



CITY OF SALINAS PLANNING COMMISSION REPORT

DATE: NOVEMBER 5, 2025

TO: PLANNING COMMISSION

FROM: COURTNEY GROSSMAN, PLANNING MANAGER

BY: LISA BRINTON, COMMUNITY DEVELOPMENT DIRECTOR
CHRISTOPHER A. CALLIHAN, CITY ATTORNEY

TITLE: LAND DISPOSITION AND DEVELOPMENT AGREEMENT (DA 2025-001) RELATED TO CITY PARKING LOTS 8 AND 12

RECOMMENDED MOTION:

A motion to approve a resolution recommending the City Council (1) find the proposed project exempt from environmental analysis pursuant to Sections 15060(c), 15061(b)(3), and/or 15378 of the California Environmental Quality Act (CEQA) Guidelines and (2) adopt an ordinance approving a Land Disposition and Development Agreement [Development Agreement 2025-001 (DA 2025-001)] between the City of Salinas (“City”) and Taylor Fresh Foods, Inc. (“Developer”) related to City parking lots 8 and 12.

EXECUTIVE SUMMARY:

The City owns property located at Salinas Street, Lincoln Avenue and W. Gabilan Street, (commonly known as “Lot 8”); and at Lincoln Avenue and W. Gabilan Street, (commonly known as “Lot 12”), as generally shown on the Vicinity Map ([Exhibit A](#)). In October and November 2020, through the Surplus Lands Act, the City declared these properties to be surplus land no longer necessary for municipal purposes and made these two parking lots generally available for purchase. With these properties generally available for purchase, the Developer indicated a desire to acquire the properties and to develop them with a hotel/retail/commercial use on Parking Lot 8 and a multi-family residential/retail use on Parking Lot 12. A draft Land Disposition and Development Agreement (“Development Agreement”) ([Exhibit B](#)) has been prepared pursuant to Government Code section 65864 and is being presented to the Planning Commission for consideration of a recommendation to the City Council pursuant to Division 11 of Chapter 37 of the Salinas Municipal Code. The Development Agreement will allow the Developer to acquire the properties from the City and to proceed with development of the properties as proposed in the Development Agreement in accordance with existing policies, rules, and regulations, subject to

the conditions of approval, thus vesting certain development rights in the properties.

BACKGROUND:

The City and the Developer are requesting the Planning Commission recommend the City Council adopt an ordinance approving the Development Agreement pursuant to which the Developer will acquire from the City Parking Lots 8 and 12 and develop thereon a hotel/retail/commercial use (Parking Lot 8) and a multi-family residential/retail use (Parking Lot 12).

On October 23, 2025, a Notice of Public Hearing was published in the Monterey County Weekly, a newspaper of general circulation. (Exhibit C) On October 21 2025, a Notice of Public Hearing were mailed to all property owners located within 300-feet of the subject properties, interested parties, and posted on both sites. (Exhibit D)

On December 7, 2021, the City Council approved a resolution making certain findings and adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and also approving a General Plan Amendment 2021-002 (GPA 2021-002) to change the land use designation of the properties to Mixed-Use (MX). On December 7, 2021, the City Council also adopted an ordinance to rezone the properties to Mixed Use (MX).

DISCUSSION:

The City owns property located at Salinas Street, Lincoln Avenue and W. Gabilan Street, (commonly known as “Lot 8”); and at Lincoln Avenue and W. Gabilan Street, (commonly known as “Lot 12”), as generally shown on the Vicinity Map (Exhibit A). In October and November 2020, through the Surplus Lands Act, the City declared these properties to be surplus land no longer necessary for municipal purposes and made these two parking lots generally available for purchase. With these properties generally available for purchase, the Developer indicated a desire to acquire the properties and to develop them with a hotel/retail/commercial use on Parking Lot 8 and a multi-family residential/retail use on Parking Lot 12. A draft Land Disposition and Development Agreement (“Development Agreement”) (Exhibit B) has been prepared pursuant to Government Code section 65864 and is being presented to the Planning Commission for consideration of a recommendation to the City Council pursuant to Division 11 of Chapter 37 of the Salinas Municipal Code. The Development Agreement will allow the Developer to acquire the properties from the City and to proceed with development of the properties as proposed in the Development Agreement in accordance with existing policies, rules, and regulations, subject to the conditions of approval, thus vesting certain development rights in the properties.

The Development Agreement imposes certain obligations on both the City and the Developer, including obligations with respect to the commencement of construction on both of the properties. While there is no precise timeline by which the properties will be developed, the development proposed for Parking Lot 12 will occur first. As mentioned above, this portion of the development

includes a multi-family residential component to consist of approximately sixty-six (66) units. Pursuant to the terms of the Development Agreement, the Developer shall apply for project approvals related to the Parking Lot 12 development within one year of the effective date of the Development Agreement and shall apply for project approvals related to the Parking Lot 8 development within five years of the effective date of the Development Agreement. Construction of the multi-family residential/retail use on Parking Lot 12 would commence within 1-5 years of receiving project approvals and construction of the hotel/retail/commercial use on Parking Lot 8 would commence within 3-8 years of receiving project approvals.

The Development Agreement also affords certain rights to the Developer with respect to the applicability of City laws and regulations to the projects. This is a standard provision of Development Agreements and is one of the primary purposes for such agreements: to provide the Developer with certainty with respect to the applicability of City laws and regulations. The proposed developments would be subject to separate approvals, the multi-family residential/retail/commercial office use through an administrative Site Plan Review and the hotel use through a discretionary Conditional Use Permit. As such, those items would not be brought forward to the Planning Commission unless, for example, there is an appeal of the determinations of a discretionary Conditional Use Permit.

The Development Agreement attached to this Report is in draft form, however, the City and the Developer have agreed to the essential terms. This allows the continued processing of the Development Agreement while the remaining non-substantive terms are resolved between the City and the Developer. The essential deal terms presented in the attached draft will remain unchanged and will be presented to the City Council as they have been presented to the Planning Commission. The Development Agreement will be in its final form before it is presented to the City Council.

Affordable Housing Plan

As the residential portion of the multi-family residential/retail use proposed to be developed on Parking Lot 12 exceeds ten (10) residential units, it is subject to the Inclusionary Housing Ordinance per Salinas Municipal Code Section 17-11.

Findings:

Pursuant to Salinas Municipal Code section 37-60.790 the Planning Commission shall make a written recommendation to the City Council to approve, approve with conditions or modifications, or deny the proposed Development Agreement and shall make written findings pursuant to Salinas Municipal Code section 37-60.810 supporting the reason for the recommendation. Pursuant to Salinas Municipal Code section 37-60.810, the Planning Commission shall on the basis of the testimony submitted make the following finding: The Development Agreement is consistent with

the Salinas General Plan, any applicable specific plan, and any other applicable plans and policies adopted by the Salinas City Council.

The proposed disposition and development of the properties as proposed in the Development Agreement is consistent with the Salinas General Plan.

Time Consideration:

If the Planning Commission recommends the City Council take action to adopt an ordinance approving the Land Disposition and Development Agreement, the matter will be scheduled for the City Council's consideration on November 18, 2025.

Alternatives Available to the Commission:

The Planning Commission has the following alternatives:

1. Affirm the findings set forth in the attached Resolution and recommend the City Council adopt an ordinance approving the Land Disposition and Development Agreement (DA 2025-001);
2. Affirm the findings set forth in the attached Resolution and recommend the City Council adopt an ordinance approving the Land Disposition and Development Agreement (DA 2025-001) with conditions or modifications; or
3. Find that the proposal is not appropriate and establish findings at the public hearing stating the reasons for not approving the Land Disposition and Development Agreement (DA 2025-001).

CEQA CONSIDERATION:

The project has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15060(c), 15061(b)(3), and/or 15378 as it does not constitute a "project," does not commit the City to a definite course of action, does not constitute discretionary approval of a specific project, and will not result in a direct or reasonably foreseeable indirect physical change in the environment, and in the alternative, is exempt from CEQA as it falls within the "common sense" exemption set forth in CEQA Guidelines Section 15061(b)(3), excluding projects 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." CEQA analysis for future discretionary applications (i.e. Conditional Use Permits) would be determined at the time of processing.

ATTACHMENTS:

Draft Planning Commission Resolution including the following attachments:

Exhibit A: Vicinity Map

Exhibit B: Draft Land Disposition and Development Agreement

Exhibit C: Published Planning Commission Public Hearing Notice

Exhibit D: Mailed Planning Commission Public Hearing Notice

Cc: Anthony Lombardo and Associates, PC, Attorneys for Developer

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