

August 28, 2006

Mayor Anna Caballero and Salinas City Council
Salinas City Hall
200 Lincoln Avenue
Salinas, CA 93901

Chairman Jerry Smith and the Monterey County Board of Supervisors
168 West Alisal Street
Salinas, CA 93902

RE: The So-Called "Greater Salinas Area Memorandum of Understanding"

Dear Chairman Smith, Mayor Caballero, Board and Council Members:

The Board and the Council should be representing the public. Their official actions should advance *public interests*. The so-called "Greater Salinas Area Memorandum of Understanding," which comes out of discussions behind closed doors, from a series of so-called "litigation" sessions, has very little, if anything, to do with the Environmental Impact Report issues that are at the heart of the City of Salinas lawsuit on the Rancho San Juan EIR, and which are the only issues that the Board or the Council could legitimately have discussed in a closed session.

Instead of a settlement of the legal issues surrounding the City's EIR lawsuit, this MOU lays out a 20-year strategy for urban development on the agricultural lands surrounding the City of Salinas. By its terms, BOTH the City and County will cooperate in this effort, with the City now enthusiastically endorsing the biggest development project in Monterey County history, Rancho San Juan, the impacts of which the City has so properly questioned in its litigation.

Why is this? It's because the County is giving an equal "pat on the back" to the City of Salinas, and its plan to develop more than 3,000 acres of agricultural land.

This proposal was not hammered out in public. It was done behind closed doors. Coming out of a lawsuit challenging the County's inadequate environmental review of the biggest development project in the history of the County, the City and County are now considering a compact that could have massive environmental impacts, far beyond the impacts of Rancho San Juan, and they're planning to sign this compact *with no environmental review whatsoever*. **The proposed MOU does NOT advance the interests of the public.**

The purpose of this letter is to urge the Council and the Board to reject the so-called "Greater Salinas Area Memorandum of Understanding (MOU)." The proposed MOU states its "intent to jointly pursue action to assure orderly and appropriate land use

development in the area designated in the General Plan of Monterey County as the Greater Salinas Area Plan area and the City of Salinas.” One objective of the MOU is the “provision of adequate financing for services and facilities of benefit to the residents of the Greater Salinas Area Plan and the City.” In fact, the anticipated growth identified in this document will make it impossible to acquire adequate financing for services and facilities necessary to maintain the safety and quality of life for current and new residents. **The growth described in this MOU is outrageously irresponsible! It threatens tenuous water supplies and will guarantee hopeless gridlock on our roads.**

In 2002, the City of Salinas adopted its General Plan Update, which includes lands identified for annexation in its new growth area in excess of 3,000 acres. These lands are within the City’s 2005 Preliminary Sphere of Influence/Annexation Proposal, currently in the process of consideration by LAFCO for annexation. The MOU states the following:

City and County agree that developments within the City’s 2005 Preliminary Sphere of Influence/Annexation Proposal shall only occur after annexation to the City and that the City shall consult with the county in the planning process. City and County also agree that the developments within the area designated by the County General Plan as the Greater Salinas Planning Area shall only occur after consultation with the City in the planning process.

The cumulative impacts of the City’s growth plans combined with the development envisioned in the fourth draft of the Monterey County General Plan (GPU4) for the unincorporated lands of the Greater Salinas Area (currently under consideration by the Monterey County Planning Commission) will be overwhelming. This magnitude of growth is not appropriate; it will not proceed in any orderly manner, nor will it be possible to acquire adequate financing to ensure the infrastructure and services necessary to accommodate such tremendous growth.

This MOU accepts responsibility for the impacts of the development planned for in GPU4 absent any consideration of the environmental consequences of that development! The Draft EIR for GPU4 was publicly released less than two weeks ago. The deadline for public comments on this draft document of more than one thousand pages is a month away and completion and certification of the Final EIR will not happen until the end of the year at the earliest. **It is the height of irresponsibility for the City and the County to enter into a binding agreement concerning thousands of acres of development without any serious examination of the environmental analysis!**

GPU4 will result in the urbanization of thousands of acres of unincorporated lands on the outskirts of the City of Salinas. The impacts on traffic and water supplies will be devastating.

ROADS

Urbanization of Rancho San Juan will extend far beyond Butterfly Village. As project opponents have long asserted, Butterfly Village always has been, and still is, the first phase of Rancho San Juan. The following policies from GPU4 show the County's intent:

- LU-2.20 states the County shall establish and emphasize Community Areas as the preferred location for additional development in the County to support a mix of land use types at an urban level.
- LU-2.23 identifies Rancho San Juan as one of seven Community Areas. The policy says that the maps for the Community Areas "may be modified through the Community Plan/Specific Plan process."
- Figure 10 is the Land Use Map for the Greater Salinas Area and it designates urban uses for the Rancho San Juan lands surrounding Butterfly Village – Low-density Residential, High-density Residential, Commercial and Industrial.

Traffic impacts of this level of development will result in deterioration at 12 Salinas intersections to **Level of Service F – GRIDLOCK**. There is no funding to mitigate the traffic impacts which Rancho San Juan will guarantee. Measure A, TAMC's transportation sales tax failed at the polls in June. Even if it had passed, Measure A contained NO funding for CONSTRUCTION of traffic capacity improvements in the 101 corridor between Salinas and Prunedale. TAMC's Nexus Study for a Regional Development Impact Fee reveals that sprawl has outstripped, by \$712 million, our ability to pay for the roads to support it.

Instead of reining in sprawl, GPU4 will accommodate and exacerbate the negative impacts of sprawl by lowering levels of service standards on county roads from LOS C to LOS D and then allowing further deteriorations of that standard. The following policy clarifies this outcome:

- C-1.1 states that the acceptable level of service for County roads and intersections shall be Level of Service (LOS) D, except as follows:
- a. Acceptable level of service for County roads in Community Areas may be reduced below LOS D through the Community Plan process.
 - b. County roads operating at LOS D or below at the time of adopting this General Plan shall not be allowed to be degraded further except in Community Areas where a lower LOS may be approved through the Community Plan process.

GPU4 does not contemplate or address the impacts to adjacent and surrounding areas of allowing levels of service within Community Areas to fall below LOS D. These impacts will be born, in large part, by the City of Salinas.

GPU4 does not require achievement of the new lower LOS until 2026 and defers addressing project funding to Capital Improvement and Financing Plans (CIFP), which will be developed AFTER adoption of GPU4 (C-1.2). The problems will exacerbate and GPU4 will require no mitigations for 20 years.

GPU4 does not address impacts to regional road corridors except to say that the county will seek funding for improvements to regional corridors from TAMC and other available resources (C-1.7).

The MOU pledges the city and county “will develop” a County-wide Traffic Impact fee to for development in affected city and unincorporated areas. There is no commitment to actually impose the fee nor is there any commitment to ensure that the fee would address all the impacts of new development, but rather an anemic promise for the “improvement of major County roads.”

WATER

Under GPU4, the urbanization of rural lands in the Salinas Valley would imperil the water supply for the City of Salinas. Since voters approved it in 2003, the Salinas Valley Water Project has been used to justify approval of all county developments in the Salinas Basin, including Rancho San Juan. According to two separate court judgments, there is “no agreement as to when, and if, the Salinas Valley Water Project will be completed.”

If the Salinas Valley Water Project is not built, water pumping throughout the Salinas Basin would need to be reduced by 30% to 50% (Salinas Valley Water Project EIR/EIS pages 2-6). Even if the Salinas Valley Water Project is built, the project EIR/EIS states that salt water intrusion will be halted **ONLY** in the near term, **AND** that by 2030 an expanded distribution system would be necessary to halt salt water intrusion. (Page 2-3, SVWP EIR/EIS). An expanded distribution system, which has not been proposed to or approved by voters, would cost \$41.8 million not including costs for environmental mitigation or operation and maintenance costs. (Page 2-3, SVWP EIR/EIS).

Concerns about water supply and water quality are substantiated by water providers. In 2004, California Water Service Company applied for rate increases in its Salinas District. The company requested increases totaling 62% over a three-year period, citing “increased plant investment resulting from water quality and water supply concerns.” (Excerpts from California Water Service Company’s PUC application).

GPU4 policies provide no real protection from existing or future water constraints. Here are some examples of the weak and hollow policy statements in GPU4:

- To prevent overdrawing the water table, coordination with public water service providers drawing from a common water table is merely “encouraged” (PS-2.1), rather than “required.”
- The Water Resources Agency will monitor wells in areas experiencing rapid growth providing “adequate funding mechanisms for monitoring are established”

(PS-2.2), instead of requiring monitoring wells be in place as a criterion for new development approval.

- Proof of a long-term water supply is required (PS-3.1) but the time frame is 20 years – less than the term of most mortgages. Furthermore, the parameters for determining “long-term water supply,” which are to be established after adoption of GPU4, are vague and will be applied on a case-by-case basis (PS-3.3).
- PS-3.3 also offers a *promise* that “specific criteria for proof of a long-term sustainable water supply for new development “*shall be developed.*” **It does not assure that water supplies will be secured prior to or concurrent with development.** The policy goes on to identify criteria that *may* include but are not limited to:
 - a. Water quality,
 - b. Production capability
 - c. Recovery rates,
 - d. Effect on wells in the immediate vicinity,
 - e. Existing groundwater conditions,
 - f. Technical, managerial and financial capability of the water purveyor.”

Clearly a responsible plan should require a long-term sustainable water as a precursor to new growth, with clearly defined criteria, as a fundamental part of the General Plan, rather than making hollow promises to develop a sustainable supply at some undefined time in the future.

Major development within the Greater Salinas Area should be confined to the City of Salinas and the Boronda Redevelopment Area. Butterfly Village/Rancho San Juan is not an area appropriate for development. Monterey County should not be held hostage by the threat from HYH to litigate a takings claim against the county. Given the overwhelming public condemnation of Rancho San Juan at the ballot in 2005, and every reason to believe that the Butterfly Village project faces the same fate when it is returned to the ballot, it is unclear whether or not HYH will be awarded any damages for its takings claim. Even the preposterous damage claims of HYH pale in comparison to the financial costs and the degradation to the quality of life that would result from Butterfly Village/Rancho San Juan. **LandWatch Monterey County urges the Board of Supervisors to remove Rancho San Juan as a Community Area in GPU4 before seeking agreement on this MOU with the City of Salinas.**

The City of Salinas has planned for significant growth over the next 20 years. Whether or not the City of Salinas is able to manage that growth and protect the quality of life of current and future residents will depend on its efforts to stop Monterey County from growing irresponsibly within the City’s sphere of influence. **LandWatch Monterey County urges the City of Salinas to stay the course with its litigation against the County on Rancho San Juan, until the County discontinues development in this area. The City should not consider any MOU with the County that allows or acknowledges as acceptable development of Butterfly Villages/Rancho San Juan.**

Both the Monterey County Board of Supervisors and the Salinas City Council should take to heart that 76% of the electorate rejected Rancho San Juan and 16,000 residents signed petitions for a chance to overturn Butterfly Village. Agreeing to this MOU before they have had a chance to vote and before environmental review of GPU4 is complete is an act of irresponsibility and arrogance.

Thank you for considering our views.

Very truly yours,

Chris Fitz, Executive Director
LandWatch Monterey County

cc: interested parties