



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 20, 2023
DEPARTMENT: COMMUNITY DEVELOPMENT
FROM: LISA BRINTON, DIRECTOR
BY: MICHAEL GOMEZ, ECONOMIC DEVELOPMENT ANALYST
TITLE: AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF SALINAS AND NATIONAL DEVELOPMENT COUNCIL

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the City Manager or his designee to execute an Agreement for Professional Services (Agreement) between the City of Salinas and National Development Council, (“NDC”) for a total not to exceed amount of \$231,818.00 over a three-year period for community and economic development consulting services.

EXECUTIVE SUMMARY:

Since 2016 the City has contracted with NDC to provide housing and economic advisement services. Staff wishes to continue consulting services with NDC relating to implementation and monitoring of the Economic Development Element, revitalization efforts in Chinatown, Alisal, and Downtown Vibrancy efforts amongst other consulting services. The City has historically entered into yearly Agreements for Professional Services. Staff requests renewal for an extended term of three years at a base yearly rate of Seventy-Five Thousand Dollars (\$75,000) with annual renewal increases of 3% in years two and three for a total not to exceed amount of Two Hundred and Thirty-One Thousand Eight Hundred and Eighteen Dollars (\$231,818.00) during the term of the Agreement. Under this Agreement NDC will continue to provide support to City staff for up to three years, through June 30, 2026.

BACKGROUND:

NDC, is a qualified expert in providing technical assistance to government agencies by assisting underserved communities to improve economic opportunities, create housing opportunities, generate and sustaining jobs, and revitalize neighborhoods. Currently, NDC administers the City’s Grow Salinas Loan Fund and provides technical assistance to both the Salinas Marketing and Technology Grant Program and the Salinas Downtown Outdoor Dining Forgivable Loan Program. The current Agreement with NDC expires June 30, 2023.

DISCUSSION:

Staff has identified the need to continue contracting with NDC. Over the next three years, staff

anticipates multiple large-scale projects that will require underwriting, market analysis, the identification of funding to leverage existing resources, in addition to technical assistance on various potential grant/loan programs, Market Tax Credit Program, HUD section 108 loans including brownfield grants, and gap analysis needed to support implementation of Council approved strategic plans.

During the first year of this Agreement, the City agrees to pay NDC Seventy-Five Thousand Dollars (\$75,000) for services paid in monthly installments of Six Thousand Two Hundred and Fifty Dollars (\$6,250) according to the rates of compensation as set forth in Exhibit B of the Agreement. On each subsequent anniversary of this Agreement, the annual rate shall increase by 3% from the previous year. The maximum amount of compensation to be paid over the three-year term of the Agreement (July, 1, 2023 to June 30, 2026) shall not exceed Two Hundred and Thirty-One Thousand Eight Hundred and Eighteen Dollars (\$231,818).

CEQA CONSIDERATION:

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). 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.

STRATEGIC PLAN INITIATIVE:

The proposed agreement furthers the City of Salinas Strategic Plan 2022-2025 goal of Economic Development by supporting the implementation of the Economic Development Element policies and action items such as implementation of the Economic Development Element, Chinatown Revitalization Plan, Alisal Vibrancy Plan, and the Downtown Vibrancy Plan.

DEPARTMENTAL COORDINATION:

Community Development staff coordinated with the Housing Division and Legal Department to finalize the Agreement for Professional Services.

FISCAL AND SUSTAINABILITY IMPACT:

The maximum amount of compensation to be paid over the three-year term of the Agreement (July, 1, 2023 to June 30, 2026) shall not exceed Two Hundred and Thirty-One Thousand Eight Hundred and Eighteen Dollars (\$231,818). During the first year of this Agreement, the City agrees to pay NDC Seventy-Five Thousand Dollars (\$75,000). The first year, July 1, 2023, to June 30, 2024, is fully funded through the General Fund in the Economic Development Division's FY 2023-2024 Budget for Professional Services (1000.30.1355-63.5900). Funding for years two and three will be requested as part of the annual budget cycle.

ATTACHMENTS:

1. Resolution for Professional Services between the City of Salinas and NDC
 - a) Exhibit A: Agreement for Professional Service with NDC