



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 18, 2019
DEPARTMENT: COMMUNITY DEVELOPMENT
FROM: MEGAN HUNTER, DIRECTOR
BY: LISA BRINTON, PLANNING MANAGER
TITLE: ADDENDUM TO GREATER SALINAS AREA MEMORANDUM OF UNDERSTANDING (GSA-MOU)

RECOMMENDED MOTION:

A motion to approve an Addendum to the Greater Salinas Area Memorandum of Understanding (Addendum) between the City of Salinas and the County of Monterey.

RECOMMENDATION:

Staff recommends the approval of a resolution approving the draft Addendum (Attachment 1) between the City and the County. This Addendum is an interim bridge that outlines the parameters and principles for processing certain projects in specific areas to the north and to the west of the city limit until a comprehensive update to the Greater Salinas Area Memorandum of Understanding is completed (Resolution 19059 (N.C.S.), Attachment 2).

EXECUTIVE SUMMARY:

In 2006, the City and the County entered into the Greater Salinas Area Memorandum of Understanding (Attachment 2) to establish a broad policy framework to govern and to facilitate land use decisions in the area designated in the then-existing General Plan of Monterey as “Greater Salinas Area”, replacing the Amended Boronda Memorandum of Understanding and in part completing a condition in the settlement of litigation between the City and the County. The GSA-MOU needs to be updated to reflect current or contemplated land use development plans and projects. This Addendum, in conjunction with the existing GSA-MOU, would remain in effect until a comprehensive update to the GSA-MOU is completed and approved by the City and the County. On June 18, 2019, the County of Monterey Board of Supervisors (BOS) will consider the Addendum and City staff will report the BOS action taken at the City Council meeting.

BACKGROUND:

Since the City and the County’s approval of the GSA-MOU, the City has adopted an Economic Development Element (EDE, 2017) to its General Plan (2002) and the County has adopted an updated General Plan for the non-coastal areas of unincorporated Monterey County (2010). For

the past couple of years, City and County staff have regularly discussed updating the GSA-MOU to reflect current land use development plans, current planned or contemplated development projects, and to provide for the protection of certain agricultural lands and much-needed resources, including low-income and farmworker housing, employment development opportunities, and associated services and facilities.

Meanwhile, a couple of plans and projects have recently been proposed and/or submitted applications for development on unincorporated lands north of the City within areas identified for future City growth and in the South Boronda area that is part of the City's Sphere of Influence (SOI). In the spirit of the GSA-MOU, City and County desire to work together for orderly growth relative to sewer, roads, etc. This Addendum would serve as an interim bridge that outlines parameters and principles for processing certain projects in specific areas to the north and to the west of the city limit until the GSA-MOU update is complete.

One purpose of this Addendum is to mark an initial movement of the City and the County toward a more comprehensive update to the GSA-MOU. Another, is to define the coordinated planning processes by which the City and the County will plan for and consider development in the aforementioned areas: 1) the area north of the City's current boundaries ("the Northern Area") and 2) the south of Boronda area ("the South Boronda Area"). Maps that more specifically show these areas are included as Exhibits "A" and "B" to the Addendum (Attachment 1).

DISCUSSION:

Article 1 of the Addendum outlines the terms for City and County coordination including a description of the two geographical areas, anticipated potential development projects and plans to be coordinated, and a description of how the City and County agree to coordinate planning efforts and entitlement processing. It covers good faith consideration of entering into reimbursement agreements with developers to pay for technical, environmental, and fiscal economic studies and analysis and installation of infrastructure improvements beyond what is required for their individual project(s). It also provides that should a project warrant tax/revenue sharing separate from annexation, City and County will jointly prepare, and in good faith consider, entering into a tax/revenue sharing agreement.

The parameters of this Addendum are limited to addressing proposed plans and projects in the Northern Area and the South Boronda Area (both areas more specifically shown on the attached Exhibits "A" and "B" of the Addendum (Attachment 1). The Northern Area includes Economic Opportunity Area (EOA) K, an area outside the City's current northern boundary identified in the EDE as a future opportunity area for economic development. EOA K is comprised of a Target Area, where near to mid-term development is projected and an Economic Development Reserve Area, which is to accommodate the City's longer-term economic development needs. Lands within EOA K are currently within the County's jurisdiction and are zoned as farmlands, permanent grazing, and commercial in the County's 2010 General Plan.

Prior to the Northern Area being annexed into the City, the County will coordinate with the City to consider a Specific Plan for Target Area K consistent with the City's Economic Development Element policies and identified land uses. Should annexation be part of the Specific Plan

entitlement application, the City will take the lead to process Specific Plan approvals in coordination with the County. The location of the proposed Specific Plan area is generally north of Russell Road and east of Harrison Road, as shown on shown on Exhibit “A” of the Addendum (Attachment 1). The County may consider a proposal to develop a project on commercially designated lands under the County’s General Plan that is located within the County’s jurisdiction adjacent to Target Area K and within the City’s Economic Development Reserve Area K. The proposed County Commercial Development Project is generally located off Harrison Road east of State Highway 101 at the Sala Road interchange as shown on Exhibit “A” of the Addendum (Attachment 1). Both projects, as well as a possible farmworker housing project further north on Harrison Road are requesting connection to the City’s sewer facilities.

In the South Boronda Area, the County will work with City regarding future development on undeveloped lands located within the County’s jurisdiction and the City’s Sphere of Influence (SOI) and Economic Opportunity Area M. The City and the County agree that the City will take the lead in processing project and plan entitlements within the South Boronda Area if annexation is part of the entitlement application. The location of the proposed Community Plan Area is shown on Exhibit “B” to the Addendum (Attachment 1). Development in this SOI is intended to connect to the City’s sewer and Western Bypass pursuant to the County’s and City’s General Plans.

This Addendum also addresses the processing of farmworker housing projects that are on lands located within the County’s jurisdiction and within close proximity to the City’s boundary, including sphere of influence areas. As part of its entitlement review, the County will consider project proximity to existing infrastructure and services, and coordinate with City to ensure that infrastructure contemplates current and proposed surrounding projects.

Section 1.4 of the Addendum outlines ways in which the City and County agree to coordinate planning efforts and entitlement processes (e.g., specific and general development plans, General Plan amendments, annexations). This includes:

- joint application processing if timing works for all parties, or the provision of timing assurances and opportunity to review and comment on plans and applications if planning in tandem;
- coordination on or sharing in the preparation of technical studies and analyses required to determine and provide for project infrastructure, services, and public safety needs, (e.g., infrastructure, water, hydrology/stormwater, traffic and transportation);
- joint determination of appropriate level and process for compliance with California Environmental Quality Act (CEQA) including coordinating on or sharing in project mitigation requirements;
- selection of a mutually agreed upon consultant to prepare fiscal and economic analysis to provide recommended tax sharing percentages, should they be required, based on data and market demand analysis for proposed commercial uses; and
- joint review of technical studies, fiscal and economic analysis, and CEQA documents, and potential development of a joint recommendation regarding project entitlement processing for City Council and Board of Supervisors consideration.

Section 1.5 states that should a project within the Northern Area or South Boronda Area warrant tax/revenue sharing separate from the annexation process, the City and the County will jointly prepare and in good faith consider entering into a tax/revenue sharing agreement. The City and County also agree in good faith to consider entering into reimbursement agreements with project developer(s) to pay for technical, environmental, and fiscal economic studies and analysis and/or to install infrastructure improvements beyond what is required for their individual project(s). Subsequent project(s) would reimburse the developer(s) based on its pro rata share.

This Addendum would remain in effect until a comprehensive update to the GSA-MOU is completed and approved by the City and the County.

CEQA CONSIDERATION:

The proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines section 15378). This Addendum is not intended to constitute a project under CEQA as it represents only an agreement to cooperate subject to compliance with all applicable laws relating to further actions, which include the preparation of plans and the consideration of projects. Any subsequent discretionary projects resulting from implementation of the Addendum will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

This Addendum facilitates the continuation of the City and County’s mutual planning and implementation efforts related to the “Greater Salinas Area” and adjacent to the City and/or in its Sphere of Influence (SOI) until the GSA MOU is updated. Both the Addendum and GSA-MOU promote all City Council goals of Economic Diversity and Prosperity; Safe, Livable Community; Effective Sustainable Government; Excellent Infrastructure, and Quality of Life.

DEPARTMENTAL COORDINATION:

Community Development coordinated preparation of the Addendum and prepared the staff report. City staff from Community Development, Public Works, Administration and the Economic Development Division held multiple coordination meetings with County staff to develop the parameters and principles of the Addendum. The City Attorney prepared the draft Addendum, reviewed subsequent revisions, and coordinated with County Counsel.

FISCAL AND SUSTAINABILITY IMPACT:

There are no direct or indirect fiscal impacts associated with approval of the Addendum. Staff time for coordination, review and implementation of inter-agency projects and issues is already allocated in the adopted budget. Any subsequent discretionary projects resulting from implementation of the Addendum will be subject to application processing fees and assessed for fiscal and sustainability impact.

ATTACHMENTS:

1. Resolution Adopting Addendum to GSA-MOU
 - a. Exhibit "A": Addendum to GSA-MOU
2. GSA-MOU, Resolution 19059 (N.C.S.)