



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: SEPTEMBER 4, 2018
DEPARTMENT: COMMUNITY DEVELOPMENT
FROM: MEGAN HUNTER, DIRECTOR
BY: LISA BRINTON, PLANNING MANAGER
TITLE: ADMINISTRATIVE REPORT ON DOWNTOWN SALINAS
COMMUNITY BENEFIT DISTRICT PLAN

RECOMMENDED MOTION:

Receive Administrative Report on the implementation of the Downtown Salinas Community Benefit District Management Plan. No further action is required.

RECOMMENDATION:

It is recommended that the City Council receive the District Management Plan Administrative Report that will be presented at the Council meeting.

BACKGROUND:

On August 7, 2018, the City Council held a public hearing to consider oral and written testimony regarding the annual levy of assessment in the Downtown Salinas Community Benefit District (CBD) for FY 2018-2019. As a CBD, parcels within the District boundary derive special benefit from programs and activities funded by assessments levied against the identified properties. 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 City entered into a Management and Disbursement Agreement (November 2015) with the Salinas City Center Improvement Association (SCCIA), a California Non-Profit Public Benefit Corporation, to implement the District Management Plan.

At the August 7th meeting, the City Council approved Resolution 21453 (N.C.S) approving the levy of assessment for fiscal year 2018-2019 based on the information provided, with direction to SCCIA to return with a follow up report at its September 4, 2018 meeting.

DISCUSSION:

After the August 7th meeting it was determined that a public hearing was not required to levy the CBD 2018-2019 annual assessment. Property Based Improvement District (PBID) law does not mandate annual renewals, and PBIDs/CBDs can have up to a fifteen (15) year term. Resolution

20808 (July 2015), which approved the formation of the Downtown Salinas CBD, constitutes the levy of assessment for the duration of the District, which is through December 1, 2030. It is only when there are boundary changes, or modifications to the assessment calculation method that a public hearing must be held, and the County requires a Council resolution be submitted by August 1st to process the assessment with the December property tax billing.

This error was due to a transfer of responsibilities between city departments. Public Works (PW) was the lead department establishing the CBD, while Community Development (CD) has since assumed primary responsibility for processing the annual report and levy of assessment. When Finance staff informed CD that the County required a resolution approving the annual levy and confirming levy calculations, CD staff followed the process it uses for the Salinas Unified Business Association (SUBA), which is a business improvement district, instead of following the PBID process.

CD staff have met with SCCIA and have clarified the required process, which includes an annual report to City Council. Going forward, SCCIA will provide an annual report at the second City Council Meeting in May, in sync with the Management Agreement annual reporting deadline of April 30th. SCCIA must notify the City in writing by January 31st of requested boundary changes or assessment calculation modifications to allow ample time for staff to process the request and hold a public hearing along with the annual report in May, which is well in advance of the County's August 1st deadline.

CEQA CONSIDERATION:

Not a Project. 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).

STRATEGIC PLAN INITIATIVE:

The Downtown Salinas Community Benefit District supports the implementation of the Downtown Vibrancy Plan and four of the five City Council Strategic Plan Goals of 1) Economic Diversity and Prosperity; 2) Safe, Livable Community; 3) Excellent Infrastructure, and 4) Quality of Life.

DEPARTMENTAL COORDINATION:

Community Development coordinated with Public Works and the City Attorney to outline the proper reporting and levying procedures for the remaining duration of the CBD.

FISCAL AND SUSTAINABILITY IMPACT:

This Administrative Report has no fiscal impact on the General Fund.

ATTACHMENTS:

None.