LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

# City of Salinas
# 2010 Municipal Service and Sphere of Influence Review

## Adopted on September 27, 2010

## EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of Salinas. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of Salinas. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized by six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the updated service review information for the City of Salinas. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of Salinas. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

The City of Salinas' current Sphere was recently adopted (2008 and 2010) and provides significant opportunity for expansion. No further amendments are needed or requested at this time. However, for information purposes only, the report identifies several potential Sphere amendments that the City may initiate in the future, the timing of which will depend on the City's planning and environmental review processes. The Executive Officer recommends that the Commission conduct a public hearing to affirm the currently adopted Sphere of Influence (Exhibit A) with no change at this time. A draft Resolution will be prepared that supports this status quo action.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of Salinas. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

# PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted a detailed review of the municipal services provided by the City of Salinas. This report presents a brief update. The information is organized by the six determinations that need to be made for a municipal service review:

1. **Growth and Population Projections for the Affected Area**

   With a 2010 population of 153,948, as estimated by the California Department of Finance[1], Salinas is the largest city in Monterey County and in the Monterey Bay Area. More than one in three County residents lives in Salinas. The City population grew 7.9% in the past decade. The Association of Monterey Bay Area Governments projects that the population will grow to 160,401 by 2025 and 173,359 by 2035.

2. **Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies**

   The City of Salinas provides a broad range of public facilities and services, including: fire protection; law enforcement and police; library service; parks, recreation facilities, open space; recreation programs; resource conservation; airport; street maintenance; street lighting; street sweeping; landscaping and landscape maintenance; sanitary sewer collection; pump station maintenance; storm drain maintenance, and surface water disposal.

[1] California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

The City has identified a number of existing service deficiencies. Among these are neighborhoods that have inadequate infrastructure to support the existing population densities, a need for additional parks, open space, and neighborhood services.

The City's 2002 General Plan includes goals and policies that provide a framework for orderly growth and development and emphasize that the capacity for services and facilities will be increased as they are needed. The present and planned capacity of public facilities and adequacy of public services are reviewed annually through the City's Annual Budget, Capital Improvement Program and Capital Budget.

In 2008, LAFCO reviewed the existing and planned capacity of City of Salinas services. This review was done before LAFCO approved a 3,347-acre expansion of the Salinas Sphere of Influence and an annexation of 2,388 acres to the City.

Two water providers regulated by the State Public Utilities Commission indicate that they have adequate water to serve the City's projected growth for the next twenty years. In the long term, sources of additional water may be surface water from the Salinas Valley Water Project and desalinated water.

The environmental review for the 2002 Salinas General Plan determined that the project's impact on the regional highway system could result in significant and unavoidable impacts to the regional highway system. The City requires developers to pay fees to the regional transportation improvement fund.

**3. Financial Ability of Agency to Provide Services**

Declining revenues, budget reductions and revenue alternatives have been the subject of intense scrutiny by the public, the Salinas City Council and City staff for the past year.

The City's organizational structure and budget were reviewed by two independent citizen committees. The goal has been to position the City for long-term financial stability and efficient government. In May 2010, the City Council directed staff to incorporate a number of budget balancing recommendations into the budget. The measures included renegotiating the garbage contract with Republic Services of Salinas (formerly BFI Waste Services) to allow an increase in revenue and services, using the Community Oriented Policing Services grant to minimize police officer layoffs, and leasing out City facilities, including the City's Community Center/Sherwood Hall, the Municipal Pool and the Firehouse Recreation Center.

With these recommendations, the City Council approved a balanced Fiscal Year 2010-11 budget. The approved General Fund and Measure V budget for Fiscal Year 2010-11 is just over $77 million and the Capital Improvement Budget is just under $11 million. City Manager Artie Fields noted that all of the City's financial reserves had been used

over the past three years to maintain services. He projected a budget shortfall of at least $4 million for the Fiscal Year 2011-12 budget.

Measure V was approved by voters in 2005. Measure V increased the local sales tax by a half-cent "to address an existing emergency related to Salinas' ability to fund all general public services." This Measure currently provides 11% of the City's annual revenues. It will expire in 2016.

**4. Status of, and Opportunities for, Shared Facilities**

The City coordinates with other local agencies to implement cost-efficient service delivery. The City Fire Department participates in automatic and mutual aid agreements. Salinas participates in the county-wide dispatch and emergency communications system. Salinas is a member of the joint-powers Monterey Regional Water Pollution Control Agency for processing wastewater. The City worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone. The City is working with a school district to develop multi-purpose buildings.

The Mayor and the Chief of Police have effectively worked for the permanent presence of state and federal law enforcement assets in Salinas. The Police Department is in the process of establishing a Law Enforcement Operations Center (LEOC), which will house the special operations and investigations teams of participating agency personnel and create a synergistic environment for the sharing of operational intelligence and enforcement strategies. Agencies indicating an interest in co-locating at the LEOC include the FBI, the US Drug Enforcement Agency, the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives, the California Bureau of Narcotic Enforcement, and the Monterey County Gang Task Force.

Salinas recently formed alliances and leased City facilities to nonprofit organizations as a way to keep essential facilities open. For example, the City recently leased the Community Center and Sherwood Hall facilities to The National Steinbeck Center, which leads an "Arts Consortium" that includes the Monterey Symphony and El Sistema, a music program for at-risk youth. The Firehouse Recreation Center will be operated by Go Kids, Inc. and services remain available to the public. The municipal pool will be operated by Salinas Valley Aquatics and remains open to the public.

**5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies**

The City Council is composed of six Council Members who are elected by district for four-year terms, and a Mayor elected at large for a two-year term. Public meetings and

City operations are widely publicized through the media, through mailings and by use of the City web site.

The City received extensive feedback from its residents in setting budget priorities. During the past year, the City of Salinas has had five City Council meetings on the budget, two Measure V Committee meetings, three City Council district community meetings, two City Council Workshops, and over 25 City Council Finance Committee meetings. Also, as described above, two independent citizen committees provided advice on restructuring and financial issues.

The City adopted three key initiatives with this year's budget: youth crime and gang violence prevention, prosperity, and organizational effectiveness.

6. **Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy**

The City's Blue Ribbon Community Budget Review Committee recommended a number of structural changes in City government to position Salinas for long-term financial stability and efficient government. These included the updating of the City's 2002 General Plan, rebuilding the City's organization structure, and investing in the City's infrastructure with savings derived from restructuring and reducing personnel costs. Some of these recommendations have been implemented by the City and others are under consideration.

The City requires that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The 2002 Salinas General Plan contains a number of policies that call for the City to implement "Smart Growth" and "New Urbanism" models of development. These policies encourage city-centered growth, minimum required densities, and mixed use developments.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of Salinas. A draft Resolution will be prepared with determinations that support this recommended action.

## PART TWO: SPHERE OF INFLUENCE REVIEW

Exhibit A is a LAFCO-approved map of the City of Salinas' adopted Sphere of Influence and City limits. The map reflects significant expansions approved in 2008 and 2010. In 2008, LAFCO approved the 3,347-acre "Future Growth Area" Sphere of Influence amendment and annexation for the City of Salinas. In that application, the City provided a City-County agreement and detailed plans for the City's provision of services and facilities. An additional

246 acres were added to the Salinas Sphere of Influence and City limits in March 2010 for the "Uni-Kool" Ag-Industrial Center.

Following is a review of the City of Salinas Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. **The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands**

   The 2002 Salinas General Plan states that about 33% of the City's area at that time was devoted to residential uses. Commercial retail uses were approximately 9% and industrial uses 6%. The General Plan includes a goal (Goal LU-1) to "develop a balanced land use pattern that provides a wide range of jobs, housing, shopping services and recreation."

   While Salinas is surrounded by lands considered as "prime farmland," the lands to the south and west of the City are the most productive. In April 2008, the City Council adopted an Agricultural Land Preservation Program, which contains measures to preserve agricultural lands to the south and west.

   Since the City's 2002 General Plan adoption, LAFCO has approved two expansions of the Sphere of Influence. In 2008, LAFCO approved a 3,347-acre "Salinas Future Growth Area" Sphere of Influence amendment on the northeast side of the City. This area contains a wide variety of urban land uses including areas for mixed land uses. In 2010, LAFCO approved an additional 246-acre Sphere of Influence amendment for the Salinas Ag-Industrial Center ("Uni-Kool") development on the City's southern edge along Abbott Street. Both expansions were preceded by City-County agreements.

2. **The Present and Probable Need for Public Facilities and Services in the Area**

   The City provides a wide variety of municipal services. The 2002 Salinas General Plan includes goals and policies for the provision of city facilities and services. The General Plan states that a fiscal analysis will be prepared prior to consideration of a Specific Plan in the Future Growth Area to determine the impact of that development and to identify necessary impact fees.

   Recent City Council discussions and budget deliberations have focused on prioritizing the City's need for public facilities and services in light of the current budget crisis. The Blue Ribbon Community Budget Review Committee recommended that the City "preserve high priority services by leveraging City and community resources."

3. **The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide**

The City of Salinas reviews service levels, and plans for their improvement, through its capital improvement planning process. The Capital Improvement Program details the capital investments required by the community to maintain and enhance the City's quality of life. The current six-year Capital Improvement Program covers the years from 2008 through 2014 and outlines over $364 million in potential investments. The Salinas Fire Chief estimates that three of the City's six fire stations are currently in poor condition, with replacement or major renovation needed. The City is seeking state and federal grants to improve its industrial wastewater conveyance system and improve the functional capacity of its existing industrial wastewater treatment plant.

**4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency**

The City of Salinas has two unincorporated communities within its currently adopted Sphere of Influence. Bolsa Knolls and Boronda were developed in the unincorporated County and contain a housing stock primarily composed of detached single family dwellings. Both communities also contain commercial land uses, and Boronda has a significant number of older industrial uses. Past efforts to annex these two areas to the City have met with local opposition.

The County of Monterey and the City are working collaboratively on the planning of the South Boronda area as part of the refinement of the Draft Boronda Community Plan.

Due to recent significant expansions of the Salinas Sphere of Influence, no additional changes to the Sphere are necessary or requested at this time. However, for information purposes only, the City is considering three future amendments for future consideration by LAFCO. The potential amendments include: a) a 22-acre amendment for the expansion of an agricultural warehouse and fresh fruit and vegetable processing and packaging facility adjacent to the existing Fresh Express facility on Blanco Road; b) an amendment to accommodate the proposed Westside Bypass Expansion, and c) an amendment to accommodate the Eastside Bypass and the location of a new County jail and juvenile detention facility along Abbott Street. The schedule for initiating these amendments will depend on the City's own planning and environmental review processes.

The Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence for the City of Salinas (Exhibit A), with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of Salinas

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Feet

City Boundaries

SALINAS

Last LAFCO-Approved Change: 3/29/10
Sphere of Influence Affirmed: 9/27/10
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