



December 4, 2017

Via hand delivery and e-mail

Mayor Joe Gunter
City of Salinas
200 Lincoln Avenue
Salinas, CA 93901
council@ci.salinas.ca.us

Subject: LandWatch's comments on Salinas' Economic Development Element FEIR

Dear Mayor Gunter and Members of the Salinas City Council:

Founded in 1997, LandWatch is a nonprofit, land conservation and planning organization representing more than 1000 residents of Monterey County. We work closely with communities, elected officials and infill developers to create sustainable plans and projects. Over the past year, LandWatch has been proud to support the Tanimura and Antle and the Casa Boronda farmworker housing projects – good examples of what can come out of close collaborations and sound planning.

The City's Economic Development Element is neither economically compelling nor environmentally reasonable. I urge you to reject it because it puts Salinas on a path to paving over prime farmland all around the City, expanding far beyond what makes economic or environmental sense, and destroying the vibrancy of the city core just as you're launching efforts to revitalize it. I also urge you to reject the Final Program Environmental Impact Report based on LandWatch's extensive written comments in our [October 19, 2017 letter to Lisa Brinton](#), incorporated here by reference.

The following highlight and summarize LandWatch's previous comments and also draw attention to the important feedback from your Planning Commission, which declined to certify the FEIR.

1. Planning should use a reasonable time-horizon, not a 46-year horizon for a hypothetical 2063 General Plan buildout.

LandWatch objected that the EDE and its EIR base employment generation needs on the "ideal vision" of the General Plan buildout scenario with a population of 213,063, which it claims will require 45,000 new jobs. (LW comment #2.) But the FEIR admits that the General Plan buildout will not occur *until 2063*. (FEIR, p. 2-113).

Planning should be based on a more reasonable time horizon. For example, the EDE's Target Industry Analysis acknowledges that only about half of the 45,000 jobs (23,436 jobs) are needed to accommodate Salinas' residents *through 2035*. And of these jobs, 3,072 are agricultural jobs, which presumably do not require development. (EDE, Appendix C, Target Industry Analysis, p. 19, Table 12.)

In effect, the EDE is premised on the specious claim that the City needs to annex thousands of acres now to make room for jobs that will not materialize for 46 years.

2. Planning should be based on job growth consistent with AMBAG projections, not a growth in jobs at *three times the rate* projected by AMBAG.

Even though the EDE uses the AMBAG population projections through 2035, *it assumes triple the growth in jobs in Salinas that AMBAG projects from 2020 to 2035*. AMBAG projects 4,356 jobs will be created in Salinas from 2020 to 2035 in its June 2014 Growth Forecast.¹ The EDE projects 15,181 new jobs will be created in the same period its 2013 Target Industry Analysis. (EDE, App. C, Table 12.)

The EDE provides no justification for its aggressive job growth assumptions. Significantly, AMBAG reports that it reached a “consensus on the forecast” through consultations with each of its member jurisdictions, which included four rounds of meetings with staff from the City of Salinas from 2012 through 2013.² It is difficult to understand how the City could have concurred in the AMBAG job projections at the same time its consultants were projecting three times the growth rate.

3. Even if it made sense to plan 46 years out — which of course it doesn't — CEQA and common sense require the City assess an alternative that relies on infill, increased density, and re-designation of residential land to accommodate employment-generating uses.

Scoping comments asked that the EIR consider alternatives that (1) focus on infill land within the City, (2) include increased density, and (3) re-designate vacant land currently designated as residential to be used instead for employment-generating uses. The DEIR rejected these alternatives without analyzing them, claiming that they would be infeasible or would not meet project objectives. (DEIR, pp. 6-5 to 6-7.) The rejection of these alternatives was unwarranted and the City has not demonstrated that the alternatives are infeasible.

INCREASED DENSITY: As the DEIR admits, the City did not undertake any analysis of the feasibility of increased density, arguing that this could be considered later as specific projects are proposed. (DEIR, p. 6-7.) However, the point of evaluating increased density *now*, at the programmatic level in *this* EIR, is to avoid unnecessary impacts from sprawl,

¹ AMBAG, 2014 Regional Growth Forecast, Technical Documentation, p. A-49, adopted June 11, 2014 available at <http://ambag.org/sites/default/files/documents/FINAL%20Adopted%20Forecast%20and%20Documentation.pdf>.

² Id., pp. A-24, A-54 to A-64.

e.g., the loss of farmland in the Target Areas that are outside the current Sphere of Influence (SOI). CEQA requires reasonable investigation of this option.

The FEIR notes that increased density may increase development costs because construction costs increase with building height. (FEIR, p. 2-124.) The FEIR presents no evidence that this would render increased density infeasible. Nor does the FEIR acknowledge the obvious fact that construction cost increases would be offset to at least some extent by lower land acquisition costs. What is missing here is any actual analysis of the feasibility of increased density.

RE-DESIGNATION OF VACANT RESIDENTIAL LAND: The FEIR claims that re-designation of vacant residential land is infeasible because the City "is in desperate need of new housing." (FEIR, pp. 1-127.) But the DEIR admits that available residential development sites *already* "meet and exceed the identified housing need." (DEIR, p. 6-6.)

Furthermore, as the DEIR admits, its analysis and the analysis in the 2015-2035 Housing Element does not even count the planned future residential development capacity in the North of Boronda Future Growth Area - 2,400 acres that will accommodate 12,000 residential units. (DEIR, p. 6-7.) Indeed, the Housing Element acknowledges that "in 2013 and 2014 applications for large development entitlements (i.e., specific plans) were submitted to the City for adoption of the North of Boronda FGA.) (Housing Element, p. 95.) The EDE DEIR acknowledges these applications for the West Area Specific Plan and the Central Area Specific Plan in the EDE DEIR. (DEIR, p. 2-6.) So even if the Housing Element conservatively did not count the North of Boronda FGA in its identification of land available for residential development before 2023, it is apparent that the area may in fact be developed to meet the City's housing needs, freeing up other vacant land currently designated for residential use to be used for employment-generating uses instead.

The DEIR also argues that the North of Boronda FGA development should not be counted in assessing the feasibility of re-designating residential land because this land is "not intended to be approved or developed within the Housing Element planning period" and because zoning has not yet been approved. (DEIR, p. 6-7.) But the Housing Element planning period is only from 2015-2023. If the EDE itself is based on a General Plan buildout year *2063* planning horizon, it makes no sense for the EDE EIR to ignore the availability of residential land for re-designation as an alternative simply because that land was not assumed to be available for development before *2023*. It is unreasonable for the EDE to use a *2063* planning horizon for job creation but a *2023* planning horizon for residential buildout. And the lack of a current zoning designation is a red herring in light of the EDE's planning timeframes and the fact that there is a specific plan process *already underway* that will provide zoning designations.

INFILL: The DEIR rejected infill development because it claims that only 214 acres is available within the City limits³ and because it assumes that all of that infill is required for institutional and visitor-serving uses. (DEIR, pp. 6-5 to 6-6.) However, the EIR has

³ The FEIR revises this to 218 acres. (FEIR, p. 2-122.)

ignored the vacant land within the City limits and its SOI contained in several Economic Opportunity Areas (EOAs). Boronda South, EOA M, could provide 208.0 acres, already designated for employment-generating uses. The East Future Growth Area, EOA H, contains 838.6 acres within the City limits and another 559.07 acres outside the City limits but within the SOI. Portions of this land are designated for mixed use, and the residentially designated land could be re-designated in whole or part to support employment generating uses. The West and Central Future Grown Area, EOA I, contains 1,541.43 acres, already within the City limits. Again, portions are designated for mixed use, and residentially designated land could be re-designated in whole or part to support employment-generating uses.

4. The DEIR does not demonstrate that the Target Areas outside the existing SOI are needed for employment generation because it ignores available vacant land within the SOI.

The EIR argues as follows to justify annexing the Target Areas outside the current SOI:

- 45,000 new jobs are needed by 2063 (DEIR, p. 2-31; FEIR, p. 2-113)
- This will require 1,127 acres of vacant land (DEIR, Table 4)
- Only 781 acres are available in vacant EOA's located within the SOI (DEIR, Table 5)
- Therefore 345 acres of land is required outside the SOI (DEIR, Table 6)

Responding to LAFCO's objection that the City should develop within the existing SOI rather than annex additional valuable farmland, the FEIR again claims that the annexation of new land is needed to meet employment needs. (FEIR, pp. 2-77, 2-81.)

The problem with the EIR's analysis is that it ignores a total of 3,147 acres of land available in three vacant EOAs that are within the City limits or its SOI.

Within the City limits, the following lands could be used in whole or in part for employment generation, but were not considered for this by the EIR, because they are not included in Table 8, which purports to inventory the vacant infill parcels within the City limits:

- West and Central Future Grown Area, EOA I, 1,541.43 acres
- East Future Growth Area, EOA H, portion in City 838.60 acres

Outside the City limits but within the SOI, the following lands could be used in whole or in part for employment generation, but were not considered for this by the EIR, because they are not included in Table 5, which purports to list all of the vacant land in the SOI:

- Boronda South, EOA M 208.0 acres.
- East Future Growth Area, EOA H, portion in SOI 559.07 acres

Some of this vacant land within the City limits or the SOI is already designated for employment-generating land uses (Boronda South). As discussed above, portions of the rest could be re-designated for such uses.

5. The EIR should acknowledge externalities, and the EDE should be revised to capture them.

The EDE's apparent focus is to enable proliferation of big box retail stores on the periphery of Salinas. While there will be taxes to collect, there will also be roads to build and workers to house. The EIR fails even to undertake an analysis of urban decay, claiming that this would be "speculative." If the EIR can project that big box sprawl will "capture" retail business *outside* the City of Salinas, it should be able to project the inevitable capture of retail business *within* the City.

Cities throughout California are recognizing that retail and hotel development, while creating jobs, have secondary community impacts. In economics, this is known as an "externality," that is, "a side effect or consequence of an industrial or commercial activity that affects other parties without this being reflected in the cost of the goods or services involved."

Normally, in the course of updating a general plan, housing and transportation issues would be addressed at the same time as land use and economic development. In Salinas' case, it has chosen to add an economic element in isolation of other general plan elements. Consequently, this makes it difficult for the public to weigh the overall benefits and costs of what the EDE proposes or to understand its cumulative impacts on the community.

LandWatch believes that FEIR must acknowledge and address externalities—urban decay, overcrowded homes, congested roads, farmland lost, farmworkers displaced, and other community costs. One way to do this is through Community Benefit Programs, which may establish commercial linkage fees—for example job-housing linkage fees or fees to address urban decay. Developers in many communities pay these to ameliorate some of the housing impacts generated by such projects.

Community Benefits Programs are clearly feasible. Consider the economic value the City creates when it changes land use designations. The prime farmland on the City's outskirts is currently worth \$60,000 to \$70,000 per acre as farmland. Once the farmland is rezoned "industrial" or "commercial" it's worth \$250,000 to \$400,000 per acre — 4 to 7 times more. When it rezones, the City gives that wealth to a private party and hopes that at some point it captures it as jobs and taxes. That's a terrible business deal. The wealth can be captured now, through Community Benefits Programs. The requirement for Community Benefit Programs can be added to the EDE as mandatory actions.

6. The EIR cannot be certified.

The deficiencies we've identified in the Draft EIR cannot be corrected in the Final EIR. To comply with CEQA, the City must revise and recirculate a Draft EIR that includes an

objective analysis of an infill alternative, one that takes into account accurate job projections over a realistic planning period. The revised EIR should also analyze the amount of urban decay and job loss that will occur as a result of sprawl. An “infill” alternative should include re-designation of residential land and increased densities for commercial and residential uses and should incorporate policies that would encourage economic and residential growth within the existing Sphere of Influence.

7. Conclusion.

LandWatch isn't alone with its concerns that the Salinas Economic Development Element proposes suburban sprawl on a scale that has never been seen in Monterey County. LAFCO, Monterey County, the Monterey County Agricultural Commissioner's Office and the Ag Land Trust have all written letters in opposition to the EDE's Final EIR. LAFCO's letter cites chapter and verse the state laws, LAFCO policies, general plan policies, and legal agreements that the EDE violates. LAFCO specifically objects that annexation of the Target Areas outside the SOI is unnecessary because the City has ample vacant land for growth within the existing SOI.

In addition to concerns with substance, LandWatch is concerned with process. The City released the final EIR less than a month after the close of the draft EIR comment period! That's not a lot of time to seriously address the hundreds of objections that LandWatch and others posed to the draft EIR. Without a comprehensive and fact-based analysis of the objections, Salinas risks lawsuits and associated costs for years to come.

In sum, LandWatch asks that you

1. Reject the Final EIR
2. Develop an economic element that is more reasonable in scale and consistent with local and state laws.
3. Conduct a comprehensive analysis of infill, re-designation of residential land, and increased density, with which LandWatch would be happy to assist.
4. Make sure the EDE acknowledges and addresses the externalities it will generate.
5. Consider how the City can capture some of the wealth that it gives away when it annexes and rezones farmland, if and when that becomes truly necessary.

Regards,



Michael DeLapa
Executive Director