase the properties for the same use.

BACKGROUND:

The City is the owner of the real property located at 342 Front St. identified as Monterey County Assessor's Parcel Number 002-213-028, which is improved with a building, and 323 California St., identified as Monterey County Assessor's Parcel Number 002-213-017, which is improved with a parking lot. The City has been leasing the properties to MCOE since 2003. MCOE utilizes the building as a Child Development Center.

This summer, the MCOE approached the City about purchasing the properties. Staff engaged the services of a local appraiser to determine the market value of the properties. The appraised value was \$2,570,000. The City Council authorized staff to enter into negotiations with MCOE for the sale of the properties. MCOE has offered to purchase both properties for \$2,500,000. While this is slightly below the appraised value, staff believes this is reasonable and recommends authorizing the sale of the properties for the offered amount.

The properties are exempt from the Surplus Land Act (Government Code section 54221(f)(1)(D)) because they are being transferred by the City to another local agency (MCOE) for their use.

Section 12-16 of the Salinas Municipal Code provides that the sale of City owned land to other government agencies is exempt from the City's normal requirements for public auction and purchasing if the City Council approves a resolution finding the public convenience, necessity, or welfare requires such sale.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Government Code §84308/Levine Act does not apply to this item.

STRATEGIC PLAN INITIATIVE:

The sale of the Front St. and California St. properties is in alignment with the City Council's Strategic Plan of *City Services* to ensure fiscal responsibility and financial management. The properties are no longer needed by the City, and the proceeds of the sale will benefit the General Fund.

DEPARTMENTAL COORDINATION:

The City Attorney's office coordinated with the City Manager's office on this item.

FISCAL AND SUSTAINABILITY IMPACT:

The sale of the properties will result in an additional \$2.5 million in one-time revenue. This sale is not included in the FY 2025-26 Adopted Budget and therefore will remain in the General Fund.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
1000	00.0000-57.8030	Other Revenue Land & Bldg. Sale	n/a	\$2,500,000	n/a	n/a

ATTACHMENTS:

Resolution

Purchase and Sale Agreement