

ORDINANCE NO. _____ (N.C.S.)

**AN ORDINANCE APPROVING THE LAND DISPOSITION AND DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF SALINAS AND TAYLOR FRESH FOODS
RELATED TO PARKING LOT 8 AND PARKING LOT 12**

WHEREAS, the strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864-65869.5 (the "Development Agreement Statute"), authorizing municipalities to enter into development agreements in connection with the development of real property within their jurisdiction by qualified applicants with a requisite legal or equitable interest in the real property which is the subject of such development agreement; and

WHEREAS, the purpose of the Development Agreement Statute is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations; and

WHEREAS, the City owns property located at Salinas Street, Lincoln Avenue and W. Gabilan Street, a portion of Assessor's Parcel Number 002-244-098 (commonly known as "Lot 8"); and at Lincoln Avenue and W. Gabilan Street, Assessor's Parcel Numbers 022-245-002, 022-245-003, 022-245-004, 022-245-005, 022-245-006, 022-245-007, and 022-245-0038 (commonly known as "Lot 12"), (collectively the "Property"); and

WHEREAS, on October 27, 2020, the City Council approved Resolution No. 21987 declaring the Property surplus land pursuant to Government Code Sections 54220, *et seq.* (the "Surplus Lands Act"); and

WHEREAS, on November 3, 2020, the City issued a notice of availability of surplus properties, including the above referenced Property, in compliance with the Surplus Lands Act. The City received a letter of interest from an eligible entity for the Property; however, that entity later submitted a letter to the City withdrawing its interest in developing the Property. The City consequently proceeded to make the Property generally available for purchase; and

WHEREAS, with the Property generally available for purchase, Taylor Fresh Foods, Inc., (the "Developer") has indicated a desire to acquire the Property and the Developer intends to develop the Property with a hotel/retail/commercial use and a multi-family residential/retail us; and

WHEREAS, the City's Downtown Vibrancy Plan states "The area surrounding Salinas and Gabilan Street offers an excellent opportunity for development... This area could build on the momentum created with the construction of Taylor Farms' new corporate headquarters building." This area includes both Lot 8 and Lot 12; and

WHEREAS, the Downtown Vibrancy Plan identifies Lot 8 and Lot 12 as “redevelopment site[s]” within the downtown area, and contemplates “structured parking or mixed-use development” on both sites, with Lot 12 further identified as a possible market-rate housing development; and

WHEREAS, the Project will support the revitalization of the downtown neighborhood and Gabilan Street, consistent with the Downtown Revitalization Plan approved by the City Council. The hotel/retail/commercial use will bring jobs and increase revenue generation, and the multi-family residential/retail development will meet the minimum affordable housing allocation requirement of the City’s Inclusionary Housing Ordinance in effect as of the Effective Date; and

WHEREAS, in accordance with Municipal Code Section 12-16, the City Council finds that the property disposition and this ordinance support neighborhood revitalization and assist in the provision of low- and moderate-income housing, finding that public convenience, necessity or welfare and objectives of the City’s neighborhood improvement program will benefit from such conveyance or sale and stating the terms and conditions thereof and the reasons therefor; and

WHEREAS, the City Council finds that the Project, as shown in the Land Disposition and Development Agreement, is consistent with the City’s General Plan (for which an Environmental Impact Report was certified by the City on August 6, 2002, by Resolution No.18015, and that pursuant to an environmental assessment prepared by Cotton/Bridges/Associates dated August 2002, there are not project-specific significant effects which peculiar to the Development or the Property which were not addressed in the EIR); and

WHEREAS, on December 7, 2025, the City Council approved GPA (2021-02) and Rezone (2021-2002) changing the Properties land use designation and zoning district from Public/Semi Public (P/SP) to Mixed-Use (MX); and

WHEREAS, after conducting a duly noticed public hearing in accordance with the Development Agreement statute, the Salinas Planning Commission by a vote of 3:2, on November 5, 2025, recommended the City Council adopt an ordinance approving the Land Disposition and Development Agreement; and

WHEREAS, on November 18, 2025, the City Council held a duly noticed public hearing on the Land Disposition and Development Agreement pursuant to the Development Agreement Statute.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF SALINAS, as follows:

Section 1. The above recitals are true and correct and are fully incorporated herein by this reference.

Section 2. The City Council finds that pursuant to Government Code Section 65867.5, the Land Disposition and Development Agreement is consistent with the City’s Zoning Code and the City’s General Plan:

A. The proposed Land Disposition and Development Agreement is consistent with the Salinas Zoning Code: Zoning Code Section 37-30.230(e)(2) provides that the purpose of the Mixed Use

(MX) District is to provide opportunities for mixed use, office, public and semi-public uses, and commercial uses that emphasize retail, entertainment, and service activities. In addition, Zoning Code section 37-40.290(a) provides that the Central City Overlay (CC) District is intended to encourage and accommodate the increased development intensity for mixed use, commercial, retail, and office uses within the Central City and to increase opportunities for infill housing and innovative retail while transforming and aesthetically improving transportation corridors into pedestrian-oriented civic boulevards with mixed use projects.

B. The proposed Land Disposition and Development Agreement is consistent with the Salinas General Plan: General Plan Policy LU-3.7 promotes the revitalization of existing commercial and industrial areas within the city including the Central City Project Area and Policy LU-3.8 encourages the production of housing that meets the needs of agricultural and other essential workers within the community. General Plan Policy CD-3.4 actively encourages mixed-use development in order to provide a greater spectrum of housing near businesses, alternative modes of transportation, and other activity areas (such as the downtown) and Policy CD-3.5 promotes mixed use (commercial, office, and residential together) in the Central City to the extent consistent with the area's architectural and historical character.

SECTION 3. The Land Disposition and Development Agreement substantially in the form attached hereto as Attachment 1 and incorporated herein by reference between the City of Salinas and Taylor Fresh Foods, Inc. is hereby approved. The City Council authorizes and directs the Mayor to execute the Land Disposition and Development Agreement, subject to any further modifications that the City Manager determines prior to execution and recording, in consultation with the City Attorney, are in the best interest of the City, do not materially decrease the benefits to or materially increase the obligations or liabilities of the City, and are in compliance with applicable laws.

SECTION 4. All actions taken by City officials in preparing and submitting the Land Disposition and Development Agreement to the Planning Commission and City Council for review and consideration are hereby ratified and confirmed and the City Council further authorizes the City Manager and other appropriate officers, agents, or employees of the City to take any and all steps as they or any of them may deem necessary or appropriate, in consultation with the City Attorney, in order to implement and to effectuate the matters set forth in the Land Disposition and Development Agreement.

SECTION 5. Pursuant to Government Code Section 65858.5, the City Clerk shall record with the County Recorder of the County of Monterey a copy of the Land Disposition and Development Agreement within ten (10) days after the Land Disposition and Development Agreement is fully executed.

SECTION 6. All ordinances and parts of ordinances and all resolutions and parts of resolutions in conflict herewith are hereby repealed as of the effective date of this ordinance.

SECTION 7. Publication. The City Clerk shall cause a summary of this ordinance to be published once in a newspaper published and circulated in Salinas within fifteen (15) days after adoption. (Salinas Charter Section 11.9)

SECTION 8. CEQA Compliance. The City Council's adoption of the proposed Ordinance has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15060(c), 15061(b)(3), and/or 15378 as it does not constitute a "project," does not commit the City to a definite course of action, does not constitute discretionary approval of a specific project, and will not result in a direct or reasonably foreseeable indirect physical change in the environment, and in the alternative, is exempt from CEQA as it falls within the "common sense" exemption set forth in CEQA Guidelines Section 15061(b)(3), excluding projects 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." On December 7, 2021, the City Council approved a resolution making certain findings and adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and approving a General Plan Amendment (GPA 2021-02) to change the land use designation of the properties to Mixed-Use (MX). On December 7, 2021, the City Council also adopted an ordinance to rezone the properties to Mixed Use (MX).

SECTION 9. Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The Salinas City Council hereby declares that it would have passed this ordinance and each and every section, subsection, clause, and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 10. Effective Date. This ordinance will take effect thirty (30) days from and after its adoption.

PASSED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Dennis Donohue, Mayor

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

ATTEST:

Patricia M. Barajas, City Clerk