



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** AUGUST 12, 2025

**DEPARTMENT:** ADMINISTRATION

**FROM:** LISA MURPHY, ASSISTANT CITY MANAGER

**TITLE:** AMENDMENT NUMBER 1 TO THE LEASE AGREEMENT OF  
REAL PROPERTY AT 282 EAST ALISAL STREET WITH  
DONGJUN CHO

**RECOMMENDED MOTION:**

A motion to approve a resolution authorizing the Mayor to sign the 1<sup>st</sup> Amendment Number 1 to the lease agreement with Dongjun Cho to operate a car and pet wash at 282 East Alisal Street (EZ Car Wash) for four (4) years through September 30, 2029.

**EXECUTIVE SUMMARY:**

Approving this resolution will allow the City to continue to generate revenue at the site while maintaining the flexibility to pursue any opportunities to develop the site in accordance with the Alisal Vibrancy Plan that may arise in the future.

**BACKGROUND:**

The City of Salinas is the owner of the property located at 282 East Alisal Street (Assessor's Parcel Number [APN] 003-041-031-000), located at the corner of East Alisal Street and Murphy Street. This parcel of land is approximately 0.84 acres (36,590 square feet) in size. While a portion of the property is covered by an easement, the remaining 0.7 acres (the "Property") has been used as a car and/or pet wash since the mid-1960's. Adjacent uses include light industrial uses to the west, the City's Public Safety Building to the east and south across Murphy Street, and mixed commercial and light-industrial uses across East Alisal Street to the north. This site (along with three adjacent privately-owned parcels) has been identified in the Alisal Vibrancy Plan (AVP) as part of an Opportunity Site which would include a mixed-use development consisting of residential development, retail/community space, a courtyard/play area, and a public plaza.

This parcel of land was acquired in 2017 as a part of a group of properties obtained by the City for the construction of the Public Safety Building. When the site was acquired by the City, it also assumed an existing lease and became the landlord for the existing tenant, Dongjun Cho, who owns and operates ES Car Wash #1 on the Property. The City Council approved a new Lease and Relocation Agreement on October 10, 2017. Under this Agreement, the previous lease was superseded, the tenant was provided a lease until September 30, 2019, and the City paid relocation expenses of \$700,000 to the tenant. The City Council subsequently approved a new lease agreement in 2021 with an expiration date of September 30, 2025. There are no options to extend the under this lease, therefore necessitating the need for a new lease agreement.

The term of the new Lease is for four years with no options to extend. The present rent received by the City is \$4,781.88 per month, and the tenant is responsible for maintenance of the property. Rent will increase 3% from the current amount every July 1 thereafter. The Tenant is responsible for any real property taxes. The lease includes a provision that allows for termination of the lease by either party with twelve-months' notice. This will enable the City to continue to work to identify potential affordable housing providers during the term of the lease. In the meantime, the proposed Lease will enable the City to continue to receive some revenue from the site while it identifies and pursues a long-term development project consistent with the objectives of the Alisal Vibrancy Plan.

CEQA CONSIDERATION:

The City of Salinas has determined that the project is exempt from the California Environmental Quality Act (CEQA) Guidelines (Section 15301, Class 1) because the project proposes no change to an existing use.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes, The Government Code §84308/ Levine Act does apply to this project.

STRATEGIC PLAN INITIATIVE:

This item relates to the City's goals of Economic Development as it provides a revenue stream from a property that the City is currently holding.

DEPARTMENTAL COORDINATION:

The City Manager's Department has coordinated with the City Attorney's office and the Community Development Department on this item regarding the ultimate use of the Property in a manner consistent with the Alisal Vibrancy Plan.

FISCAL AND SUSTAINABILITY IMPACT:

The Lease Agreement will result in annual revenues of approximately \$57,382.56 per year initially, with 3% annual increases.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)*
1000	00.0000-54.8060	Lease agreement		\$57,382.56	Pg. 81	June 17, 2025

ATTACHMENTS:

Proposed RESOLUTION, including the following Exhibit:

Exhibit A: Proposed 1<sup>st</sup> Amendment to the Lease Agreement