



# The Downtown Salinas Community Benefit District 2015 Management District Plan

Final Plan – April 21<sup>st</sup>, 2015

*Formed Under Salinas Chapter 21D of the Salinas City Code*

Prepared by:  
New City America, Inc.  
and  
The Downtown Salinas CBD Steering Committee



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# Downtown Salinas Community Benefit District (CBD) Management District Plan

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### Attachment:

A. Engineer's Report

# Section 1

## Management District Plan Summary

The name of this Community Benefit District is the Downtown Salinas Community Benefit District (the “CBD”). The District is being formed pursuant of the City of Salinas Community Benefit District formed under Chapter 21D of the City Code and hereinafter referred to as the Ordinance.

Developed by the Salinas Downtown Association and the CBD Steering Committee – this Management District Plan is proposed to improve and provide special benefits to individual parcels located within the boundaries of the newly proposed 2015 Downtown Salinas Community Benefit District. The proposed CBD will provide special benefit district improvements and activities, including cleaning, security, beautification, district identity, possible transportation related activities and other special benefit programs to parcels within the boundaries of the proposed district.

The proposed Downtown Salinas CBD serves to improve the individual parcels, attract new customers to their businesses, increase sales, increase occupancies and enhance the benefitting individual parcels within the CBD. The proposed CBD seeks to fund the special benefits that will be provided over the next fifteen years, based upon keeping the greater Downtown Salinas area clean, safe, orderly, attractive, well marketed with special events and programs, and increase commerce within the boundaries.

**Boundaries:**

The boundaries shall include approximately 30 whole or partial blocks with 217 parcels owned by 130 property owners. See Downtown Salinas Proposed Special Benefit District Zones map in Section 2, pages 10 and 11. The District is generally bounded by Capitol Avenue on the west, both sides of Monterey St. on the east, by the railroad tracks on the north and by John Street on the south. Any current single family residential land uses included in the proposed district have been minimally assessed due to the reduced amount of anticipated special benefit they will receive. If and when these single family residential uses have been converted to multi-family or commercial/retail/office uses, they will then be fully assessed, based upon the assessment methodology put forward in this plan and special benefits will be delivered to these individual parcels consistent with their benefit zone.

**Budget:**

The total first year Downtown Salinas CBD budget based upon assessable individual parcel owners for FY 15/16, will be \$ 450,000.00. Please see Section 3 for a breakdown of the categories of special benefit services and their allocation of services by Benefit Zone.

### **Improvements, Activities and Services of the Downtown Salinas CBD Plan:**

There are five basic categories of special benefit services that will be funded by the Downtown Salinas CBD. All of these services will confer a special benefit to the individual parcels within the Downtown Salinas CBD. The categories of special benefits are as follows:

1. ***Sidewalk Operations, Beautification and Order:*** This includes all sidewalk and gutter cleaning services, possible enhance security, sidewalk steam cleaning services, graffiti removal, trash removal, as well as enhanced services to beautify the district based upon Benefit Zone contributions. Sidewalk operations services total \$ 270,000 or 60% of the first year annual budget of the new CBD.
2. ***District Identity:*** These services include the branding of the Downtown Salinas area, marketing and promotions, newsletter, public relations, media relations, social media, publicity, special events, website development and maintenance, public space develop and holiday decorations. These services equal \$ 100,000 or 22% of the first year annual budget of the new district.
3. ***Enhanced Residential Improvements:*** Though there are currently not any single residential units in the form of condos within the boundaries of the revised district, future condo developments that will be constructed within the CBD boundaries will be assessed to fund their particular special benefits. These special benefit services will include, but are not limited to: enhanced beautification in blocks with a high density of condos, public space development, implementation of pet related services and administrative costs. These assessments will be allocated with the same percentages of the overall budget.
4. ***Program Management and Corporate Operations:*** These services equal \$63,000 or 14% of the first year annual budget of the new district.
5. ***Contingency/Reserve.*** This contingency anticipates a “historic” non-payment rate percentage of 2 to 4%, and any City or County collection fees. This fund equals \$17,000 or 4% of the first year annual budget of the new district.

### ***Downtown Salinas CBD FY 2015-16 Budget***

<b>PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN SALINAS COMMUNITY BENEFIT DISTRICT</b>	<b>APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET</b>	<b>ESTIMATED ANNUAL COSTS</b>
Sidewalk Operations, Beautification and Order	60%	\$ 270,000.00
District Identity and Streetscape Improvement	22%	\$ 100,000.00
Administration/Corporate Operations	14%	\$ 63,000.00
Contingency/City and County Fees/Reserves/Special projects	4%	\$ 17,000.00
<b><i>TOTAL</i></b>	<b><i>100%</i></b>	<b><i>\$ 450,000.00</i></b>

This plan proposes percentages for groups of services with the intent that they will provide individual parcels with an understanding of the portion of the budget allocated to fund those services, while simultaneously giving the property owners and businesses an understanding of the proportional benefit they will receive. Demands for prioritization of one special benefit need over another *within the same category* will occur year by year. Supplemental security may be a priority one year, however enhanced sidewalk sweeping and beautification may be a priority another year. Both of these services fall within the same special benefit category or sidewalk operations.

**Method of Financing:**

The financing of the Downtown Salinas CBD is based upon the levy of special assessments upon real property that receive special benefits from the improvements and activities. See Section 4 for assessment methodology and compliance with Proposition 218. There will be four factors used in the determination of proportional benefit to the parcels in the CBD. Those four factors are:

- Linear frontage, (broken down by Benefit Zones). Parcels will be charged different frontage rates based upon the frequency of services that the Benefit Zone frontage will receive from the Sidewalk Operations portion of the CBD budget;
- Lot size or the footprint of the parcel;
- Building square footage (excluding parking structures built within the building that predominantly serve the tenants of the building and are not open to the public); and
- Future residential condos that will be constructed within the District.

The following data represents the foundation of the assessments that will generate the revenue to fund the Downtown Salinas CBD: (verified as of March 25<sup>th</sup>, 2015);

**Benefit Zones:**

State law and the State constitution, Article XIID require that special assessments be levied according to the special benefit each individual parcel receives.

There are two proposed “benefit zones” which are determined by anticipated benefit to be received in the proposed Downtown Salinas CBD: (see attached map);

**Benefit Zone 1** properties would include:

Main Street parcels (any parcel that borders or touches Main Street, including the National Steinbeck Center and University within the Museum building);

**Benefit Zone 2** properties would include:

All commercial/retail and private parcels not included in Benefit Zone 1 including apartments, City and County properties (no property owner, regardless of ownership or status would be exempt from the CBD annual assessments);

Residential condominium units would be assessed differently than commercial and public parcels and will pay the same amount regardless of Benefit Zone.

**Data by Benefit Zone:**

<i><b>Benefit Zone</b></i>	<i><b>Building Square Footage</b></i>	<i><b>Lot Size (square feet)</b></i>	<i><b>Linear Frontage</b></i>
<i><b>1</b></i>	618,334	658,542	7,429
<i><b>2</b></i>	564,781	2,543,254	28,052
<i><b>Total in Downtown CBD</b></i>	<i><b>1,183,115</b></i>	<i><b>3,201,796</b></i>	<i><b>35,481</b></i>

***Residential Condos:***

0 assessable building square footage.

Currently there are no residential condo developments within the Downtown Salinas CBD boundaries total. When constructed, these future units will be assessed at the rate of \$0.20 per square foot for their verifiable building square footage per parcel. For a more detailed explanation of residential assessments and services please see Section 4, pages 23 and 24.

**Costs:**

Annual assessments are based upon an allocation of program costs by assessable linear frontage (by Benefit Zone), assessable on all sides of the parcels that receive benefit; PLUS lot or parcel square footage; PLUS assessable building square footage, and in the case of residential condos, by building square footage.

Future residential condo owners will be assessed differently since they are, in essence, acquiring air rights with the purchase of their residential condos and linear frontage and lot size will not be relevant to their parcels. This alternate assessment methodology is created to respond to their special needs of homeowners within this growing Downtown district. All four property variables, including an individual parcel's location within the designated areas for Benefit Zone will be used in the calculation of the annual assessment.

The FY 2015-16 year annual assessments per property variable and Benefit Zone are as follows:

<b><i>Linear Frontage costs:</i></b>	Benefit Zone 1 \$5.00 per linear foot/year Benefit Zone 2 \$3.49 per linear foot/year
<b><i>Building Square Footage costs:</i></b>	\$0.084523 per square foot/year
<b><i>Lot Size costs:</i></b>	\$0.067150 per square foot/year
<b><i>Future Residential Condo costs:</i></b>	\$0.20 per square foot of parcel unit square footage

**Cap:**

The CBD budget and assessments may be subject to changes in the Consumer Price Index (CPI) for the Monterey County Consumer Price Index for all urban consumers from February to February, with annual increases not to exceed 5% (five per cent) per year. Increases will be determined by the Owners' Association/District Management Corporation and will vary between 0% and 5% annually. Changes in land use, development of empty parcels, conversion of tax exempt to profitable land uses, demolition of existing buildings, and creation of new parcels through new building or residential condo development may alter the budget from year to year based upon the changes in the building square footage of an individual parcels. Since linear frontage and lot size normally are not altered in the redevelopment of a site, the only changes realized in the CBD will be through the building square footage. In addition, changes in the budget may occur due to the conversion of single parcels to multiple parcels due to the construction of residential or commercial condos.

**Bonds:**

The District will not issue any bonds related to any program.

**District Formation:**

The District formation and modification requires a submission of petitions from property owners representing more than 30% of the total assessments.

Once the City verifies the petitions totaling a minimum of 30% or \$135,000 in assessment contribution to the District, the Salinas City Council may adopt a **Resolution of Intention** to mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the mail ballots. The Downtown Salinas CBD will be formed if the weighted majority of all returned mail ballots support the District formation and if the City Council adopts a resolution of formation to levy the assessments on the benefiting parcels.

**Disestablishment:**

California State Law, Streets and Highway Code Section 36670 provides for the disestablishment of a District. Provisions for annual disestablishment of the CBD are provided for in Section 27.D - 73 of the local Salinas CBD ordinance. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to disestablish the CBD, in the same method in which they petitioned the City Council to establish the District.

***Article 13: Disestablishment.** The City Council may, on its own initiative, at any time adopt a resolution of intention to disestablish a Community Benefits District and shall adopt a such a resolution if, during the annual thirty-day period set forth in Section 36670(a)(2) of the PBID Law, the City Council receives a written petition requesting disestablishment signed by property owners who pay more than thirty percent of the assessments levied in connection with the district. This section provides alternative method for the initiation of proceedings to disestablish a Community Benefits District and shall not be interpreted to preempt the existence of other methods set forth in Section 36670(a)(2) of the PBID Law. A resolution of intention adopted pursuant to this section shall have the same effect, and trigger the same notice and hearing requirements, as a resolution of intention otherwise adopted pursuant to Section 36670 of the PBID Law.*

Section 36670 states:

*(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.”*

Unexpended surplus funds will be returned to property owners based upon each parcels percentage contribution to the previous fiscal year’s assessments if the District is not renewed.

**Time and Manner for Collecting Assessments:**

The Downtown Salinas CBD assessments will appear as a separate line item on annual property tax bills prepared by the County of Monterey. The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Monterey. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

Any delinquent assessments owed for the first year will be added to the property tax roll for the following year together with any applicable interest and penalties. The “property owner”

means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

**Government Assessments:**

The Downtown Salinas CBD Management Plan assumes that the City of Salinas, the Successor Agency, Monterey County and other government entities will pay assessments for the public property within the boundaries of the District. Article XIII D, Section 4 of the California Constitution was added in November of 1996 to provide for these payments.

Parcels owned by the City of Salinas, controlled by the Successor Agency, the State of California, the Monterey County shall receive benefits, commensurate with the assessments paid into the Downtown Salinas CBD. The publicly owned parcels are presumed to benefit equally to the privately owned parcels for the sidewalk and administrative special benefits provided, however City and County parcels shall be exempt from assessments on their building square footage since they will not derive benefit from the "District Identity" special benefit services, (see Section 3, page 15).

**Duration:**

The Downtown Salinas CBD shall have a fifteen-year term which shall commence on December 1<sup>st</sup>, 2015 and expire on November 30<sup>th</sup>, 2030, with operations winding down by November 30<sup>th</sup>, 2030, unless the district is renewed by the CBD property owners through a new assessment ballot proceeding in 2030.

**Governance:**

Pursuant to the City of Salinas Community Benefit District Ordinance and Section 36600 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of Salinas (City) and will oversee the day-to-day implementation of services as defined in the Management District Plan. Streets and Highway Code, Section 36614.5 states:

*The "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."*

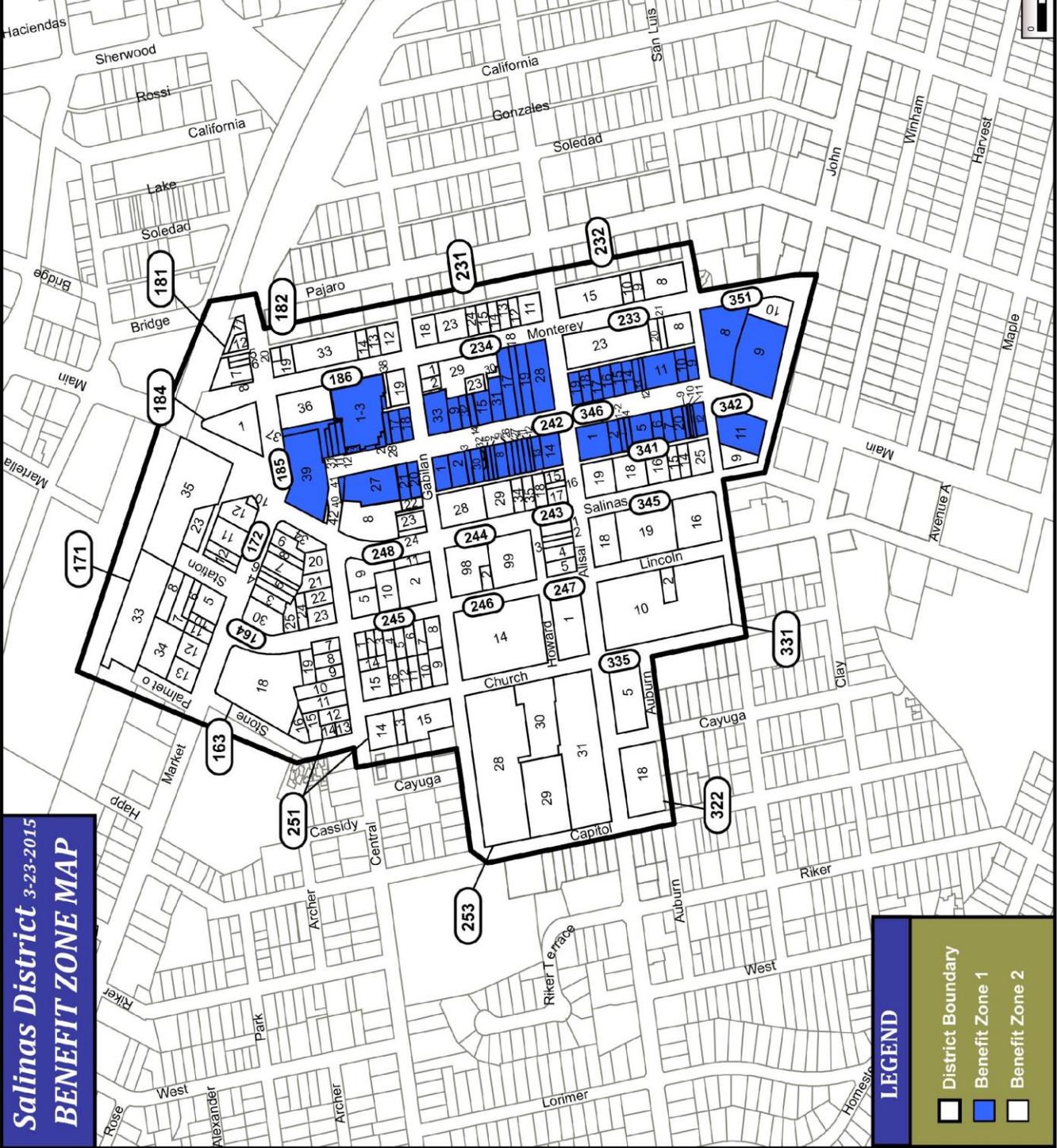
## Section 2

### Downtown Salinas Community Benefit District Boundaries

**Boundaries:** The following text will define the boundaries of the Downtown Salinas CBD.

General Description of the Proposed Boundaries: Parcels in the commercial corridors of the Downtown Salinas CBD will include as follows:

- ***Northern Boundary:*** Starting at Palmetto Street and the railroad tracks running eastward to the intersection of Pajaro Street and the railroad tracks.
- ***Southern Boundary:*** Starting at northwest corner of the intersection at the corner of John Street and Monterey, running westward including the parcels on the north side of John Street to the intersection of Salinas Street and John Street. The southern boundary then runs north for one block to include the parcels on the east side of Salinas Street between John Street and San Luis Street. The southern boundary then continues westward for two blocks running down the middle of San Luis Street, including all of the parcels on the north side of San Luis Street. The southern boundary then runs northward from the intersection of Salinas Street and Church Street including the parcels only on the east side of that block. The final leg of the southern boundary commences at Auburn and Church Streets running westward for 2 blocks including all of the parcels on the north side of the street up to Capitol Street, and ends there.
- ***Eastern Boundary:*** Starting at the intersection of Market and Monterey Streets, running southward down to San Luis Street and including all of the parcels on both sides of Monterey Street between Market and San Luis Street. The eastern boundary then continues southward to the intersection of John Street and Monterey Street but at that block only the parcels on the west side only fronting Monterey Street are included within the boundaries of the district.
- ***Western Boundary:*** Starting at intersection of Auburn and Capitol Street the western boundary moves north to Gabilan Street, including only the parcels on the east side of the Capitol Street between Auburn and Gabilan. The western boundary then moves eastward along Gabilan Street for two blocks to Church Street and includes only the parcels on the north side of Gabilan to Church Street. The western boundary then turns northward and runs to Central Street, including parcels on both sides of Church Street for that one block area. At the intersection of Stone Street and Church Street, the western boundary then moves northward to Market Street including all of the parcels only on the east side of Stone Street. At its final leg, the western boundary runs a half block west of Stone Street to Palmetto Street and runs northward to the railroad tracks, including only the parcels on the east side of Palmetto Street.



## Section 3

### District Improvement and Activity Plan

**Process to Establish the Improvement and Activity Plan/Outreach Efforts:**

Since summer of 2014 business and property owners in Downtown Salinas have met to discuss the advantages of creating this downtown special benefits district. An initial survey was sent to every property owner in the proposed CBD area in the summer of 2014 to ascertain their level of conceptual support for the establishment of this assessment district and obtain information regarding the type of enhanced services they were interested in receiving. The survey information was instrumental in determining the services to be delivered by the CBD.

**Priority Special Benefit Services – According to the Survey and CBD Steering Committee discussions:**

1. Sidewalk and curb sweeping, and enhanced trash receptacle emptying over and above City services;
2. Periodic sidewalk steam cleaning throughout entire district;
3. Beautification of Downtown sidewalks;
4. Graffiti/sticker removal from signs and trash receptacles
5. Advocacy for homeless intervention and minimizing aggressive panhandling in public rights of way;
6. Branding, district identity promoting Downtown Salinas to outsiders;
7. Public space development and management and beautification programs throughout the CBD;
8. Review of new developments and projects;
9. Interfacing with the City and County;
10. Web site, new app, social media, brochures;
11. Seasonal Banner and displays throughout the district;
12. Seasonal events, special events;
13. Possible new “landmark sign” funded in cooperation with Downtown Rotary;

Numerous public meetings have been held with the CBD Steering Committee. Public meeting dates follow:

- April 23<sup>rd</sup>, 2014
- July 29<sup>th</sup>, 2014
- August 20<sup>th</sup>, 2014
- October 9<sup>th</sup>, 2014;
- November 6<sup>th</sup>, 2014
- January 7<sup>th</sup>, 2015
- February 4<sup>th</sup>, 2015
- February 24<sup>th</sup>, 2015 (Presentation to both the Rotary Club and CBD Steering Committee);

Marco Li Mandri also met with the City Manager, the City Attorney and City staff throughout this process. In addition, staff and members of the current Old Town Salinas Association (BID) have participated in these public CBD Steering Committee Meetings.

**Explanation of Special Benefit Services:**

All of the improvements and activities detailed below are provided only to properties defined as being within the boundaries of the Downtown Salinas CBD, as the improvements and activities will provide special benefit to the owners of those properties. No improvements or activities will be provided to properties outside the Downtown Salinas CBD boundaries. All benefits derived from the assessments outlined in this Management District Plan fund services directly benefiting the property owners in this special benefit district. Inasmuch as all services will be provided to the properties defined as being within the District boundaries and no services will be provided outside the District boundaries.

The City will continue to provide services from the general fund to the Downtown which will include public safety, street tree trimming, street sweeping, trash collection of public refuse containers, etc. The frequency of these general benefits may change from year to year and time to time based upon budget constraints. However, City general benefits will not be withdrawn from the Downtown Salinas CBD unless they are withdrawn by an equal amount City wide. ***The CBD funded special benefits will not replace City funded general benefits, but rather will provide special benefits to parcel owners over and above the general benefits provided by the City of Salinas.***

All services funded by the assessments outlined in the Management District Plan are intended to directly benefit the property, business owners and residents within this area to support increased commerce, business attraction and retention, retain and increase commercial property rentals, enhanced safety and cleanliness in the CBD, improved district identity, and eventually fund specialized beautification and enhanced services for the condo residential unit parcels within the District.

The total improvement and activity plan budget for FY 2015-16, which is funded entirely by property assessments within the CBD boundaries, is projected to be \$ 450,000.00. The costs of providing each of the budget components was developed from actual experience obtained in reviewing these same services in similar districts throughout the State of California.

Based upon the survey of property owners, as well as the discussions held in the eight CBD Steering Committees held since April 2014, the Committee has prioritized the following categories of special benefit services for the new CBD. The categories of special benefit services set forth the intent of the budget category, but also gives the new District Management Corporation the flexibility to allocate the services based upon the changing needs of the District from year-to-year within each budgeted category.

**Improvements Activities and Services of the Downtown Salinas CBD Plan:**

There are five basic categories of special benefit services that will be funded within the Downtown Salinas CBD. All of these services are designed to confer a special benefit to the individual parcels within the Downtown Salinas CBD over and above the general benefits they are currently receiving. The categories of special benefits are as follows:

**Table 3 - A  
First Year Downtown Salinas CBD Special Benefit Service Budget**

<b>PROGRAM OR ACTIVITY FUNDED BY THE DOWNTOWN SALINAS COMMUNITY BENEFIT DISTRICT</b>	<b>APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET</b>	<b>ESTIMATED ANNUAL COSTS</b>
Sidewalk Operations, Beautification and Order	60%	\$ 270,000.00
District Identity and Streetscape Improvement	22%	\$ 100,000.00
Administration/Corporate Operations	14%	\$ 63,000.00
Contingency/City and County Fees/Reserves/Special projects	4%	\$ 17,000.00
<b>TOTAL</b>	<b>100%</b>	<b>\$ 450,000.00</b>

The following categories of special benefit services shall only be provided to parcels within the District.

**SIDEWALK OPERATIONS, BEAUTIFICATION, ORDER**: (Seven days per week sidewalk services in Zone 1, five days per week sidewalk services in Zone 2)

**60%**

*Examples of these special benefit services and costs may include, but are not limited to:*

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning
- Beautification of the district;
- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Tree and vegetation maintenance (over and above city services)
- Special events maintenance and set up
- Maintenance of existing and new public spaces
- Hanging plants, planting flowers throughout the district;
- Possible private security and/or camera system

**DISTRICT IDENTITY AND STREETScape IMPROVEMENTS:**

**22%**

*Examples of these special benefit services and costs may include, but are not limited to:*

- Web site development and updating;
- App development;
- Management and coordination of special events
- Social media
- Public relations firm
- Holiday and seasonal decorations
- Branding of Downtown Salinas so a positive image is built
- Banner programs
- Public art displays
- Downtown landmark sign and maintenance
- Logo development
- Public space design and improvements
- Signage

**ENHANCED RESIDENTIAL CONDO UNIT IMPROVEMENTS:**

(currently don't exist)

**\$ 0**

*Examples of these special benefit services and costs may include, but are not limited to:*

Future residential condos built within the boundaries of the Downtown Salinas CBD will be assessed separately due to their unique parcel status and special benefit needs in the district. Residential condos blocks will have the following special benefit services conferred on the frontage their parcels. These services in the future will include, but will not be limited to:

- Installation, stocking and upkeep of pet waste distribution stations on the frontages adjacent to the high concentrations of residential condo individually assessed parcels;
- Enhancement and beautification of sidewalks on the frontages adjacent to the high concentrations of residential individually assessed parcels;
- Installation of hanging plants, and enhanced upkeep in the sidewalks surrounding these frontages adjacent to these residential condos;
- Other services requested by the residents that confer special benefit to the areas directly adjacent to the parcels with high concentrations of residential condos;
- Proportional share of the Administrative and Contingency costs to cover the oversight of the Enhanced beautification special benefit services.

**ADMINISTRATION AND CORPORATE OPERATIONS:**

**\$ 63,000**

**14 %**

*Examples of these special benefit services and costs may include, but are not limited to:*

- Staff and administrative costs
- Directors and Officers Insurance
- Office related expenses
- Rent

- ❑ Financial reporting and accounting
- ❑ Legal work

**CONTINGENCY/CITY AND COUNTY FEES/RESERVE:**

**\$17,000**

**4%**

Examples of these special benefit services and costs include, but are not limited to:

- ❑ Delinquencies
- ❑ City Fees
- ❑ County fees
- ❑ Reserves

**Fifteen-Year Operating Budget:**

A projected fifteen-year operating budget for the Downtown Salinas CBD is provided below. The projections are based upon the following assumptions:

- Assessments will be subject to changes in the Monterey County Consumer Price Index (CPI), with annual increases not to exceed 5% per year.
- Increases will be determined by the District Management Corporation and in no case shall annual increases exceed 5% per year.

The budget for specific programs may be reallocated within the categories by up to 10% of each budget category. The Management Corporation Board may alter the budget based upon service needs and such changes shall be included in the Annual report and submitted to the Salinas City Council for review and approval.

**Table 3 – B**

***Fifteen-Year Projection of Maximum Assessment for the Downtown Salinas CBD***

	FY1	FY2	FY3	FY4	FY5	FY6	FY7
Sidewalk Operations, Beautification and Order	\$270,000.00	\$283,500.00	\$297,675.00	\$312,558.75	\$328,186.69	\$344,596.02	\$361,825.82
District Identity	\$100,000.00	\$105,000.00	\$110,250.00	\$115,762.50	\$121,550.63	\$127,628.16	\$134,009.56
Administration	\$63,000.00	\$66,150.00	\$69,457.50	\$72,930.38	\$76,576.89	\$80,405.74	\$84,426.03
Contingency	\$17,000.00	\$17,850.00	\$18,742.50	\$19,679.63	\$20,663.61	\$21,696.79	\$22,781.63
<b>Total</b>	<b>\$450,000.00</b>	<b>\$472,500.00</b>	<b>\$496,125.00</b>	<b>\$520,931.25</b>	<b>\$546,977.81</b>	<b>\$574,326.70</b>	<b>\$603,043.04</b>

	FY8	FY9	FY10	FY11	FY12	FY13	FY14	FY15
Sidewalk Operations, Beautification and Order	\$379,917.11	\$398,912.97	\$418,858.62	\$439,801.55	\$461,791.63	\$484,881.21	\$509,125.27	\$510,337.47
District Identity	\$140,710.04	\$147,745.54	\$155,132.82	\$162,889.46	\$171,033.94	\$179,585.63	\$188,564.91	\$189,013.88
Administration	\$88,647.33	\$93,079.69	\$97,733.68	\$102,620.36	\$107,751.38	\$113,138.95	\$118,795.90	\$119,078.74
Contingency	\$23,920.71	\$25,116.74	\$26,372.58	\$27,691.21	\$29,075.77	\$30,529.56	\$32,056.04	\$32,132.36
<b>Total</b>	<b>\$633,195.19</b>	<b>\$664,854.95</b>	<b>\$698,097.70</b>	<b>\$733,002.58</b>	<b>\$769,652.71</b>	<b>\$808,135.35</b>	<b>\$848,542.11</b>	<b>\$850,562.45</b>

Notes:

- Assumes a 5% yearly increase on all budget items.
- Any accrued interest or delinquent payments will be expended in the above categories.
- Residential condo assessments are zero for the first year, and to be determined when the first residential condos are actually built in Downtown

## **Section 4**

### **Assessment Methodology**

The Downtown Salinas CBD is a property-based special benefit assessment district being established pursuant to the Salinas Chapter 21D of the City Code (ordinance). Due to the special benefit nature of assessments levied within a CBD, program costs are to be distributed amongst all identified specially benefited properties based on the proportional amount of special program benefit each property is expected to derive from the assessments collected.

The ordinance refers to the requirement that relative “benefit” received from CBD funded programs and activities be used to determine the amount of assessment paid. Only those properties expected to derive special benefits from BID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

As stipulated by Proposition 218, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. Special Benefit” as defined by the California State Constitution means “*a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large*”. For the purposes of this analysis, “General Benefits” are benefits from the provided within Downtown Salinas that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other city parcels receive. General benefits are not restricted to benefits conferred only on persons and property outside the assessment district, but can include benefits both conferred on real property located in the district or to the public at large. “At large” means not limited to any particular person – and means all members of the public - including those who live, work, and shop within the district - and not simply transient visitors.

The property uses within the boundaries of the proposed Downtown Salinas CBD which will receive special benefits from CBD funded programs and services, are currently a mix of retail, service, office, religious, residential and parking. Services, programs and improvements provided by the Downtown Salinas CBD are primarily designed to provide special benefits to identified parcels within the boundaries of the District.

There are five basic categories of special benefit services that will be funded by the Downtown Salinas CBD. All of these services will confer a special benefit to the individual parcels within the Downtown Salinas CBD. The categories of special benefits are as follows:

1. ***SIDEWALK OPERATIONS, BEAUTIFICATION AND ORDER (SOBO)***: This include, but are not limited to: all sidewalk and gutter cleaning services, sidewalk steam cleaning services, graffiti removal, trash removal, as well and beautifying the district. This category of the budget will be allocated \$ 270,000 or 60 % of the first year budget to fund its services.
2. ***DISTRICT IDENTITY AND STREETScape IMPROVEMENT (DISI)***: These services include, but are not limited to: the branding of the commercial and residential parcels Downtown including: marketing and promotions, newsletter, public relations, media relations, social media, publicity, special events, lighting, website development and maintenance, public space develop and holiday decorations. This category of the budget will be allocated \$ 100,000 or 22% of the budget to fund these services.
3. ***ENHANCED RESIDENTIAL CONDO SERVICES***:  
Future residential condos built within the boundaries of the Downtown Salinas CBD will be assessed separately due to their unique parcel status and special benefit needs in the district. Residential condos blocks will have the premium special benefits conferred on their parcels but will also have extra residentially related services provided.
4. ***ADMINISTRATION/MANAGEMENT SERVICES***: This category of the budget will be allocated \$63,000 during the first year, or 14 % of the first year budget.
5. ***CONTINGENCY/RESERVE***. This contingency anticipates a non-payment rate percentage of 3 to 5%, and any City or County collection fees. This category of the budget will be allocated \$ 17,000.00 or approximately 4% of the first year annual budget of the new Downtown Salinas CBD.

Parcels that receive these programs, services and improvements attract more customers, employees, tenants and investors as a result of these programs, services and improvements, thereby increasing business volumes, sales transactions, occupancies, rental income and return on investments and for future residents, make this Downtown more walkable, attractive and livable. These benefits are particular and distinct in that they are not provided to non-assessed parcels within or outside of the District. Because these programs, services and improvements will only be provided to each individual assessed parcel within the Downtown Salinas CBD boundaries, these programs, services and improvements will constitute "special benefits".

Existing City of Salinas services will not be replaced or duplicated, by Downtown Salinas CBD funded services. The very nature of the purpose of this District is to fund supplemental programs, improvements and services within the Downtown boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All benefits derived from the assessments to be levied on parcels within the Downtown CBD are for services, programs and improvements directly benefiting each individual parcel within this area and support increased cleanliness, commerce, business attraction and retention, increased commercial property rental income and improved District

identity. No CBD funded services, activities or programs will be provided beyond the CBD boundaries.

While every attempt is made to provide CBD services and programs to confer benefits only to those identified assessed parcels within the district, the California State Constitution was amended via Proposition 218 to stipulate that general benefits exist, either by design or unintentionally, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the District, or “spillover” onto parcels surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business or residing within the District or interest in the District itself.

Empirical assessment engineering analysis throughout California has found that general benefits within a given business improvement district tend to range from 1-5% of the total costs. There are three methods that have been used by the Downtown CBD Assessment Engineer for determining general and special benefit values within assessment districts:

- (1) *The parcel by parcel allocation method*
- (2) *The program/activity line item allocation method, and*
- (3) *The composite district overlay determinant method.*

A majority of PBIDs and CBDs in California for which this Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, have used Method #3, the composite district overlay determinant method which will be used for this CBD. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the District, general benefit to the public at large within the District and general benefit to parcels outside the District.

**Downtown Salinas CBD Programs and Improvements**

The total special and general benefit program activities and budget allocations that will be provided to each individual parcel assessed in the proposed Salinas CBD are shown in the chart below:

**Total Year 1 – 2016 - Special + General Benefit Revenue**

<b>Service</b>	<b>YR 1 - 2016 Assessment Allocation</b>	<b>YR 1 - 2016 Non- Assessment Allocation</b>	<b>YR 1 - 2016 Total Allocation</b>	<b>% of Total</b>
SOBO	\$ 270,000	\$ 5,510	\$ 275,510	60 %
District Identity	\$ 100,000	\$ 2,040	\$102,040	22%
Administration	\$ 63,000	\$ 1,286	\$ 64,286	14%
Contingency/Reserves	\$ 17,000	\$ 347	\$ 17,347	4%
<b>Total</b>	<b>\$450,000.00</b>	<b>\$ 9,183</b>	<b>\$ 459,183.00</b>	<b>100%</b>

All program costs associated with general benefits will be derived from sources or credits other than BID assessments. Sample “other” revenue sources can be derived from special events, grants, volunteer hours and must simply equal a total of \$ 9,183 per year which would equal the general benefit cost of 2% of the computed total CBD cost of \$ 459,183.00 from the Table above. Here, program costs spreading variables include linear frontage, lot or parcel size and building square footage, and residential condo parcels. The following data represents the foundation of the assessments that will generate the revenue to fund the Downtown Salinas CBD: (verified as of March 13<sup>th</sup>, 2015);

**Benefit Zones:**

State law and the State constitution, Article XIID require that special assessments be levied according to the special benefit each individual parcel receives.

There are two proposed “benefit zones” which are determined by anticipated benefit to be received in the proposed Downtown Salinas CBD: (see attached map);

**Benefit Zone 1** properties would include:

Main Street parcels (any parcel that borders or touches Main Street, including the National Steinbeck Center and University within the Museum building);

**Benefit Zone 2** properties would include:

All commercial/retail and private parcels not included in Benefit Zone 1 including apartments, City and County properties (no property owner, regardless of ownership or status would be exempt from the CBD annual assessments);

Residential condominium units would be assessed differently than commercial and public parcels and will pay the same amount regardless of Benefit Zone.

**Data by Benefit Zone:**

<b><i>Benefit Zone</i></b>	<b><i>Building Square Footage</i></b>	<b><i>Lot Size (square feet)</i></b>	<b><i>Linear Frontage</i></b>
<b><i>1</i></b>	<b><i>618,334</i></b>	<b><i>658,542</i></b>	<b><i>7,429</i></b>
<b><i>2</i></b>	<b><i>564,781</i></b>	<b><i>2,543,254</i></b>	<b><i>28,052</i></b>
<b><i>Total in Downtown CBD</i></b>	<b><i>1,183,115</i></b>	<b><i>3,201,796</i></b>	<b><i>35,481</i></b>

**Assessment District Revenue Generation in Fiscal Year 2016 from each assessable property variable:**

Linear Frontage	\$ 135,000	30%
Building Square Footage:	\$ 100,000	22%
Lot Square Footage:	\$ 215,000	48%
Residential Condos Unit Square Footage:	<u>\$0</u>	<u>0%</u>
<b>Total:</b>	<b>\$ 450,000.00</b>	<b>100%</b>

**First Year Annual Costs:**

*The Downtown Salinas CBD FY 2016 year annual assessments per property variable are as follows:*

<i><b>Property Variable</b></i>	<i><b>First Year Annual Costs</b></i>
Linear Frontage	\$ 5.00 per linear foot/year – Benefit Zone 1 \$ 3.49 per linear foot/year – Benefit Zone 2
Building Square Footage	\$ 0.084523 per square foot/year
Lot Size	\$0.067150 per square foot/year
Residential Condominium Units	\$0.20 per square foot

**Proportional Allocation of Assessments to Benefiting Property Owners**  
**Generation of assessments which fund categories of special benefit services.**

<b>Program</b>	<b>Funded by Property Variable Assessment</b>	<b>Approximate Amount First Year Budget - %</b>
<b>Sidewalk Operations, Beautification and Order</b>  <i>sidewalk and gutter cleaning, landscaping, steam cleaning, public space maintenance</i>	Funded by approximately 100% of the linear frontage assessments with two rates paid by each Benefit Zone (\$135,000), with that amount matched by lot size assessments (\$135,000) <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 270,000 – 60%  (the Board decides how this amount will be allocated month by month, prioritizing services and proportionally allocating per benefit zones based upon payments made)
<b>District Identity and Streetscape Improvements</b>  <i>(Marketing, promotions, website, social media, events, business attraction, public space design)</i>	Funded by approximately 100% of the building square footage (\$100,000 ) district wide <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 100,000 – 22%
<b>Administration/ Corporate Operations</b>  Administration, outreach to public agencies, community relations, office rent, supplies, insurance, legal	Funded by Lot Size assessments  <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 63,000 – 14 %
<b>Contingency</b>	Funded by Lot size assessments <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 17,000 4 %
<b>Total for all Special Benefit Services</b>		<b>\$ 450,000.00</b>

**Linear Frontage Defined:**

Individual parcels will be assessed for all sides of each parcel fronting on a public street. Alley frontage is not assessed. Each side of the parcel (excluding alley areas) will receive Sidewalk Operations special benefit services based upon the frequency of services articulated in this plan, (7 times per week in Zone 1, 5 times per week in Zone 2). Linear front footage data was obtained from the County Assessor’s parcel maps.

**Building Square Footage Defined:**

Building square footage is defined as gross building square footage throughout the Downtown Salinas CBD. The percentage of building square footage that is dedicated to private or internal tenant parking needs may be deducted from the gross building square footage. Only parking structures that are open to the public and charge fees to the general public on a regular basis will have their building square footage assessed as any other commercial building. Apartment buildings within the boundaries of the Downtown Salinas CBD will be assessed as commercial buildings since there is a landlord/tenant relationship in that property. Under this plan, City and County owned parcels will pay assessments on their linear frontage and lot size, but will be exempted from assessments on building square footage since they will not derive special benefit from the District Identity services outlined in Section 3, page 15.

**Lot Square Footage Defined:**

Lot square footage is defined as the total amount of area within the borders of the parcel. The lot square footage of a parcel has been verified by the County Assessor’s parcel maps.

**Commercial Condominium Parcels Defined:**

Ground floor commercial condominiums will be treated as independent “mini” commercial buildings and assessed based on their actual building square footage, the footprint of land they cover or lot size of the commercial condo, and the amount of direct primary street frontage on the exterior of the building. Ground floor commercial condominiums will pay 100% of the special benefits for the assessment, based upon which benefit zone they are within.

**Future Residential Condo Unit Parcels Defined:**

Future residential condo units building square footage is defined as the livable building square footage within the walls of the condo residential unit parcel. They are included in a special zone to designate their unique special benefits relative to the other commercial parcels within the Downtown Salinas CBD. Unlike the other commercial parcels in the district, including commercially operated apartment buildings, residential condo parcels are assessed for building square footage only, and are not assessed for linear frontage and lot square footage.

Future residential condo individually assessed parcels are assessed as a separate category. These future residential condo individual parcels will be assessed *for their building square footage only at the rate of \$0.20 per square foot per year*, commencing the first year of their completion. The rationale for assessing future residential condos only for the building square footage rate is provided below.

Future residential condo individually assessed parcels are assessed differently than multi-unit, for-rent apartment buildings, due to the frequency of special benefit services required by each parcel as described below. The multi-unit apartment buildings are commercial properties in which the tenant and landlord have an economic relationship as opposed to residential condo buildings where individual property owners own separate “air space parcels” on a single floor. Future residential apartment buildings can be bought or sold just as like commercial buildings whereas residential condo individual units are separately owned and must be individually bought and sold.

Distinctions between residential apartment buildings with tenants and residential condominium building with individual parcel owners are as follows:

1. *The Davis Sterling Act establishes rules and regulations for residential condo owners based upon “separate interests” (i.e. ownership rights), as opposed to renters who only have a possessory interest.*
2. *Generally, residential condo unit owners demonstrate greater care for their property and concerns about quality of life issues due to their investment in real estate.*
3. *Residential owners and have the right to vote in a Proposition 218 hearing, tenants do not have that right.*
4. *Residential condo owners are required to contribute to a legally established Homeowners Associations to oversee building maintenance, tenants are not.;*

The assessment methodology has been written to confer special benefits to future residential condo individual assessed parcels since future residential condo owners have unique investment backed expectations about the care and maintenance of the building and its surroundings compared to the interest of residential tenants who have a possessory not an ownership interest. The future residential condos’ special assessment methodology ensures that a fund will be established to maintain high levels of special benefit services that apply directly and proportional to the blocks that demand virtually seven days per week, 365 days per year special benefits.

**Exemptions:**

No benefitting parcels, regardless of taxable or tax-exempt property tax status, will be exempt from the assessments funding the special benefit services of the Downtown Salinas CBD. Special benefit services will not be provided to any parcels outside of the boundaries of the district. Publicly owned property will be assessed the same as privately owned parcels based upon their location within Benefit Zone 1 or 2, except that the County and City parcels shall not pay for District Identity services funded by their building square footage assessments. The County and City parcels will not derive the benefits of increased rents, business attraction or redevelopment potential from such special benefit services. We believe that this analysis is consistent with the “proportional benefit requirements” outlined in Article XIII of the state constitution.

Single family residential land uses, in the form of single family homes on independent parcels, within the boundaries of the CBD are included in the District, however will be assessed only for the services they receive on their frontage or until such time that the single family land uses are converted to multi-family or commercial/retail uses.

**Calculation of Assessments:**

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the improvement or the maintenance and operation expenses of an improvement or for the cost of property service being provided. Per California Constitutional Amendment Article XIII D, Section 2(i), "Special Benefit", means a particular and distinct benefit over and above general benefits conferred on a real property located in the district or to the public at large. No assessment will be imposed on any parcel that exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits. Properties are assessed as defined on the County Assessor's most current parcel maps. The preceding methodology is applied to the database of parcels within the District. The process for compiling the property database includes the following steps:

- A report was generated from data obtained from the Monterey County Tax Assessors office.
- A list of properties to be included within the CBD is provided in Section 7.

**Parcel Assessment –**

The annual assessment method to calculate all parcels and ground floor commercial condominiums for Benefit Zone 1 will be:

$$\begin{aligned} & \text{Total Street Frontage X \$ 5.00 per linear foot} \\ & \quad + \\ & \text{Total Lot Square Footage X \$0.067150 per square foot} \\ & \quad + \\ & \text{Total Building Square footage X \$0.084523 per square foot} \\ & \quad = \\ & \text{TOTAL PARCEL ASSESSMENT} \end{aligned}$$

The annual assessment method to calculate all parcels and ground floor commercial condominiums for Benefit Zone 2 parcels will be:

$$\begin{aligned} & \text{Total Street Frontage X \$ 3.49 per linear foot} \\ & \quad + \\ & \text{Total Lot Square Footage X \$0.067150 per square foot} \\ & \quad + \\ & \text{Total Building Square footage X \$0.084523 per square foot} \\ & \quad = \\ & \text{TOTAL PARCEL ASSESSMENT} \end{aligned}$$

**Residential Condo Assessment:**

The annual assessment method for a residential condo once they are built, regardless of Benefit Zone will be:

$$\text{Total Residential Unit Building Square footage} \times \$0.20 \text{ per Square Foot}$$

=

TOTAL RESIDENTIAL CONDO UNIT ASSESSMENT

**Future Development:**

As a result of continued new development, the Downtown Salinas CBD will experience the addition or subtraction of assessable commercial buildings or the conversion of empty parcels into new commercial and residential or buildings and units. The Management District 2016 Plan assessment methodology will accommodate any and all changes anticipated within the term of the District with annual adjustments being submitted to the City, as these assessment calculation and property variable alterations occur.

**Maximum Assessment:**

Assessments will be subject to changes in the Monterey County Consumer Price Index (CPI), for all urban consumers, annual increases not to exceed 5% per year. Increases will be determined by the CBD District Management Corporation and will vary between 0% and 5% in any given year. The maximum the assessments can be increased is 5% over the previous fiscal year's base assessments. Not implementing the increase for one year does not give the District Management Corporation the authority to accumulate increases above 5% within any given fiscal year. The following projections illustrate a potential 5% annual increase.

**Table**

***Benefit Zone 1 and 2 Maximum Assessments by Property Variable***

Projected Assessment	FY1	FY2	FY3	FY4	FY5
Linear Frontage 1	\$ 5.0000	\$ 5.2500	\$ 5.5125	\$ 5.7881	\$ 6.0775
Linear Frontage 2	\$ 3.4900	\$ 3.6645	\$ 3.8477	\$ 4.0401	\$ 4.2421
Building Sq. Ft.	\$ 0.08452	\$ 0.08875	\$ 0.09319	\$ 0.09785	\$ 0.10274
Lot Square Footage	\$ 0.067150	\$ 0.070508	\$ 0.074033	\$ 0.077735	\$ 0.081621
Condo Bldg. Sq. Ft.	\$ 0.20000	\$ 0.21000	\$ 0.22050	\$ 0.23153	\$ 0.24310

Projected Assessment	FY6	FY7	FY8	FY9	FY10
Linear Frontage	\$ 6.3814	\$ 6.7005	\$ 7.0355	\$ 7.3873	\$ 7.7566
Linear Frontage	\$ 4.4542	\$ 4.6769	\$ 4.9108	\$ 5.1563	\$ 5.4141
Building Sq. Ft.	\$ 0.10788	\$ 0.11327	\$ 0.11893	\$ 0.12488	\$ 0.13112
Lot Square Footage	\$ 0.085702	\$ 0.089987	\$ 0.094487	\$ 0.099211	\$ 0.104172
Condo Bldg. Sq. Ft.	\$ 0.25526	\$ 0.26802	\$ 0.28142	\$ 0.29549	\$ 0.31027

<b>Projected Assessment</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>
Linear Frontage	\$ 8.1445	\$ 8.5517	\$ 8.9793	\$ 9.4282	\$ 9.8997
Linear Frontage	\$ 5.6848	\$ 5.9691	\$ 6.2675	\$ 6.5809	\$ 6.9100
Building Sq. Ft.	\$ 0.13768	\$ 0.14456	\$ 0.15179	\$ 0.15938	\$ 0.16735
Lot Square Footage	\$ 0.109380	\$ 0.114849	\$ 0.120592	\$ 0.126621	\$ 0.132952
Condo Bldg. Sq. Ft.	\$ 0.32578	\$ 0.34207	\$ 0.35917	\$ 0.37713	\$ 0.39599

**Budget Adjustments:**

Annual budget surpluses, if any, will be rolled into the following year’s budget. Assessments will be set annually, within the constraints of the CPI or land use changes. Revenues from the delinquent accounts may be expended in the year they are received. If the District is not renewed, any remaining funds will be returned to property owners in the proportion by what each property owner paid.

If after the initial term the District decides to renew and if there is money left over from the previous term, the balance of remaining funds will be rolled over into the renewed district. These “rolled over” funds may only be used within the boundaries of the renewed district and cannot be expended for activities, services, or improvements in an area expanded beyond the original District. However, the rolled over funds may be used to finish District Management Corporation activities in the original district.

**Time and Manner for Collecting Assessments:**

The Downtown Salinas CBD assessments will appear as a separate line item on annual property tax bills prepared by the County of Monterey. The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Monterey. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

Any delinquent assessments owed for the first year will be added to the property tax roll for the following year together with any applicable interest and penalties. The “property owner” means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

**Disestablishment:**

California State Law, Streets and Highway Code Section 36670 provides for the disestablishment of a District. Provisions for annual disestablishment of the CBD are provided for in Article 13 of the local Salinas CBD ordinance. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to disestablish the CBD, in the same method in which they petitioned the City Council to establish the District.

**Article 13: Disestablishment.** *The City Council may, on its own initiative, at any time adopt a resolution of intention to disestablish a Community Benefits District and shall adopt a such a resolution if, during the annual thirty-day period set forth in Section 36670(a)(2) of the PBID Law, the City Council receives a written petition requesting disestablishment signed by property owners who pay more than thirty percent of the assessments levied in connection with the district. This section provides alternative method for the initiation of proceedings to disestablish a Community Benefits District and shall not be interpreted to preempt the existence of other methods set forth in Section 36670(a)(2) of the PBID Law. A resolution of intention adopted pursuant to this section shall have the same effect, and trigger the same notice and hearing requirements, as a resolution of intention otherwise adopted pursuant to Section 36670 of the PBID Law.*

Section 36670 states:

*(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.”*

Unexpended surplus funds will be returned to property owners based upon each parcels percentage contribution to the previous fiscal year’s assessments if the District is not renewed.

Upon the termination of the previous District, any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660(b). Unexpended surplus funds will be returned to property owners based upon each parcels percentage contribution to the previous fiscal year’s assessments if the District is not renewed.

**Government Assessments:**

The Downtown Salinas CBD Management Plan assumes that the City of Salinas, the Successor Agency and other government entities will pay assessments for the public property within the boundaries of the District as per the methodology within this plan. Article XIII D, Section 4 of the California Constitution was added in November of 1996 to provide for these payments.

Parcels owned by the City of Salinas, Monterey County, California State University at Monterey, the Successor Agency, the State of California, and the Salinas City Unified School District, shall receive benefits, commensurate with the sidewalk operations administration and contingency assessments paid into the Downtown Salinas CBD. The publicly owned parcels are presumed to

benefit equally to the privately owned parcels for the special benefits provided. Additionally, the National Steinbeck Center, owned jointly by the City of Salinas and the California State University at Monterey, will pay for *all of the services under the methodology outlined for Benefit Zone 1 parcels* since this building will enjoy special benefit services related to District Identity services.

**Table**  
**Government Owned Parcels in the Downtown Salinas CBD**

APN	Legal Owner	Benefit Zone	Site Number	Site Street	Annual Assessment	Percent
002 163 007 000	City Of Salinas	2	30	Lincoln Ave	\$1,074.88	0.24%
002 171 012 000	City Of Salinas	2	58	W Market St	\$1,223.29	0.27%
002 171 013 000	City Of Salinas	2	60-68	W Market St	\$1,668.80	0.37%
002 171 033 000	City Of Salinas	2	11	Station Pl	\$4,939.08	1.10%
002 171 035 000	City Of Salinas	2		North Main St	\$8,269.88	1.84%
002 172 010 000	City Of Salinas	2		W Market St	\$300.06	0.07%
002 172 012 000	City Of Salinas	2	10	W Market St	\$1,979.02	0.44%
002 184 001 000	City Of Salinas	2		E Market St	\$4,702.04	1.04%
002 185 037 000	City Of Salinas	1	117	Main St	\$1,099.75	0.24%
002 185 038 000	City Of Salinas	2		Monterey St	\$216.05	0.05%
002 185 039 000	City Of Salinas	1	1	Main St	\$12,510.37	2.78%
002 185 042 000	City Of Salinas	2		*no Site Address*	\$461.53	0.10%
002 233 023 000	City Of Salinas	2	300	Monterey St	\$5,318.13	1.18%
002 234 023 000	City Of Salinas	2		Monterey St	\$362.61	0.08%
002 234 029 000	City Of Salinas	2	222	Monterey St	\$3,138.52	0.70%
002 234 030 000	City Of Salinas	2	222	Monterey St	\$61.51	0.01%
002 242 029 000	City Of Salinas	2	219	Salinas St	\$1,621.76	0.36%
002 242 033 000	City Of Salinas	2	228	Main St	\$67.15	0.01%
002 244 002 000	City Of Salinas	2	215	Lincoln Ave	\$483.39	0.11%
002 244 098 000	City Of Salinas	2	210	Salinas St	\$4,161.37	0.92%
002 244 099 000	City Of Salinas	2	100	Howard St	\$4,702.66	1.04%
002 245 002 000	City Of Salinas	2	106	Lincoln Ave	\$413.17	0.09%
002 245 003 000	City Of Salinas	2	108	Lincoln Ave	\$411.56	0.09%
002 245 004 000	City Of Salinas	2	112	Lincoln Ave	\$610.98	0.14%
002 245 005 000	City Of Salinas	2	118	Lincoln Ave	\$610.98	0.14%
002 245 006 000	City Of Salinas	2	120	Lincoln Ave	\$610.98	0.14%
002 245 007 000	City Of Salinas	2	128	Lincoln Ave	\$610.98	0.14%
002 245 008 000	City Of Salinas	2		W Gabilan St	\$1,236.63	0.27%
002 246 014 000	City Of Salinas	2	200-222	Lincoln Ave	\$11,707.58	2.60%
002 248 011 000	City Of Salinas	2	128	W Gabilan St	\$1,157.02	0.26%
002 331 010 000	City Of Salinas	2	101	W Alisal St	\$15,736.72	3.50%
002 341 014 000	City Of Salinas	2	345	Salinas St	\$604.93	0.13%
002 341 015 000	City Of Salinas	2		Salinas St	\$614.47	0.14%
002 341 016 000	City Of Salinas	2		Salinas St	\$1,244.51	0.28%
002 345 018 000	City Of Salinas	2	65	W Alisal St	\$3,128.33	0.70%
002 345 019 000	City Of Salinas	2	320	Salinas St	\$4,671.87	1.04%
				<b>TOTAL</b>	<b>\$101,732.53</b>	<b>22.60%</b>

<b>APN</b>	<b>Legal Owner</b>	<b>Benefit Zone</b>	<b>Site Number</b>	<b>Site Street</b>	<b>Annual Assessment</b>	<b>Percent</b>
002 232 015 000	County Of Monterey	2	20	E Alisal St	\$3,592.47	0.80%
002 253 028 000	County Of Monterey	2		*no Site Address*	\$12,641.96	2.81%
002 253 029 000	County Of Monterey	2	168	W Alisal St	\$4,423.43	0.98%
002 253 030 000	County Of Monterey	2	230	Church St	\$3,712.86	0.82%
002 253 031 000	County Of Monterey	2		*no Site Address*	\$10,743.99	2.39%
002 322 018 000	County Of Monterey	2	142	W Alisal St	\$5,321.51	1.18%
				<b>TOTAL</b>	<b>\$40,436.22</b>	<b>8.98%</b>

## Section 5

### District Rules and Regulations and Governance

There are no specific rules and regulations prescribed for the proposed Downtown Salinas Community Benefit District Management Corporation except that it will adhere to the open meeting provisions of the Ralph M. Brown Act and will seek to be as open and transparent to the CBD assesses and the public at large as is reasonably possible.

Pursuant to the City of Salinas Community Benefit District Ordinance and Section 36600 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of Salinas and will oversee the day-to-day implementation of services as defined in the Management District Plan. Streets and Highway Code Section 36614.5 states:

*"The "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."*

#### **Bonds:**

The District will not issue any bonds related to any program.

## **Section 6**

### **Implementation Timetable**

The Downtown Salinas CBD is expected to be established and begin assessing benefiting parcels as of fiscal year 15-16. Due to the timing of revenue collection and need to establish the owners' association or District Management Corporation, implementation of the Management District Plan and the delivery of services is scheduled to commence in or around December 1<sup>st</sup>, 2015. Consistent with the local enabling ordinance, the Downtown Salinas CBD will have a fifteen-year term through December 1<sup>st</sup>, 2030 with operations winding down by November 30<sup>th</sup> 2030, unless renewed by Downtown property owners at that time.

## Section 7

### Assessment Roll of Properties Included

APN	Annual Assessment		
002 185 019 000	\$2,132.28	002 234 017 000	\$4,426.64
002 234 019 000	\$1,410.02	002 231 023 000	\$2,359.35
002 234 028 000	\$5,280.97	002 171 023 000	\$2,048.51
002 346 001 000	\$674.82	002 163 007 000	\$1,074.88
002 346 002 000	\$179.76	002 171 012 000	\$1,223.29
002 346 003 000	\$0.00	002 171 013 000	\$1,668.80
002 342 009 000	\$1,827.47	002 171 033 000	\$4,939.08
002 342 011 000	\$6,022.83	002 171 035 000	\$8,269.88
002 245 009 000	\$1,876.65	002 172 010 000	\$300.06
002 331 002 000	\$1,100.52	002 172 012 000	\$1,979.02
002 233 016 000	\$1,324.88	002 184 001 000	\$4,702.04
002 242 015 000	\$782.74	002 185 037 000	\$1,099.75
002 242 016 000	\$224.51	002 185 038 000	\$216.05
002 242 017 000	\$1,949.02	002 185 039 000	\$12,510.37
002 242 018 000	\$1,004.35	002 185 042 000	\$461.53
002 181 008 000	\$564.09	002 233 023 000	\$5,318.13
002 242 002 000	\$1,972.86	002 234 023 000	\$362.61
002 242 007 000	\$607.92	002 234 029 000	\$3,138.52
002 234 014 000	\$474.46	002 234 030 000	\$61.51
002 234 015 000	\$1,770.08	002 242 029 000	\$1,621.76
002 341 002 000	\$1,189.70	002 242 033 000	\$67.15
002 163 010 000	\$1,103.92	002 244 002 000	\$483.39
002 163 011 000	\$1,195.52	002 244 098 000	\$4,161.37
002 233 013 000	\$718.05	002 244 099 000	\$4,702.66
002 233 012 000	\$442.59	002 245 002 000	\$413.17
002 234 033 000	\$2,059.38	002 245 003 000	\$411.56
002 242 028 000	\$4,135.08	002 245 004 000	\$610.98
002 341 001 000	\$4,790.57	002 245 005 000	\$610.98
002 341 009 000	\$472.51	002 245 006 000	\$610.98
002 164 006 000	\$427.11	002 245 007 000	\$610.98
002 164 007 000	\$1,044.54	002 245 008 000	\$1,236.63
002 164 008 000	\$1,386.56	002 246 014 000	\$11,707.58
002 242 011 000	\$848.03	002 248 011 000	\$1,157.02
002 243 002 000	\$510.10	002 331 010 000	\$15,736.72
002 341 004 000	\$610.28	002 341 014 000	\$604.93
002 181 007 000	\$1,258.24	002 341 015 000	\$614.47
002 181 012 000	\$1,251.66	002 341 016 000	\$1,244.51
002 182 019 000	\$1,458.75	002 345 018 000	\$3,128.33
002 182 020 000	\$338.95	002 345 019 000	\$4,671.87
002 182 033 000	\$4,046.21	002 341 019 000	\$3,773.26
002 163 016 000	\$970.71	002 242 008 000	\$1,523.54
002 163 018 000	\$13,534.41	002 242 014 000	\$2,795.16
002 185 024 000	\$968.38	002 182 012 000	\$8,571.10
		002 232 015 000	\$3,592.47
		002 253 028 000	\$12,641.96

002 253 029 000	\$4,423.43	002 163 009 000	\$665.83
002 253 030 000	\$3,712.86	002 234 032 000	\$1,618.97
002 253 031 000	\$10,743.99	002 232 009 000	\$1,044.94
002 322 018 000	\$5,321.51	002 232 010 000	\$600.20
002 233 015 000	\$1,174.09	002 185 012 000	\$884.44
002 171 010 000	\$706.24	002 185 011 000	\$515.39
002 171 011 000	\$610.98	002 242 030 000	\$1,641.96
002 171 008 000	\$1,023.26	002 181 011 000	\$1,077.07
002 186 002 000	\$377.61	002 231 014 000	\$543.83
002 186 003 000	\$303.76	002 186 001 000	\$10,041.53
002 242 012 000	\$480.31	002 172 002 000	\$871.51
002 231 015 000	\$964.33	002 163 008 000	\$703.02
002 242 009 000	\$1,178.40	002 242 035 000	\$848.34
002 171 005 000	\$3,090.18	002 163 013 000	\$777.06
002 245 001 000	\$968.74	002 243 003 000	\$653.68
002 234 031 000	\$1,861.80	002 164 035 000	\$0.00
002 251 003 000	\$717.28	002 171 007 000	\$1,385.61
002 172 001 000	\$1,172.86	002 171 006 000	\$474.69
002 243 001 000	\$1,813.36	002 248 009 000	\$2,567.33
002 164 021 000	\$909.78	002 248 010 010	\$1,341.95
002 233 014 000	\$1,192.66	002 163 019 000	\$955.00
002 233 009 000	\$2,792.53	002 163 012 000	\$918.28
002 233 018 000	\$1,756.03	002 233 017 000	\$1,165.56
002 341 012 000	\$1,675.25	002 251 014 000	\$2,366.30
002 341 018 000	\$2,913.03	002 242 013 000	\$1,382.07
002 351 008 000	\$7,781.17	002 351 009 000	\$5,798.39
002 171 034 000	\$4,614.34	002 164 004 000	\$555.31
002 185 031 000	\$642.26	002 164 005 000	\$478.57
002 231 024 000	\$1,005.28	002 345 016 000	\$5,251.54
002 234 018 000	\$1,313.78	002 234 002 000	\$1,422.42
002 341 010 000	\$252.70	002 243 005 000	\$1,890.66
002 341 011 000	\$405.84	002 248 002 000	\$4,087.59
002 233 008 000	\$2,847.82	002 245 011 000	\$1,118.11
002 164 023 000	\$1,955.02	002 245 012 000	\$810.45
002 164 024 000	\$617.36	002 245 016 000	\$610.98
002 163 014 000	\$525.64	002 245 010 000	\$980.76
002 341 020 000	\$1,025.55	002 163 015 000	\$793.26
002 164 009 000	\$1,467.09	002 185 023 000	\$2,226.49
002 164 034 000	\$1,653.11	002 232 008 000	\$3,886.23
002 164 003 000	\$943.62	002 164 022 000	\$926.76
002 233 010 000	\$1,199.13	002 185 028 000	\$562.74
002 181 005 000	\$553.10	002 233 019 000	\$4,698.10
002 181 006 000	\$410.21	002 164 025 000	\$2,886.05
002 233 011 000	\$3,366.60	002 164 030 000	\$1,847.37
002 242 034 000	\$610.98	002 335 005 000	\$8,185.42
002 341 007 000	\$1,280.11	002 185 036 000	\$3,428.74
002 341 025 000	\$2,394.10	002 242 032 000	\$230.53
002 231 013 000	\$1,008.70	002 243 004 000	\$1,144.12
002 231 011 000	\$1,471.55	002 185 017 000	\$1,376.01
002 231 012 000	\$1,006.59	002 185 018 000	\$2,376.05

002 234 001 000	\$823.47	002 185 027 000	\$3,599.52
002 185 020 000	\$2,363.81	002 185 040 000	\$50.01
002 242 001 000	\$2,334.14	002 185 041 000	\$897.81
002 231 018 000	\$1,572.05	002 234 009 000	\$1,745.55
002 341 005 000	\$2,464.29	002 242 027 000	\$596.12
002 233 020 000	\$841.78	002 248 005 000	\$2,168.25
002 182 013 000	\$1,259.22	002 351 010 000	\$2,216.46
002 182 014 000	\$600.73	002 172 011 000	\$2,193.66
002 341 006 000	\$1,644.24	002 247 001 000	\$5,374.42
002 233 021 000	\$611.76	002 242 003 000	\$717.05
002 242 026 000	\$693.36	002 251 015 000	\$1,861.42
002 164 020 000	\$899.26	002 245 014 000	\$724.83
002 185 008 000	\$3,721.55	002 245 015 000	\$1,919.32
002 185 021 000	\$474.16	002 242 006 000	\$543.01
002 185 022 000	\$876.20		

