



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

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**DATE:** JUNE 3, 2025

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** LISA BRINTON, DIRECTOR

**TITLE:** SALINAS CITY CENTER IMPROVEMENT ASSOCIATION 2024 ANNUAL REPORT

**RECOMMENDED MOTION:**

A motion to approve a Resolution accepting and approving the Salinas City Center Improvement Association (SCCIA) 2024 Annual Report.

**EXECUTIVE SUMMARY:**

The 2024 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 upcoming 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 2024 Annual Report and FY 2023-2024 annual budget follows.

### DISCUSSION:

The 2024 Annual Report covers the period from December 1, 2023, to November 30, 2024. The financial statement for this time-period is part of the Annual Report (Attachment 2). Total revenue during this period was \$452,060.89, which includes \$445,864.08 in assessments and \$6,196 in interest. Total expenditures in FY 2023-2024 were \$45,596.65 resulting in a remaining net income of (\$3,535.76) and ending Cash Balance FY 2023-2024 of \$214,340.79. Table 1 below provides a breakdown of expenditures by program area for the reporting period.

**Table 1: 2023-2024 Operating Expenses**

<b>PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN</b>	<b>PERCENTAGE OF ANNUAL BUDGET</b>	<b>2024 EXPENDITURES</b>
Sidewalk Operations, Beautification and Order	63%	\$ 290,020.79
District Identity and Streetscape Improvement	17%	\$ 77,183.71
Administration/Corporate Operations	19%	\$ 83,288.65
Contingency/City and County Fees/Reserves/Special projects	1%	\$ 5,103.50
<b><i>TOTAL</i></b>		<b><i>\$ 455,596.65</i></b>

SCCIA 2024 program accomplishments and 2025 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.

### **2023-2024 Accomplishments Summary**

#### Sidewalk Operations, Beautification and Order

- Continued to contract with Allied Security to provide foot patrol six days per week.
- Continued to contract with Smith & Enright for landscaping and sidewalk maintenance Services, including trimming, weeding, sweeping, blowing, and debris pick up.
- Replaced several trees, provided tree maintenance, and secured quotes to refurbish several tree wells and planter boxes.
- Replaced electrical outlets to prevent stealing of electricity on 200 and 300 blocks.

#### District Identity/Sidewalk Improvements

- New District Coordinator position added to develop a Downtown merchant group.
- Shifted Holiday tree lighting to occur with Shop Small Saturday for a larger impact.
- Enhanced alley activation installations and coordinated the installation of two murals.
- Partnered with Blue Zones on Hopscotch installation.

#### Land Use

- Collected records from other California cities related to their Downtown Parking management programs and discussed possible approach and timing for parking study with City Planning.
- Continued to track Salinas Kick Start Project Phase 2 and 3 and planning for the train station.
- Continued to work with business owners and the City to resolve regulatory obstacles to installation of signs.

### **2024-2025 Goals Summary**

#### Sidewalk Operations, Beautification and Order

- Evaluated the effectiveness of the current pressure washing program.
- Sought grant funding for additional tree work, including tree planting.
- Issued RFP for security services for FY 24/25.

#### District Identity/Sidewalk Improvements

- Produced video media promoting downtown.
- Installed additional murals and sculptures downtown.
- Created more conversation areas with furniture.
- Repainted all planters in Melody Ln and Harmony Ln.
- Created a Food & Drink Bingo card for downtown establishments.
- Continued to add more organizations to the banner program, including local schools.

#### Land Use

- Supported and advocate for continued implementation of the Downtown Vibrancy Plan.
- Evaluated a revenue-neutral, vibrancy-oriented, publicly accountable parking management program.
- Pursued public and private policies that promote and highlight historical, cultural, and aesthetic aspects of Downtown Salinas

### **2024-2025 Operating Budget**

The SCCIA Board approved the 2024-2025 Operating Budget provided on page 73 of the Annual Report (Attachment 2). Total Revenue for FY 2024-2025 is estimated to be \$484,948 which is \$494,845, minus collection loss of \$9,897. The projected expenses are estimated at \$563,768 for FY 2024-2025 leaving a projected ending balance of \$135,520. Operating expenditures are broken down by program/activity area in Table 2 below.

**Table 2: 2024-2025 Operating Expenditures**

<b>PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN</b>	<b>PERCENTAGE OF ANNUAL BUDGET</b>	<b>PROPOSED 2025 EXPENDITURES</b>
Sidewalk Operations, Beautification and Order	60%	\$ 334,018
District Identity and Streetscape Improvement	22%	\$ 129,000
Administration/Corporate Operations	14%	\$ 95,750
Contingency/City and County Fees/Reserves/Special projects	4%	\$ 5,000
<b><i>TOTAL</i></b>		<b><i>\$ 563,768</i></b>

### **2025-2026 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 three percent (3.0%) for FY 2025-2026. No boundary changes of the CBD Area are proposed. Levy of assessment for FY 2025-2026 is based on the following calculations.

- Linear frontage - Benefit Zone 1               \$5.5832 per linear foot/year
- Linear frontage - Benefit Zone 2               \$3.8971 per linear foot/year
- Lot size or the footprint of the parcel       \$0.074983 per square foot/year
- Building square footage                       \$0.094383 per square foot/year

The calculated assessment amount by Assessor's Parcel Number (APN) for FY 2025-2026 is included in the Annual Report (Attachment 2). Based on the above calculations, the estimated total assessment amount to be collected in FY 2025-2026 is \$509,687.55.

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 recommended 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.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

Downtown Vibrancy Plan implementation, including the operation of SCCIA as a CBD, most closely aligns with the 2025-2028 City Council Goals and Strategic Plan initiatives of Economic Development through the revitalization of commercial areas through targeted initiatives, private investment and community partnerships. CBD assessments are used to provide an enhanced level of service to improve the appearance, cleanliness, and safety in the SCCIA district to support a vibrant downtown.

DEPARTMENTAL COORDINATION:

Community Development staff coordinated with SCCIA to prepare this report.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct 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 2024-2025 annual budget

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

1. Resolution accepting and approving the SCCIA FY 2024 Annual Report
2. SCCIA 2024 Annual Report
3. CBD Map