

REPORT TO THE CITY COUNCIL *City of Salinas, California*

DATE: April 28, 2015

FROM: Alan Stumpf, Interim Director, Community and Economic Development Department (CEDD)

BY: Tara Hullinger, Planning Manager, Special Projects Division, CEDD

SUBJECT: **MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF MONTEREY AND THE CITY OF SALINAS FOR DOWNTOWN GOVERNMENT CENTER PLANNING**

RECOMMENDATION:

It is recommended that the City Council adopt a resolution authorizing the Mayor to execute Amendment No. 1 to the Memorandum of Understanding with the County of Monterey regarding the Mutual Planning and Implementation of a Government Center in Downtown Salinas.

DISCUSSION:

Background

On May 8, 2012, the City Council approved a resolution authorizing the Mayor to execute a Memorandum of Understanding with the County of Monterey to set forth mutual understandings and actions regarding a government center planning and implementation strategy (herein referred to as the "MOU"). A copy of the May 8, 2012 Resolution and MOU are attached to this report for reference. The County and the City currently own and/or occupy a significant share of downtown properties and recognize that the concentration of government offices in the downtown is beneficial for the efficient and effective provision of many government services and functions as well as the economic health and well-being of the downtown. With this in mind, the County and the City executed the MOU to provide a means by which the two agencies would work together to provide resources necessary to develop a comprehensive planning and implementation program for a multi-agency campus style government center located in and around downtown Salinas.

The current MOU will expire on May 8, 2015. The MOU provides that its term or "period of performance" may be extended by the mutual consent and written agreement of both the County and City.

MOU Accomplishments

Over the course of the last three years, the County and the City have been working collaboratively to implement the provisions contained in the MOU. City and County staff meet each month in order to review and monitor the progress of MOU-related items and identify appropriate follow-up actions to facilitate their successful completion. The following is a brief overview of the major accomplishments achieved to date:

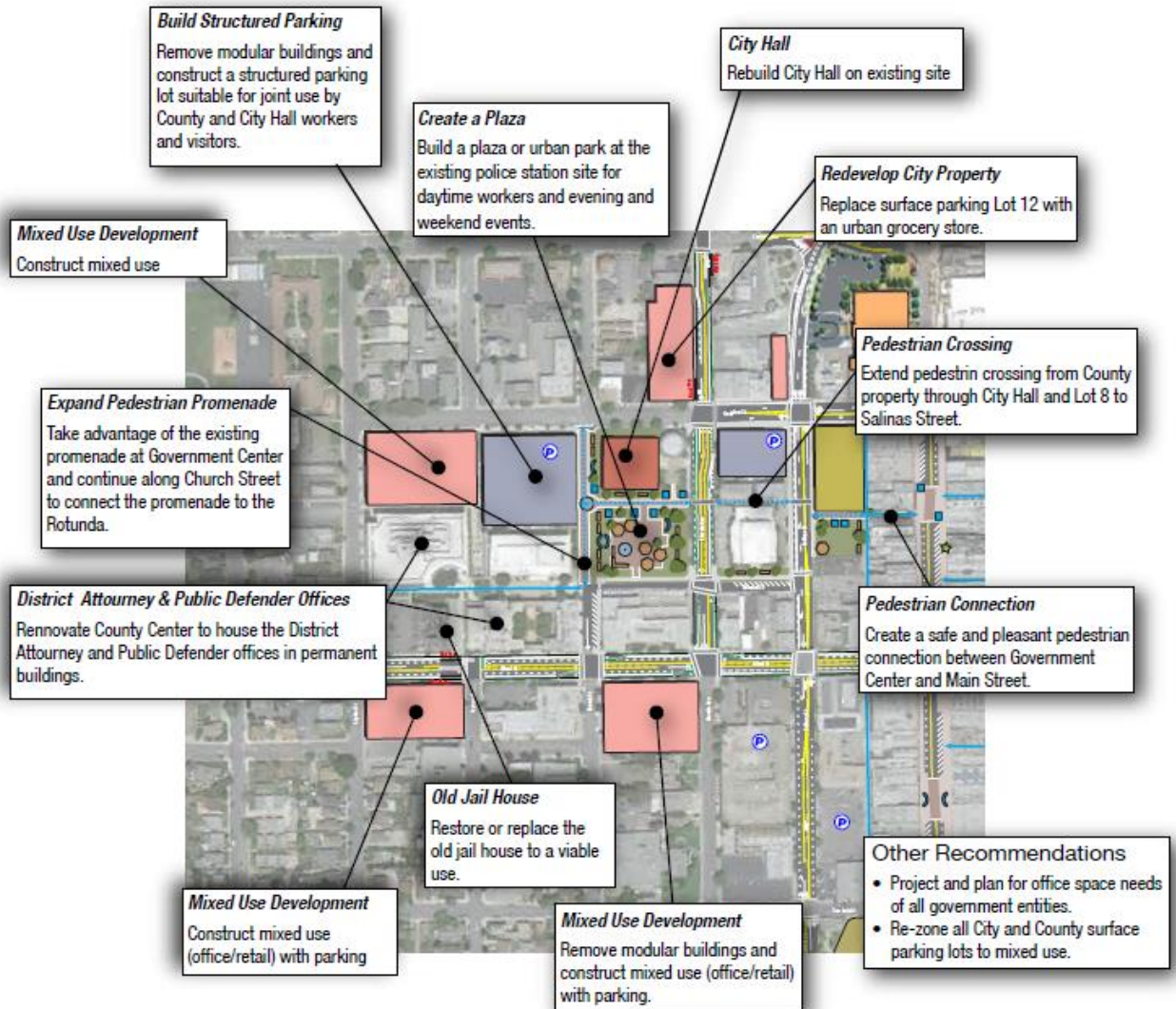
- 1) City of Salinas Downtown Vibrancy Plan: As previously discussed, the MOU is intended to implement a mutual planning and implementation process for the downtown government center. As such, the City (with County support) undertook the preparation of the City of Salinas Downtown Vibrancy Plan to address MOU provisions related to traffic circulation and walkable complete streets, parking, land use, green space, and to develop plans for certain catalyst sites. While the City was primarily responsible for overseeing the public outreach process and the preparation of the Draft Plan, the County participated throughout the process and provided funding towards the cost of preparing the Plan. Of the 500 replies to a needs survey (that was prepared as part of the outreach process), approximately 300 came from County employees. Additionally a community workshop was held that specifically focused on the government center area.

On March 17, 2015, the City adopted a resolution accepting the Draft City of Salinas Downtown Vibrancy Plan as a strategic document. The resolution also authorized the City Manager to enter into professional services agreements for analyses to advance the Plan towards implementation. The Board of Supervisors is scheduled to consider the Plan in May. The Plan focuses on improving mobility, infrastructure, and parking assets; increasing green space and facilitating land use changes to promote the development of a vital downtown. Some of the key strategies include:

- Identification of five catalytic development sites downtown including the Government Center (See Figure 5-3 below), historic Main Street, the Salinas Intermodal Transportation Center, and, Salinas, Gabilan and Main Streets. The Plan identifies opportunities to provide open space, stacked (structured) parking and new pedestrian connections to and from Main Street.
- Identification of various parking solutions for the downtown including the government center.
- Modification of existing street circulation patterns and slowing traffic.
- Establishment of parking, management, oversight, and financing districts.
- Identification of potential development sites downtown (that are primarily government owned surface parking lots) and how the sites can be prepared for development.
- Provision of public art, pedestrian amenities and furniture, better lighting, signage, and other elements to promote a lively and safe downtown and promote a sense of place.
- Preservation or reuse of historic buildings.
- Identification of implementing strategies/actions that distinguish policy and process changes (such as the establishment of districts or rezoning of properties) from capital projects and studies (such as changing one-way streets to two-way streets, parking structures, etc.) with timeframes for their completion. Some of the strategies/actions discussed in the document are underway or nearing completion including:
 - The Downtown Community Benefit District Management Plan is slated to be released this month for public review. It proposes major funding for safety, cleanliness, lighting, landscaping and amenities.
 - Bus Rapid Transit Routes are in design mode for both Alisal Street and Lincoln Avenue.

- Development scenarios have been drafted for various City surface parking lots to test capacities in preparation of a General Plan Amendment and Rezoning of these lots from public use to mixed-use.
- On March 3, 2015, the former Redevelopment Agency Property Disposition Plan was approved by the state outlining plans for the future of the Women's Club and preservation of the Granary Parking Lots.

**FIGURE 5-3 CATALYST IMPROVEMENTS
GOVERNMENT CENTER**



The Government Campus concept plan (shown above) proposes a complete street on Alisal Street with a bus-stop, mid-block pedestrian island, signal at Alisal Street and Capital Street, and recommends closing Church Street to vehicles. The Plan identifies the location of the new City and County parking structure, provides open space at the existing Police Station facility and at Parking Lot 1, and pedestrian paths leading east and west to draw government workers downtown.

2) City/County Properties:

- a. *Inventory of City and County Properties.* A map and matrix were completed identifying all City and County properties located in the greater downtown area. The purpose of the map and matrix was to identify properties which could potentially be utilized as part of the downtown government center planning effort.
- b. *312 East Alisal Street (Proposed City Community Safety Center Site).* The MOU identified the completion of due diligence activities related to the City's acquisition/disposition of 312 East Alisal for a proposed Community Safety Center as a priority item to be completed by June 1, 2012. The City and County are working collaboratively toward a property exchange agreement to facilitate the development of the proposed community safety center. The following is a status of these efforts:
 - i. Remediation of Soil Contamination at the Site - Due to the prior use of 312 East Alisal Street as the County's former Public Works Yard, the site contained soil contamination. The City required that this contamination be remediated prior to and at the expense of the County before the City would be willing to potentially acquire the site. This was a critical item as soil contamination can be very costly to abate. The County assumed responsibility for overseeing and paying for the cost of the remediation process. After several unanticipated delays, the soil remediation of the site was completed in June of 2014.
 - ii. City of Salinas Police Facility Space Needs Assessment/Master Plan – The City undertook an assessment to determine police facility needs which included an evaluation of the suitability of the 312 East Alisal Street property for the proposed community safety center facility. The study was completed in September 2014. The City is currently preparing preliminary design plans for the facility which will be completed in the next several months.
 - iii. Property Exchange - The current MOU originally contemplated the potential exchange of the City's existing police station site (located on Lincoln Avenue) for 312 East Alisal Street. After further investigation, it was ultimately determined by County and City staff that the City would retain ownership of the existing station site to provide future flexibility to expand or relocate City Hall. As such, several other City properties were considered and ultimately 331 Sanborn Road was identified as the best candidate for a potential property exchange (due to similar property values and other issues) for 312 East Alisal Street. However, since 331 Sanborn Road was a former redevelopment property, the City had to obtain authorization from the State Department of Finance (DOF) for its disposition prior to undertaking property exchange negotiations for the property.

On March 3, 2015, the City received notification from the DOF that it could proceed with the disposition of 331 Sanborn Road. In doing so, the State required the Salinas Successor Agency Long Range Property Management Plan to be amended to allow the City to lease the property to the County. The City intends to subsequently convert the lease to a property exchange for 312 East Alisal Street. City and County staff are currently working on the property exchange agreement and anticipate forwarding the agreement to the Board of Supervisors (BOS)/City Council for consideration in May 2015.

- c. *County Administrative Campus.* On April 14, 2015, the County certified a Supplemental Environmental Impact Report (EIR) for the rehabilitation of the East and West Wings of the Old County Courthouse. The rehabilitation project will be considered by the County's Budget Committee (BC) at the end of April 2015 with consideration by the Board of Supervisors anticipated in June 2015. Once approved, County staff estimates the rehabilitation effort will take approximately 36 months to complete and will cost approximately \$36 million. Occupancy of the facility will include the offices of the District Attorney and the Law Library, among others. The final occupancy is still being determined. The goal is to empty and remove all of the modulars currently located north of the North Wing. This will provide an opportunity for other uses to potentially be located in this area such as a parking garage (see Figure 5-3 above).

3) Parking and Circulation:

- a. *Juror Parking.* City and County staff spent considerable time evaluating various City parking options to provide adequate and well-located parking for jurors in the downtown area and ultimately determined that the train station parking lot located at 20-26 Station Place and 12 West Market Street was the best choice given the number of parking spaces required. In February 2013, a two-year license agreement was executed between the City and County to allow juror parking at the Salinas Intermodal Transportation Center (ITC) (train station parking lot). In March 2015, the County and City executed a second two-year license agreement to allow juror parking at the same site. The agreement will be valid until March 31, 2017 however it contains a hold-over clause that allows the agreement to be converted to a month-to-month basis if the County and City desire to extend the program. The County's contribution towards security services at the ITC is an integral component of the newly established ITC Cost center and shared benefit to all tenants.
 - b. *City of Salinas Downtown Vibrancy Plan.* See above for further discussion of parking and circulation accomplishments.
- 4) Other Accomplishments: As a result of City and County staff's on-going collaboration, other projects not specific to the MOU have also been accomplished. One such example is the Harris Road Agreement which was completed in May 2013. This Agreement enabled the City to install dark fiber cable (which will ultimately benefit industrial and other users located in the immediate area) as part of the County's repair and resurfacing of this road. Without the ongoing City/County collaboration, this opportunity may have been missed.

Amendment of the MOU

As previously indicated, the MOU will expire on May 8th. County and City staff believe there is still a need for the MOU especially given the numerous strategies and actions that will need to be implemented as part of the City of Salinas Downtown Vibrancy Plan and also the need to further evaluate the County's and City's plans for their facilities in the downtown area given the County's plans to relocate some of their staff and offices to Schilling Place (the former Capitol One Building). Without the MOU, there is no other means or agreement currently in place which would encourage or obligate the County and City to work together on downtown government planning efforts. As such, staff is recommending that the Council authorize an amendment (See Amendment No. 1 attached to the City Council Resolution) to extend the period of performance of the MOU from May 8, 2015 to October 31, 2015. This will provide staff with additional time to update the MOU to address current

and future plans and needs and remove completed items. No other revisions are proposed as part of the proposed amendment. This will be first amendment to the MOU since it was originally executed.

The proposed MOU amendment will also be considered by the Board of Supervisors on April 28, 2015. The Council's and the Board of Supervisor's approval of the amendment would provide additional time for County and City staff to evaluate and prepare potential revisions to the MOU. Any proposed revisions to the document would be brought back to the Council and Board of Supervisors consideration at a future date.

ISSUE:

Shall the City Council approve the amendment of the MOU with the County of Monterey for Downtown Government Center planning?

FISCAL IMPACT:

There would be no direct or indirect fiscal impacts to the City as a result of the amendment except for cost of staff time to revise the MOU document which is already allocated in the budget for review of inter-agency projects and issues.

TIME CONSIDERATIONS:

The amendment provides a mechanism for the County and the City to have additional time to work on revisions to the MOU to address issues which have arisen or circumstances which have changed since its original approval.

ALTERNATIVES:

The Council may decline to approve the amendment to the MOU, which would result in the MOU expiring. This would require the County and the City to seek another approach to resolving mutual issues and concerns in the downtown area and could potentially impact the implementation of the Vibrancy Plan.

CEQA CONSIDERATIONS:

The action of approving the subject resolution authorizing the Mayor to execute an amendment to the MOU is not a project as defined by California Environmental Quality Act (CEQA) Guidelines Section 15378 and is therefore exempt from further environmental review.

CITY COUNCIL GOALS:

Approval of the amendment would facilitate the continuation of the County's and City's mutual planning and implementation efforts related to the downtown government center which promotes all of the Council goals - Economic Diversity and Prosperity; Safe, Livable Community; Effective Sustainable Government; Excellent Infrastructure and Quality of Life.

CONCLUSIONS:

The proposed amendment (Amendment No. 1) to the MOU will provide additional time for County and City staff to evaluate and prepare potential revisions to the current MOU. This is vital given the

need for the County and City to continue to work collaboratively in the future on the implementation of the Vibrancy Plan and other efforts currently underway in the downtown and in light of the County's plans to relocate certain County offices and staff to Schilling Place (the former Capital One building).

Distribution:

City Council
City Manager
Department Directors

Back Up Pages:

City Council Resolution
Amendment No. 1 to the MOU
Resolution 20185 and Current MOU

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

A RESOLUTION OF THE SALINAS CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT (AMENDMENT NO. 1) TO THE MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF MONTEREY REGARDING THE MUTUAL PLANNING AND IMPLEMENTATION OF A GOVERNMENT CENTER IN DOWNTOWN SALINAS

WHEREAS, on May 8, 2012, the City Council adopted a resolution authorizing the Mayor to execute a Memorandum of Understanding (MOU) with the County of Monterey regarding the mutual planning and implementation of a government center in downtown Salinas; and

WHEREAS, the MOU remains in force until May 8, 2015 unless extended by the mutual consent and written agreement of the County of Monterey and the City as provided for in the General Provisions of the MOU; and

WHEREAS, the County of Monterey and the City have mutually agreed to extend the period of performance of the MOU to October 31, 2015 as provided for in Amendment No. 1 to the MOU (attached hereto); and

WHEREAS, downtown Salinas encompasses Monterey County's largest concentration of local and state government offices, including the County Administrative Offices, the State Superior Court and Salinas City Hall; and

WHEREAS, the County and the City each recognize that the continued concentration of government offices and government workers in downtown Salinas is beneficial for the efficient and effective provision of many government services and functions and is essential for the economic health and well-being of downtown Salinas; and

WHEREAS, the approval of the subject resolution to amend the MOU is not a project as defined by California Environmental Quality Act (CEQA) Guidelines Section 15378 and is therefore exempt from further environmental review.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the Mayor to execute on behalf of the City an amendment (Amendment No. 1) to the MOU in substantially the form submitted to the City Council and Board of Supervisors of the County.

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect upon adoption.

PASSED AND ADOPTED this 28th day of April 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

JOE GUNTER, Mayor

ATTEST:

Patricia M. Barajas, City Clerk

Attachment: Amendment No. 1 to the MOU