



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: NOVEMBER 12, 2024

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: LISA BRINTON, DIRECTOR

BY: COURTNEY GROSSMAN, PLANNING MANAGER

TITLE: AGREEMENT WITH RINCON CONSULTANTS, INC. TO PROVIDE ON-CALL PLANNING AND ENVIRONMENTAL SERVICES; AND AGREEMENT WITH SCI CONSULTING TO PROVIDE COMMERCIAL CANNABIS TAX ASSESSMENT AND MONITORING SERVICES

RECOMMENDED MOTION:

A motion to approve the attached Resolutions:

1. Delegating authority to the City Manager to execute an Agreement with Rincon Consultants, Inc. to provide on-call planning and environmental services from November 12, 2024, to June 30, 2027, in an amount not to exceed \$225,000; and
2. Delegating authority to the City Manager to execute an Agreement with SCI Consulting Group to provide commercial cannabis tax assessment and monitoring services from November 12, 2024, to June 30, 2027, in an amount not to exceed \$150,000.

EXECUTIVE SUMMARY:

Historically, Current Planning operations have been supplemented with consultant service agreements with Rincon and SCI. Rincon has been an integral partner to the Community Development Department since October 2017 providing general planning and environmental services. Rincon's services encompass a variety of critical tasks, including peer review of CEQA documents, evaluation of Future Growth Area development, and other specialized planning endeavors. Rincon's support has been instrumental in the advancement of key economic and housing development initiatives, as well as the processing of cannabis permits. Also, since 2022, Community Development has contracted with SCI, Inc. for commercial cannabis inspection and reporting, and commercial cannabis tax assessments. Before 2022, and since the inception of the cannabis program at the City of Salinas in 2017, MGO provided a similar service.

It is recommended that the City Council approve the attached Resolutions authorizing the City Manager to execute Agreements with Rincon, Consulting, Inc., and with SCI, Inc. to ensure the provision of a high level of customer service and efficient project processing.

BACKGROUND:

General Planning and Environmental Services: Rincon Consultants, Inc

In September 2017, the Community Development Department issued a Request for Proposals (RFP) for Contract Planning Services to various planning firms. Rincon was selected to fulfill these services, which have included reviewing and analyzing Environmental Impact Reports (EIRs), aiding in plan document creation for the Chinatown Revitalization and Alisal Vibrancy Plans, and providing planning and environmental services for the Future Growth Area, Accessory Dwelling Units, and entitlement packaging. Based on Rincon's expertise in permit processing services and cannabis regulations, Rincon has been actively engaged in providing permit services for the City of Salinas' commercial cannabis program. Past agreements and subsequent amendments focused on planning and environmental services covering areas such as environmental support, advanced planning, staff training, grant writing, and cannabis permit processing.

It is envisioned that Rincon will continue to augment city staff with review and processing of multiple complex projects including, but not limited to, Future Growth Area subdivisions, large industrial projects within the Salinas Ag Industrial Center Specific Plan area, and Cannabis application review and permitting assistance.

The term of the proposed agreement is November 12, 2024, to June 30, 2027, with a total amount of compensation not to exceed \$225,000.

Commercial Cannabis Tax Assessment and Monitoring Services: SCI Consulting Group

Since 2022 the Community Development has contracted with SCI Consulting Group for commercial cannabis inspection and reporting, and commercial cannabis tax assessments. Before 2022, and since the inception of the cannabis program at the City of Salinas in 2017, MGO provided a similar service. On April 26, 2022, the City entered into an agreement with SCI Consulting Group, which expired on December 31, 2022. Compensation was capped at \$150,000. Subsequently, on May 16, 2023, the City entered into a new agreement with SCI Consulting Group for Commercial Cannabis Tax Assessments, and Compliance Inspections and Reporting. The term of the agreement expired on June 30, 2024. Compensation was capped at \$180,000. The term of the proposed agreement is November 12, 2024, to June 30, 2027, with a total amount of compensation not to exceed \$150,000.

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed actions are not projects as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities

which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed actions and matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. 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.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

Yes.

STRATEGIC PLAN INITIATIVE:

The proposed Agreements support the City of Salinas Strategic Plan 2022-2025 Goals and Strategies of *Economic Development, Housing/Affordable Housing, Public Safety, and Effective and Culturally Responsive Government* by enhancing Current Planning operations and facilitating safe and efficient development within the City including the provision of government programs and services in a professional, customer-oriented manner that ensures equitable solutions for the community and efficiently moves projects forward within required timelines.

DEPARTMENTAL COORDINATION:

The Community Development Department staff has collaborated with the City Attorney's Office to develop the proposed agreements. Ongoing collaboration with the City Attorney's Office will continue should the Council authorize the City Manager to enter into the Agreements.

FISCAL AND SUSTAINABILITY IMPACT:

Funding for the proposed Agreements was included in the Fiscal Year 2024-25 Operating Budget under the Current Planning Division.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)*
1000	30.3462.63.5220	Outside services Cannabis Monitoring	\$160,000	\$150,000	95	6/11/24, 22980
1000	30.3462.63.5010	Outside services- Other professional	\$240,000	\$225,000	95	6/11/24, 22980

* The FY 24-25 Adopted Budget was adopted on June 11, 2024.

ATTACHMENTS:

1. City Council Resolution for Rincon

2. Agreement for General Planning and Environmental Services with Rincon
3. City Council Resolution for SCI
4. Agreement for Cannabis Reports with SCI