

**GREATER SALINAS AREA
MEMORANDUM OF UNDERSTANDING**

Preface

The negotiated terms of the Greater Salinas Area Memorandum of Understanding (MOU) will replace the previous Boronda Memorandum of Understanding between the City of Salinas and the County of Monterey and shall be adopted only after a joint public meeting of the Monterey County Board of Supervisors and the Salinas City Council. In the event of a successful challenge to any provision of this MOU by a third party, such provision shall be removed from the Greater Salinas Area MOU.

This Memorandum of Understanding (MOU), by and between the County of Monterey (County) and the City of Salinas (City), is to set forth certain agreements between the parties to express their intent to jointly pursue action to assure orderly and appropriate land use development in the area designated in the General Plan of Monterey County as the Greater Salinas Area Plan area and in the City of Salinas. Specific objectives to be achieved through the implementation of the land use and associated policies included in this MOU are the preservation of certain agriculture land, the provision of future growth areas, and the provision of adequate financing for the services and facilities of benefit to the residents of the Greater Salinas Area Plan area and the City. It is recognized that, with respect to some of the provisions set forth herein, numerous actions must be taken pursuant to State and local laws and regulations before such policies can be implemented. Such actions include, in some instances, the need to comply with the California Environmental Quality Act (CEQA), the need to hold public hearings and/or otherwise seek public input before reaching binding decisions, and the need to obtain approvals from other agencies such as the Local Agency Formation Commission (LAFCO). For all such provisions, this MOU shall be understood to constitute tentative policy commitments that can only become fully binding after all such legal prerequisites have been satisfied. Even so, both parties agree to make a good faith effort to follow and implement the provisions of this MOU subject to the foregoing.

The City and County do hereby mutually agree to the following:

City Growth

1. City and County agree that the future growth direction of the City shall be to the north and east of the current City limits, except as otherwise provided for in this MOU.
2. County supports the City's 2005 Preliminary Sphere of Influence/Annexation Proposal to LAFCO to the north and east of the City's existing City Limits (Exhibit A).
3. County supports the City's 2005 Preliminary Sphere of Influence/Annexation Proposal to LAFCO to the south of the City's existing City Limits (Exhibit A) for the exclusive purpose of agricultural processing and processing capacity (Fresh Express). County further supports future City Sphere of Influence / Annexation proposals to the

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south of the City's existing City Limit for the exclusive purpose of agricultural processing and processing capacity (Unikool), subject to the establishment of appropriate agricultural conservation easements.

4. City and County agree to the creation and implementation of agricultural conservation easements in the unincorporated areas to the west and south of the City's Sphere of Influence insofar as the easements are consistent with the adopted General Plans of the two jurisdictions.
5. City and County agree to work cooperatively and in concert with the affected property owners to annex developed unincorporated areas (e.g. Bolsa Knolls) adjacent to or within the City's Sphere of Influence as shown in Exhibit A and to transfer existing County sanitation facilities (e.g. Boronda) upon future City annexation that support these areas subject to the property owners paying any required sanitation system connection fees established by MRWPCA. It is anticipated that an initial effort consistent with this annexation commitment shall be cooperation by all parties to consider and facilitate the proposed Chapin Rogge Road annexation application insofar as the annexation is consistent with the provisions of LAFCO.
6. City and County agree that developments within the City's 2005 Preliminary Sphere of Influence/Annexation Proposal shall only occur after annexation to the City and that the City shall consult with the County in the planning process. City and County also agree that the developments within the area designated by the County General Plan as the Greater Salinas Planning Area shall only occur after consultation with the City in the planning process.
7. City and County agree that the County shall not process any proposals for development in areas contiguous (immediately adjacent) to the City's City Limit if those proposals would require either or both a County General Plan amendment or a rezoning. Proposals for development requiring a General Plan amendment or a rezoning shall be referred to the City for consideration and possible annexation to the City.
8. City and County agree to work cooperatively and expeditiously in annexation matters consistent with this agreement.
9. City and County agree to support fees and taxes needed to mitigate the collective impact of new and existing development on the regional transportation system to the extent that the fees and taxes reflect the overall financing program adopted by TAMC.
10. City and County agree that County will develop a County-wide Traffic Impact fee program for the improvement of major County roads in accordance with the County's adopted General Plan. The County fee program will be developed in consultation with TAMC and Monterey County cities. It is recognized that there

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will be development within the City of Salinas related to the anticipated annexation of land to the north and east of the existing City Limits, and it is the desire of both jurisdictions that the County not rely upon the imposition of an ad hoc traffic fee on City development. Therefore the development of the Traffic Impact Fee for the Salinas Area, as shown in Exhibit B, will be a priority and a nexus study and hearing process should be completed within 18 months of adoption of the 2006 County General Plan. The County Traffic Impact Fee will be imposed on development in affected cities and unincorporated areas.

11. City and County agree to work cooperatively on establishing the alignment, phasing and financing of the regional roadway facility commonly referred to as the Westside Bypass and will expedite the completion of a Project Study Report for this future roadway. City and County agree that the ultimate alignment of the future Westside Bypass shall establish the development boundary for the City. It is the intent of both parties to minimize the impact on agricultural land in establishing the Westside Bypass alignment so that the ultimate alignment shall not result in the development of acres of agricultural land in excess of that anticipated in the Westside Bypass alignment as shown in the City of Salinas 2002 adopted General Plan (Exhibit C).
12. City and County agree that future development between the area west of Davis Road and east of the future Westside Bypass, excluding the Boronda Redevelopment Project area, shall be limited to expansion of the City' retail sales capacity and shall take place after annexation.
13. City and County agree to work cooperatively to address the collective impact of current and anticipated land uses in the Reclamation Ditch Watershed Area. There is a recognition that a comprehensive financing program is needed that includes grants, benefit assessments, appropriate development impact fees, and special taxes required to address current and anticipated impacts. The County, in consultation with the City, should complete a nexus study and hearing process, assessing benefit of current and existing land uses, within 36 months of adoption of this MOU. The adopted impact fee will be imposed on current and existing land uses in both the City and unincorporated areas.

Boronda Redevelopment Project Area

14. City and County agree that in the undeveloped southern portion of the Boronda Redevelopment Project Area (Exhibit D) the County shall take the lead in the planning, review, and approval process subject to concurrent City review so that the final approved project is consistent with existing City development standards. City recognizes the County's desire and intent to assure development that is consistent with commitments made to the Boronda community regarding required amendments to the current adopted Boronda Community Plan and that the anticipated development is assumed to provide financial benefit (i.e. tax increment) to the Boronda Development Area. City and County will work

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cooperatively to assure that those commitments will result from and through the final approvals for development and annexation to the City of Salinas. City and County further agree that there will be no final development approvals prior to the completion of all requirements (including final LAFCO approval) for annexation of the subject area to the City of Salinas.

City and County agree that infill development in the northern portion of the Boronda Redevelopment Project Area (Exhibit D) will continue to be processed by the County subject to consultation with the City.



15. City and County agree that property tax generated within the Boronda Redevelopment Area shall continue to accrue to the Boronda Redevelopment Area for implementation of the current (January 1, 2006) adopted Redevelopment Area Plan. Upon completion of the aforementioned Plan, the former Redevelopment Property Tax increment shall be allocated between the City and the County on a 50/50 basis.

Affordable Housing

16. City and County agree to support each other's efforts to construct affordable housing throughout the County necessary to achieve the Fair Share Housing Allocation as approved by the Association of Monterey Bay Area Government (AMBAG).
17. City and County agree that if the 100% affordable housing project on Rogge Road approved by the County in 2006 is annexed to the City that the project shall be credited to the County's Fair Share Housing Allocation.

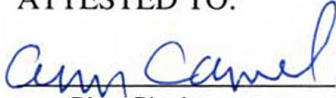
Other

18. City and County mutually agree that neither will pursue future development related litigation against the other insofar as the subject development is consistent with this agreement.

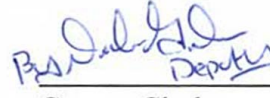
<p>CITY OF SALINAS</p> <p>A municipal corporation of the State of California</p> <p>By: <u></u></p> <p>Anna M. Caballero, Mayor</p> <p>Dated: <u>8-29-06</u></p>	<p>COUNTY OF MONTEREY</p> <p>A political subdivision of the State of California</p> <p>By: <u></u></p> <p>Jerry Smith</p> <p>Chairman of the Board of Supervisors</p> <p>Dated: <u>8-29-06</u></p>
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ATTESTED TO:



City Clerk



County Clerk

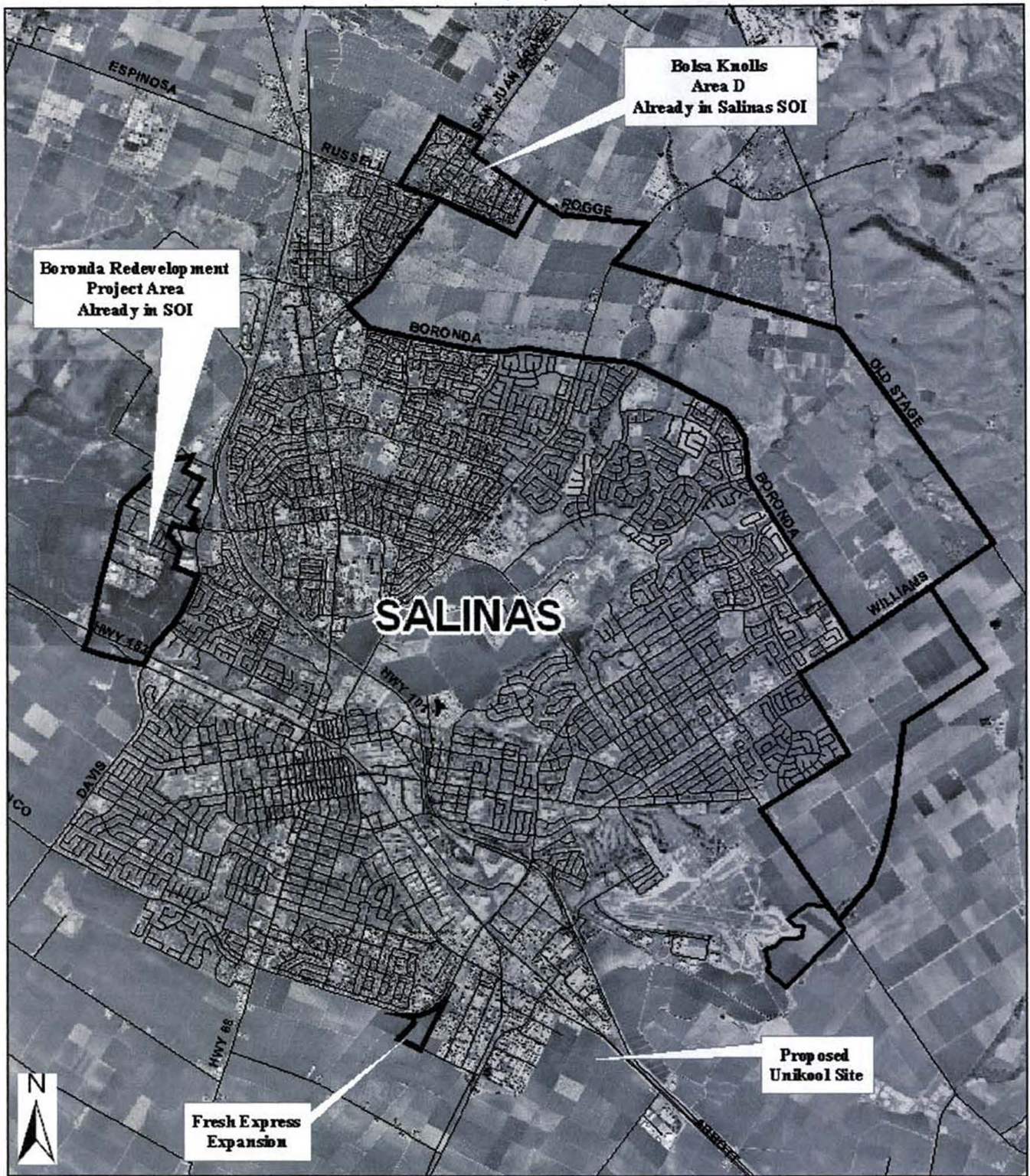


EXHIBIT A

**Salinas 2005 Preliminary Sphere of Influence (SOI)/
Annexation Proposal Map**

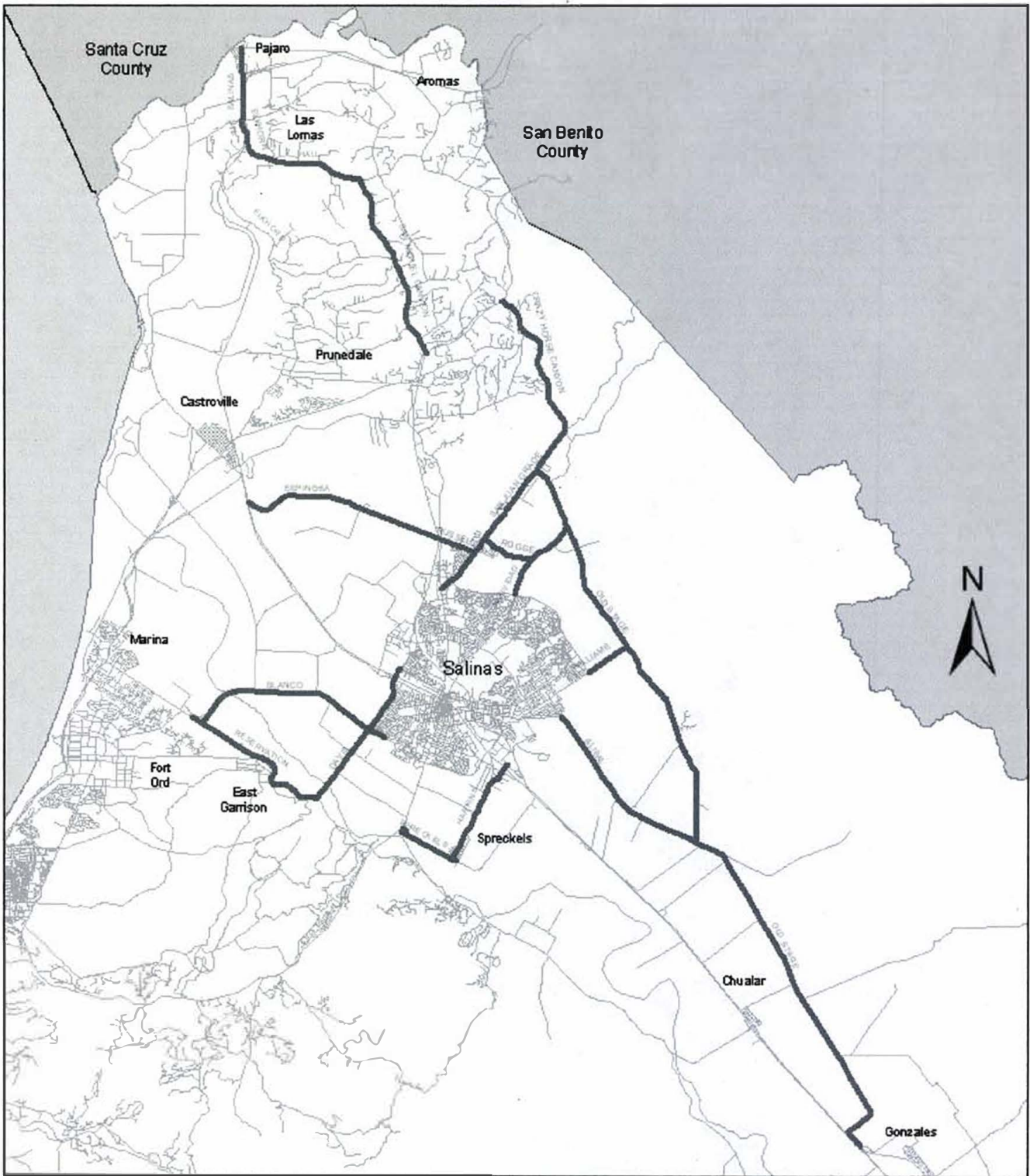


EXHIBIT B

**Salinas Area Traffic Impact Fee
Affected Major County Roads**

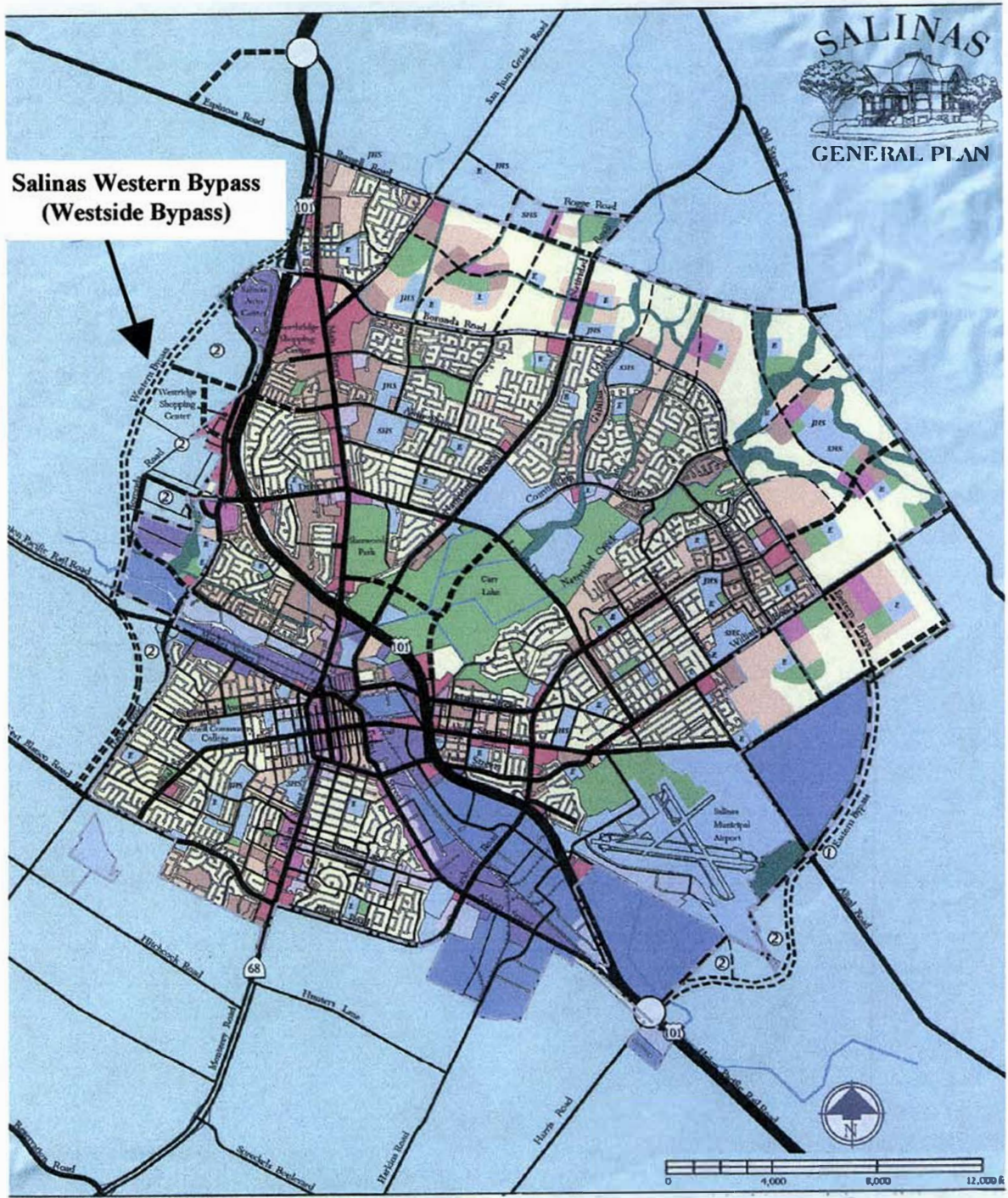


EXHIBIT C

Westside Bypass Alignment
City Salinas 2002 General Plan

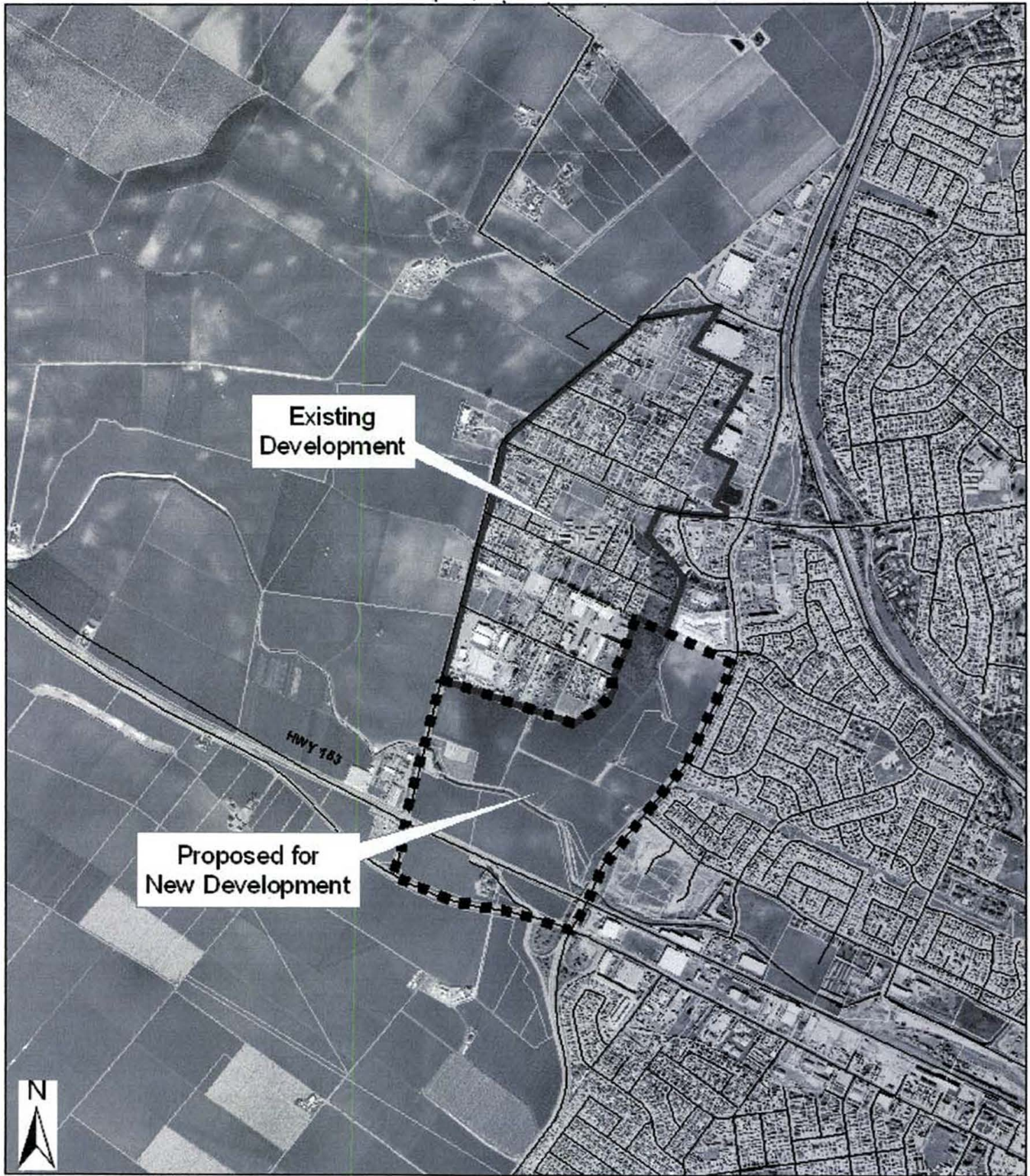


EXHIBIT D

**North Boronda Redevelopment Project Area
South Boronda Redevelopment Project Area**

ADDENDUM TO GREATER SALINAS AREA MEMORANDUM OF UNDERSTANDING

This Addendum to the Greater Salinas Area Memorandum of Understanding (“Addendum”) is entered into this 18th day of June 2019 (the “Effective Date”), by and between the City of Salinas, a California charter city, hereinafter referred to as “the City,” and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “the County.”

RECITALS

WHEREAS, in 2006, as a replacement to the Amended Boronda Memorandum of Understanding and in part to complete a condition in the settlement of litigation between the City and the County, the City and the County entered into the Greater Salinas Area Memorandum of Understanding (the “GSA-MOU”) to establish a broad policy framework to govern and to facilitate land use decisions in the area designated in the then-existing General Plan of the County as the “Greater Salinas Area” and in or adjacent to the City and its Sphere of Influence (SOI) ; and

WHEREAS, the GSA-MOU identified specific objectives to be achieved through the implementation of land use and associated policies for the preservation of certain agricultural land, the provision of future growth areas, and the provision of adequate financing for the services and the facilities of benefit to the residents of the City and of the County; and

WHEREAS, since the City and the County’s approval of the GSA-MOU, the City has adopted an Economic Development Element (2017) to its General Plan (2002) and the County has adopted an updated General Plan (2010); and

WHEREAS, under the GSA-MOU the City and County agreed that the County would take the lead in processing project and plan entitlements in the undeveloped southern portion of the County’s Boronda Redevelopment Project Area with concurrent City review for compliance with City development standards; and

WHEREAS, between 2004 and 2011, the County Redevelopment Agency worked directly with the City on developing a General Development Plan/Specific Plan for future development of the undeveloped area south of Boronda that included open space, mixed-use, business park, and heavy commercial uses; and

WHEREAS, in February 2012, the State of California dissolved redevelopment agencies, so the General Development Plan/Specific Plan entitlement process was not completed, and

WHEREAS, consistent with the GSA-MOU and their respective General Plans and Spheres of Influence, the City and the County have approved various projects in and around the boundaries of the City including the Salinas Ag-Industrial Center (Uni-Kool project-2010), the Salinas Travel Center (Love’s Travel Stops project--2018), and the Butterfly Village project (2008); and

WHEREAS, the City and the County agree and acknowledge that the GSA-MOU is in need of an update to reflect current land use development plans and current planned or contemplated development projects, and to provide for the protection of certain agricultural lands and much-needed resources, including low-income and farmworker housing, employment development opportunities, and associated services and facilities; and

WHEREAS, until a comprehensive update to the GSA-MOU is complete, the City and the County desire to cooperate in the planning of certain development projects either within the current boundaries of the City or its adopted Sphere of Influence, or within those areas identified in the City's Economic Development Element as Economic Opportunity Areas, and desire to work cooperatively and expeditiously in order to support each other's land use planning and development efforts so that their mutual development projects can proceed in a well-planned, coordinated, and orderly manner; and

WHEREAS, one purpose of this Addendum is to mark the initial movement of the City and the County toward a more comprehensive update to the GSA-MOU and is limited to two areas: the area north of the City's current boundaries ("the Northern Area") and the south of Boronda area ("the South Boronda Area") (both areas more specifically shown on the attached Exhibits A and B, respectively); and

WHEREAS, another purpose of this Addendum is to define the coordinated planning processes by which the City and the County will plan for and consider the development of those areas shown on Exhibits A and B; and

WHEREAS, neither the City nor the County have made commitments to proposed development in the Northern Area or South Boronda Area, and all such proposals shall be required to comply with all applicable law including, but not limited to, the California Environmental Quality Act ("CEQA");

NOW, THEREFORE,

In mutual consideration of the terms and the conditions of this Addendum, the City and the County agree as follows:

TERMS

Article 1. City and County Coordination.

Section 1.1. Northern Area (Exhibit A).

(a) City's Economic Development Element Opportunity Area K.

In its Economic Development Element, the City identified an area outside the City's current northern boundary as a future opportunity area for economic development. The lands which comprise Area K (the "North Entrance," as it is referred to in the Economic Development Element) are currently within the County's jurisdiction and are zoned as farmlands, permanent

grazing, and commercial in the County's General Plan. Area K, shown and marked on Exhibit A, is comprised of a Target Area, where near to mid-term development is projected by the City, and an Economic Development Reserve Area, also identified on Exhibit A, which is to accommodate the City's longer-term economic development needs.

(b) City's Target Area K (Exhibit A).

The County will coordinate with the City regarding the preparation of a Specific Plan for City's potential future development of undeveloped lands located within the County's jurisdiction but within the City's Target Area K, consistent with the City's Economic Development Element policies and identified land uses. The City and the County agree that the City will take the lead in processing project and plan entitlements within Target Area K if annexation is a part of the entitlement application. The location of the proposed Specific Plan area is shown on Exhibit A.

(c) County's Potential Commercial Development Project.

The County may consider a proposal to develop a commercial project on commercially designated lands under the County's General Plan that is located within the County's jurisdiction adjacent to Target Area K and within the City's Economic Development Reserve Area K. The location of the proposed County Commercial Development Project is shown on Exhibit A.

Section 1.2. South Boronda Area (Exhibit B).

(a) Community Plan Area.

The County will work with the City regarding the potential future development of undeveloped lands located within the County's jurisdiction but within the City's Sphere of Influence and Economic Opportunity Area M prior to annexation. The City and the County agree that the City will take the lead in processing project and plan entitlements within the South Boronda Area if annexation is part of the entitlement application. The location of the South Boronda Area is shown on Exhibit B.

Section 1.3. Farmworker Housing Projects.

The County may consider proposals for development of farmworker housing on lands located within the County's jurisdiction but within close proximity to the City's boundary, including its Sphere of Influence areas. As part of any entitlement review, the County will consider project proximity to existing infrastructure and services, and coordinate with the City to ensure that infrastructure contemplates current and proposed surrounding projects.

Section 1.4. Mutual Support for Coordination of Development Process in the Northern Area and the South Boronda Area; Roles and Responsibilities.

(a) Mutual Support.

The City and the County agree that the City's consideration of a Specific Plan for Target Area K, and the County's consideration of a potential Commercial Development Project located in the

Northern Area, are consistent with the direction of City growth outlined in the GSA-MOU. The City and the County agree to coordinate efforts to process land use entitlements for the potential development of Area K including the County potential Commercial Development Project, the aforementioned City Specific Plan and potential annexation of Target Area K into the City, as well as future development proposals located in the Northern Area as outlined in subsection (b) below.

The City and the County agree that while not located to the north or the east of the City's current boundaries, the proposed Community Plan Area located in the South of Boronda Area, and within the City's Sphere of Influence, it is consistent with the intent and the purpose of the GSA-MOU. The City and County agree to coordinate efforts to process land use entitlements within the aforementioned Community Plan Area, as well as future annexation of this area into the City and development proposals located in the South Boronda Area as outlined in subsection (b) below.

(b) Coordination.

The City and the County agree to coordinate planning efforts and entitlement processes (e.g., specific and general development plans, General Plan amendments, annexations) for the Northern Area and the South Boronda Area. This includes:

1. joint application processing if timing works for all parties, or the provision of timing assurances and opportunity to review and comment on plans and applications if planning in tandem;
2. coordination on or sharing in the preparation of technical studies and analyses required to determine and provide for project infrastructure, services, and public safety needs, (e.g., infrastructure, water, hydrology/stormwater, traffic and transportation);
3. joint determination of appropriate level and process for compliance with California Environmental Quality Act (CEQA) including coordinating on or sharing in project mitigation requirements;
4. selection of a mutually agreed upon consultant to prepare fiscal and economic analysis to provide recommended tax sharing percentages, should they be required, based on data and market demand analysis for proposed commercial uses; and
5. joint review of technical studies, fiscal and economic analysis, and CEQA documents, and potential development of a joint recommendation regarding project entitlement processing for City Council and Board of Supervisors consideration.

Section 1.5. Taxes and Fees.

(a) Should a project within the Northern Area or South Boronda Area warrant tax/revenue sharing separate from the annexation process, the City and the County will jointly prepare and in good faith consider entering into a tax/revenue sharing agreement.

(b) City and County agree in good faith to consider entering into reimbursement agreements with project developer(s) to pay for technical, environmental, and fiscal economic studies and analysis beyond what is required for their individual project(s). Subsequent project(s) would reimburse the developer(s) based on its pro rata share.

(c) City and County agree in good faith to consider entering into reimbursement agreements with project developer(s) that install infrastructure improvements beyond what is required for their individual project(s). Subsequent project(s) would reimburse the developer(s) based on its pro rata share.

Article 2. General Conditions.

Section 2.1. General Compliance.

The City and the County agree to comply with all applicable federal, state, and local laws and regulations governing public agencies. Documentation of such compliance shall be made available for review by the City and the County upon request.

The parties do not intend this Addendum to constitute a project under CEQA as it represents only an agreement to cooperate subject to compliance with all applicable laws relating to further actions, which include the preparation of plans and the consideration of projects.

Section 2.2. Administrative Amendments.

This Addendum may be amended by a written administrative amendment executed by the City Manager on behalf of the City and the County Administrative Officer or Assistant County Administrative Officer on behalf of the County, subject to review and approval by the Salinas City Attorney and Monterey County Counsel, respectively, and also subject to any required state or federal approval, provided that such administrative amendments do not substantially or materially change the terms and conditions, or overall purposes, of this Addendum.

Section 2.3. Term.

The term of this Addendum shall begin as of the Effective Date, which is the date last signed by one of the parties, and shall remain in effect until a successor to this Addendum is approved by the City and the County.

Section 2.4. Litigation.

In consideration of the mutual promises of the parties herein, the City and the County mutually agree that neither will pursue development-related litigation against the other insofar

as the subject development is consistent with this Addendum, and further provided that the parties comply with the terms and conditions of this Addendum.

Article 3. Personnel and Participant Conditions.

Section 3.1. Conduct.

(a) Hatch Act.

The City and the County agree that no funds be provided, nor personnel employed under this Addendum, shall be in any way or to any extent engaged in the conduct of political activities in violation of 5 U.S.C. 15.

(b) Conflict of Interest.

The City and the County each agree to abide by the provisions of 24 CFR 570.611 and the requirements of state law with respect to conflicts of interest, and each covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Addendum. The City and the County each further agrees that in the performance of this Addendum that no person having such a financial interest shall be employed or retained by the City or the County, or, if already employed, be involved in any way with the development, processing, or consideration of the matters set forth herein. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the City or the County, or of any designated public agencies or entities.

Article 4. Other Provisions.

Section 4.1. Entire Agreement.

This Addendum contains all the terms and the conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Addendum shall be deemed to exist or to bind any of the parties hereto.

Section 4.2. Notices.

Formal notices, demands, and communications (other than day-to-day routine communications) between the City and the County shall be sufficiently given if, and shall not be deemed given unless (i) dispatched by certified mail, postage prepaid, return receipt requested, (ii) sent by express delivery or overnight counter service with a delivery receipt, (iii) personally delivered with a delivery receipt, or (iv) sent by electronic mail with a copy delivered by one of the previous three methods, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time-to-time:

City

City of Salinas
Attn: Community Development Director
65 West Alisal Street
Salinas, California 93901
Email: meganh@ci.salinas.ca.us

County

County of Monterey
Assistant County Administrative Officer
168 West Alisal Street, 3rd Floor
Salinas, California 93901
Email: Chiulosn@co.monterey.ca.us

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901
Email: chrisc@ci.salinas.ca.us

County Counsel
168 W. Alisal St., 3rd Floor
Salinas, CA 93901
Email: girardlj@co.monterey.ca.us

Such written notices, demands, and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused. The recipients herein may be changed upon written notice to the other party.

Section 6.3. Conformance with Federal and State Law.

Should federal or state regulations affecting this Addendum be adopted, amended, or revised during the terms hereof, this Addendum is subject to modification to assure conformance with such federal or state requirements pursuant to the provision of Section 2.2, above.

Section 6.4. Severability.

If any term of this Addendum is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

Section 6.5. Headings and Captions.

Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or otherwise describe the scope of this Addendum or any provision hereof.

Section 6.6. No Third-Party Beneficiaries.

There are no intended third-party beneficiaries to this Addendum.

Section 6.7. Amendments.

This Addendum may not be modified, supplemented, or amended unless in writing by the parties. Any modification, supplementation, amendment, or waiver must be signed by both parties.

Section 6.8. Costs and Expenses.

Each party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Addendum, and the performance of each party's obligations under this Addendum, unless specifically agreed to in writing by the parties.

Section 6.9. Governing Law; Venue.

This Addendum shall be governed and construed in accordance with the laws of the State of California without reference to choice-of-law principles, and venue for any action under this Addendum shall be in the Superior Court for the County of Monterey, subject to any motion for transfer of venue.

Section 6.10. Counterparts.


This Addendum may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Section 6.12. Non-Recourse Agreement.

No member, official, employee, agent, or consultant of any party to this Addendum shall be personally liable to any other party, or any successor in interest or person claiming by, through, or under any party, in the event of any default or breach, or for or on account of any amount which may become due, or in any claim, cause, or obligation whatsoever under the terms of this Addendum.

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City and of the County, have entered into this Addendum as of the date first written above.

Dated: June 18, 2019

City of Salinas
DocuSigned by:

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Steven S. Carrigan, City Manager

APPROVED AS TO FORM:

DocuSigned by:

Christopher A. Callihan

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Christopher A. Callihan, City Attorney

Dated: June 18, 2019

County of Monterey

DocuSigned by:

Nick Chiulos

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Nicholas Chiulos, Assistant CAO

APPROVED AS TO FORM:

DocuSigned by:

Leslie J. Girard

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Leslie J. Girard, Chief Assistant County Counsel