



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** JULY 11, 2017

**DEPARTMENT:** COMMUNITY DEVELOPMENT DEPARTMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**BY:** LISA BRINTON, SENIOR PLANNER

**TITLE:** RESOLUTION EXPANDING THE DOWNTOWN SALINAS  
COMMUNITY BENEFIT DISTRICT

**RECOMMENDED MOTION:**

A motion to approve a resolution expanding the Downtown Salinas Community District (the “CBD” or “District”) boundary provided ballots validate property owner consent to join the CBD.

**RECOMMENDATION:**

It is recommended that the City Council

1. hold a public hearing to consider oral and written testimony regarding the expansion of the Downtown Salinas Community Benefit District;
2. tabulate ballots returned to the City pursuant to the procedures set forth in Resolution 603, approved June 6, 2017 (the “Resolution of Intention” or ROI”); and
3. if the ballot tabulation validates the two property owners’ desire to be included in the CBD and acceptance of a levy against their properties, approve the attached Resolution of Expansion extending the boundary of the CBD.

**BACKGROUND:**

Subsequent to the District’s formation, two owners of property adjacent to the District boundaries (the “Property Owners”) 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. 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.

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

<b>Property Address</b>	<b>Assessor's Parcel Number(s)</b>	<b>Property Owner(s)</b>
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

In response, the City prepared a First Addendum to the Engineer's Report (the "First Addendum"), which was approved by the ROI (Attachment 1).

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.

The ROI directed the City Clerk to mail ballots to the Property Owners giving notice of a public hearing regarding the District boundary expansion and the levy and collection of assessments on the subject parcels for fiscal year 2017-2018. The City Clerk mailed Ballot packets on June 7, 2017, and published the Notice of Intention in the Salinas Californian newspaper June 10, 2017. The Ballot Packet's cover letter describes the process and includes the estimated amount of assessment applicable to each property. A Ballot is included that constitutes the "notice of public hearing." It allows the property owner to vote in support, or against the District expansion. The Ballot Packet also includes the Resolution of Intention, the First Addendum and links to the Management Plan and 2015 Engineer's Report.

#### DISCUSSION:

State law requires that property owners have no less than 45 days to respond to the ballot. In this instance, the public hearing is scheduled 35 days after noticing. Provided the Property Owners respond in the affirmative prior to the end of the public hearing, the Council may proceed to consider adoption of the Resolution of Expansion. In order to be effective in FY 2017-2018, the District expansion approval process must be completed by July 31, 2017. The levy and collection of assessments against the subject properties ends December 1, 2030.

Consistent with the State Constitution, the mail ballots must be received by the City Clerk with a clearly indicated "yes" or "no" and be signed by the property owner at the close of the public testimony at the public hearing. The public hearing provides the Property Owners the opportunity to voice their opinions regarding the expansion of the District and to cast their votes for or against the expansion in a public forum.

After the close of the public hearing, ballots will no longer be received and staff will ask the Mayor to recess the meeting and the City Clerk or her designee(s) will unseal and tally the ballots at her desk in the City Council Rotunda. Once completed, the City Clerk will request the Mayor to reconvene the meeting. Staff will present the final ballot results and the agenda item will resume. Provided the Property Owners consent to join the District, the City Council may adopt the Resolution of Expansion.

If the Council approves the Resolution of Expansion, the City would then notify the County Property Tax Assessor to levy the assessments on the next cycle of property tax bills consistent with the amount listed in First Addendum. The assessments will appear as a line item on the property tax bills.

#### 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.

#### ATTACHMENTS:

1. 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
2. Resolution of Expansion of the Downtown Salinas Community Benefit District
3. Ballot Packet