

UPDATED

MEMORANDUM OF UNDERSTANDING

between

THE COUNTY OF MONTEREY

and

THE CITY OF SALINAS

regarding the

MUTUAL PLANNING OF GOVERNMENT FACILITIES

in

DOWNTOWN SALINAS

This Memorandum of Understanding (MOU) is between the County of Monterey (“County”) and the City of Salinas (“City”), which hereafter may be referred to as “Parties”, regarding the mutual planning of government facilities in downtown Salinas (“Government Center”).

WHEREAS, the Parties recognize that downtown Salinas encompasses Monterey County’s largest concentration of local and State government offices, including the County Administrative Offices, the State Superior Court (“Courts”), and Salinas City Hall; and

WHEREAS, this concentration of government activity generates significant government-related business activity, such as legal, real estate, development, accounting, and financial services; and

WHEREAS, government workers represent the largest share of downtown employment and, by their proximity to commercial businesses in the downtown, generate a considerable amount of direct downtown economic activity through visitors, shopping, meals, and entertainment; and

WHEREAS, the County and the City each own and/or lease a significant share of downtown properties, and in particular those properties within and adjoining the Government Center, which is bounded by Salinas Street to the east, Central Avenue to the north, Capitol Street to the west and West San Luis Street to the south; and

WHEREAS, the County and the City each recognize that the continued concentration of government offices in downtown Salinas is beneficial for the efficient and effective provision of many government services and functions, and is essential for the economic health and well-being of downtown Salinas; and

WHEREAS, in May 2012 the Parties approved resolutions to execute a Memorandum of Understanding (“MOU”) to set forth mutual understandings and actions regarding a Government Center planning effort; and

WHEREAS, the original term or “period of performance” of the MOU was three years, with an expiration date of May 8, 2015; and

WHEREAS, the County and City mutually funded and participated in the preparation of the Salinas Downtown Vibrancy Plan (herein referred to as the “Downtown Vibrancy Plan” or “DVP”) and in 2015 each accepted the DVP as a strategic planning document to guide the revitalization of Downtown Salinas including a comprehensively planned Government Center; and

WHEREAS, the County and City mutually agree to work together to plan a Government Center that connects to downtown as provided in the Downtown Vibrancy Plan, Chapter 5 “Stimulating Development Activity”, Section 5.2.2 Government Center, (page 59) and the goals defined in Figure 5-3 “Catalyst Improvements Government Center”; and

WHEREAS, on April 29, 2015, the Parties 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; and

WHEREAS, on February 9, 2016, the Parties approved a new MOU with a term of December 15, 2015, to October 31, 2020, incorporated DVP implementation actions, a Schedule of Performance, and an annual review process; and

WHEREAS, while many accomplishments have been achieved to date, there are still many actions and projects related to DVP implementation and the Downtown Government Center that will need to be undertaken and/or implemented over the course of the next five (5) years; and

WHEREAS, given that continued City and County coordination of these efforts is vital, an update to the MOU is beneficial to ensure continued collaboration on planning of a multi-agency campus style government center as provided in the DVP; and

WHEREAS, in August 2019, City and County approved Amendment No. 1 to the Lease of City Property on the south side of West Alisal Street (Parking Lots 6 and 17) allowing the County to use the entire property for persons responding to juror summons or serving as jurors, except for the one (1) space for Salinas Library book mobile parking and two (2) ADA accessible parking spaces for visitors to the adjacent Recreation Center; and

WHEREAS, on June 22, 2021, City and County entered into a License Agreement to provide for 85 parking spaces for County employees to park within the City-owned City Hall Parking Lot and along Lincoln Avenue, until such time that an alternative parking solution is available or either party desires to terminate said agreement per the agreed upon terms; and

WHEREAS, also on June 22, 2021, County agreed to put on hold the Capital Improvement Project for surface parking at Gabilan and Church Streets (Project 8419) and to redirect up to \$500,000 of project funding for Fiscal Year 2021-2022 to match City funding toward feasibility analysis and planning activities for a proposed joint parking solution; and

WHEREAS, Section 15061 (b) (3) of the CEQA Guidelines states that when it can be seen with certainty that there is no possibility that the activity in question, in this case the adoption of an MOU, may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, this MOU only outlines the City's and County's intent for planning and policy coordination for the Downtown Government Center and Downtown Salinas including a phased approach for conducting due diligence and feasibility activities for joint use parking facilities, all of which can be seen with certainty to have no possible significant effect on the environment; and

WHEREAS, if recommended policies or actions progress to a "project" level further CEQA analysis will be required to address potential environmental impacts of a proposed project,

NOW, THEREFORE,

AGREEMENT

The Parties hereby set forth their understandings and actions (including the Schedule of Performance attached to this MOU as Exhibit A) required for the planning and development of a Government Center consistent with the 2015 Downtown Vibrancy Plan. The Parties agree to continue to provide staff and financial resources as mutually agreed upon and to take the actions specified in this MOU to support the implementation of strategies and actions recommended in the Downtown Vibrancy Plan for the Government Center and other County and City-owned and leased facilities located in the downtown including, but not limited to, the area, facilities and parcels identified in Exhibit B. The Parties further agree the recitals set forth above are true and correct.

I. Parking Planning Activities

Parties agree to work collaboratively toward a long-term consolidated parking solution consistent with the DVP, including a joint use parking facility ("Parking Facility") and associated feasibility and planning activities ("Planning Activities").

During Planning Activities, the Parties agree to:

1. Designate staff (the "Project Managers") who will meet at least monthly to coordinate Parking Facility activities;
2. Meet regularly, no less than monthly or more frequently as necessary to coordinate the timely completion of Planning Activities to:
 - a. Jointly develop project goals, objectives, and actions;
 - b. Work collaboratively to review proposals and scopes of work for requested Planning Activities; and
 - c. Share Project progress and expenditure reports;
3. Contribute 50% of the costs of Planning Activities as outlined in Exhibit A, and as authorized for the Parking Facility, as outlined in Exhibit C. Exhibit C may be updated and total funding increased if subsequent funding is authorized without the need for

revision to this MOU and upon mutual agreement of the Parties. The City Manager and the County Administrative Officer are specifically authorized to administratively revise Exhibit C as necessary and mutually agreed upon to address new or changed circumstances or make other revisions to implement the understandings of this MOU;

4. Individually fund staff time for the roles and responsibilities outlined in this MOU and Exhibit A – Schedule of Performance Parking Facility ;
5. Ensure that all vendor procurement activities and/or RFPs are conducted and reviewed collaboratively, fairly, and transparently, including joint input;
6. Share relevant property and environmental records, reports, and studies as they become available;
7. Bring forward any approval documents related to the Parking Facility to its respective governing body for consideration; and
8. Negotiate in good faith to determine the appropriate ownership/leasing structure and agreement for a Parking Facility, including identifying roles for the long-term management and financial support of the Parking Facility (the “Site Management Agreement”).

A. County of Monterey agrees to:

1. Devote and fund personnel and other resources as may be reasonably required to conduct Planning Activities related to the Parking Facility in coordination with the City, subject to available funding;
2. Reimburse the City upon receipt of an invoice according to County processes and as described in Exhibit C;
3. Provide other support to City necessary for the efficient completion of Planning Activities. Such support may include, but not be limited to, scope of work development, consultant selection, review of prepared documents, provision of documents and information in the County’s possession, management of third-party contracts, processing of any necessary entitlements and permits, and other such support including participating in community engagement activities, as may be mutually agreed upon; and
4. As “Good Neighbor,” keep State Courts informed on progress of Planning Activities.

B. City of Salinas agrees to:

1. Devote and fund personnel and other resources to coordinate and lead Parking Facility Planning Activities, in collaboration with the County and other community partners, subject to available funding;
2. Submit invoices to the County for reimbursement of accrued Planning Activity expenditures according to City processes and as described in Exhibit C;

3. Develop and lead a community engagement strategy with concurrence from the County; and
4. Should the Courts choose to participate as a Parking Facility partner, negotiate with the Courts to address future parking facility needs within the Parking Facility in coordination and consultation with the County.

II. Land Use

Land use coordination efforts between the Parties will consider the Government Center's relationship with surrounding land uses and plans and will incorporate the vision identified within the Downtown Vibrancy Plan into all future land use planning activities in the downtown. The Parties agree to coordinate on facilities master planning efforts for the Government Center that make optimal use of existing facilities for the Parties while planning for future governmental activities, functions, and spatial needs. Coordination includes, but is not limited to,

1. City conducting a facility needs and fiscal assessment for a new or renovation of Salinas City Hall facility;
2. City continuing to analyze parking demand for existing and planned uses;
3. County conducting a facility needs study and fiscal assessment for consolidating County departmental facilities at the Government Center campus; and
4. County conducting a parking demand study for existing and planned uses.

The Parties further agree to:

1. Provide mutual support and assistance for enabling the continued and expanded presence of primary State (Courts), federal, and other agency offices in the downtown to ensure the effective provision of services;
2. Explore mixed use and/or affordable housing opportunities on City and County-owned property in the downtown area;
3. Evaluate the potential reuse, preservation or replacement of County or City-owned historic buildings in the downtown; and
4. Collaborate to identify potential locations and funding sources for the provision of community open space in the downtown.

III. Mobility and Safety

The Parties shall collaborate on efforts to provide for attractive, safe, and convenient pedestrian linkages and green/open spaces between and among all government facilities, Main Street, and multi-modal transportation facilities in accordance with the Downtown Vibrancy Plan.

IV. Other Provisions

1. The Parties agree to explore partnerships and to co-leverage funding wherever the potential exists, to fund capital improvements for buildings and infrastructure deemed to be mutually beneficial to the development of the Government Center. These may include, but are not limited to, various forms of financing, the formation of an Enhanced Infrastructure Financing District (EIFD), the formation of a Community Benefit District (CBD), and State and federal resources.
2. The Parties intend that this MOU and any subordinate documents do not constitute an entitlement for development, such development being the subject of other actions by public entities or of permits to be sought at later times. It is also the intent of the Parties that this MOU does not constitute a “project” for purposes of the California Environmental Quality Act (“CEQA”), and that any future development as may be described herein be subject to all requirements of law, including CEQA. Execution of the MOU constitutes a good faith agreement to work toward the mutual policy objectives as outlined herein, reserving for the future any specific project approvals or plans. Any specific project approvals shall become effective if and only after such applications have been considered by the City and/or County in their sole discretion following the conduct of all legally required procedures, including without limitation, all required environmental review processes and all other applicable governmental approvals.
3. The Parties agree to commence and use their best efforts to complete the actions within the projected timeframes set forth in the Schedule of Performance attached to this MOU as Exhibit A.
4. Right of Entry. The Parties and their representatives shall have full rights to enter upon the other Party’s property (the “Property”) to conduct inspections and investigations in accordance with this MOU. In connection with such entry and investigation, the Parties and their representatives shall:
 - a. Provide 24-hour notice to the other Party prior to entry;
 - b. Repair and restore any damage it may cause;
 - c. Indemnify, defend and hold the other Party, its decision making body (Board of Supervisors or City Council) and its officers, employees and agents harmless from any and all claims, liabilities, damages, losses, expenses, costs and fees (including attorneys’ fees and costs), with the exception of any injury or death to City or County staff or their consultants which may proximately arise out of the Parties’ or their consultants’ entry upon the Property or the investigation(s) and test(s) which the Parties may conduct, arising out of the negligent or intentional acts of the Parties or dangerous conditions on the Property for which the property owner should know or have known to exist, provided, however, that this indemnity shall not apply to matters arising from the results of the Party conducting investigations, tests and inspections (e.g., this indemnity shall not apply to any diminution in value or remediation costs incurred by the property owner if the other Party’s

investigations were to discover an environmental condition that required remediation); and

- d. Maintain insurance or a self-insured program with the following limits: \$1 million general liability, and workers compensation insurance as statutorily required.

V. General Provisions

1. This MOU is effective from March 22, 2022, and shall remain in force until March 21, 2027, unless extended or sooner terminated by mutual consent of the Parties. The period of performance may be extended or shortened by written agreement of the Parties. The City Manager and the County Administrative Officer are specifically authorized to extend the period of performance of this MOU for up to one year. The City Council and Board of Supervisors shall approve any extension in the period of performance which exceeds one year.
2. Either Party hereto may terminate this MOU at any time by giving thirty (30) days written notice to the other Party. Upon termination, each Party shall remain responsible for reimbursement for Planning Activities as provided earlier in this document up through the effective date of termination. Documents prepared and information collected as a part of the Planning Activities shall remain the joint property of the City and County, and neither Party shall utilize said documents or information for any purpose without the express written permission of the other Party.
3. This MOU shall be reviewed by the City Council and the Board of Supervisors in January of each year following the effective date of this MOU. As part of the annual review, a written report shall be prepared by the City Manager and County Administrative Officer, or their designees, documenting the progress of this MOU. The annual review shall include a status update to the Schedule of Performance showing the completion and funding status of each action and any revisions from the previous year's report. The annual report shall be made available to the downtown stakeholders for review and comment before the consideration of the report by either the City Council or Board of Supervisors.
4. The Schedule of Performance may be revised upon the written consent and agreement of both Parties. The City Manager and the County Administrative Officer are specifically authorized to administratively revise the Schedule of Performance as necessary to address new or changed circumstances, add, delete, or modify actions or completion dates, or make other revisions as necessary to implement the understandings of this MOU. The City Manager and County Administrative Officer shall have the right to refer any proposed revision of the Schedule of Performance to the City Council and Board of Supervisors for their consideration. The City Manager and County Administrative Officer shall inform the City Council and Board of Supervisors of any changes in the Schedule of Performance.
5. This MOU constitutes the entire agreement and understanding between the Parties, and supersedes any prior or contemporaneous agreement, or understandings, if any, with regard to the purposes of this MOU. Except as may be specifically identified within this MOU, any changes or modifications shall be accomplished by a written amendment to this MOU executed by the duly authorized representatives of the Parties.

6. In the event of a dispute arising out of the performance of this MOU, either Party may send a written notice of dispute to the other Party. Within fifteen working days of receipt of such notice, the notified Party shall respond and agree to a meeting for the purpose of negotiating a settlement or procedure for settlement of the dispute.
7. Except as provided under “Right of Entry” in Section 1 above, the Parties shall defend, indemnify and hold each other and their respective officers, employees, and agents harmless from and against any and all liability, loss, expense, including reasonable attorney’s fees, or claims for injury or damages arising out of the performance of this MOU, but only in proportion to and to the extent such liability, loss, expense, attorney’s fees, or claims for injury or damages are caused by or result from the negligent acts or omissions or willful misconduct of their respective officers, agents, or employees.
8. Any notice to be given to the parties hereunder shall be addressed as follows (until notice of a different address is given to the Parties):

COUNTY OF MONTEREY

County Administrative Officer
 168 W. Alisal St.
 Salinas, CA 93901-2439

Copy: County Counsel
 Housing and Community Development Department

CITY OF SALINAS

City Manager
 200 Lincoln Avenue
 Salinas, CA 93901

Copy: City Attorney
 Community Development Department

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as set forth below:

County of Monterey

 Mary Adams
 Chair

 Date

Approved as to Form

 Leslie J. Girard

 Date

County Counsel-Risk Manager

City of Salinas

Kimbley Craig
Mayor

Date

Approved as to Form

Christopher A. Callihan
City Attorney

Date

LIST OF EXHIBITS

Exhibit A: Schedule of Performance Parking Facility

Exhibit B: City/County Owned or Leased Property within the Government Center

Exhibit C: Parking Facility Funding and Reimbursement

Exhibit D: DVP Figure 5-3 Catalyst Improvements Government Center

EXHIBIT A

SCHEDULE OF PERFORMANCE PARKING FACILITY

The Parties endeavor to comply with the following schedule and milestones in relation to Planning Activities related to a Parking Facility.

Action Item	Lead Party	Completion Date
Assembly of existing technical studies and fiscal analysis	County	Within 60 days following adoption of this MOU
Coordination with Parking Facility partners (e.g., California Superior Courts)	City	On-going
Development of preliminary funding strategy for construction and operations	City	Spring 2022
Development of community engagement and participation strategy for all stages of Planning Activities	City/County	Spring 2022
Development of preliminary site control agreement(s)	County	Summer 2022
Confirmation of Lead Agency, determination of final project description, and commencement of CEQA review	City/County	Summer 2022
Review existing technical studies and fiscal analysis and identify any additional technical studies and/or fiscal analysis required for CEQA or project financing.	City	Summer 2022
Development of final draft funding strategy for construction and operations	City	Concurrent with completion of CEQA technical studies

Action Item	Lead Party	Completion Date
Finalize design and obtain entitlements and permits	City	Within six months of completion of CEQA technical studies and draft funding strategy
Preparation and certification of documentation necessary for CEQA compliance	City	Within six months of completion of CEQA technical studies and draft funding strategy
Preparation of final construction, site control, and operation agreements	City	Concurrent with certification of documentation necessary for CEQA compliance

EXHIBIT B

CITY/COUNTY-OWNED OR LEASED PROPERTY WITHIN THE GOVERNMENT CENTER

The table below describes potential real property owned or leased (controlled) by the City and County that are within the Government Center defined by Section 5.2.2 of the Downtown Salinas Vibrancy Plan.

City/ County Controlled	Description/ Square footage	Address	APN	Current Use
County	Surface parking lot: 46,681 square feet.	300 Cayuga Street	002322018	Employee parking
County	Surface Parking Lot; west portion: 64,865 of 135,886 square feet	230 Church Street	002235028	Employee parking
County	Offices; east portion: 71,021 of 135,886 square feet	230 Church Street	002235028	Open space/vacant
City-owned; County long-term lease	Offices, surface parking: 53,151 of 148,647 square feet leased by the County	101 W. Alisal Street	002331010	County parking; city vehicle parking
City	Government Offices: 105,745 square feet	200 Lincoln Avenue	002246014	City Hall, former Police Department, and Council Rotunda
City	Surface parking and office: 6 parcels; 40,100 square feet	106-122 Lincoln Avenue	002245002-008	City employee parking
City	Surface Parking: 26,785	210 Salinas Street	pending	Employee and public parking
City	Surface Parking	219 Salinas Street	002042029	Public Parking
City	23,719 square foot parcel with office building	65 West Alisal Street	002345018	Salinas Permit Center

EXHIBIT C

FUNDING AND REIMBURSEMENT TERMS

BACKGROUND

On June 22, 2021, the County Board of Supervisors authorized \$500,000 to be funded from CIP FY 21-22 (Project 8419) to match the City funding to conduct feasibility analysis and planning activities for the proposed Parking Facility.

It is recognized that periodically the County or City may authorize additional funds for the project, and it is the intent of the parties that this Exhibit C be updated administratively to reflect updated funding as periodically approved by the Board or Council.

DUTIES AND RESPONSIBILITIES

Financial Contribution to Planning Activity Costs

The Parties agree to contribute equally toward the costs associated with Planning Activities of the Parking Facility, as outlined in Exhibit A, for a total not to exceed amount of \$600,000 (\$300,000 each). Each party is responsible for contributing and funding staff time related to this agreement, which is in addition to the \$600,000.

The County will retain its remaining allocated funds of \$200,000 to directly fund its staff time, for the completion of a downtown parking needs analysis for County facilities, or other County-specific analyses or activities deemed necessary by staff. Should County determine the full amount of \$200,000 is not needed for its staff time and internal analyses, the Parties may agree to each equally increase the funds available for costs associated with the Planning Activities equal to the amount remaining.

Project Status and Financial Accounting Reports

Not less than quarterly, the Parties agree to provide the other with a project status report for activities conducted and financial accounting of expenditures to include a running total of expenditures to date and forecast of anticipated expenditures for Planning Activity costs for the Parking Facility. The Parties' respective financial accounting shall include a summary of all expenditures on Planning Activities. Expenditure summary is to include, but not limited to, a breakdown of time, individual completing the work, hourly rates, expenses, and any further information necessary.

Payment Provisions

Parties warrant that the costs charged for services under the terms of the MOU are not in excess of those charged to any other party for the same services by the same individuals.

Reimbursement of City Expenditures

City will submit invoices to the County for reimbursement of accrued expenditures for Planning Activity costs incurred by the City. All consultant invoices shall include a detailed breakdown of the time worked on each task, the individual completing the work, the hourly rates, and expenses, receipts for all materials and supplies, and any further information necessary to substantiate

expenditures. County shall reimburse the City for one-half of City's actual costs. For contracts managed by City, County shall, in addition to reimbursing actual costs, reimburse the City for its administrative overhead at a rate equal to one-half of its generally applicable administrative overhead rate, not to exceed fifteen percent (15%).

Invoices shall be submitted electronically to the County Public Works, Facilities and Parks Department via email to 300PWFP-Finance-AP@co.monterey.ca.us, with a copy to Lindsay Lerable (LerableL@co.monterey.ca.us) and Dave Pratt (PrattDW@co.monterey.ca.us). County shall pay the City an amount not to exceed \$300,000 for Planning Activity costs incurred by the City. County will provide reimbursement in accordance with the County's processes upon receipt of an invoice from the City.

Reimbursement of County Expenditures

County will submit invoices to the City for reimbursement of accrued expenditures for Planning Activity costs incurred by the County. All consultant invoices shall include a detailed breakdown of the time worked on each task, the individual completing the work, the hourly rates, and expenses, receipts for all materials and supplies, and any further information necessary to substantiate expenditures. City shall reimburse the County for one-half of County's actual costs. For contracts managed by County, City shall, in addition to reimbursing actual costs, reimburse the County for its administrative overhead at a rate equal to one-half of its generally applicable administrative overhead rate, not to exceed fifteen percent (15%).

Invoices shall be submitted electronically to the City Economic Development Division via email to Andy Myrick at andym@ci.salinas.ca.us. City shall pay the County an amount not to exceed \$300,000 for Planning Activity costs incurred by the County. City will provide reimbursement in accordance with the City's processes upon receipt of an invoice from the County.

EXHIBIT D

SALINAS DOWNTOWN VIBRANCY PLAN FIGURE 5-3: Catalyst Improvements Government Center

