



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 6, 2017

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT
PUBLIC WORKS DEPARTMENT

FROM: MEGAN HUNTER, DIRECTOR

BY: LISA BRINTON, SENIOR PLANNER

TITLE: RESOLUTION OF INTENTION TO EXPAND THE DOWNTOWN
SALINAS COMMUNITY BENEFIT DISTRICT

RECOMMENDED MOTION:

A motion to approve a resolution

1. declaring the intention to expand the boundary of the Downtown Salinas Community Benefit District (“District”);
2. approving of a First Addendum to the Engineer’s Report dated May 26, 2015;
3. directing the City Clerk to mail ballots to affected property owners; and
4. setting a time, date and place for a public hearing to tabulate returned ballots, and determine if affected property owners approve of said expansion.

RECOMMENDATION:

It is recommended that the City Council approve a Resolution of Intention to expand the Downtown Salinas Community Benefit District boundary, initiate the balloting process of affected property owners, and set July 11, 2017 as the public hearing date to tabulate ballots.

BACKGROUND:

On May 26, 2015, the City Council adopted a Resolution of Intention (Resolution No. 577) to form the Salinas Downtown Community Benefit District (the “District” or “CBD”). This action included adoption of a District Management Plan and Engineer’s Assessment Report and direction to the City Clerk to mail ballot packets and notice of the public hearing to be held on July 21, 2015 to the proposed district property owners. At the July meeting, City Council tabulated ballots received and approved Resolution No. 2080 forming the CBD for a term of fifteen (15) years, until December 1, 2030.

As a CBD, parcels within the District boundary derive special benefit from programs and activities funded by assessments levied against the identified properties. The benefits are special and unique only to parcels within the District because programs and services (i.e. sidewalk

operations/beautification; district identity; program management; and, contingency/reserve) are only provided directly for the benefit of the identified parcels.

Subsequent to the District's formation, two owners of property adjacent to the District boundaries expressed their interest in a boundary expansion to include their properties and the levy of an assessment against their properties to receive special District benefits. On January 25, 2017, the Salinas City Center Improvement Association (the "SCCIA"), the District's management association, submitted a written request to modify the 2015 Engineer's Report to add the aforementioned properties to the District. Table 1 below lists the subject properties addresses', Assessor's Parcel Number(s) and property owner names. 401 Monterey Street has seven APNs. The property is comprised of four (4) parcels, three (3) of which have two (2) APNs. A distinct suite number (ie: 401 Monterey, Suite 101, etc) is tied to each of these APNs. In response to SCCIA's request, the City prepared a First Addendum to the Engineer's Report (the "First Addendum").

Table 1: Properties requested to be added to Downtown Salinas CBD

Property Address	Assessor's Parcel Number(s)	Property Owner(s)
318 Cayuga Street	002-362-016-000	Jeffery R. Gilles
401 Monterey Street	002-355-001-000; 002, 003,004, 005, 006, 007	Bradley Slama and the L. Keith Slama & Jannette Slama Trust

DISCUSSION:

The sole purpose of the First Addendum is to add the parcels listed in Table 1 above to the CBD. It does not in any way change the required "nexus" of rationale between assessment amounts levied and special benefits conferred on properties within the District, nor does it change the formula/methodology for calculating assessment amounts. Appendix 1 to the Addendum is a map of the modified CBD boundary. As shown on the map, these two (2) properties are in Benefit Zone 2.

Articles XIIC and XIID of the California Constitution and Section 53753 of the California Government Code (Proposition 218 Omnibus Implementation Act) impose certain procedural and substantive requirements relating to the notice, protests and hearing requirements pertaining to new or increased assessments. If approved by the City Council, the attached Resolution of Intent initiates the Proposition 218 balloting process.

The City Clerk will only mail ballots to the two property owners requesting to be included in the District. The purpose of this balloting process is to confirm at a public hearing the property owners' desire to be included in the District and acceptance of a levy against their properties. The ballots will be tabulated at a public hearing to be held on July 11, 2017. In order to be effective in FY 2017-18, the District expansion approval process must be completed by July 31, 2107.

CEQA CONSIDERATION:

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). 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 action and this 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.

STRATEGIC PLAN INITIATIVE:

The expansion of the Downtown Community Benefit District supports 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.

FISCAL AND SUSTAINABILITY IMPACT:

This action has no direct financial impact on the General Fund. The City will pass the assessments collected by the County of Monterey through to SCCIA to be used in accordance with the approved District Management Plan.

As established in the 2015 Engineer's Report, benefit calculation is derived from lineal footage, building square footage and parcel size. Table 2 calculates the benefit analysis and spread assessment for the subject properties using the formula and methodology established in the 2015 Engineer's Report.

Table 2: Benefit Analysis and Spread Assessment

	Assessment Unit (Zone 2)	318 Cayuga Street	Sub-total	401 Monterey Street*	Sub-total	Total
Lineal Footage	\$ 3.4900000	120 ft	\$ 418.80	128 ft	\$ 446.72	\$ 865.52
Parcel Size	\$ 0.0671500	15,630 sq ft	\$ 1,049.55	18,570 sq ft	\$ 1,246.98	\$ 2,296.53
Building Size	\$ 0.0845230	21,161 sq ft	\$ 1,788.59	8,090 sq ft	\$ 683.79	\$ 2,472.38
Total			\$ 3,256.95		\$ 2,377.49	\$ 5,634.43

ATTACHMENTS:

1. SCCIA CBD boundary expansion Request letter dated January 25, 2017
2. Resolution of Intention to expand Downtown Salinas Community Benefit District
 - a. Exhibit 1: First Amendment to the Downtown Salinas Community Benefit District Engineer's Report