



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MAY 1, 2018

DEPARTMENT: PUBLIC WORKS

FROM: HILDA GARCIA, PUBLIC WORKS ADMIN SUPERVISOR

TITLE: LICENSE AGREEMENT WITH AUSONIO INC. FOR USE OF 10 AND 12 SOLEDAD STREET

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the City Manager to enter into a License Agreement with Ausonio Incorporated (Ausonio) to use the City-owned properties at 10 and 12 Soledad Street as staging area for construction of the 21 Soledad Street Housing development.

RECOMMENDATION:

Staff recommends the City Council approve a Resolution authorizing the City Manager to enter into a License Agreement with Ausonio to use the City-owned properties located at 10 and 12 Soledad Street.

EXECUTIVE SUMMARY:

This License Agreement supports the long awaited Mid-Pen affordable housing development supported by City Housing funds in Chinatown.

BACKGROUND:

The City of Salinas recently partnered with MidPen Housing to build a mixed-use affordable housing community located at 21 Soledad Street in the Chinatown neighborhood. The City donated the property at 5-21 Soledad Street, valued at \$500,000 to contribute to the housing development, which will consist of 88 units including 40 that will be set aside for high-need population. This project is also known as the Moon Gate Plaza housing project.

Ausonio is the prime contractor on the Moon Gate Plaza housing project and is seeking an area for staging of construction materials including but not limited to shipping containers, equipment and vehicle parking. There is ample space in the unoccupied lots. Ausonio has agreed to a 2-year license agreement with a 60-day cancellation clause. This License Agreement is proposed because it supports the City's interests in developing affordable housing in Chinatown, and will provide the City with an active tenant on otherwise vacant properties. In consideration for use of the lots, Ausonio will maintain the property free of litter and trespassers, and will not have to pass the cost of rent to the project in which the City is contributing to.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed license agreement for the storage of props is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). By way of separate actions, the Mid-Pen housing project it supports has received both of its State and Federal Environmental clearances.

STRATEGIC PLAN INITIATIVE:

Providing a staging area for Ausonio supports the Council's Strategic goal of Revitalizing Chinatown.

FISCAL AND SUSTAINABILITY IMPACT:

There are no costs or savings attributable to the proposed agreement.

ATTACHMENTS:

Resolution

License Agreement