

REPORT TO THE CITY COUNCIL

City of Salinas, California

DATE: May 3, 2016

FROM: Megan Hunter, Director of CDD

BY: Lisa Brinton, Senior Planner

SUBJECT: **REPORT ON THE IMPLEMENTATION OF THE DRAFT ECONOMIC DEVELOPMENT ELEMENT (EDE)**

RECOMMENDATION

It is recommended that the City Council accept this informational report on the status of the adoption and implementation of the Economic Development Element (EDE).

DISCUSSION

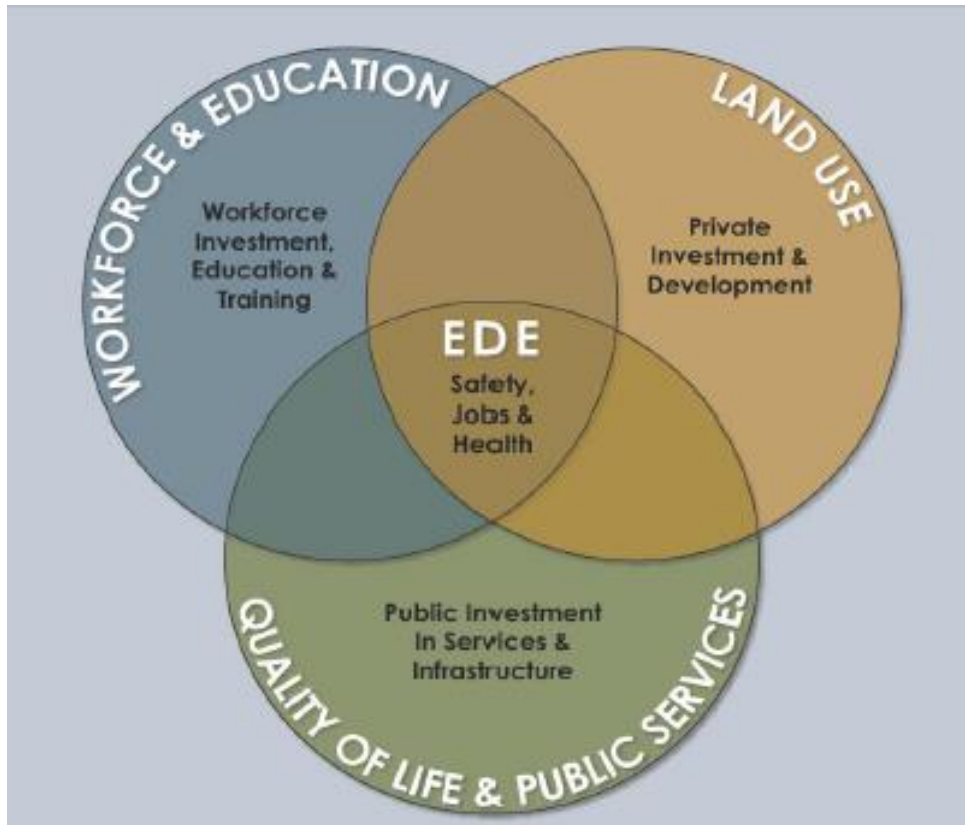
Background

In June 2014, the Salinas City Council accepted the Draft EDE. The EDE, as a comprehensive, strategic planning document, provides the vision, context, and focus for the community's economic development efforts. The EDE deals in depth with how Salinas can realize the vision of an economy that is prosperous, healthy, and environmentally sustainable: a vision summarized in the phrase Safety, Jobs and Health. To realize that vision the EDE recommends 17 goals, 8 strategies/topic areas, 97 policies and 337 actions, which are based on three strategic foci: (1) Workforce and Education, (2) Land Use and (3) Quality of Life and Public Services. These foci are designed to support synergistic policy-making, so that decisions made in each realm reinforce those made in the others. The intersection of these three focus areas identify important potential outcomes relevant to the future economic prosperity of Salinas, and stem from public and private investments in workforce education and training, commercial and industrial development, and public services and infrastructure; essentially forming a vision for economic prosperity as evidenced in safety, jobs and health. The EDE is to guide future decisions of the City Council and the community in all aspect of City policy and budgeting to proactively promote responsible economic development to achieve this vision. Figure 1 below is a diagram of the vision foci which guided the preparation of the Draft ED Element and emerged from the early stages of the EDE's extensive Community Outreach Program.

In January 2015, the City Council authorized staff to proceed with the formal approval process for incorporating the EDE into the General Plan and the release of a Request for Proposal (RFP) for the preparation of California Environmental Quality Act (CEQA) and General Plan Amendment (GPA) documents. In July 2015, the City entered into a Professional Services Agreement with EMC Planning Group for the preparation of the aforementioned documents. Technical studies, reports and a public review draft EIR are currently being prepared. It is anticipated that draft documents will be released for public review late 2016. The City Council will consider the EDE for adoption early 2017.

To date the EDE has received three awards: California American Planning Association and Northern California American Planning Association 2015 Award of Excellence in Economic Development for its Community engagement process; and Association of Environmental Professionals (AEP) 2016 Outstanding Award.

Figure 1



EDE Implementation

The EDE includes an initial Five Year Action Plan, which identifies 46 priority policy areas, many of which do not require environmental review and can be undertaken now. These action areas address a back-log of challenges and opportunities, and are also timed to capture a current window of opportunity, with some of the recommended policies already underway. In the context of the EDE, all city employees/departments are economic developers, and play a role in providing economic opportunity, health and safety to the community. However, the City working alone cannot fulfill all of the goals and policies of the EDE and must collaborate with other public agencies, community-based organizations, and the private sector to implement EDE action items. The following is a summary of EDE action items that are underway.

Land Use, Circulation, and Infrastructure

Downtown Vibrancy Plan

- Issued Request for Proposals for Target Housing Market Study to guide the re-zoning of public parking lots for residential and mixed-use development.
- Main Street Streetscape Master Planning process is underway.
- Issued Request for Proposals for parking enforcement services as a first step in the formation of a parking district.
- Approved design of Lincoln extension into Intermodal Transit Center.

Alisal Vibrancy Plan/Alisal Marketplace

- Issued Request for Proposals for consultant to prepare the Vibrancy Plan.
- Approved Property Exchange Agreement of 312 E. Alisal Street and N. 331 Sanborn to assemble site for Alisal Marketplace plan – new police station.

Enhanced Infrastructure Finance District (EIFD)

Industry Diversification and Small Business Development

Agtech Ecosystem

- Initiated planning and hosting of AgTech Summit -July 2016
- Attracted and supported entrepreneurs and startup firms in the AgTech and related industries to the City of Salinas through partnerships with Western Growers Association and the THRIVE Accelerator.
- Continued to promote the Salinas Valley as a business location nationwide to build brand recognition and establish the region as an AgTech Hub.
- Continued to maintain private sector support for development of the AgTech ecosystem.

Small Business Development

- Began work with Finance and the Salinas Chamber of Commerce to improve implementation and monitoring of City's local preference ordinance.
- Met with El Parajo CDC to discuss their business incubator and commercial kitchen programs.
- Met with Federal Reserve Bank and other community lending partners to discuss overcoming barriers to access to capital.

Education and Workforce Development

- Continued to collaborate with providers of Workforce Development Services, such as Hartnell College, CSUMB, the Workforce Development Board, and others, to ensure that educational and training programs exist and are available to Salinas residents so that our local workforce is prepared for jobs in the AgTech industry.
- Supported Hartnell College, which continues to implement and grow its Coder Dojo and Career Pathways programs focusing on health care, computer programming and Agtech.

Quality of Life, Health, and Safety

Public Works

- Initiated preliminary design work for the Laurel Street Extension.
- Secured two Active Transportation Grants: one to enhance bicycle and pedestrian access to neighborhoods near Alvin Drive; the other to provide roundabouts at the intersection of Alisal and Barden Road.

County of Monterey Health Department: Nutrition Education Obesity Prevention (NEOP) program

- Provided information about medical coverage to Salinas residents.
- Conducted Train the Trainor workshops for participants to learn and provide nutrition and physical activity education to community residents.

Building Healthy Communities initiative

- Partnered with County of Monterey Health Department to conduct survey of business in Alisal regarding improving safety through environmental design (ie: visibility into storefronts, lighting, murals, etc.)

NEXT STEPS:

The next step is for the draft EDE to be adopted as part of the City's General Plan including the certification of a programmatic EIR and corresponding General Plan Amendments. Technical studies, reports and a public review draft EIR are currently being prepared. It is anticipated that draft documents will be released for public review late 2016. The City Council will consider the EDE for adoption early 2017.

Staff has been and will continue to confer with the City's key community partners in the Draft Element throughout the implementation process to ensure community engagement and participation, and will continue to collect information relating to implementation activities, budget, cost, schedule, and opportunities and constraints for priority policies and actions so that the City Council and public are sufficiently informed about implementation progress. Monitoring and evaluation activities will focus on the progress in implementing policies and actions contained in the Five-Year Action Plan. Reporting is anticipated to be an annual process, with opportunities for re-prioritization and adjustment at intervals, timed with the mid-year and annual budgeting processes. Economic Indicators are to be measured every two years.

FISCAL IMPACT:

There is no fiscal impact associated with the receipt of this report. However, the EDE is to guide future decisions of the City Council and the community in all aspects of City policy and budgeting to proactively promote responsible economic development in order to achieve the vision of economic opportunity (jobs), health and safety. It should be noted that this EDE prosperity strategy also focuses on the financial health and protection of the City so that it is able to provide the necessary services in support of a vibrant, prosperous, and healthy community.

As discussed above, staff is proceeding to implement EDE policy and action items identified in the Five Year Action Plan that do not require environmental review for compliance with the California Environmental Quality Act (CEQA). EDE is a long term investment. The Resource Allocation Study developed for the Five-Year Action Plan estimated over \$64 million dollars in operational and capital expenditures towards EDE implementation. The 2015-2016 Budget appropriated over \$5.3 million dollars of Measure G funds for the implementation of EDE policies and action items. This amount

does not include funding and/or services contributed by community partners or received through grants. Staff continue to refine the information in the Resource Allocation Study and are working to integrate this information into the Performance Based Budget. As part of the 2016-2017 budget process, staff will present recommendations for the funding of priority policy and action items from the Five-Year Action Plan.

CITY COUNCIL GOALS:

The EDE, as a strategy document, as well as its implementation, aligns closely with the City Council's goals (2016-2019) of Economic Diversity and Prosperity, Safe, Livable Community, Effective, Sustainable Government, Well Planned City and Excellent Infrastructure, and Quality of Life. Prioritization of EDE implementation is tied to the City Council's Strategic Plan goals and key strategies. The following EDE action items have been identified for implementation as Key Objectives under Economic Diversity and Prosperity in FY 2016-2017.

- Release public review draft EIR for Economic Development Element for public comment by December 2016.
- Consider certification of EIR and adoption of EDE GPA by March 2017.
- Consider certification of EIR and process Specific Plan entitlements for the West Area in the Future Growth Area by March 2017.
- Commence Alisal Vibrancy Plan preparation including the Alisal Marketplace by July 2016.
- Continue to attract and support entrepreneurs and startup firms in the AgTech and related industries to the City of Salinas through partnerships with Western Growers Association and the THRIVE Accelerator.
- Work with providers of Workforce Development Services, such as Hartnell College, CSUMB, the Workforce Development Board, and others, to ensure that educational and training programs exist and are available to Salinas residents so that our local workforce is prepared for jobs in the AgTech industry.
- Promote the Salinas Valley as a business location nationwide to build brand recognition and establish the region as an AgTech Hub.
- Continue to maintain private sector support for development of the AgTech ecosystem.
- Work with business organizations such as the Chamber of Commerce, the Oldtown Salinas Association, Hispanic Chamber of Commerce and the Salinas United Business Association (SUBA) to create a shop local initiative and adopt official local preference policies for City procurement of all goods and services.
- Develop a campaign to promote local businesses and products (e.g. "Made in Salinas").
- Identify chronically vacant and dilapidated retail locations and provide incentives, such as for leasehold improvements and façade renovation.

CONCLUSIONS:

The draft EDE, as a potential critical component of the City's General Plan, will allow the City to prioritize and focus its economic development policies, programs, and projects to provide maximum benefit and return to the City ensuring a prosperous, safe and healthy community. Implementation of EDE action items that do not require CEQA is moving forward while environmental and adoption documents are being completed.

ATTACHMENTS:

NONE