

**REPORT TO THE  
CITY COUNCIL**  
*City of Salinas, California*

DATE: March 7, 2017

FROM: Megan Hunter, Director of CDD

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SUBJECT: **REPORT ON THE IMPLEMENTATION OF THE DRAFT ECONOMIC DEVELOPMENT ELEMENT (EDE)**

**RECOMMENDATION**

No action is requested or recommended through this Report. This is an informational report on the status of the adoption and implementation of the Economic Development Element (EDE).

**DISCUSSION**

**Background**

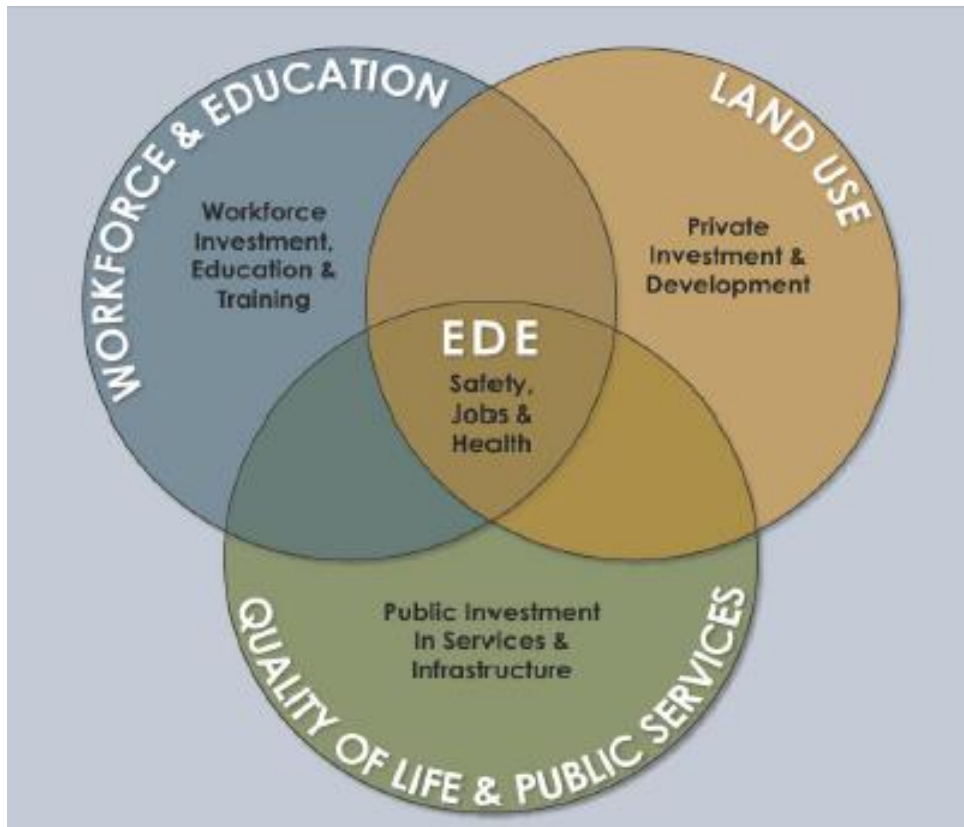
In June 2014, the Salinas City Council accepted the Draft EDE. The EDE, as a comprehensive, strategic planning document, provides the vision, context, and focus for the community's economic development efforts. The EDE deals in depth with how Salinas can realize the vision of an economy that is prosperous, healthy, and environmentally sustainable. To realize that vision the EDE recommends 17 goals, 8 strategies/topic areas, 97 policies and 337 actions, which are based on three strategic foci: (1) Workforce and Education, (2) Land Use, and (3) Quality of Life and Public Services. These foci are designed to support synergistic policy-making, so that decisions made in each realm reinforce those made in the others. The intersection of these three focus areas identify important potential outcomes relevant to the future economic prosperity of Salinas, and stem from public and private investments in workforce education and training, commercial and industrial development, and public services and infrastructure; essentially forming a vision for economic prosperity as evidenced in safety, jobs and health. The EDE is to guide future decisions of the City Council and the community in all aspects of City policy and budgeting to proactively promote responsible economic development to achieve this vision. Figure 1 on the next page is a diagram of the vision foci which guided the preparation of the Draft EDE and emerged from the early stages of the EDE's extensive Community Outreach Program.

In January 2015, the City Council authorized staff to proceed with the formal approval process for incorporating the EDE into the General Plan and the release of a Request for Proposal (RFP) for the preparation of California Environmental Quality Act (CEQA) and General Plan Amendment (GPA) documents. In July 2015, the City entered into a Professional Services Agreement with EMC Planning Group for the preparation of the aforementioned documents. Technical studies, reports and an Administrative Draft EIR are complete. It is anticipated that draft documents will be released for public review spring 2017. The City Council will consider the EDE for adoption in summer 2017.

To date the EDE has received three awards: California American Planning Association and Northern California American Planning Association 2015 Award of Excellence in Economic Development for its

Community engagement process; and Association of Environmental Professionals (AEP) 2016 Outstanding Award.

**Figure 1**



### **EDE Monitoring and Reporting**

Collecting timely and relevant information is a vital component of monitoring of EDE implementation and evaluating progress towards achieving a positive change in economic development indicators. EDE monitoring and evaluation activities are to focus on progress towards implementing policies and actions contained in the Five-Year Action Plan. Regular data collection, data analysis, and use of the information gleaned is to be used to assess and revise the City's economic development priorities as needed. Reporting is to be an annual process, with opportunities for re-prioritization and adjustment at intervals, timed with the mid-year and annual budgeting processes. Since the May 2016, update staff created an implementation tracking matrix for EDE and Strategic plan action items. The matrices are a tool, used internally internal by staff to coordinate, monitor, evaluate outcomes and document resources allocated towards EDE implementation. A sample page of the implementation matrix is attached.

### **EDE Indicators**

The EDE identifies economic indicators to track the effects of EDE policies and actions on the community prosperity in terms of jobs, safety and health. Economic indicators can be used as a yardstick for evaluating progress in improving the overall prosperity of the City and can be used to evaluate conditions that reflect progress in economic development through implementation of EDE policies and actions. Economic Indicators are to be measured every two years.

Staff have collected baseline data from 2013-2015. Raw data, and corresponding graphic charts are attached to this report. Economic trends in Salinas have generally been on par with the state and federal

level as the nation has risen out recession, although the City lags in certain areas such as median household income, which has risen at a slower rate than at the state and federal level. Educational attainment in Salinas is greatly polarized by race/ethnicity, which tends to correlate strongly with poverty levels. However, Salinas' high school dropout rate has declined significantly and is less than the state high school dropout rate. Affordability and overcrowding represent serious housing challenges.

### **EDE Implementation**

The EDE includes an initial Five-Year Action Plan, which identifies 46 priority policy areas, many of which do not require environmental review and can be undertaken now. These action areas address a back-log of challenges and opportunities, and are also timed to capture a current window of opportunity, with some of the recommended policies already underway. In the context of the EDE, all city employees/departments are economic developers, and play a role in providing economic opportunity, health and safety to the community. However, the City working alone cannot fulfill all of the goals and policies of the EDE and must collaborate with other public agencies, community-based organizations, and the private sector to implement EDE action items. A summary of EDE action items underway is attached.

### **NEXT STEPS:**

The next step is for the Draft EDE to be adopted as part of the City's General Plan including the certification of a programmatic EIR and corresponding General Plan Amendments. Technical studies, reports and an Administrative Draft EIR are complete. It is anticipated that draft documents will be released for public review Spring 2017. The City Council will consider the EDE for adoption in Summer 2017.

Staff will continue to confer with the City's key community partners in the Draft Element throughout the implementation process to ensure community engagement and participation, and will continue to collect information relating to implementation activities, budget, cost, schedule, and opportunities and constraints for priority policies and actions so that the City Council and public are sufficiently informed about implementation progress.

### **FISCAL IMPACT:**

There is no fiscal impact associated with the receipt of this report. However, the EDE is to guide future decisions of the City Council and the community in all aspects of City policy and budgeting to promote responsible economic development in order to achieve the vision of economic opportunity (jobs), health and safety. It should be noted that this EDE prosperity strategy also focuses on the financial health and protection of the City so that it is able to provide the necessary services in support of a vibrant, prosperous, and healthy community.

As discussed above, staff is proceeding to implement EDE policy and action items identified in the Five Year Action Plan that do not require environmental review for compliance with the California Environmental Quality Act (CEQA). The EDE is a long-term investment. The Resource Allocation Study developed for the Five-Year Action Plan estimated over \$64 million dollars in operational and capital expenditures towards EDE implementation. The 2016/17 Amended Budget called for about \$20 million for EDE implementation programs and projects. The majority of appropriated funds target capital improvements including streets, parks and public facilities. This amount does not include funding or services from community partners. Staff continues to refine the information in the Resource Allocation Study and are working to integrate this information into the Performance Based Budget. As part of the

2017-2018 budget process, staff will present recommendations for the funding of priority policy and action items from the Five-Year Action Plan.

## **CITY COUNCIL GOALS:**

The EDE, as a strategy document, as well as its implementation, aligns closely with the City Council's goals (2016-2019) of Economic Diversity and Prosperity, Safe, Livable Community, Effective, Sustainable Government, Well Planned City and Excellent Infrastructure, and Quality of Life. Prioritization of EDE implementation is tied to the City Council's Strategic Plan goals and key strategies. The following EDE action are also Key Objectives for FY 2016-2017.

### **Economic Diversity and Prosperity**

- Release public review Draft EIR for Economic Development Element for public comment
- Consider certification of EIR and adoption of EDE GPA.
- Consider certification of EIR and process Specific Plan entitlements for the West Area in the Future Growth Area.
- Commence Alisal Vibrancy Plan preparation including the Alisal Marketplace.
- Continue to attract and support entrepreneurs and startup firms in the AgTech and related industries to the City of Salinas through partnerships with Western Growers Association and the THRIVE Accelerator.
- Work with providers of Workforce Development Services, such as Hartnell College, CSUMB, the Workforce Development Board, and others, to ensure that educational and training programs exist and are available to Salinas residents so that our local workforce is prepared for jobs in the AgTech industry.
- Promote the Salinas Valley as a business location nationwide to build brand recognition and establish the region as an AgTech Hub.
- Continue to maintain private sector support for development of the AgTech ecosystem.
- Work with business organizations such as the Chamber of Commerce, the Oldtown Salinas Association, Hispanic Chamber of Commerce and the Salinas United Business Association (SUBA) to create a shop local initiative and adopt official local preference policies for City procurement of all goods and services.

### **Safe, Livable Community**

- Collaborate with community groups, the Police Community Advisory Committee and other stakeholders, to develop a community-collaborative policing strategy.
- Collaborate with neighborhood-level representatives to engage and inform neighborhood residents through an educational program about City programs and services, and for programs and initiatives that influence neighborhood revitalization.

- Continue citizen engagement to influence decisions about use of grant funds for neighborhood revitalization.

### **Well Planned City and Excellent Infrastructure**

- Update and adopt a new Inclusionary Housing (or Housing Fee) Ordinance to support affordable housing.
- Determine viability of becoming a City-Owned Utility (engage Deep Water Desalination).
- Complete proposal process and select service provider for installation of Dark Fiber.
- Contract with service provider to begin installation of citywide Dark Fiber Network.

### **Quality of Life**

- Undertake a visioning process, which actively engages the Carr Lake landowners, community, and other stakeholders including federal, state, and regional agencies.
- Review existing programming conducted in recreation centers, and identify opportunities for expansion

### **CONCLUSIONS:**

The draft EDE, as a potential critical component of the City's General Plan, will allow the City to prioritize and focus its economic development policies, programs, and projects to provide maximum benefit and return to the City ensuring a prosperous, safe and healthy community. Implementation of EDE action items that do not require CEQA is moving forward while environmental and adoption documents are completed.

Attachments: EDE Implementation Summary, Sample Implementation Tracking Matrix, EDE Indicator Graphics, and Raw Data