



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: NOVEMBER 19, 2019

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: MEGAN HUNTER, DIRECTOR

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TITLE: DOWNTOWN GOVERNMENT CENTER MEMORANDUM OF UNDERSTANDING (MOU) 2019 ANNUAL REVIEW

RECOMMENDED MOTION:

No action is required. This Report is presented for informational purposes only.

RECOMMENDATION:

As no action is required and this Report is presented for informational purposes only, this Report does not carry a recommendation. This Report presents the written 2019 Annual Review on the implementation of the Memorandum of Understanding between the City and the County of Monterey regarding mutual planning and implementation of government services and facilities in downtown Salinas.

EXECUTIVE SUMMARY:

In 2012, the County and the City entered into a Memorandum of Understanding to provide the means by which the two agencies would work together to provide necessary resources to develop a comprehensive planning and implementation program for a multi-agency campus-style government center located in and around downtown Salinas. Such collaboration was vital given each agency owns and/or occupies a significant share of downtown properties. This concentration of government offices in the downtown is beneficial for the efficient and effective provision of many government services/functions and is a key component of the economic health and well-being of the downtown Salinas.

The MOU requires that an annual review, including an update on the Schedule of Performance (Exhibit "A" to the MOU) be conducted by November 30th of each year. Staff from both agencies meet monthly to review the progress and collaborate on other opportunities that arise (e.g. Housing). In addition to the regular meetings, staff have had more focused meetings on the downtown parking and housing matters. This matrix reflects significant progress on a number of actions items, and there has been a lot of effort that is not specifically listed.

BACKGROUND:

On May 8, 2012, the City Council approved a resolution authorizing the Mayor to execute a Memorandum of Understanding (MOU) with the County of Monterey to set forth mutual understandings and actions regarding a government center planning and implementation strategy (referred herein as the “Downtown Government Center MOU”). The original term or “period of performance” of the Downtown Government Center MOU was three years, with an expiration date of May 8, 2015. On April 29, 2015, the City Council and the Board of Supervisors (BOS) approved an amendment to extend the term of the MOU to October 31, 2015 to allow additional time for City and County staff to update the document. The MOU formally expired on October 31, 2015. The Council and BOS approved a comprehensive update to the MOU on February 9, 2016.

Summary of Comprehensive Update of the Downtown Government Center MOU (2016)

The 2016 MOU reflects the current and future plans for County/City properties and facilities in downtown Salinas. While some of the prior MOU provisions remain to some degree, several new provisions were incorporated into the MOU to provide greater oversight, promote public engagement and facilitate the implementation of specified action items. Key new provisions include but are not limited to:

1. *Downtown Vibrancy Plan (DVP)* – In 2015, the City Council and the BOS accepted the Salinas Downtown Vibrancy Plan as a strategic planning document to guide the revitalization of downtown Salinas including the government center. The MOU includes several provisions addressing the numerous strategies and actions that will need to be implemented as part of the DVP.
2. *Schedule of Performance* – A Schedule of Performance was included (Exhibit “A” of the MOU) which specifies each action item in the MOU and identifies the responsible party for implementation, the estimated completion date and the funding status of each action item. The schedule is intended to keep action items on track and to apprise the Council and the BOS of upcoming funding and resource needs. The City Manager and Chief Administrative Officer may amend the Schedule of Performance administratively to address changing circumstances and/or add new action items as deemed appropriate.
3. *Annual Review* – To promote oversight and public engagement, a requirement for an annual review by the Council and BOS was included. As part of the annual review process, each agency is to prepare a written report documenting the progress of the MOU to date. The report is to include an updated Schedule of Performance showing the status (including funding) of each action and any revisions proposed from the previous year. Staff has also developed a list showing all of the items that have been completed.
4. *Timing for this review* is slated for November of each year in order to allow each agency the opportunity to allocate resources in the mid-year budgets as may be needed to keep the completion of action items moving forward. A provision was also added to ensure the public (including the Chamber and Salinas City Center Improvement

Association) has ample time to review and comment on the report prior to the BOS and Council consideration of the document. On October 21, 2019, a draft annual Schedule of Performance review matrix was provided to the Salinas Valley Chamber of Commerce, Salinas City Center Improvement Association (SCCIA), and SPARC for review and comment noon on November 4, 2019. No comments were received.

5. *Period of Performance* – The term of the MOU was increased from three years to five years. This time frame is more reflective of the implementation timeframes established in the Downtown Vibrancy Plan. The current term is until February 2021. The MOU can be extended by the mutual consent of either party.

DISCUSSION:

Downtown Government Center MOU 2019 Annual Review

General Coordination

City and County staff have a standing meeting on the third Thursday of the month to discuss and coordinate current and future planning and activities related to government owned property and facility needs in downtown Salinas identified in the MOU. The following is a brief overview of the MOU accomplishments achieved since November 2018. An updated Exhibit “A” - Schedule of Performance is provided as an attachment to this report.

Implementation of Downtown Vibrancy Plan

Amend the City’s General Plan Land Use Designation and Zoning Districts for City and County-owned parking lots identified in Exhibit “B” of this MOU. (1.b.): A key implementation recommendation of the Downtown Vibrancy Plan is to stimulate development activity through the re-zoning of public surface parking lots to allow for residential or mixed-use development, and to focus on aligning the land use approval process to facilitate private investments in downtown development. This includes amending City land use designations and regulations to allow for and incentivize the recommended type(s) of housing development.

In July 2019 the City began the process to identify a Master Developer to redevelop city-owned parking lots along the Lincoln Avenue Corridor as mixed-use development. In October 2019, the City also submitted an application for California SB2 (Building Homes and Job Act) funding to hire a consultant to prepare technical studies and environmental analysis required to process re-zoning of city-owned surface parking lots.

At the time of staff report submission, City and Monterey-Salinas Transit (MST) staff have discussed collaborating on the preparation of a grant application to the Federal Transportation Administration under its Pilot Program for Transportation Oriented Development (TOD). The proposed project evaluates bus rapid transit and its alignment with future mixed-use TOD along East Alisal Street and the downtown, including the relocation of MST’s downtown transfer station to the Salinas Intermodal Transit Center (ITC) to free up land in the downtown for mixed-used development.

At its November 5, 2019 meeting, staff will seek Council authorization for the City Manager to enter into an agreement with MST to partner to submit, and if awarded, accept and implement the

proposed scope of work. The agreement will also address the required twenty percent (20%) local match to be shared with MST. The application is due November 18, 2019.

Parking, facility needs and fiscal assessment of existing government facilities. (1.c) and Coordinate on future planning activities related to the disposition of the Old County Jail, provision of open space and parking and shared parking facility or facilities (1.d.(ii)(1)(2)(3)):

Monthly City and County staff meetings include evaluation of downtown parking conditions. The Agreement for County use of the ITC parking lot for juror parking terminated on September 13, 2019. To address parking demands around the government center, the County explored development of a temporary surface parking lot at Gabilan and Church Streets. City and County staff also collaborated to identify alternative locations for juror parking, in consultation with the Courts. In August and September, the City Council and County Board of Supervisors approved Amendment 1 to Lease of City Property that expanded the County use of Lot 17 for juror and employee parking. County and Courts have agreed to consider utilizing City surface parking lots to manage parking demands while City, County and Courts continue to evaluate the feasibility of a joint permanent parking structure at Gabilan and Church streets to serve the Downtown Government Center.

Public Works continues to work with parking consultants to develop a Downtown Parking Management Master Plan (PMP). The PMP will make recommendations for 1) location and timing for the development of new parking structures, 2) pricing parking to encourage efficient use of available parking; and 3) the financing of City parking projects. The PMP (draft January 2020) will include the anticipated recommendation for paid on-street parking for Downtown, incorporation of latest parking arrangements with the County, and a parking needs assessment taking into account new fiscal estimates based on recent rate changes. Efforts in FY 2018-2019 focused on parking rate adjustments and enforcement to establish a revenue base for parking enterprises. This step was needed prior analyzing facility needs. The City Council expanded parking enforcement services in December 2018, and in January 2019 approved a 2-year parking rate adjustment that went into effect July 2019. The rate adjustment took longer than anticipated due to needed discussion with the community. Both parking enforcement and the downtown parking program show promise of being self-sustaining.

Provide for attractive, safe and convenient pedestrian linkages and green spaces. (1.e.): The Downtown Complete Streets Project was awarded on October 8, 2019 with construction commencing Fall 2019. This project includes sidewalk, bike lane and traffic lane improvements along W. Alisal Street from Blanco Road to Front Street. The improvements will increase safety, efficiency and provide travel options for transit users, bicyclists and pedestrians. The project also includes high-speed internet conduit in Alisal Street design from Central Park to 312 East Alisal. Construction documents for the Streetscape Master Plan for the 100, 200, and 300 Blocks of Main Street are being finalized and will incorporate a gateway arch designed by the Salinas Rotary. It is anticipated that the City Council will consider approval to release a request for bids by end of 2019.

Coordination of City and County facilities (1.f. and 1.g.) The City released a Request for Qualifications (July 2019) and a Request for Proposals (September 2019) to identify a master developer for the Lincoln Avenue Corridor. The City owns approximately ten-acres of property

along the Lincoln Avenue between West Market Street and San Luis Street. Desired uses include development of 1) a new parking structure to be used primarily by City, County and Courts, but also to support private development; 2) a new civic center to consolidate and house non-safety city service departments, and 3) redevelopment of city surface parking lots and obsolete facility parcels as mixed-use development. Community stakeholders, including the Salinas Valley Chamber of Commerce, Salinas City Center Improvement Association, and the County have been, and will continue to be, included in the selection of the master developer and the creation and implementation of the master plan.

The County issued, but received no responses, to two Request for Proposals seeking adaptive reuse of the old jail building (Fall 2018 and March 2019). In September 2019 the Board of Supervisors (BOS) identified three preferred options for future use: Scheme 3 -Retain Admin Wing with new building behind; Scheme 7-Retain Alisal Façade with Park behind; Hybrid Schemes 3/7- Retain Admin Wing with Park behind. County staff is to return to the BOS by June 2020 to report on efforts seeking possible State funding sources. See Attachment 2, BOS staff report, attachments and presentation for schemes and option details. City and County staff also coordinated to include language in the Lincoln Avenue Corridor RFP for an option to reuse/redevelop the Old Jail site. In addition, the RFP recognizes that a parking structure of adequate size could open potential use of other County lands (e.g. surface parking lot at Alisal and Capitol).

Other Coordination efforts

The City/County monthly meetings also provide staff the opportunity to share information and coordinate the processing of development proposals at the periphery of the City, the Alisal Vibrancy Plan, the status of the West and Central Area Specific Plans, homelessness (clean ups, temporary warming shelter and permanent/transitional housing), and housing (affordable, farm worker and accessory dwelling units).

Private Investment in Downtown

As a result of public sector investment in the Downtown, private investors have renovated buildings with active dining and entertainment on the ground floor with residential units above (212 Main Street and the Pour House). Since the adoption of the Adaptive Reuse Ordinance in 2018, applications have been received to convert 301 Main Street (the former Rabobank building) into 50 residential units with ground floor retail and The Californian office building at 123 West Alisal Street into 40 Multi-Family dwelling units. More recently building permits were issued for a mixed-use project at 213 Monterey Street which includes six residential units, a TOGOs and a Mexican restaurant and tenant improvements were finalized for the Bearded Bean at 210 Main Street. In addition, the new owners of the El Rey Theater/Cinema 1 (363 Main Street) have submitted applications to restore the building. A permit has been issued to remove finishes.

CEQA CONSIDERATION:

The proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines section 15378). Any subsequent discretionary projects resulting from implementation of MOU policies and actions will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

The MOU facilitates the continuation of the County's and City's mutual planning and implementation efforts related to the downtown government center which promotes all the Council goals – Economic Diversity and Prosperity; Safe, Livable Community; Effective Sustainable Government; Excellent Infrastructure, and Quality of Life.

DEPARTMENTAL COORDINATION:

Community Development, Economic Development and Public Works staff attend monthly City/County coordination meetings and contributed to the annual review update. As highlighted in the Annual Review, Community Development and Public Works coordinated efforts to support implementation of MOU tasks including assessing government center parking and facility needs and providing for attractive, safe and convenient pedestrian linkages and green spaces throughout the downtown.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct or indirect fiscal impacts to the City associated with the acceptance of the Annual Review or for staff's time to collaborate with the County on implementation of the MOU, as these efforts are already allocated in the City's budget for review of inter-agency projects and issues.

There will be capital and other costs associated with implementing the proposed action items listed in the Downtown MOU Schedule of Performance (Exhibit "A") for which funding is not currently identified or allocated in the City's budget. The Council may determine the potential allocation of funding for these items as part of the MOU annual review, the annual and mid-year budget process and/or as part of the continued implementation of the Salinas Downtown Vibrancy Plan, as applicable.

ATTACHMENTS:

1. 2019 Annual Review Exhibit A - Schedule of Performance Matrix
2. Monterey County Board of Supervisors Board Report, Legistar File Number 19-0663 with attachments and presentation slides.