



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

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**DATE:** NOVEMBER 5, 2019

**DEPARTMENT:** COMMUNITY DEVELOPMENT

**FROM:** MEGAN HUNTER, DIRECTOR

**BY:** LISA BRINTON, PLANNING MANAGER

**TITLE:** AUTHORIZATION TO ENTER INTO AGREEMENT WITH  
MONTEREY-SALINAS TRANSIT

### **RECOMMENDED MOTION:**

A motion to approve a Resolution authorizing the Mayor to enter into an Agreement with Monterey-Salinas Transit (MST) to apply to the Federal Transit Administration's (FTA) Pilot Program for Transit-Oriented Development (TOD) Planning Grant and approving the leveraging of the City's California SB 2 grant funds as the City's local match.

### **RECOMMENDATION:**

It is recommended that the City Council approve a resolution authorizing the Mayor to enter into an Agreement with MST to submit a Pilot Program for Transit-Oriented Development (TOD) Planning grant application, and if awarded, to accept grant funding to undertake technical studies and feasibility analysis required to prepare comprehensive TOD plans for the downtown and East Alisal Street Corridor (Project). It is further recommended that the City Council approve the leveraging of the City's California SB 2 grant funding as the City's local match.

### **EXECUTIVE SUMMARY:**

MST and the City staff desire to enter into a partnership to collaborate on the submission of a grant application for federal transit-oriented development funding. If awarded, the proposed Project would undertake technical studies and feasibility analysis required to prepare comprehensive plans establishing bus rapid transit (BRT) along East Alisal Street and relocating the Salinas Transit Center to the Salinas Intermodal Transit Center (ITC) to serve as the BRT route termini. The Program requires a twenty percent (20%) local match. Grant applications, due by November 18, 2019, must include documentation of any partnerships and local match funding commitments. In order to meet the Program requirements by the grant deadline, it is requested that City Council authorize the City Manager to enter into an Agreement with MST that describes the Project scope of work, outlines MST and City roles and responsibilities, and identifies the source and amount of MST and City local match contributions.

## BACKGROUND:

On September 18, 2019 the FTA, under the Department of Transportation released a Notice of Funding Opportunity (NOFO) for its FY 2019 competitive Pilot Program for TOD Planning (Program). Approximately \$19.19 million dollars is available to fund comprehensive planning that supports economic development, ridership, multimodal connectivity and accessibility, increased transit access for pedestrian and bicycle traffic, and mixed-use development near transit stations. Program focus is on planning associated with fixed guideway (e.g: bus rapid transit) and core capacity improvement project. Emphasis is also placed on removing barriers to facilitate mixed-use development close to transit stations and hubs.

Given that the coordination and intersection of transportation and land use planning is critical for successful transit-oriented development, the Program requires that MST partner with the City as the local land use authority. Coincidentally, the timing of this Program opportunity aligns with City land use planning efforts. In October 2019 the City submitted its application for guaranteed California SB 2 Planning Grant funding to conduct technical studies and initial environment analysis to pursue zoning changes to produce more housing and mixed-use development in the downtown and along East Alisal Street.

As mentioned above, grant applications must include documentation of any partnerships and local match funding commitments. The proposed Agreement would describe the Project scope of work, outline MST and City roles and responsibilities, and identify the source and amount of MST and City local match contributions.

## DISCUSSION

### **Project Description**

The proposed Project includes undertaking technical studies and feasibility analysis to evaluate establishing a bus rapid transit system (BRT) along East Alisal Street and the relocation of MST's Salinas Transit Center to the Salinas Intermodal Transit Center to serve as the BRT route termini. The comprehensive planning effort will identify existing and future transportation infrastructure, highlight the extensive land use planning work already completed or underway by the City of Salinas, and identify strategies to marry these two in a way that results in transit-oriented development that eliminates barriers for developers and encourages economic development and improved quality of life.

### **Project Roles and Responsibilities**

MST will apply as the eligible applicant, and lead agency as MST is an approved FTA direct recipient and is responsible for bus transit operations in Monterey County. The City, as the land use authority will be listed as a project partner. MST will administer the grant and Project delivery compliance with local, state and federal requirements and will prepare and submit program and financial reports and requests for reimbursement. MST will also oversee procurement of contracted services to prepare technical and feasibility studies.

The City, as project partner, will work collaboratively with MST to develop the project scope of work and procure professional technical services to prepare the identified studies and analysis.

The City will also be actively involved in monitoring the preparation and review of Project deliverables. Under its SB 2 grant scope of work, the City will take the lead on preparing technical and environmental studies to process zoning changes that could yield an additional 1,000 housing units along the proposed East Alisal BRT corridor.

### **Funding**

The Agreement will also identify and commit MST and City local match contributions. FTA requires a minimum of a twenty percent (20%) local match, which can be contributed in cash or in-kind. The estimated Project budget is Eight Hundred Thousand Dollars (\$800,000) requires a twenty percent (20%) local match of One Hundred and Sixty Thousand Dollars (\$160,000). More detail is provided in the Fiscal and Sustainability Impact section below.

### **CEQA CONSIDERATION:**

The proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines section 15378). If the proposed scope or actions progress to a “project” level further CEQA analysis will be required to address potential environmental impacts of the proposed project.

### **STRATEGIC PLAN INITIATIVE:**

The Project supports City Council Strategic Plan Initiatives of Economic Diversity and Prosperity and a Well-Planned City and Excellent Infrastructure by conducting technical and feasibility studies that further implement actions identified in the Downtown Vibrancy Plan and draft Alisal Vibrancy Plan related to increasing the efficiency and frequency of bus service and strategically locating bus routes and future stations near future transit-oriented development.

### **DEPARTMENTAL COORDINATION:**

Community Development and Public Works have been collaborating with MST on developing the project scope and budget for the proposed TOD project. Community Development staff took the lead in preparing this staff report.

### **FISCAL AND SUSTAINABILITY IMPACT:**

Estimated Project budget is Eight Hundred Thousand Dollars (\$800,000). As part of the partnership MST will commit to providing a ten percent (10%) of the local match, Eighty Thousand Dollars (\$80,000) from its allocation of State Local Transportation Funds.

The City proposes to use up to One Hundred and Eighty Thousand Dollars (\$180,000) of the SB 2 allocation as a leveraged cash match as most of the SB 2 planning areas are within the E. Alisal BRT Corridor and downtown/ITC area. SB 2 technical analysis would support and further the TOD Pilot Program scope of work and goals of enabling mixed-use development and facilitating multimodal accessibility.

ATTACHMENTS:

1. Resolution
2. Notification of Funding Opportunity