



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: NOVEMBER 28, 2017

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

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TITLE: ADMINISTRATIVE REPORT ON DRAFT SALINAS ECONOMIC DEVELOPMENT ELEMENT FINAL PROGRAM ENVIRONMENTAL IMPACT REPORT (FEIR) (ER 2017-006) FOR GENERAL PLAN AMENDMENT (GPA 2013-001)

RECOMMENDED MOTION:

No action is recommended on this item. This item is an Administrative Report on the Economic Development Element Final EIR.

RECOMMENDATION:

No recommended action is required at this time. The City Council will consider the certification of the Economic Development Element FEIR (ER 2017-006) for General Plan Amendment (GPA 2013-001) at a public hearing scheduled for December 5, 2017.

EXECUTIVE SUMMARY:

The City is proposing the addition of an eighth element to the 2002 Salinas General Plan. The draft Economic Development Element (EDE), as a comprehensive, key strategic planning document, provides goals, policies and actions to achieve the City's vision of a prosperous and healthy community defined as jobs, safety, and health. Land Use policies in the EDE direct a strong focus on infill development, redevelopment, and revitalization within the City's central core and primary commercial corridors to create more jobs and revenue-generating infill development opportunities. The EDE also provides new development capacity to attract larger employment and revenue generating uses. The intent is that the EDE is to guide the future General Plan update, which is to begin mid-2018.

Preparation of the EDE was completed in April 2014, and it was accepted by the City Council as a key strategic policy document in June 2014. The EDE was not, however, adopted and incorporated into the General Plan at that time because the environmental analysis required under the California Environmental Quality Act (CEQA) had not yet been completed. Attachment 2 to

this staff report describes the EDE preparation and refinement process, including the extensive community engagement and outreach undertaken.

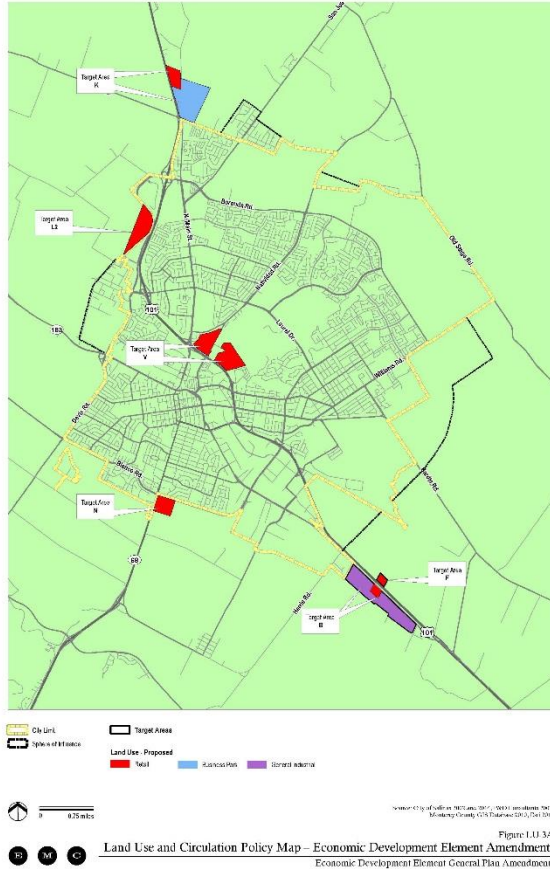
The City, as lead agency, prepared a Program Environmental Impact Report (EIR) for the EDE General Plan Amendment (2013-001). In its entirety, the EIR documents consist of the September 1, 2017 Draft Program EIR (Draft EIR or DEIR) and the November 9, 2017 Final Program EIR (Final EIR or FEIR) (State Clearinghouse No. 2015111036). The City Council will consider the certification of the EDE EIR and General Plan Amendment at a public hearing scheduled for December 5, 2017. Attachment 1 to this staff report is a link to the FEIR. Attachment 3 summarizes the key milestones of the EIR preparation process.

BACKGROUND:

The EDE reemphasizes the General Plan's land use strategy of prioritizing infill development and revitalization within the city limits and Sphere of Influence. However, the proposed EDE also provides for new land supply in order to support the 45,500 new jobs needed through buildout of the existing General Plan. These areas of new land supply are termed "Target Areas" (See Figure 1 below.) and were derived from the Economic Opportunity Areas (EOA) identified through the EDE development process and subsequent preparation of the EIR. See Attachment 1 of the staff report for more details regarding the EOA refinement process.

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Figure 1: Target Areas



EDE policies that have potential to result in physical change are identified and evaluated in the DEIR. The EDE land use policies and associated general plan amendments direct new development capacity to six (6) “Target Areas”. The Target Areas contain a total of 558 acres of land. One of the Target Areas (115 acres) is located within the city limits in the Carr Lake area. The remaining five (5) Target Areas (443 acres) are located outside of, but adjacent to, the City’s Sphere of Influence (SOI). The City has assigned General Plan land use designations to each of the Target Areas. The land use designations include Industrial (147 acres), Retail (279 acres) and Business Park (132 acres). Attachment 3 of this staff report, Figure LU-3A illustrates the location and proposed land use of the six (6) Target Areas.

Based on analysis of floor area ratios for each land use type and land demand for non-building needs (e.g. infrastructure, roads, etc.), a total of 5,255,959 square feet of new building capacity could be accommodated within the six (6) Target Areas. Total new employment capacity is projected at 8,981 jobs. Table 1, New Development and Employment Capacity, summarizes this information.

Table 1 New Development and Employment

Capacity

Target Area Land Use	Gross Acres	Building Capacity per Land Use Type	Employment Density (Bldg. Square Feet/Job)	Projected Jobs
Industrial	147	1,502,820	1,000	1,503
Retail	279	2,193,448	550	3,988
Business Park	132	1,570,338	450	3,490
Total	558	5,255,959¹		8,981

DISCUSSION:

The following discussion summarizes the EDE DEIR’s identified significant and unavoidable environmental impacts, describes alternatives considered to reduce or avoid identified impacts, and summarizes public comment areas of concern and response to comments provided in the FEIR.

Environmental Impact Summary

The DEIR analyzed the potential environmental impacts from the potential, future development of these six (6) Target Areas, and a summary of these impacts are included in Table S-2, Significant Impacts and Mitigation Measures, in the Summary section of the DEIR. The table lists each significant impact by topic area, the level of significance of each impact, mitigation measures to avoid or substantially minimize each impact, and the level of significance of each impact after implementation of the mitigation measures. A list of the project's significant and unavoidable impacts follows.

- Substantial change in visual character due to their conversion of agricultural land to urban use and loss of important existing views of valuable visual resources in the form of agricultural landscapes and potentially of more distant mountain views;
- Conversion of 502 acres of Important Farmland (Prime Farmland, Farmland of Statewide Importance, and Unique Farmland) to non-agricultural use;
- Generation of a significant volume of greenhouse gas emissions;
- Generation of traffic noise that exceeds standards; and
- Reduction of ten (10) County and Caltrans road segments to unacceptable levels of service.

The impacts listed above also represent cumulatively considerable (i.e., significant) and unavoidable impacts of the proposed project as discussed in DEIR Section 4.0, Cumulative Impacts.

Analysis of Alternatives

CEQA also requires that an EIR consider a reasonable range of alternatives, and then evaluate these alternatives to determine the extent to which each alternative eliminates or decreases significant adverse impact. Each alternative's ability to meet the project's objectives is also to be evaluated. Four alternatives to the proposed project have been evaluated in Section 6.0 of the DEIR. In summary, they are as follows:

- Alternative 1: No Project/No Development
- Alternative 2: GSA MOU Amendment

This alternative removes Target Area N from the proposed project considering the County's concern that development of Target Area N would result in loss of high value agricultural land to the south of the City. The building area capacity for Target Area N is shifted to Target Area K, in which both acreage and floor area ratio (FAR) area are increased to accommodate the building and employment generating capacity from Target Area N.

- Alternative 3: GSA MOU Consistency

This alternative includes modifications to the proposed project that maximize its consistency with the 2006 GSA MOU. It modifies the proposed project by eliminating Target Areas (B, F, K, and N).

- Alternative 4: Target Area V

This alternative considers environmental effects of changing the Retail land use designation proposed for Target Area V to Mixed Use and relocating a portion of the Target Area to an alternative location within Economic Opportunity Area V. All other aspects of the proposed project are retained.

Summary of Public Comment Areas of Concern and Response to Comments

The City received fifteen (15) comment letters on the DEIR. DEIR public comments centered around four (4) primary areas of concern: the exclusion of the Economic Development Reserve Areas (EDRAs) from the EIR project description and analysis; the need for additional raw land versus current infill development capacity; the loss of prime agricultural land; and consistency with existing regulations, plans and agreements. Several commenters expressed concerns that future development of Target Areas B, F, and N on the south side of the City would lead to unacceptable impacts on conversion of important farmland and agricultural resources; conflicts with existing conservation easements; and incompatibilities with the 2002 Salinas General Plan and the 2006 Greater Salinas Area Memorandum of Understanding (MOU) between the City and the County.

The City has considered these comments and provided responses to them in Section 2.0 of the FEIR. In some cases, the consideration and response to a comment prompted one or more revisions to the analysis presented in the DEIR, and such changes are noted in Section 3.0 of the FEIR in strike-through and underline format. A summary of the FEIR response to comments addressing these four (4) areas of concerns follows.

EIR project description:

- The identification of EDRAs (14,728 acres) in the EDE is to guide General Plan Update discussion and does not indicate commitment by the City for future development.
- Land use designation is not assigned to EDRAs as part of this general plan amendment.
- They are retained in EDE as conceptual to respect community engagement process and to guide future General Plan Updates.

Need for additional raw land versus current infill development capacity:

- Twelve of 18 EDE Land Use Policies focus on infill development and the redevelopment and revitalization of the City.
- Target areas represent the balance of additional employment needs that cannot be accommodated within the City limit and SOI.
- Currently undeveloped land previously brought into the SOI or annexed to the City is either slated for residential use (Future Growth Area N. of Boronda Road) or has development constraints (i.e.: flood plain, reclamation ditch, airport fly zone, lack of infrastructure and access to regional roadway network).
- Target areas are to attract larger employers that cannot be accommodated within the City due to size, infrastructure, location (access to regional transportation networks), and/or compatibility constraints.

Loss of Agricultural land:

- The loss of 502 acres of prime agricultural land is minimal compared to over 260,000 acres in production throughout Monterey County.
- The identified Target Areas are contiguous to existing urban development on two to three side and in some cases are adjacent to schools and residential areas that can require additional buffers to protect the ag/urban interface.
- Agricultural mitigation measures have been strengthened to include more detailed performance measures.
- Alternatives 2, 3 and 4 were evaluated to avoid/eliminate potential conflicts with Williamson Act Contracts and permanent conservation easements.

Consistency with existing regulations, plans and agreements:

- EDE policies and the EIR acknowledge that the GSA MOU will need to be amended should the EDE be approved as proposed.
- The vision and interests of the City and County have evolved since 2006. City and County staff have been in discussion throughout the EDE and EIR preparation process and have discussed the need to revisit MOU in the areas of agricultural land mitigation, mitigation of roadway and infrastructure impacts resulting from development in adjacent city/county land, regional approach to addressing farm working housing, in addition to direction of city/county growth.
- There is no guarantee that the County will agree to amend the GSA MOU. For this reason, the EIR evaluates Alternative 3: GSA MOU Consistency (see description above).
- Consistency with LAFCO regulation and policies (Cortese-Knox-Hertzberg Act) applies to future development proposals. LAFCO is not taking discretionary action on the proposed general plan amendment, neither is a SOI expansion, nor an annexation being requested at this time.
- Proposed amendment to Salinas General Plan policy LU-2.1 would to allow employment-generating uses in Target Areas to eliminate inconsistency with current policy.

CEQA CONSIDERATION:

No CEQA action is required for this administrative report. At the December 5, 2017 public hearing, the City Council will consider the adoption of the proposed EDE General Plan Amendment. Before acting on the adoption of the EDE and associated general plan amendments, the City Council, as lead agency, must certify the EIR. When an EIR has been prepared, that indicates that approval of the project or plan would result in significant environmental impacts, the lead agency documents the environmental review analysis in CEQA findings in a resolution certifying the EIR.

STRATEGIC PLAN INITIATIVE:

The certification of the EDE Program EIR for the Economic Development Element will lead to the adoption of the Economic Development Element, an explicit objective in the City Council's strategic plan and aligned with the goal of Economic Prosperity and Diversity.

FISCAL AND SUSTAINABILITY IMPACT:

The preparation of the EIR and general plan amendment to incorporate the Economic Development Element as a new general plan element has been fully funded by City Council. There is no fiscal or sustainability impact related to the Administrative Report.

ATTACHMENTS:

1. EDE Final Environmental Impact Report
2. Summary of EDE development and refinement process
3. Summary of CEQA preparation process milestones