



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 13, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

BY: MICHAEL GOMEZ, ECONOMIC DEVELOPMENT ANALYST

ITILE: SALINAS CITY CENTER IMPROVEMENT ASSOCIATION 2022
ANNUAL REPORT

RECOMMENDED MOTION:

A motion to approve a Resolution accepting and approving the Salinas City Center Improvement Association (SCCIA) 2022 Annual Report.

EXECUTIVE SUMMARY:

The 2022 Annual Report is provided as Attachment 2 to this staff report. The approval of this report is at the discretion of the Council. With Council approval, the SCCIA Annual Report will also provide direction for SCCIA activities and use of assessment district funds in the fiscal year.

BACKGROUND:

In 2015, the City Council and the Board of Supervisors accepted the Salinas Downtown Vibrancy Plan as a strategic planning document to guide the revitalization of downtown Salinas including the government center. That same year, the City Council formed the Salinas Downtown Community Benefit District (CBD) and entered into a Management and Disbursement Agreement with the Salinas City Center Improvement Association (SCCIA) to implement the Management District Plan. SCCIA is to create an annual District budget and policies to comply with the District Plan; prepare and file quarterly and annual reports with the City reflecting compliance with the District Plan; and oversee the day-to-day implementation of District Plan Improvements.

As a CBD, parcels within the District boundary derive special benefit from programs and activities funded by assessments levied against the identified properties. The benefits, identified in the Management District Plan, are special and unique to the parcels within the District because programs and services (i.e. sidewalk operations/beautification; district identity; program management; and contingency/reserve) are provided directly and solely for the benefit of the

identified parcels. The objective of providing these special benefits is to keep the District area clean, safe, orderly, attractive, well marketed with special events and programs, and to increase commerce within the CBD boundaries.

The annual levy of assessment in each of the fiscal years referred to in the District Plan are conditioned on the approval, by resolution, of an annual report pursuant Section 36650 of the Property and Business Improvement District (PBID) Law. A summary of SCCIA's 2022 Annual Report and FY 2022-2023 annual budget follows.

DISCUSSION:

2022 Annual Report

The 2022 Annual Report covers the period from December 1, 2021, to November 30, 2022. The financial statement for this time-period is part of the Annual Report (Attachment 2). During this period, \$458,273.63 was collected in assessments and \$7,866.76 in grants was received. Total expenditures in FY 2021-2022 were \$424,674.58 resulting in a remaining net income of \$41,465.58 and a carry forward balance of \$288,782.88. Table 1 below provides a breakdown of expenditures by program area for the reporting period.

Table 1

PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN	PERCENTAGE OF ANNUAL BUDGET	2022 EXPENDITURES
Sidewalk Operations, Beautification and Order	31%	\$ 206,230.87
District Identity and Streetscape Improvement	26%	\$ 108,206.40
Administration/Corporate Operations	34%	\$ 110,237.31
Contingency/City and County Fees/Reserves/Special projects	0%	\$ 0.00
<i>TOTAL</i>	<i>91%</i>	<i>\$ 424,674.58</i>

SCCIA 2022 program accomplishments and 2023 goals are outlined in the Annual Report (Attachment 2). Goals and accomplishments are organized by committee/program area. A summary of highlights is provided below. The entire list of accomplishments and goals by committee is provided in the attached Annual Report.

2022 Accomplishments Highlights

Sidewalk Operations, Beautification and Order

- Provided additional cleaning and debris removal during the Main Street Streetscape Improvement Project
- Provided maintenance and flower replacement for the Main Street Project; pots on the 400 block and various planters and hanging baskets

District Identity/Sidewalk Improvements

- Hired a district coordinator and a grant writer and successfully earned multiple grants to benefit the DISI efforts
- Worked as liaison with City for events in Downtown Salinas
- Added colored lighting to the Salinas Arch
- Continued to coordinate with various stakeholders to promote downtown

Land Use

- Advocated for and assisted individual business with proposed signage.
- Initiated a coalition to review City of Salinas permit process performance
- Worked in a coalition to review and comment on the City of Salinas process for permits for outdoor dining and retail.
- Held a board strategic Planning retreat for the first formal goal-setting meeting.

2023 Goals Highlights

Sidewalk Operations, Beautification and Order

- Continue to provide maintenance, beautification and security in a manner that is in line with budget.
- Seal the new sidewalks along Main Street to prevent staining.
- Perform semi-annual sidewalk pressure washing.

District Identity/Sidewalk Improvements

- Implement downtown banner program for local business, nonprofits, and events and study whether it could be profitable.
- Produce "Welcome to Salinas City Center" bags to new merchants including swag and relevant information.
- Add speakers for streaming music on light poles throughout Downtown.
- Monthly newsletter and biannual "What's Happening in SCC" with Mayor and SCCIA board members.

Land Use

- Review drafts and submit comment, guide decision making that conforms with Downtown Vibrancy Plan (DVP) outcomes
- Complete an Historic Sign Ordinance

2022-2023 Operating Budget

The SCCIA Board approved the 2022-2023 Operating Budget provided on page 15 of the Annual Report (Attachment 2). Total Assessment for 2022-2023 is estimated to be \$457,000 plus \$228,229 in 2021-2022 Carry Over funds, minus collection loss of \$9,140 for a total 2022-2023 Operating Budget of \$676,089. The projected expenses are estimated at \$545,600 for FY2022-2023 leaving the projected ending balance to be \$130,239. Operating expenditures are broken down by program/activity area in Table 2 below.

Table 2

PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN	PERCENTAGE OF ANNUAL BUDGET	PROPOSED 2023 EXPENDITURES
Sidewalk Operations, Beautification and Order	60%	\$ 315,000.00
District Identity and Streetscape Improvement	22%	\$ 118,000.00
Administration/Corporate Operations	14%	\$ 107,850.00
Contingency/City and County Fees/Reserves/Special projects	4%	\$ 5,000.00
<i>TOTAL</i>	<i>100%</i>	<i>\$ 545,850.00</i>

2023-2024 Annual Assessment

The 2015 Engineers Report and Management District Plan includes the formula and methodology for calculating annual assessment amounts. The assessment amount is based upon a benefit calculation by linear frontage on all sides of the parcels that receive benefit; lot or parcel square footage; and building square footage. As permitted in the District's Engineer's Report, the SCCIA Board has approved an annual inflationary assessment rate increase of five percent (5%) to the method of assessment for FY 2023-2024. No boundary changes of the CBD Area are proposed. Levy of assessment for 2023-2024 is based on the following calculations.

- Linear frontage - Benefit Zone 1 \$5.2500 per linear foot/year
- Linear frontage - Benefit Zone 2 \$3.6645 per linear foot/year
- Lot size or the footprint of the parcel \$0.070508 per square foot/year
- Building square footage \$0.088749 per square foot/year
- Future residential condos \$0.21 per square foot of parcel unit square footage

The calculated assessment amount by Assessor's Parcel Number (APN) for FY 2023-2024 is included in the Annual Report (Attachment 2). Based on the above calculations, the estimated total assessment amount to be collected in FY 2023-2024 is \$479,266.13.

As stated in the Background section of this report, the annual levy of assessment in each of the fiscal years referred to in the District Plan are conditioned on the approval, by resolution, of an annual report pursuant Section 36650 of the Property and Business Improvement District (PBID) Law. The approval of such report is at the discretion of the Council.

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 DVP recommendations will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

Downtown Vibrancy Plan implementation, including the operation of SCCIA as a CBD, most closely aligns with the 2022-2025 City Council Goals and Strategic Plan initiatives of Economic Development, Infrastructure and Environmental Sustainability and Public Safety. CBD assessments are used to provide an enhanced level of service to improve the appearance, cleanliness, and safety in the SCCIA district.

DEPARTMENTAL COORDINATION:

Community Development staff coordinated with SCCIA to prepare this report.

FISCAL AND SUSTAINABILITY IMPACT:

There is no fiscal or sustainability impact associated with the receipt and acceptance of this report. The City will pass the assessments collected by the County of Monterey through to SCCIA to be used in accordance with the approved District Management Plan and annual budget.

ATTACHMENTS:

1. Resolution accepting and approving the SCCIA FY 2022 Annual Report
2. SCCIA 2022 Annual Report
3. CBD Map