

STATUS UPDATE ON FY 2004- 05 CITY COUNCIL PRIORITIES

Dec. 15, 2004

Public Facilities/ Public Works

1. Window-on-the-Bay Park:

- Complete acquisition of two remaining properties within the West project area; (Community Development)

The owners of the two remaining properties within the West project area (Roto-Rooter and Mohr Motors sites) continue to indicate some interest in selling under certain terms. The City Real Estate Negotiator is following a strategy approved by the City Council in Closed Session.

- Complete construction documents and obtain funding for a phased approach to Del Monte traffic operations and safety improvements from El Estero to Sloat. (Public Works)

Overall plans for these Del Monte improvements are completed. These plans include the addition of a third eastbound lane along with landscape improvements. All of the traffic signals in this segment will be upgraded to provide greater left turn storage and protected left turn movements to reduce collisions and improve traffic flow. The TAMC regional traffic impact fee includes purchasing right-of-way; however, the regional impact fee has not been adopted by the region. Funding is being pursued for construction.

- Revisit the vision for the "Priority B Area," and develop a strategy and timeline for implementation. (Community Development)

Due to current economic conditions and the unavailability of grants or partner funding for this type of activity, no further staff resources have been expended on revisiting a future vision and strategy for the "Priority B Area" (between Park Avenue and Sloat Avenue).

2. Catellus Property: Evaluate appropriate use and restoration of passenger depot building on west side of Catellus. Complete public improvements on east side, including aesthetic improvements to boat storage area. (Community Development)

The parking lot designs are nearing completion. The parking lot layouts, lighting, parking systems and drainage have been reviewed and are ready for final design. Staff will be coming to the City Council early in 2005 with a plan for the development for a boat dry storage area that fits the objective for providing greater storage area with less intrusion into the view cone from Del Monte Avenue.

The City has received a proposal to construct a replica historic Whaling Ship on the West Catellus parking lot. The city is waiting for the specific proposal from the applicant so that plans can be finalized. We expect the proposal in early 2005.

3. Complete Public Service Center EIR, financing plan, design, construction documents, and initiate construction for reduced size facility. (Public Facilities)

A Draft Environmental Impact Report (EIR) was completed, distributed and public comment received. The EIR consultant and staff are responding to comments. The Final EIR will be completed in December 2004. The Final EIR and project will probably be reviewed by the Council Subcommittee and submitted to City Council in January 2005.

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4. Complete the implementation of **Police and Fire Modular buildings**. (Public Facilities)

The Council recently awarded the contract to purchase these modular buildings, and the project is anticipated to be completed in early Spring 2005. A new 26-space parking lot between the El Cuartel Parking Lot and Van Buren Street was opened in early December to replace parking that will be lost due to the placement of the modulares in the Fire Parking Lot.

5. Update **Storm Drain Utility, Sanitary Sewer, and Pavement maintenance** needs and financing mechanism. (Public Works)

Our sewer management system is in operation and further funding options are being explored. The annual operations and maintenance costs of this utility as well as the annual capital replacement needs are only partially funded. Staff is currently looking into revenue increases with respect to this utility.

Inspection of the storm drain system continues using staff resources. Due to state laws limiting our funding ability, funding for storm drain management and capital improvements remains inadequate. The funding shortfall can be estimated between \$450,000 to \$650,000 for necessary annual CIP improvements and costs associated with the state and federal mandated but unfunded stormwater permit.

The pavement maintenance system recommends an annual investment of \$1.2 million to maintain a road infrastructure system with an Overlay Condition Index of 75, which staff considers a minimal standard for appropriate street conditions in Monterey. The pavement funding is currently underfunded by approximately \$500,000 to \$750,000 annually.

6. Implement high priority **circulation improvement and maintenance projects on Lighthouse/Del Monte corridor and Highway 68**, with a specific emphasis on implementation of Council decisions regarding Phase 2 (Reeside/Dickman one-way couplet) of Lighthouse Avenue improvements, completion of the South Boundary Road/Ragsdale/Highway 68 intersections, and completion of environmental documentation for Highway 68 improvements from the hospital to Highway 1. (Public Works)

Lighthouse Interim Phase 2 Reeside / Dickman One-way Couplet – The directional signs are being fabricated by the Streets Division. The loop detectors are scheduled to be installed in late December, 2004. The change over from two-way to one-way is scheduled for January 19, 2005.

N. Fremont / Lighthouse / Del Monte signal upgrades – The environmental documents have been approved by Caltrans and the final design revisions will be completed in December 2004. The project has received additional CMAQ funds from TAMC and Caltrans is expected to authorize the City to proceed with Construction in January 2005. Construction is expected to begin March / April 2005 depending on the signal equipment procurement. The construction will upgrade all of the controllers along Del Monte, North Fremont, Lighthouse and Foam to operate with the new traffic responsive signal system. Each intersection will be linked with fiber optic communications, and new synchronized coordination patterns will be implemented on each arterial street. The project will also install transit priority equipment that will help MST maintain consistent on-time bus

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schedules for reliable transit service. Following phases of the project will develop special event traffic coordination patterns, as funds become available.

Hwy 68 / Ragsdale Widening – The final design is expected to be approved by Caltrans in December. All of the environmental issues have been resolved and permits issued for the start of construction in April 2005. TAMC will be serving as the construction manager. South Boundary Road will be open for construction detours during certain hours of the day as allowed by the City of Del Rey Oaks. The only outstanding issues relate to utility pole relocations, which are expected to be resolved by the end of December 2004. Construction is expected to take from 6 to 9 months depending on weather and environmental issues incurred during the work.

Holman Hwy 68 CHOMP Widening – The Technical studies have been completed and they are being reviewed by FHWA. The Draft EIR will begin in January 2005. The funding for design has been requested from Caltrans, but the funds have been held up by the California Transportation Commission. Design funds totaling \$600,000 will not be allocated by the State until the next fiscal cycle. When the EIR is completed and certified in 2005, design funds will be pursued more aggressively. The projects being built by CHOMP, including the South Pavilion and the Forest Pavilion, have not completed their required mitigation measures for widening their portion of Holman Hwy 68 along their frontage. These CHOMP projects are expected to be completed in 2005. Staff will recommend extending the completion date for the widening, which will allow the opening of the newly built facilities. Staff will be supporting CHOMP to acquire the appropriate CalTrans permits to implement the suggested widening changes. Except for the CHOMP mitigation measures, construction funds have not been acquired. The Pebble Beach development is expected to contribute to the Holman Hwy 68 widening construction, but the project still lacks the bulk of the \$12,000,000 required for construction.

7. Work with Coast Guard to improve operations and maintenance condition of **Coast Guard facilities**. (Public Facilities)

The Coast Guard is undertaking their own Master Plan of their assets in Monterey. Staff continues to work with them to assure operational efficiencies and improved maintenance, and to ensure that any surplus property that the Coast Guard declares excess is put to the highest public good.

The Coast Guard Pier was closed to the public as a result of the 9/11 attack. Staff has worked with the Coast Guard regarding security measures, and the pier was reopened to the public in October 2004.

Historic Preservation

1. Develop and review options for use of **State Theatre** as addition to Conference Center/Performing Arts Center. (Community Development)

The State Theatre has been acquired by Warren Dewey, an individual very interested in theater preservation. The State Theatre restoration has begun with removing the partitions in the balcony. The City is funding \$10,000 towards a historic structure report in 2005 to help develop a strategic plan to complete building restoration. The State Theatre will be partially open for First Night. It is anticipated that the State Theatre will fully reopen

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in Spring 2005. Conference Center staff is working with Mr. Dewey to develop a plan to utilize the facility as an extension of the Conference Center.

2. Implement **Cannery Row Conservation District**. (Community Development)

The Cannery Row Conservation District Design Program was adopted in the Spring of 2004. The Historic Preservation Commission is now proceeding with rezoning of H-1 properties. The Wing Chong Market and La Ida Café are the first properties being considered for H-1 zoning.

Land Use

1. Adopt the comprehensive **update of the general plan** and evaluate traffic impact fee and mixed use guidelines, particularly for downtown. (Community Development)

On October 26, 2004, the Planning Commission recommended to City Council certification of the Environmental Impact Report (EIR) and adoption of the new General Plan. The General Plan Subcommittee Chair and staff presented the new General Plan to the Council on December 7, 2004. The Plan will be scheduled for City Council public hearing and adoption in January 2005.

2. Complete the **Coastal Plan Implementation Program** after review by the Coastal Commission. (Community Development)

There has been little progress on the coastal implementation program pending completion of Coastal staff required updates of the Laguna Grande Coastal Land Use Plan with the City of Seaside and Monterey Peninsula Regional Park District.

3. Complete **Old Town Area Plan**. (Community Development)

The Old Town Area Plan Committee has almost completed their work on the plan. Staff expects the public hearing process to begin in early 2005.

Housing

1. Complete review and implement changes to the **City's Inclusionary Housing ordinance**. (Community Development)

Policy changes have been approved by the City Council, increasing the Inclusionary Housing Ordinance requirement to 20% and lowering the applicability threshold to projects of six (6) units or more. Additionally, the City Council approved lengthening the affordability period to create permanent affordability. The City has also contracted with Muni-Financial Consultants to prepare an analysis on the City Council's directive to investigate the feasibility of alternative housing impact fees. A City Council Study Session to review the consultant's analysis, as well as discussion of other affordable housing matters, is planned for January 2005.

2. Complete **Wave Street apartment project and Monterey Hotel mixed use/apartment project**. (Community Development)

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The 100% permanently-affordable Wave Street apartment project has been completed. The project was accomplished on time and under budget. It is currently under lease-up to low and moderate-income employees, primarily from the Cannery Row area.

The 100% permanently-affordable housing component of the Monterey Hotel mixed-use rental project has been approved by the City Council for financing with a combination of City Affordable Housing funds, plus a grant from State HCD awarded to the City for the project. The project budget is under final analysis for value engineering regarding the construction costs. Housing staff is monitoring and assisting the project with the landowner and development team. This project will help revitalize Alvarado Street, as well as Calle Principal.

3. Identify another **specific major workforce housing project** in collaboration with other agencies and/or key stakeholders. Develop an action plan for possible implementation. (Community Development)

In that an adequate water supply for a major project has been a major obstacle, staff has cultivated another collaboration in its initial stages. A potential affordable housing project could involve a local landowner with developable land but no water, plus Monterey Peninsula College, which has an unused water allocation and employees needing affordable housing. If this collaborative effort appears to be viable, this matter will come to the City Council in early 2005 for policy direction. There are no other reportable results on other possible collaborations to report at this time.

Social

1. **Expand collaboration with the school district** regarding programs, maintenance, and shared-use of existing buildings. (City Manager's)

Work on this priority was slowed due to organizational and budget challenges at MPUSD. The District is currently migrating their facilities in Monterey to the I-Net, and we have worked closely with the District on the changes at Colton School. In addition, a number of other programmatic partnerships continue to be discussed.

Numerous existing collaborations continue, such as the City's School Resource Officer program, After-School programs at school sites, Library programs to support faculty and students, Homework Pals, on-site Recreation programs, Capital Improvements at school sites, and Shared Athletic Fields.

Public Safety

1. Continue to **coordinate with other local fire departments** to explore a higher level of service to the entire region through consolidations. (Fire)

The Monterey Fire Department has been pursuing the following regional efforts:

- Regional Automatic Aid: Developed and implemented a regional Automatic Aid program with the five adjoining fire agencies (Seaside, Pacific Grove, Cypress Fire

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Protection, Monterey Airport, and Salinas Rural Fire Protection). During any major fire event the Monterey Fire Department will automatically receive one additional fire unit from the closest adjoining City or District.

- Regional Heavy Rescue Urban Search and Rescue Team (USAR): Salinas Rural Fire Protection, North County Fire Protection, Monterey County Sheriff, and City of Monterey Fire Department have joined together to form the State of California's 16th Heavy Rescue USAR Team. This team is grant funded and provides a far larger scope of rescue service than any one agency could have done in a stand alone setting.
- Regional Training Standards: Each Fire Department in the area has adopted the same set of training standards. The benefit is that each fire unit or Incident Commander on the emergency scene will be able to work in a seamless fashion.
- Joint Hiring: The Monterey and Salinas Fire Departments are committed to conducting joint hiring for the position of Fire Fighter. This may extend to other local agencies as well. The last recruitment brought both agencies a group of highly successful candidates.
- Fire Protection to the Naval Postgraduate School (NPS): The City of Monterey Fire Department has taken on the fire protection responsibility for the NPS and La Mesa Village.
- Consolidation talks with the Monterey Peninsula Airport and the City of Monterey: Talks have been taking place with the Airport and the City of Monterey to consolidate our fire protection efforts to better serve both of our organizations and the people we protect.

Economic

1. Insure long-term **Revenue/Expenditure balance** in the City's operating budget. (City Manager's)

The Financial Policies adopted by the City Council include the statement "Current annual revenues will be equal to or greater than current expenditures." When, in early 2003, it was determined that FY 2004-05 would have a \$5 million structural imbalance, the City Council approved a budget reduction plan to deal with that imbalance. We have virtually completed implementing that \$5 million budget reduction plan, including reducing or eliminating over 50 full-time and regular part-time positions. All except one of these position reductions have been accomplished through attrition, transfers, or promotions. As of this writing, it appears that one regular part-time employee in the Library will be laid off on December 31, 2004.

Last Spring it was projected that the City would have an additional \$2 million operating shortfall in FY 2005-06 due to estimated expenditures rising faster than revenues. Staff will be asking for Council approval of budget guidelines at the December 21, 2004 Council meeting to address this projected operational imbalance.

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2. Work with developer and landowner to complete construction of the **Monterey Peninsula Hotel** and the **conversion of McAbee Beach to public open space**. (Community Development)

The City Council approved terms for a program to stimulate development of the new hotel. Confidential Real Estate negotiations continue to finalize all details of a transaction which will culminate in the development of this new hotel and dedication of the nearby privately-owned MacAbee beach parcel to the City for public access and recreation. The project has completed Preliminary Design Review by the Architectural Review Committee (ARC). The goal is to have the hotel project under construction by Summer of 2005, and completed in 2007.

3. Participate in 2005 **Base Realignment and Closure (BRAC)** process. (City Manager's)

We continue to monitor the BRAC process very closely and to represent the interests of the local DoD organizations to national decision makers and opinion leaders.

4. Complete the program for the economic **revitalization of the North Fremont business area** in concert with surrounding residential neighborhoods and the Fair Grounds. (Community Development)

The North Fremont Business Improvement District (BID) was approved in November 2003. Since that time, the District has created bylaws, an Advisory Committee, a Strategic Plan, a Work Program and budget. The District has created a banner program for the North Fremont landscaped median to promote the County Fair, Jazz Festival, Blues Festival and holiday shopping.

5. Complete negotiations for **revitalization of Safeway store site on City-owned property** on Munras. (Community Development)

The City Council selected Safeway Corporation as the proposed (and continuing) lessee and operator of this downtown grocery store. Confidential Real Estate negotiations continue. Lease-related terms are being finalized with Safeway's real estate representatives.

6. Determine **cost of City services** and adjust fees where appropriate. (Finance)

Over the course of the last two years, City departments have been working to close budget gaps by reducing expenditures or increasing fees. Most City fees were reviewed during this time and many were adjusted where appropriate taking into consideration fees charged by surrounding agencies, market forces and the cost of providing the service. A further review of fees is currently underway as directed by Council in August 2004.

In 2002 the City began implementing an Activity Based Costing (ABC) system designed to identify the cost of services. The Finance, Fire and Recreation departments have been included in this ABC model. The results so far have been a better understanding of the activities performed by these departments and the related costs. However, due to staffing issues and other higher priorities, the ABC project has been put on hold.

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7. Prepare and begin implementation as appropriate of a strategic plan for the introduction of “**Electronic-Government” business systems**, records management, and streamlining payroll and project accounting systems. (City Manager’s)

Recreation Department customers can now register for several program offerings online, and the number of program offerings available for online registration will continue to grow in the future. In addition, a cross-departmental “Data Integration Team” has been established to manage data exchange between several of the City’s major systems and to make recommendations regarding improving the payroll workflow. The Personnel Department is also making ready to implement the Human Resources Module in the Eden Financial Management System, and the City Clerk is continuing work on a new Records Management Program that will lead to a City-wide electronic document management system.

Staff Development

1. Expand **staff development and supervisory leadership programs** to provide opportunities for City employees to enhance performance and professional growth. (Personnel)

The City has developed a Leadership Academy in partnership with San Jose State University Extension Services. In 2002, thirty first-line supervisors and management completed this six-day series of courses. Currently, we are in the final stages of planning the 2005 Leadership Academy. We will commence in January when we anticipate twenty-five first-line supervisors and management personnel will begin the program.

Additionally, in 2002 we completed a web based training program for all City personnel, which sensitized staff to the issues of sexual harassment. This year we are working to conduct similar training for newly hired personnel and supervisory staff. This training is designed to meet the legal requirements of State law and court decisions.

12/15/04