



TAMC Board Special Meeting

Sand City Multiuse Trail Use Agreement

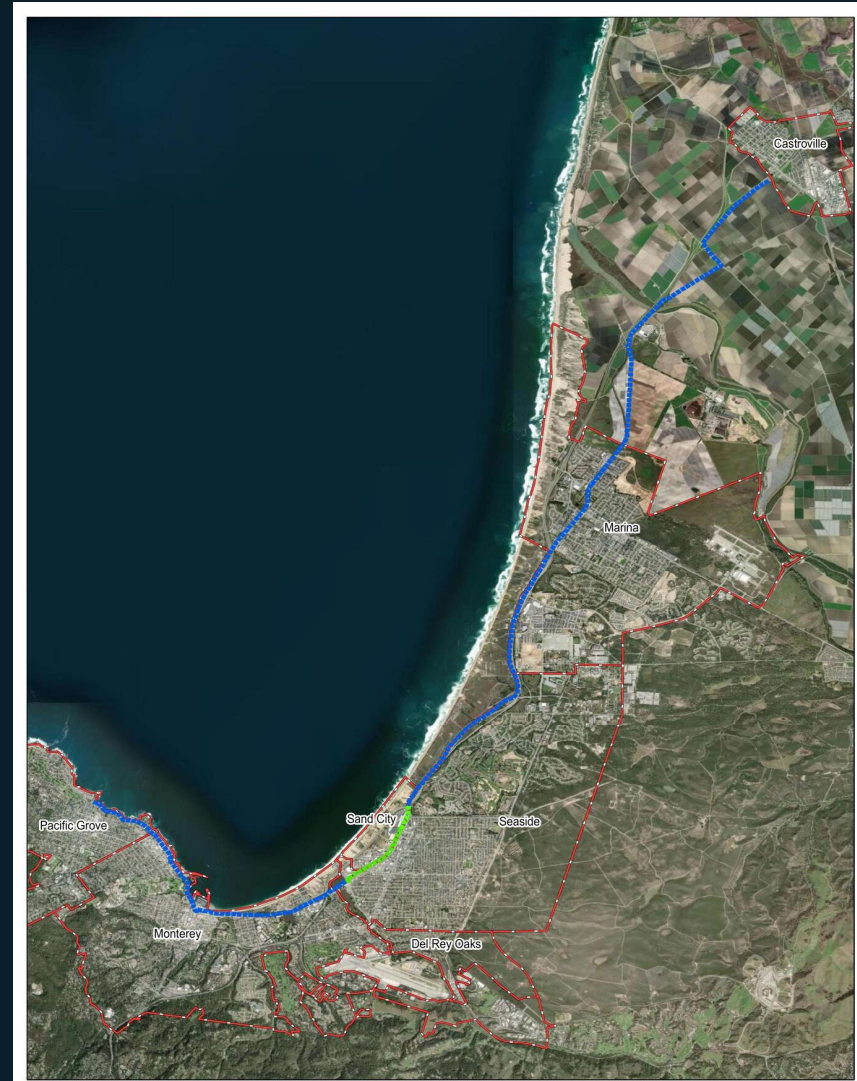
Vibeke Norgaard, City Manager
Nick McIlroy, AICP, Planning Manager
Michael Groves, AICP, EMC Planning

Monday, August 31, 2026

PROJECT OVERVIEW

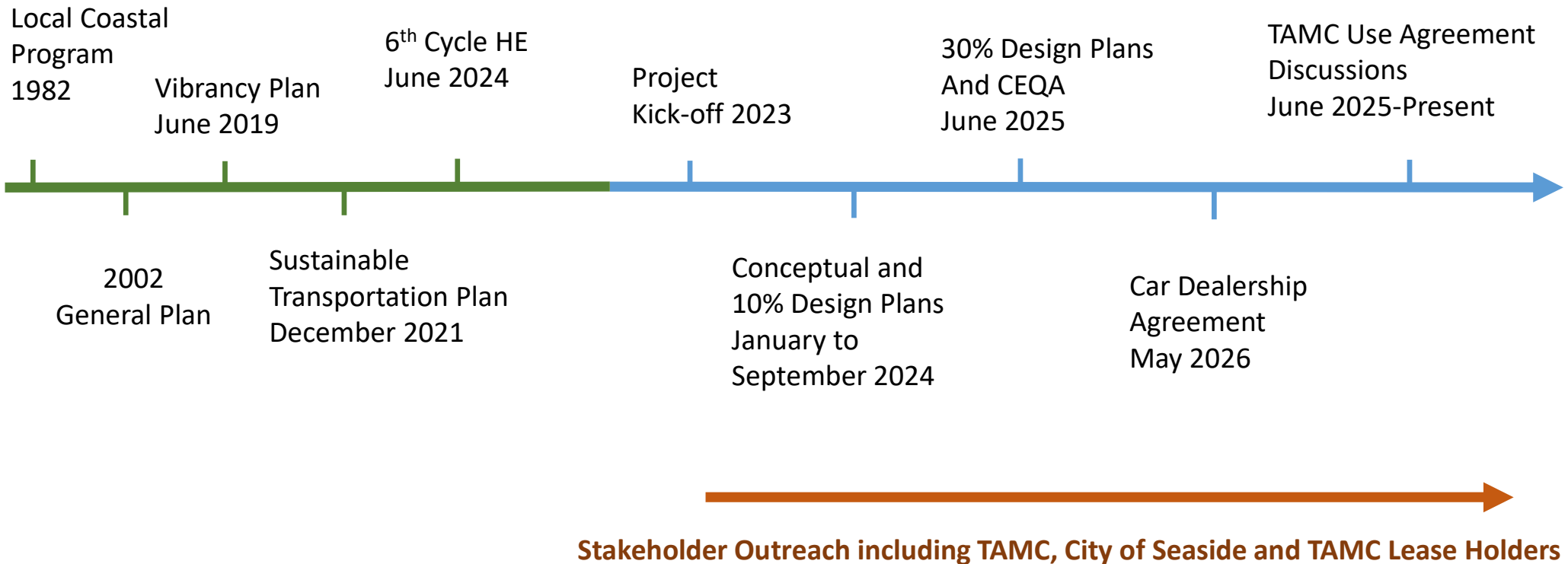
Closing the Final Gap in the Monterey Bay Coastal Recreation Trail

- Connects SR 218 / Del Monte Blvd to Playa Avenue and MST's Transit Hub.
- Closes the gap in an 18-mile Class 1 multi-use trail spanning Castroville to Pacific Grove.
- Has always contemplated three components: Trail; Landscaping; Trailside parking.
- Sand City had offered to clean up the TAMC right of way; construct the project; and maintain the entire right of way.



Monterey Bay Recreation Trail — regional context

Sand City Multi-use Trail Project Timeline



Clearing up misconceptions:

Misconception #1: *That Sand City is currently receiving revenue from leases in the TAMC-owned right of way.*

Fact: All payments for any leases in the TAMC right of way are paid to TAMC.

Misconception #2: *That Sand City gets sales tax from car dealers who lease land in the TAMC-owned right of way.*

Fact: All sales tax from the car dealers who lease the TAMC right of way goes to the City of Seaside.



Clearing up misconceptions continued:

Misconception #3: That Sand City's settlement agreement with the car dealer leaseholders ('Agreement') undercuts any of TAMC's authority to govern the use of its own right of way.

Fact: The Car Dealer Agreement is *inferior* to the Use Agreement. It is an agreement that says what happens *IF* TAMC agrees to let Sand City use its right of way. If the Use Agreement does not happen, the Agreement with car dealers simply terminates and we are back to the current situation.



Clearing up misconceptions, cont.

Misconception #4: That Sand City is placing unreasonable demands on the Seaside car dealers:

Fact: Both TAMC's lease with the Seaside car dealers and Sand City's CDPS always contemplated termination in the event a bike trail came through:

*"LESSEE [Cardinale] understands and agrees that LESSOR [TAMC] has future plans for the land on which the Storage Yard is located. Namely, the railroad tracks will facilitate the restoration of rail/transit service to Monterey Peninsula **and possibly a bicycle trail**. LESSEE agrees to vacate the property during the term of the agreement without liability to the LESSOR upon receipt of six(6) months written notice." (Carindale Lease, 2004)*

"If the City of Seaside or any other public agency pursues the establishment of a bike path or other type of public transportation corridor through the railroad right-of-way within the jurisdiction of Sand City in conflict with the applicant's storage yard, then said storage yard within the 50-foot right encroachment will be required... to relinquish that area necessary to accommodate said bike path/transportation corridor." (Jaguar's CDP, 2004):



Clearing up misconceptions, cont.

Misconception #5: That Sand City's agreement that the car dealers construct a fence and pay for landscaping is a broad overreach:

Fact: TAMC leases already required that an attractive fence be built to the satisfaction of Sand City Community Development department, and that car dealers install landscaping (example from TAMC lease with Cardinale Nissan 2004):

"LESSEE has indicated that he intends to construct a 8-foot high wood fence to encompass the storage yard. Lessee is required to submit a fence design for the City of Sand City Community Development Department review and approval prior to beginning construction. The fence shall be a visually pleasing design. The fence shall consist of treated wood and shall not under any circumstance incorporate barbed or razor wire."

"If the storage yard is allowed to continue past the four (4) year term, landscaping is required at the time of extension ot include on-site trees, shrubs, and vines."



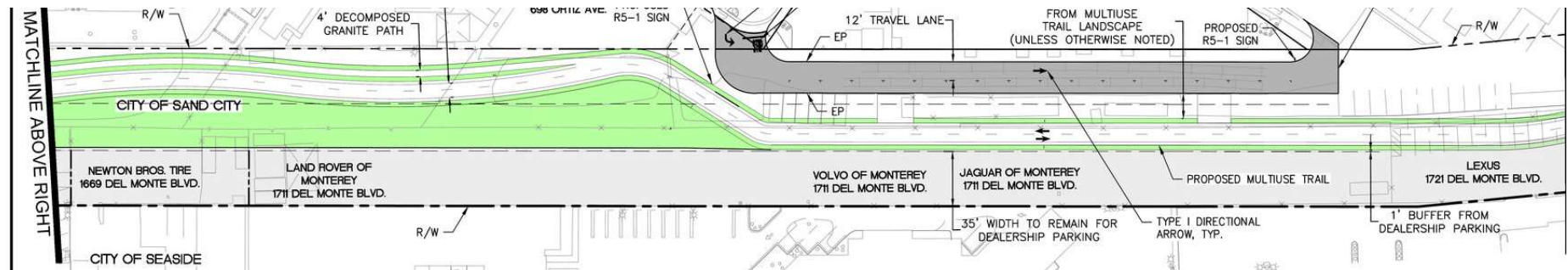
Key terms in the settlement agreement with the Seaside car dealers:

If Sand City executes a use agreement for the bike trail project, *then* car dealers agree to the following:

- Car dealers construct a uniform fence adjacent to their properties
- Car dealers will pay for landscape along the fence
 - **A one time fee of \$43,800 (shared between all 3 dealers) for actual planting and irrigation and an annual fee of (\$14,833 (shared between all car dealers) for trail safety, maintenance, and landscaping.**
- This annual fee is approximately 5% of what Sand City's cost would be to maintain the entire right of way.



Partnership with Adjacent Seaside Businesses



Excerpt — proposed parking lot layout, dealership frontage segment



Monterey Motors:



- Accommodates continued dealership operations while preserving the trail corridor.
- Dealers to contribute approx. 5% of Sand City's total maintenance costs for TAMC's right of way
- Provides long-term certainty for the City of Seaside and TAMC leaseholders
- Uniform fencing and landscaping

Sand City's Grant Applications

MBARD Grant #1
\$100k Awarded
June 2023

MBARD Grant #2
\$205k Awarded
May 2024

State Park's SPP Grant
Statewide Park Development and
Community Revitalization Program
(30-year site control required)
Due December 2026

AMBAG Carbon
Reduction Program
(CRP) Grant
\$1.9 Million Awarded
April 2024

ATP Grant Cycle 8
Solo and joint Submittal
with TAMC, Seaside and
Caltrans D5
June 2026



Letters of Support



US Rep. Jimmy Panetta



CA Senator John Laird



City of Seaside



City of Monterey



City of Pacific Grove



City of Del Rey Oaks



City of Marina



Monterey County Board of Supervisors



Transportation Agency for Monterey County



Monterey-Salinas Transit



Monterey Peninsula Unified School District



California State University, Monterey Bay



U.S. Navy (Naval School, Monterey)



The Coureur Monterey Bay Racing Team

Use Agreement

What Sand City is requesting from TAMC:

- 1) That Sand City not be charged for the its efforts to beautify the blighted TAMC corridor. (I.e., landscaping and trailside amenities like benches).
- 2) That Sand City not be charged for transportation-supportive infrastructure such as trailside parking.
- 3) That Sand City pay the relocation cost for future rail, not for bus or other unknown transportation uses.
- 4) That the term of the use agreement match grant requirements MST received: 20 years, with two five-year written mutual extensions.



Sand City's Multi-use Trail Segment through Seaside and on the TAMC ROW

**Sand City's Request #1:
No charge for Sand City's
beautification of the TAMC right of
way corridor.**



Current State of TAMC Right-of-Way in Sand City



TAMC Right-of-Way in Sand City



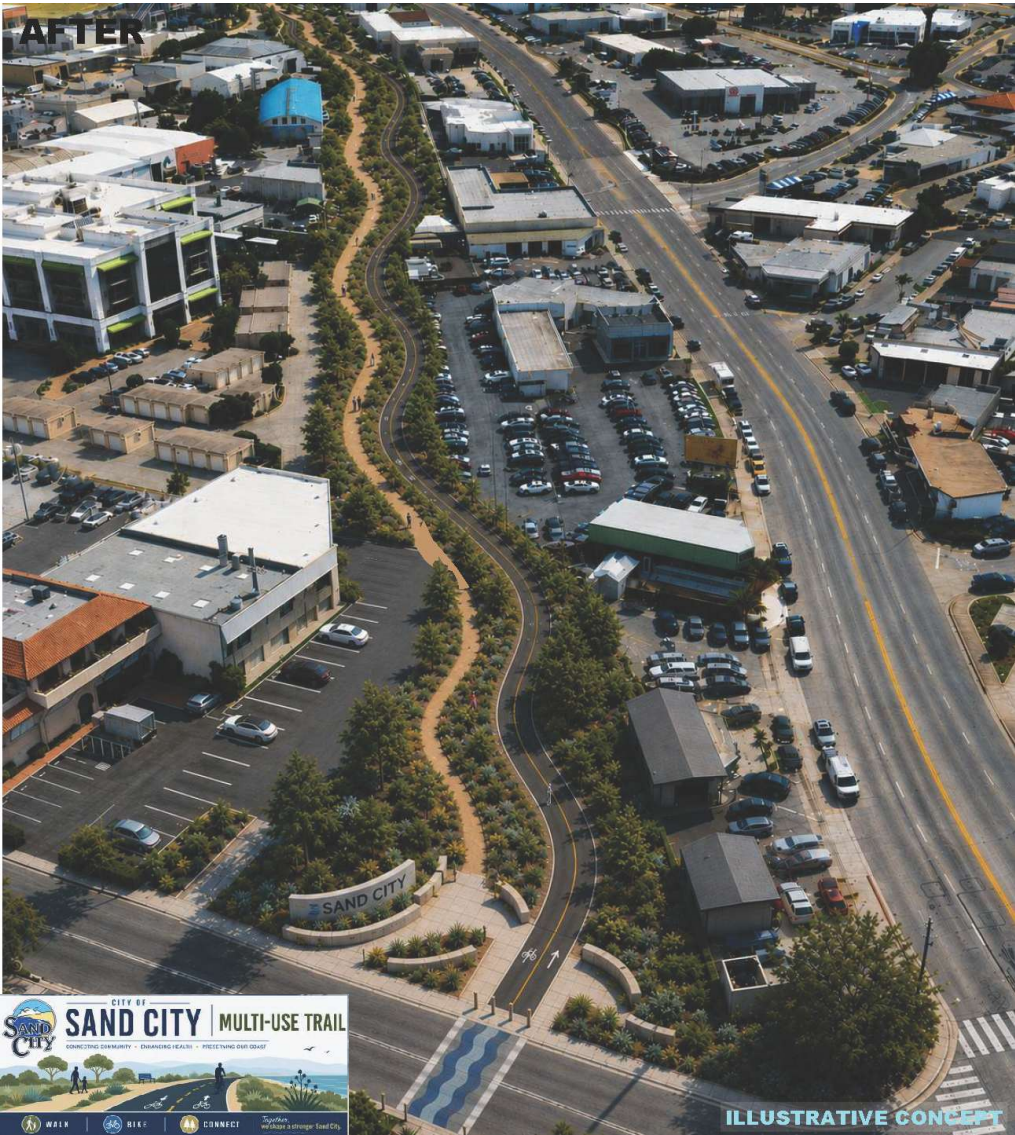
TAMC Right-of-Way in Sand City



TAMC Right-of-Way in Sand City



Illustrative Concept



Illustrative Concept



Illustrative Concept

BEFORE



AFTER

ILLUSTRATIVE CONCEPT

Illustrative Concept



Illustrative Concept



BEFORE



AFTER

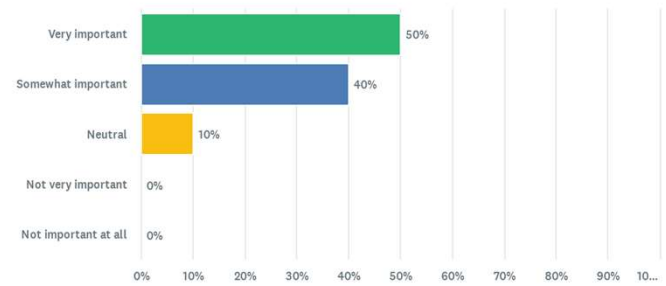


ILLUSTRATIVE CONCEPT

Public Outreach and Input



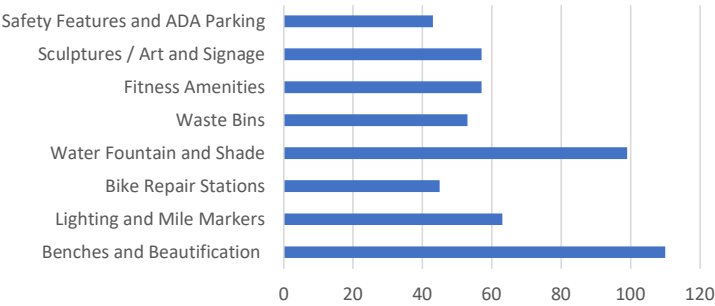
Q3 How important is the visual appearance of the trail to you (e.g., landscaping, signage, materials)?



Public Outreach and Input Continued



What would you like to see on the Sand City Multi-Use Trail?



Reasons to waive fees for landscaping:

- ❖ The TAMC corridor is severely blighted and neglected.
- ❖ Sand City is offering to beautify the TAMC-owned corridor.
- ❖ Sand City is offering to construct the trail at no cost to TAMC.
- ❖ Sand City is offering to maintain the landscaping at no cost to TAMC.
- ❖ Businesses are already obligated to landscape under their leases with TAMC, but this has not been enforced.
- ❖ Studies show that trail aesthetics and natural beauty are strong drivers of increased usage of trails.
- ❖ Charging for landscaping makes the project infeasible: FMV cost to the City for “use” of landscaped areas would be \$184,862–\$277,294 annually.

**Sand City's request #2:
No charge for trail side parking.**



Why our Project's Trailside Should Matter to TAMC:

- Trailside parking increases trail utilization:
 - Provides access to the trail for users who do not live within biking or walking distance of the trail.
 - Reduces barriers to active transportation for people with mobility limitations.
- Increases access to public transit (MST's Transit Hub).
- Provides access to community events in Sand City and the City of Seaside.
- Improves Safety: Organized parking with clear driving lanes guides drivers and pedestrians instead of the current informal parking.

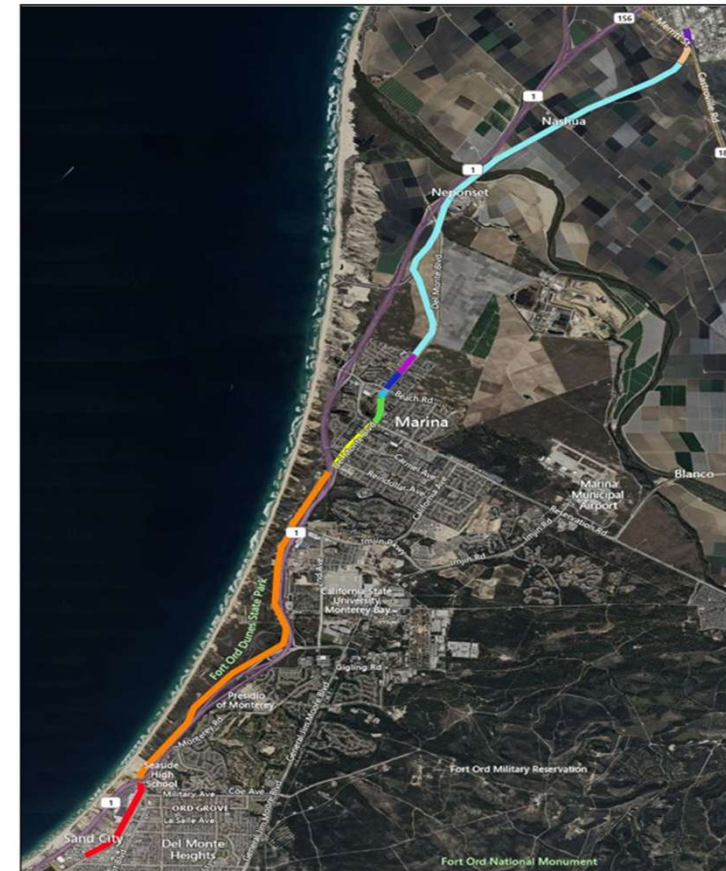
TAMC Real Property Policies:

Policies expressly allow the Board to waive fair market value requirements for fellow public agencies:

“Public agencies or nonprofit organizations may receive reduced compensation rates if the proposed use provides a clear public purpose and does not compromise TAMC’s transportation objectives”. (Section 2.2)

Source TAMC Real Property Ownership Policies (2025) 2.2
Standard Use Agreement Terms

AERIAL MAP



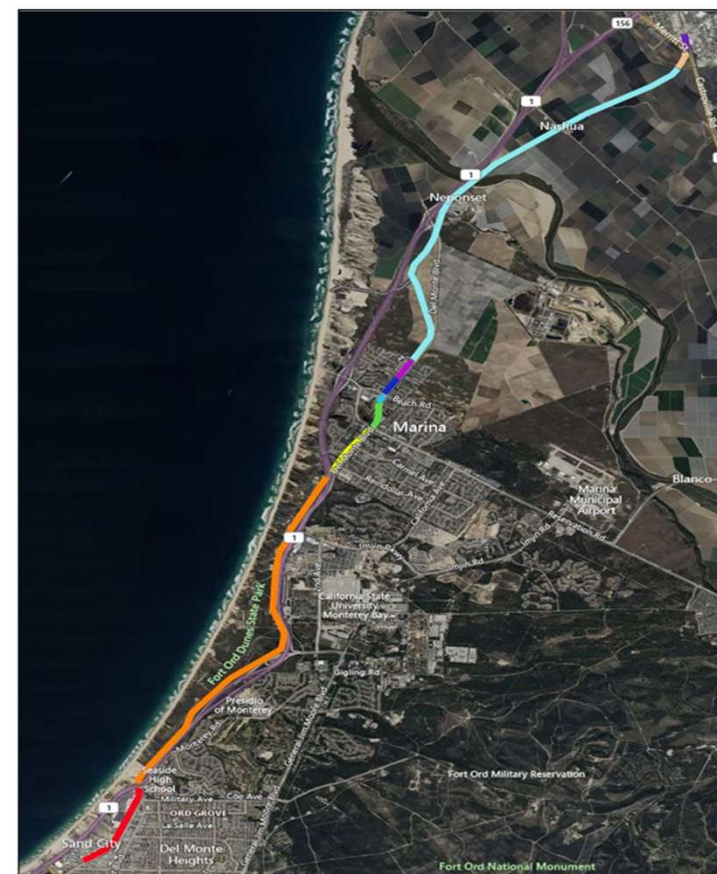
TAMC Real Property Policies, continued.

“Use Agreements may be used to facilitate strategic development of TAMC property, particularly for transportation-supportive infrastructure or transit-oriented development... Compensation may be monetary or in-kind (e.g., infrastructure investment), subject to Board approval.”

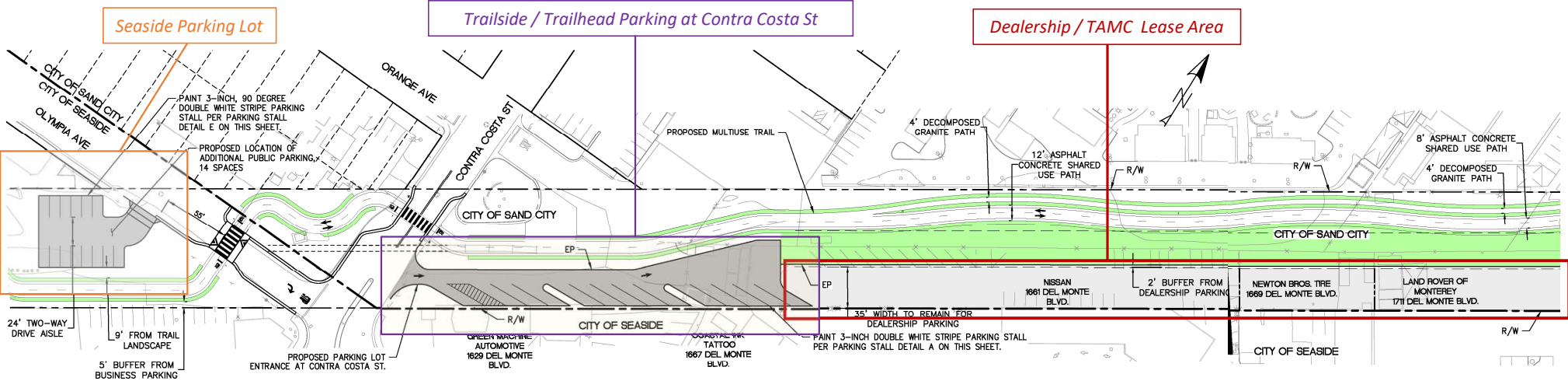
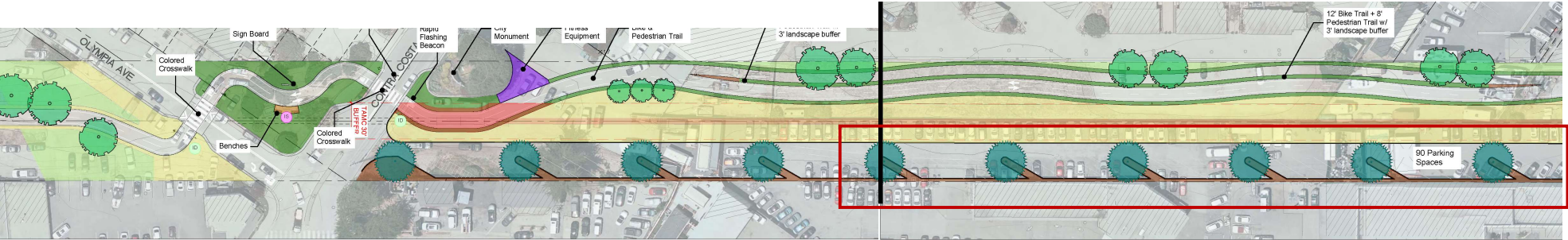
Sand City is offering to both construct and maintain the TAMC-owned corridor.

Source TAMC Real Property Ownership Policies (2025) 6.5.1.
Standard Use Agreement Terms

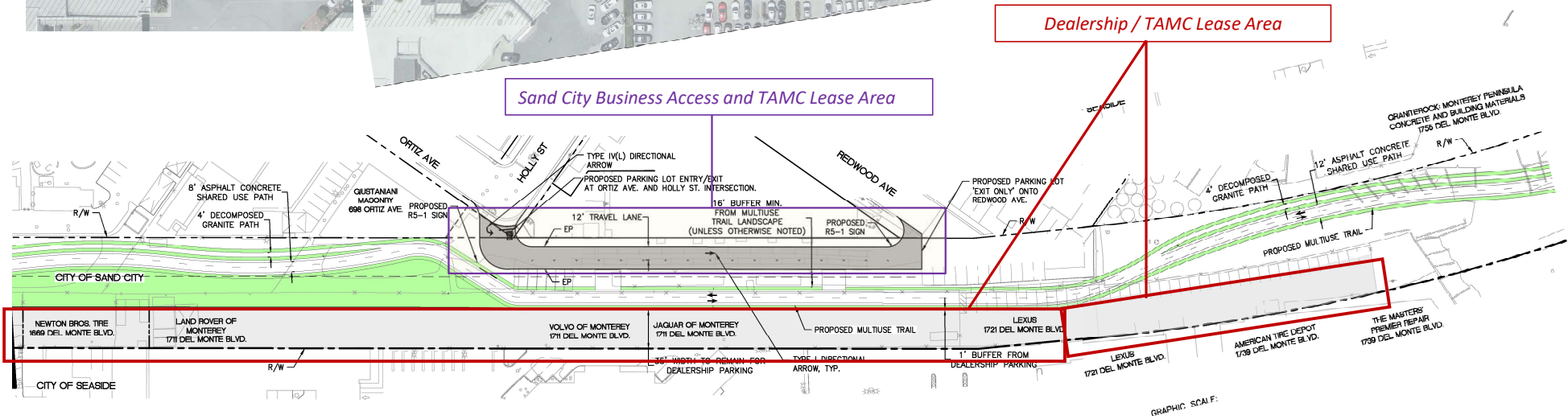
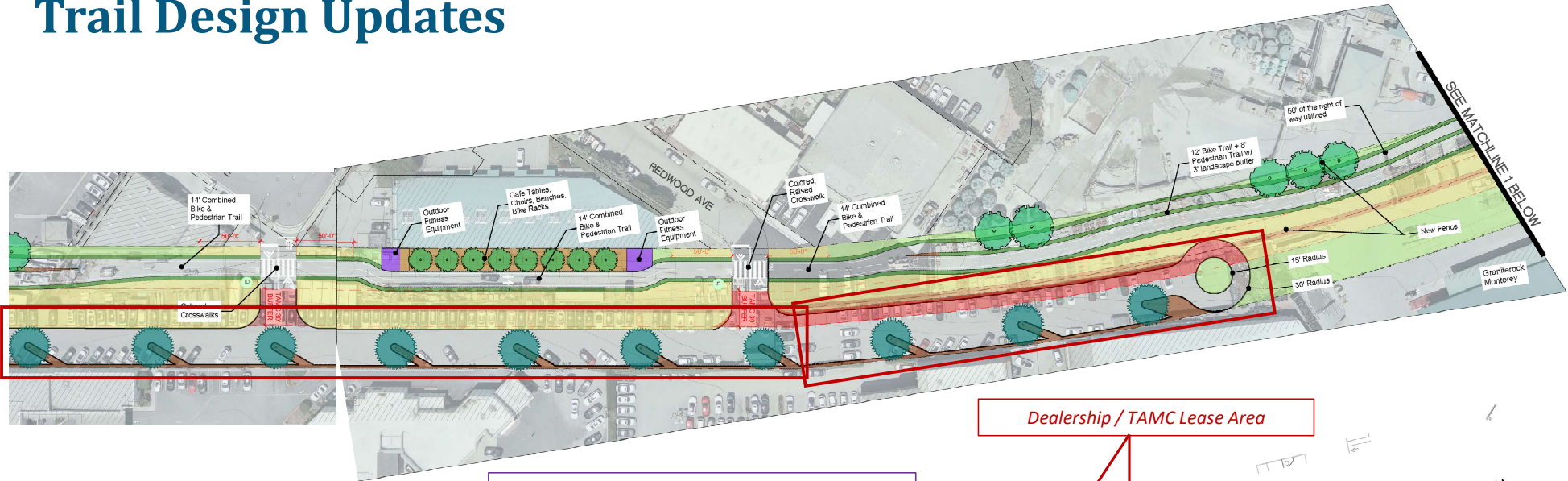
AERIAL MAP



Trail Design Updates

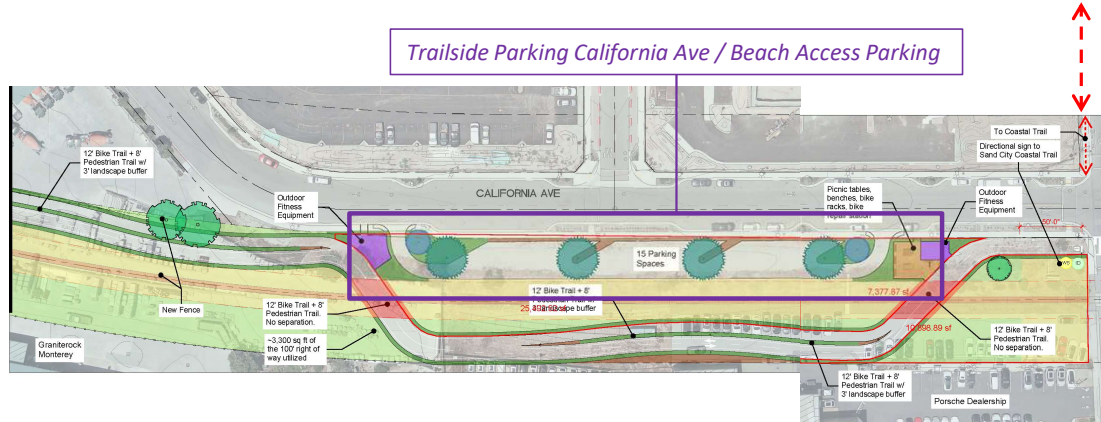


Trail Design Updates

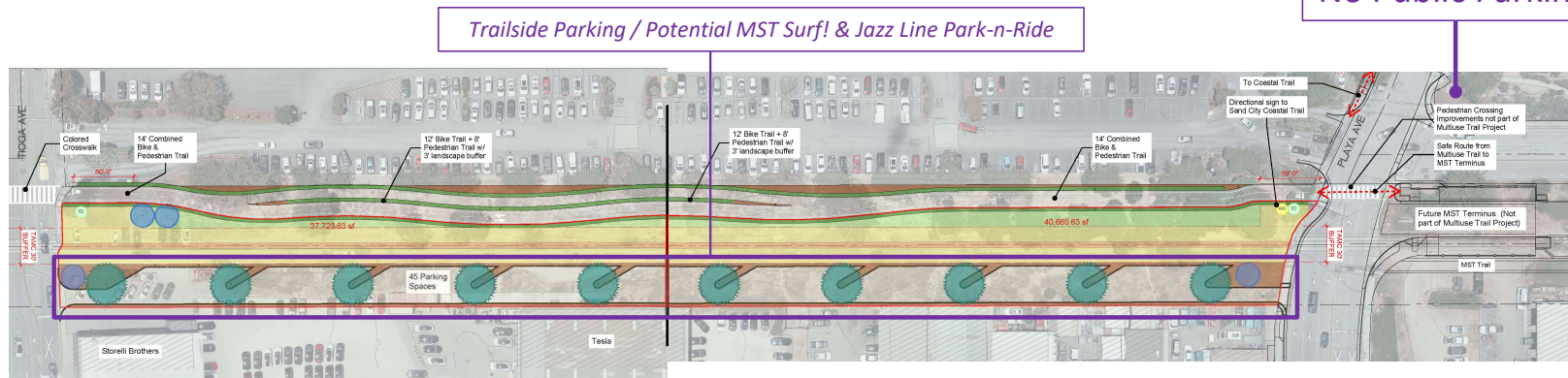


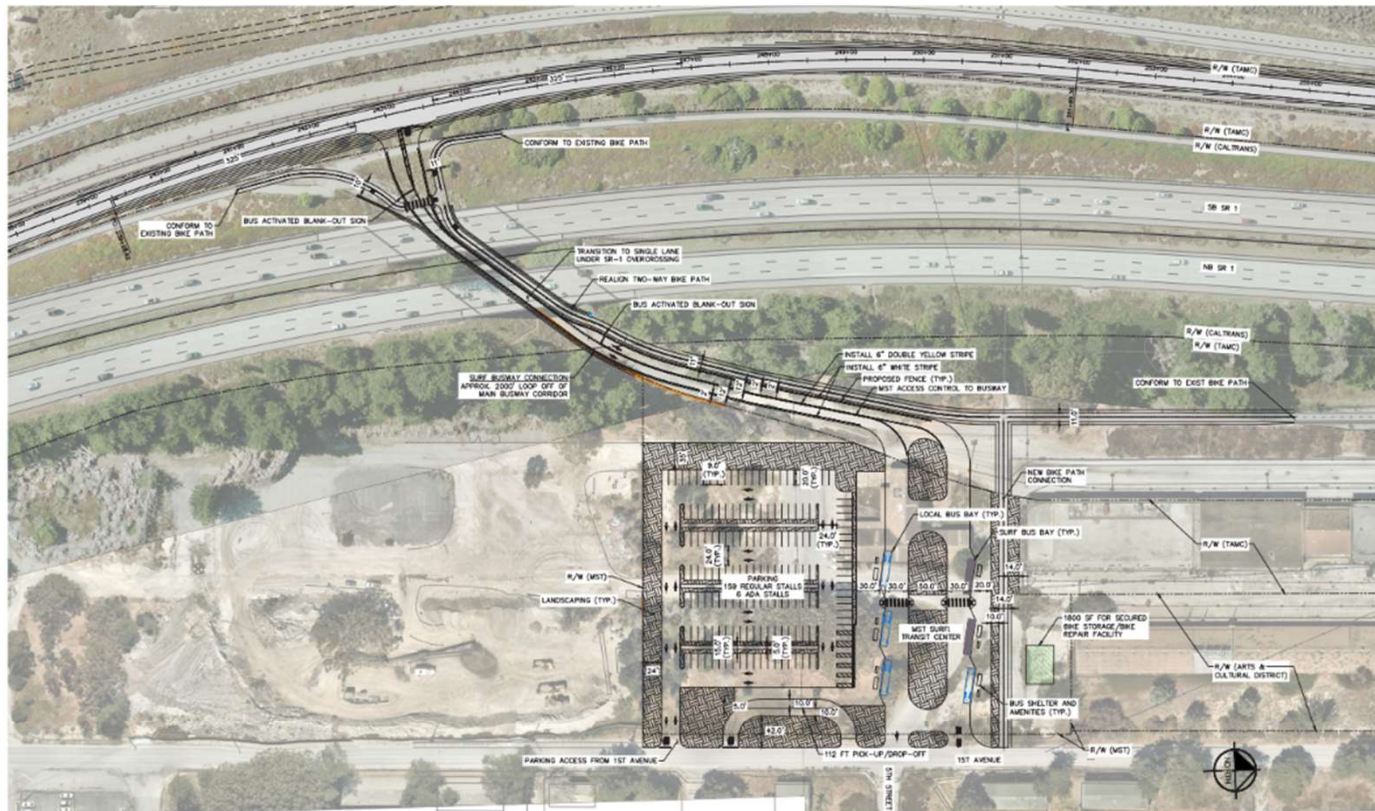
Trail Design Updates

Sand City Coastal Trail / Beach Access



MST Transit Hub
No Public Parking





Source: Kimley Horn, 2020

Figure 3-7: 5th Street Station Details
MST SURF! Busway and Bus Rapid Transit Project



What would Fair Market Value payment to TAMC mean to Sand City:

Current estimate based on TAMC appraisal and TAMC’s area calculations*

Use	SF	Monthly (\$0.1-\$0.15 / SF)	Yearly Range (\$0.1-\$0.15 / SF)
Parking	67,908	\$6,791–\$10,186	\$81,490–\$122,234
Landscape	154,052	\$15,405–\$23,108	\$184,862–\$277,294
Total	221,960	\$21,960–\$33,294	\$266,352–\$399,528

*Area calculations and appraisal pending review by City of Sand City staff.

If TAMC will not agree to waive a charge for the proposed parking areas please consider the following :

1. Any charge be offset by the value of the infrastructure Sand City is constructing (specifically allowed under TAMC's policies); and
2. Any charge be offset by the cost of maintaining the right of way (which Sand City is offering to do); and
3. Allow Sand City time before any charge takes effect so Sand City can design, fund and build the trail and establish an effective parking revenue-generating program to offset any funds required by TAMC.

Please note the above would still be subject to Sand City City Council approval)



Sand City's request #3:
That Sand City relocate the trail at its expense
for future rail, but not for any other transit uses



Sand City is requesting that TAMC not require the City to pay to relocate its new trail if other transit related uses were to be considered by TAMC in the future. E.g., The MST SURF! Busway and Bus Rapid Transit Project.

Please note – this does not pose a limit on TAMC's options for future uses of the corridor.



Sand City's request #4:

**Match the term MST received: 20 years plus two
5 year extensions by mutual agreement.**



Sand City's Request

1. Do not charge Sand City for the trail, landscaping, and trailside amenities (trees, plants, benches, bicycle repair stations, trailside exercise equipment, etc.).
2. Do not charge Sand City FMV for transportation-supportive infrastructure (trailside parking).
3. Sand City will continue to agree to cover the cost of relocating the trail to accommodate rail. Any other transportation provider seeking to use the right-of-way should bear the cost of relocating the trail.
4. Match the agreement term to grant requirements or to MST's term: 20 years, with two five-year written mutual extensions.



Questions?

