



AGENDA COVER
Regular Joint Meeting of the
**CAPITOLA CITY COUNCIL/
REDEVELOPMENT AGENCY**
MEETING DATE: THURSDAY, JANUARY 27, 2011

CITY COUNCIL CHAMBERS: 420 CAPITOLA AVENUE, CAPITOLA

CLOSED SESSION	5:30 P.M.
JOINT CITY COUNCIL/REDEVELOPMENT AGENCY REGULAR MEETING	7:00 P.M.

Elected Officials

*Dennis Norton, Mayor
Michael Termini, Vice Mayor
Stephanie Harlan, Council Member
Kirby Nicol, Council Member
Sam Storey, Council Member

Jacques Bertrand, City Treasurer*

City Staff Members

*Jamie Goldstein, City Manager
John G. Barisone, City Attorney
Pamela Greeninger, City Clerk
Mike Card, Chief of Police
Derek Johnson,
Community Development Director
Steven Jesberg, Public Works Director*

Notice regarding City Council Meetings: The City Council meets regularly on the 2nd and 4th Thursday of each month immediately following the Redevelopment Agency Meeting, at approximately 7:00 p.m., in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Notice regarding Redevelopment Agency Meetings: Redevelopment Agency meetings are held on the 2nd and 4th Thursday of each month commencing between 6 p.m. and 7 p.m. The exact time of commencement will be determined by the Executive Director (based upon his/her estimate of time required) and shall be set forth in the notice of meeting posted at the place of meeting in accordance with Govt. Code §54954.2(a). Exceptions are the 2nd meeting in November is held on the 4th Tuesday, and in December when there is only one regular meeting on the 2nd Thursday of the month.

Agenda and Agenda Packet Materials: The City Council/Redevelopment Agency Agenda and the complete Agenda Packet are available on the Internet at the City's website: www.ci.capitola.ca.us. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

Agenda Document Review: The complete agenda packet is available at City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, on the Monday prior to the Thursday meeting. Need more information? Contact the City Clerk's office at 831-475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Pursuant to Government Code §54957.5, materials related to an agenda item submitted after distribution of the agenda packet are available for public inspection at the Reception Office at City Hall, 420 Capitola Avenue, Capitola, California, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at (831) 475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Televised Meetings: City Council/Redevelopment Agency meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be replayed at 12:00 Noon on the Saturday following the meetings on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings can also be viewed from the City's website: www.ci.capitola.ca.us.



AGENDA

Regular Joint Meeting of the CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY Thursday, January 27, 2011

5:30 P.M - CLOSED SESSION - CITY MANAGER'S OFFICE

An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council/Redevelopment Agency Directors on closed session items only.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9a)

Talbert vs. City of Capitola, et al [U.S. District Court Case No. C 10-03113 JW (N.D. Cal.)]

Surf and Sand, LLC vs. City of Capitola, et al (Surf & Sand Mobile Home Park) [Superior Court of the State of California for County of Santa Cruz, Case #CV 167716]

Surf and Sand, LLC vs. City of Capitola, et al (Surf & Sand Mobile Home Park) [U.S. District Court N.D., Case No. C09-05542 RS (Judge Richard Seeborg)]

Los Altos/El Granada Investors vs. City of Capitola, et al (Castle Mobile Estates) [U.S. District Court N.D., Case No. CV 04-05138 JF (Judge Jeremy Fogel)]

Vieira Enterprises, Inc. vs. City of Capitola (Cabrillo Mobile Estates)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:
One Case: Vieira Enterprises, Inc. vs. City of Capitola (Cabrillo Mobile Estates)

The City is in receipt of a December 30, 2010, Fair Return rent increase application for Cabrillo Mobilehome Park, which claims that if it is not granted in its entirety, the City will be liable for the unconstitutional taking of Mr. Vieira's property and further claims that the City's past enforcement of its rent control ordinance has already functioned to effect such a taking.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Govt. Code §54956.8)

Property: McGregor Drive, APN 36-341-02 (City of Capitola, Owner)

City Negotiator: City Manager

Negotiating Parties: City and Soquel Creek Water District

Under Negotiation: Real Property Lease/Sale

**REGULAR JOINT MEETING
OF THE CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY**

ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members/Directors Harlan, Termini, Nicol, Storey,
and Mayor/Chairperson Norton

***** PRESENTATIONS *****

Oath of Office Ceremony for Standby City Council Members
Ron Graves and Mark Sullivan

1. REPORT ON CLOSED SESSION

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

B. Public Comments

Oral Communications allows time for members of the Public to address the City Council/Redevelopment Agency on any item not on the Agenda. Presentations will be limited to three minutes per speaker. Individuals may not speak more than once during Oral Communications. All speakers must address the entire legislative body and will not be permitted to engage in dialogue. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the minutes. A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

C. Staff Comments

D. City Council/RDA Director/Treasurer Comments/Committee Reports

City Council Members/Redevelopment Agency Directors/City Treasurer may comment on matters of a general nature or identify issues for staff response or future council/RDA consideration. Council Members/RDA Directors/Committee Representatives may present oral updates from standing committees at this time.

E. Committee Appointments

Council Members/RDA Directors/Committee Representatives may present oral updates from standing committees at this time. Committee appointments may also be made by the City Council/Redevelopment Agency at this time.

2. E. Committee Appointments (Continued)

- 1) City Council appointments to the General Plan Advisory Committee. Staff recommendation: confirm appointments and adopt Resolution Appointing Members to the General Plan Advisory Committee.
- 2) Confirmation of Planning Commission appointments to the Art and Cultural Commission, the Commission on the Environment, and the Traffic and Parking Commission.

F. Approval of Check Register Reports

- 1) City: Approval of City Check Register Reports dated January 7 and January 14, 2011.
- 2) RDA: Approval of Redevelopment Agency Check Register Report dated January 7, 2011.

3. **CONSENT CALENDAR**

All matters listed under "Consent Calendar" are considered by the City Council/ Redevelopment Agency to be routine and will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the public or the Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following "Other Business."

- A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.
- B. Approve City Council Minutes of the Regular Meeting of December 9, 2010, the Special City Council Workshop of January 10, 2011, and the Special Closed Session Meeting of January 10, 2011.
- C. Receive Planning Commission Action Minutes for the Regular Meeting of January 20, 2011.
- D. Receive City Treasurer's Report for the month ended December 31, 2010 (Unaudited).
- E. Adopt Resolution Accepting an Offer of Dedication of land on Hill Street, APN 036-022-37, from J. Edison Corporation for street and pedestrian purposes, and approve Subdivision Agreement for the Hill Street Minor Land Division.

4. PUBLIC HEARINGS – None

5. OTHER BUSINESS

- A. Council determination regarding new Community Grant applications for FY 2011-2012. Staff recommendation: Council to determine whether or not to allow a new agency or organization to apply for a Community Grant for FY 2011-2012.
- B. RDA: Rispin Mansion proposal. Staff recommendation: consider a proposal to save and restore the Rispin Mansion and provide direction to staff.
- C. Consider Letter in Opposition to Governor Brown's Proposal to Eliminate Redevelopment. Staff recommendation: authorize the Mayor to execute letters to State officials.
- D. Village Parking Pay Station Program. Staff recommendation: approve the selection of Cale Parking Systems, USA, Inc., for the implementation of the Village Pay By Space Station Program and authorize the Public Works Director to negotiate and execute a final contract with Cale for replacing all parking meters along the Esplanade with pay stations at an estimated cost of \$100,000.
- E. Grant for Electric Vehicle Charging Station Installation. Staff recommendation: approve recommended action accepting grant from Coulomb Technologies, Inc., authorizing the City Manager to execute agreements, approve installation of charging stations in Pacific Cove Parking Lot, and approve Notice of Exemption from CEQA for the installation of the charging stations.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

6. COUNCIL/RDA DIRECTOR/STAFF COMMUNICATIONS

7. ADJOURNMENT

Adjourn to the next Regular Joint Meeting of the City Council/ Redevelopment Agency to be held on Thursday, February 10, 2011, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



Item #: 2.E.1)

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: COMMUNITY DEVELOPMENT DIRECTOR
DATE: JANUARY 20, 2011
SUBJECT: GENERAL PLAN ADVISORY COMMITTEE (GPAC) APPOINTMENTS

Recommended Action: That the City Council receive and confirm the nominations to the General Plan Advisory Committee, as follows:

1) One nomination for each of the following neighborhoods by noted council member:

Depot Hill (Sam Storey)
Jewel Box (Kirby Nicol)
East Capitola (Dennis Norton)
West Capitola (Stephanie Harlan)
Upper and Lower Village (Michael Termini)

2) Confirm nominations from the following commissions/committees:

Planning Commission	- Ed Newman
Traffic and Parking Commission	- Linda Hanson
Commission on the Environment	- Kristin Jensen Sullivan
Finance Advisory Committee	- Jacques Bertrand
Art & Cultural Commission	- James Wallace
Economic Development Committee of the Capitola Sequel Chamber of Commerce	- Gary Wetsel

3) Following confirmation of nominations, that the City Council, by motion and roll call vote, adopt the proposed Resolution Appointing Members to the General Plan Advisory Committee and directing the City Clerk to insert the appropriate appointees' names.

PURPOSE

The purpose of this staff report is to provide information to the City Council for consideration in appointing representatives to the General Plan Advisory Committee.

BACKGROUND

On November 23, 2010 the City Council adopted Resolution No. 3845 Creating the General Plan Advisory Committee (GPAC) and Defining its Term and Charge. The role of the GPAC will be to advise city staff and develop recommendations to update the General Plan. The resolution calls for an eleven (11) member committee consisting of representatives from various city commissions/committees, as well as one representative from five (5) identified neighborhoods. Individual council members were assigned to each of the neighborhoods and applications received for their assigned neighborhood were sent to them for review and interviews with applicants.

Each council member will announce their nomination for each neighborhood at the meeting. The nominations from the various commissions and committees are included in the recommended action. The city council will consider and should confirm those nominations.

A draft resolution appointing members to the General Plan Advisory Committee based on the City Council's confirmation is attached for adoption.

FISCAL IMPACT

None.

ATTACHMENTS

1. Draft Resolution
2. Neighborhood Map
3. GPAC Membership Composition
4. Recruitment Notice
5. List of Applicants and Committee/Commission Nominees

Report Prepared By: Derek Johnson
Community Development Director

Reviewed and Forwarded
By City Manager: _____

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
APPOINTING MEMBERS TO THE GENERAL PLAN ADVISORY COMMITTEE**

WHEREAS, on November 23, 2010 the City Council adopted Resolution No. 3845, a Resolution Creating the General Plan Advisory Committee (hereinafter referred to as the "GPAC") to advise the City of Capitola during the update of the General Plan; and

WHEREAS, the GPAC has been established for a three year period, which expires on January 15, 2014, with the possible extension of this term to be considered by the City Council prior to that time; and

WHEREAS, the City Council requested nominations for one member on the GPAC from the Planning Commission, the Traffic and Parking Commission, the Commission on the Environment, the Finance Advisory Committee, the Art and Cultural Commission, and the Economic Development Committee of the Capitola Soquel Chamber of Commerce; and

WHEREAS, each member of the City Council was assigned a neighborhood to receive applications and interview applicants for nominations to the GPAC as follows:

Depot Hill (Sam Storey), Jewel Box (Kirby Nicol), East Capitola (Dennis Norton), West Capitola (Stephanie Harlan), and Upper and Lower Village (Michael Termini); and

WHEREAS, City staff provided notice on November 30, 2010, and solicited applications from the public to serve on the GPAC to be submitted to the City Clerk by Monday, January 10, 2011; and,

WHEREAS, the City has accepted a total of twenty-four (24) applications for positions on the GPAC from residents and property/business owners; and

WHEREAS, the City Council members and the Committees and Commissions have conducted interviews and have nominated a total of eleven (11) members to serve as the General Plan Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Capitola that the following individuals were nominated, confirmed, and are hereby appointed to the General Plan Advisory Committee of the City of Capitola:

<u>NEIGHBORHOOD/COMMITTEE REPRESENTED</u>	<u>COMMITTEE MEMBER</u>
Depot Hill Neighborhood	
Jewel Box Neighborhood	
East Capitola Neighborhood	
West Capitola Neighborhood	
Upper and Lower Village Neighborhood	
Planning Commission	Ed Newman
Traffic and Parking Commission	Linda Hanson
Commission on the Environment	Kristin Jensen
Finance Advisory Committee	Jacques Bertrand
Art & Cultural Commission	James Wallace
Economic Development Committee of the Capitola Soquel Chamber of Commerce	Gary Wetsel

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 27th day of January, 2011, by the following vote:

AYES:

NOES:

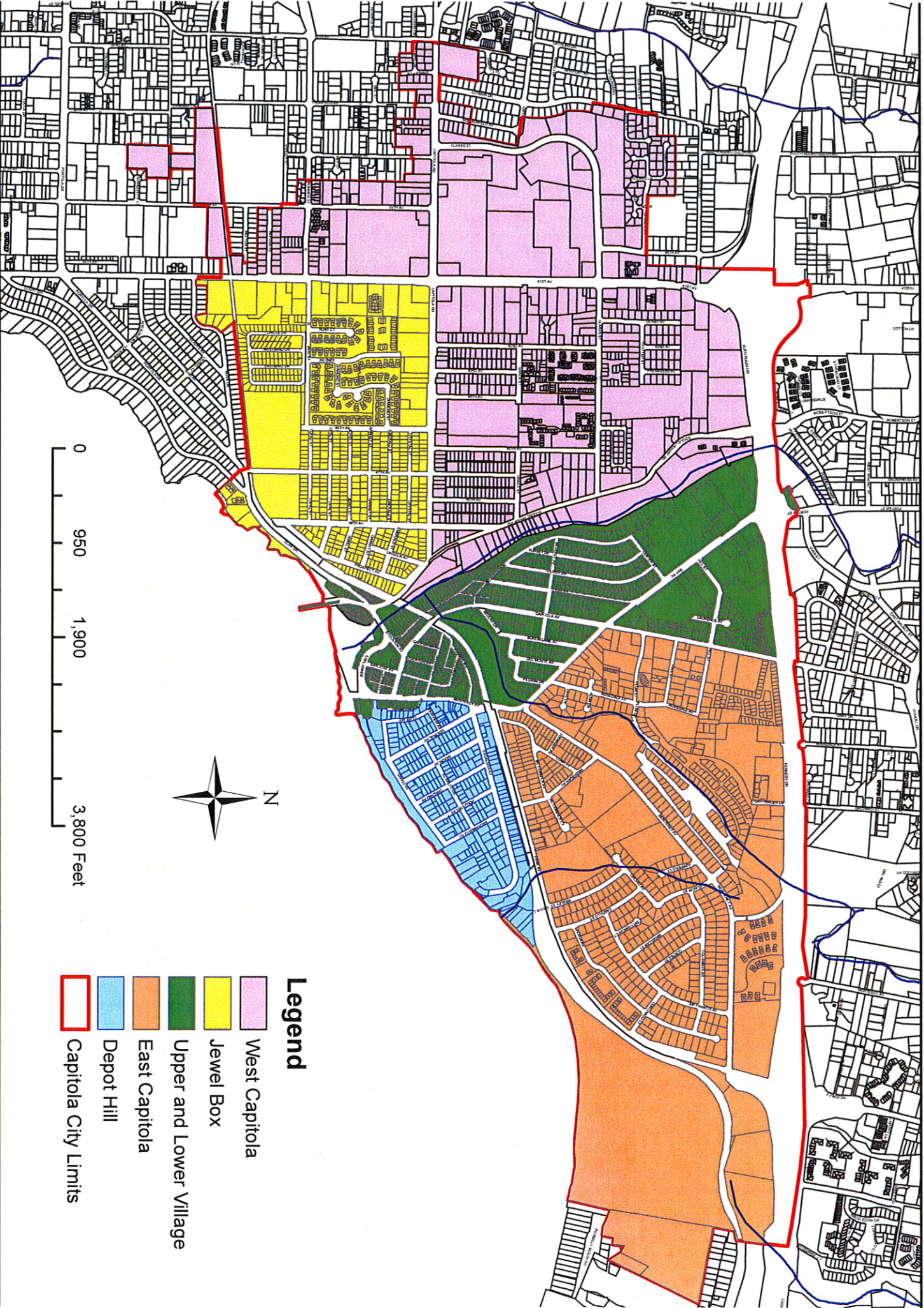
ABSENT:

ABSTAIN:

Dennis Norton, Mayor

ATTEST:

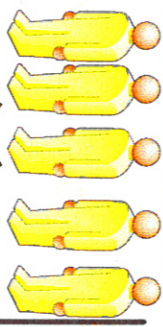
_____, MMC
Pamela Greeninger, City Clerk



Legend

- West Capitola
- Jewel Box
- Upper and Lower Village
- East Capitola
- Depot Hill
- Capitola City Limits

Capitola GPAC Membership Composition



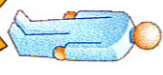
#1-5
An At-Large
Neighborhood Representative
1. Depot Hill
2. Jewel Box
3. East Capitola
4. Upper and Lower
Village
5. West Capitola



#6
Planning Commission



#7
Parking &
Transportation



#8
Commission on the
Environment



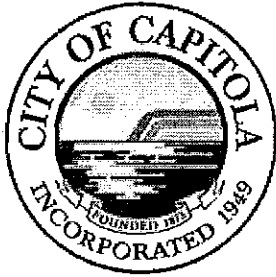
#9
Economic
Development
Committee



#10
Finance Advisory
Committee



#11
Arts and Cultural
Commission



CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010
(831) 475-7300
FAX (831) 479-8879

**APPLICATIONS FOR APPOINTMENT TO:
General Plan Advisory Committee (GPAC)**

NOTICE IS HEREBY GIVEN that the Capitola City Council has, by adoption of Resolution No. 3845 (copy attached), created a new General Plan Advisory Committee (GPAC). Pursuant to Government Code Section 54974, recruitment has commenced to fill the five (5) public member seats on the Committee. Appointments will be for three (3) year terms ending January 15, 2014. The Council Member listed next to each neighborhood seat will be responsible for interviewing and making a recommendation for appointment to the City Council for that neighborhood. See the attached General Plan Advisory Committee Map (Exhibit B to the resolution) for specific details on neighborhood areas.

- (1) Depot Hill Neighborhood (Sam Storey)
- (1) Jewel Box Neighborhood (Kirby Nicol)
- (1) East Capitola Neighborhood (Dennis Norton)
- (1) West Capitola Neighborhood (Stephanie Harlan)
- (1) Upper and Lower Village Neighborhood (Michael Termini)

The City Council is seeking applications from persons who are interested in developing recommendations to update the City's 1989 General Plan. **Please review the entire application packet prior to submitting an application.** The application form is the last page of this packet. Specific questions regarding the committee may be directed to the City's staff representative, Derek Johnson, Community Development Director, at 475-7300, Ext. 216, or by email at djohnson@ci.capitola.ca.us.


The City Council will make appointments to the General Plan Advisory Committee at its Regular Meeting to be held on Thursday, January 27, 2011.

Application Deadline: Monday, January 10, 2011

Applications may be obtained from the Receptionist at Capitola City Hall, 420 Capitola Avenue, or by calling (831) 475-7300 and requesting an application be sent to you. In addition, a notice with an application form is available in the foyer at City Hall, at the Capitola Branch Library, 2005 Wharf Road, and is available for printing on the General Plan Update Website at <http://www.plancapitola.com/GPAC.html> by clicking on the **GPAC Application**.

I, Michele Deiter, Records Coordinator of the City of Capitola, California, hereby certify that the above Notice was posted in accordance with Section 54974 of the Government Code on November 30, 2010.

Dated: November 30, 2010


Michele Deiter
Records Coordinator

ATTACHMENT 5

APPLICATIONS RECEIVED FOR APPOINTMENT TO THE GENERAL PLAN ADVISORY COMMITTEE

DEPOT HILL (SAM STOREY)

Arthur, Bruce
Dodds, Doug
Gregory, James
Mackenzie, Bryan
Parker, Thomas
Wetsel, Gary

JEWEL BOX (KIRBY NICOL)

Benton, Connie
Burke, Ron
Hogan, Kim

EAST CAPITOLA (DENNIS NORTON)

Coquilin, Frederick
Emigh, Richard
Ricca, Joel
Wallace, Sandra
Wilson, Ann

WEST CAPITOLA (STEPHANIE HARLAN)

Achkar, Michael
Bernall, Erin
Eastman, Tish
Grenier, Celine
Halterman, Rick
Ikemoto, Jeanne
Olin, Bradley

UPPER AND LOWER VILLAGE (MICHAEL TERMINI)

Adler, Pamela
Cross, Sterling Nathan
Emigh, Richard



Item #: 2.E.2)

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: COMMUNITY DEVELOPMENT DIRECTOR
DATE: JANUARY 21, 2011
SUBJECT: PLANNING COMMISSION COMMITTEE NOMINATIONS

Recommended Action: That the City Council receive and confirm the Planning Commission Committee Nominations.

BACKGROUND

At the January 20, 2011 Planning Commission meeting, the following committee nominations were made:

Traffic and Parking Commission	- Mick Routh
Commission on the Environment	- Ron Graves
Art & Cultural Commission	- Linda Smith

FISCAL IMPACT – None

ATTACHMENTS - None

Report Prepared By: Derek Johnson
Community Development Director

Reviewed and Forwarded
By City Manager: _____



CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: FINANCE DEPARTMENT
 DATE: January 19, 2011
 SUBJECT: APPROVAL OF CITY CHECK REGISTER REPORTS

Recommended Action: By motion and roll call vote, that the City Council approve the attached Check Register Reports for January 7 and January 14, 2011.

DISCUSSION

The attached Check Registers for:

Date	Starting Check #	Ending Check #	Total Checks	Amount
1/7/11	65204	65250	47	\$125,654.91
1/14/11	65251	65308	58	\$335,138.16
Payroll 1/14/11				\$181,496.37
Total				\$642,289.44

The check register of 12/23/10 ended with check #65203.

Wires issued, and a brief description of the expenditure:

Date	Issued to:	Dept.	Purpose	Amount
1/19/11	PERS Payment	CM	CALPERS - Payroll Contr. for 1/14/11 payroll	\$45,063.61

Following is a list of checks issued for more than \$10,000.00, and a brief description of the expenditure:

Check	Issued to:	Dept.	Purpose	Amount
65206	Atchison, Barisone, & Condotti	CM	Nov Additional Legal Fees	\$26,803.55
65212	CalPERS Health Ins.	CM	Jan11 Employee Health Ins, Employee funded	\$46,988.35
65234	Republic ITS	PW	Traffic Signal Maint, Fund 1310 Gas Tax	\$10,500.00
65238	Teaman, Ramirez, & Smith	CM	FY09/10 Financial Audit	\$13,724.00
65254	Bay Area Senior Housing	CD	HOME Grant Draw-down, grant funded	\$122,720.00
65292	Santa Cruz Regional 911	PD	3 rd Qtr FY10/11 payment	\$105,114.75

On March 28, 2002, Council adopted Ordinance 838, which amended the City Municipal Code as follows:

"3.28.010 Auditing. All claims for salaries and wages of officers and employees and payroll-related withholdings, assessments, and attachments against the treasury of the City and all other claims for payment may be audited and allowed by the City Manager or his/her designee prior to payment thereof."

"3.28.050 Approval. All claims against the City treasury are to be allowed for payment by the City Manager or his/her designee and are to be presented to the City Council as an informational item as part of their regularly scheduled meetings after their issuance for ratification."

RESOLUTION NO. 2683 On September 22, 1994, Resolution No. 2683 was passed and adopted by the City Council. This resolution includes the following text:

Be it hereby resolved by the City Council of the City of Capitola that the City Manager is authorized, as cash shortages arise, to make temporary cash loans between and among the General Fund and all other City funds except the Redevelopment Agency; Special Assessment District funds; and The Village and Beach Parking Fund; and

Be it further resolved that such interfund loans shall be repaid by the borrowing fund to the lending fund as soon as, in the opinion of the City Manager, it is fiscally prudent to do so; and

Be it further resolved that the City Manager shall report to the City Council at its next regularly scheduled meeting, the amounts of such Interfund loans actually made; the funds from which and to which such Interfund loans were made; and the anticipated date the loans will be repaid.

The bank statement reconciliation has not been completed for the month. Bank reconciliation is completed and reported in conjunction with the monthly Treasurer's report. All checks on these registers have been deducted from the corresponding fund's cash balance. Interfund loans are not recorded on the financial records on a regular basis, except at year-end for financial reporting purposes.

There are several significant timing issues that create cash flow shortages:

- Triple flip delay of Sales Tax from monthly to December and April (~\$500,000/2x year)
- Worker's Compensation premiums are paid annually in July (\$473,220)
- Self Liability Insurance is an annual payment due in July (\$52,270)
- Police Communication JPA annual payment (\$459,500), paid quarterly

As of 1/19/11 the total cash available is \$2,647,194. The General Operating Fund has a cash balance of \$637,633. Internal Service Funds (#2210 through #2214) were created for City budget purposes and are reclassified for financial reporting into the General Fund. The Compensated Absences Fund (#2216) has a positive cash balance of \$29,661. The Capital Improvement Projects has a positive cash balance of \$720,758. By Council direction the Emergency Reserves Fund (#1020) may not participate in cash loans.

For cash flow purposes these funds are available to the General Fund. A consolidation of these cash balances results in a cash position of \$2,647,194.

The following table shows the funds that are consolidated:

CASH POSITION - CITY OF CAPITOLA 1/19/11		
	Temporary	
	<u>Loans</u>	<u>Net Balance</u>
General Fund		637,633
Worker's Comp. Ins. Fund		9,259
Self Insurance Liability Fund		226,761
Stores Fund		22,211
Information Technology Fund		163,760
Equipment Replacement		332,538
Compensated Absences Fund		29,661
Contingency Reserve Fund		-
Public Employee Retirement - PERS		504,355
Open Space Fund		256
Capital Improvement Projects		720,758
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS		<u>2,647,194</u>

On a fiscal year basis the City's annual budget balances expenditures and revenue in the General Fund. Due to the timing of revenue receipts, during most of the fiscal year General Fund expenditures will outpace revenue.

To resolve this cash flow issue, in July of this fiscal year a \$1,247,152 loan from Contingency Reserve was transferred to the General Fund. The Contingency Reserve was established to "provide a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements."

Although it is anticipated the Contingency Reserve loan will be sufficient to provide operational cash in the General Fund, in some fiscal years the General Fund may borrow additional funds from Internal Service Funds, particularly in November and December prior to the receipt of Property Tax revenue.

It is anticipated the Contingency Reserve loan to General Fund will be repaid by June 30, 2011.

ATTACHMENTS

Check Registers for January 7 and January 14, 2011.

Report Prepared By: Linda Benko
AP Clerk

Reviewed and Forwarded
by City Manager:

Checks dated 1/7/11 numbered 65204 to 65250 for a total of \$125,654.91 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 1/7/11 the unaudited cash balance is \$2,197,456

CASH POSITION - CITY OF CAPITOLA 1/7/11

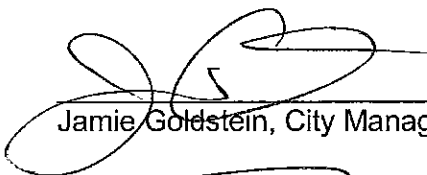
	Temporary <u>Loans</u>	<u>Net Balance</u>
General Fund		530,625
Worker's Comp. Ins. Fund		9,259
Self Insurance Liability Fund		226,761
Stores Fund		22,396
Information Technology Fund		167,821
Equipment Replacement		332,538
Compensated Absences Fund		38,640
Contingency Reserve Fund		-
Public Employee Retirement - PERS		505,974
Open Space Fund		256
Capital Improvement Projects		363,185
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS		2,197,456

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Although it is anticipated the Contingency Reserve loan will be sufficient to provide operational cash in the General Fund, in some fiscal years the General Fund may borrow additional funds from Internal Service Funds, particularly in November and December prior to the receipt of Property Tax revenue.

It is anticipated the Contingency Reserve loan to General Fund will be repaid by June 30, 2011.



 Jamie Goldstein, City Manager

 1/7/11
 Date



 Jacques J.J. Bertrand, City Treasurer

 1. 19. 11
 Date

City Checks Issued 1/7/11

From Payment Date: 1/7/2011 - To Payment Date: 1/7/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65204	01/07/2011 Invoice 3391	Open	Date 08/02/2010	Description Sweeper Brooms Fund 1310-Gas Tax	ACME ROTARY BROOM SERVICE	\$1,541.35
65205	01/07/2011 Invoice 305275	Open	Date 12/16/2010	Description Fill sand	APTOS LANDSCAPE SUPPLY, INC.	\$113.36
65206	01/07/2011 Invoice 1040E-Nov10	Open	Date 12/07/2010	Description Additional Legal Services, Nov20	ATCHISON, BARISONE, & CONDOTTI	\$26,803.55
65207	01/07/2011 Invoice 36878 36902	Open	Date 12/22/2010 12/22/2010	Description Dec 2010 Wharf Meter Reading Dec 2010 Utility billing & meter re Fund 1311, Wharf Fund=\$25	AUTOMATED TEST ASSOCIATES	\$92.00
65208	01/07/2011 Invoice 2626	Open	Date 12/18/2010	Description Monthly Landscape Maint fee, Pz	BACK TO EDEN LANDSCAPING INC.	\$575.00
65209	01/07/2011 Invoice Breslin-Jan1	Open	Date 01/04/2011	Description Private Lessons, Late Fall 2010	BRESLIN-KESSLER, PAUL	\$645.00
65210	01/07/2011 Invoice 1311	Open	Date 01/03/2011	Description Q2 FY 10/11	CA DEPARTMENT OF CONSERVATION	\$116.56
65211	01/07/2011 Invoice CLEA-Jan11	Open	Date 12/17/2010	Description Long Term Disability Ins, PD	CALIFORNIA LAW ENFORCEMENT AS	\$390.00
65212	01/07/2011 Invoice 0806-000 Jan11	Open	Date 12/15/2010	Description Jan2011 Health Ins, Employee F	CalPERS Health Insurance	\$46,988.35
65213	01/07/2011 Invoice POA12-30-10	Open	Date 01/03/2011	Description POA Dues, 12/30/10 Payroll	CAPITOLA PEACE OFFICERS ASSOCI	\$692.53
65214	01/07/2011 Invoice 070212	Open	Date 12/30/2010	Description HMIS Cost Share, FY2010-11	COMMUNITY TECHNOLOGY ALLIANCI	\$462.00
65215	01/07/2011 Invoice 28750-8	Open	Date 01/02/2011	Description Web hosting 1/23-2/22/11 Fund1313, Gen Plan Update	CRUZIO THE INTERNET STORE INC.	\$39.95

City Checks Issued 1/7/11

From Payment Date: 1/7/2011 - To Payment Date: 1/7/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65216	01/07/2011	Open			CVS PHARMACY INC.	\$20.71
	Invoice		Date	Description		Amount
	121610		12/16/2010	Office supplies		\$20.71
65217	01/07/2011	Open			DEVCO OIL INC.	\$1,968.92
	Invoice		Date	Description		Amount
	70464		12/09/2010	100 gallons diesel		\$317.48
	70465		12/09/2010	510 no lead supreme		\$1,651.44
65218	01/07/2011	Open			FLYNN, CAROLYN	\$200.00
	Invoice		Date	Description		Amount
	CBF-12-2010-2		12/21/2010	10/11 CDBG Program Managem Fund 1351, CDBG		\$200.00
65219	01/07/2011	Open			GOLDFARB & LIPMAN, LLP	\$1,369.00
	Invoice		Date	Description		Amount
	99813		11/16/2010	2010 City Legal Services Fund 1372, Housing Trust Fund		\$1,369.00
65220	01/07/2011	Open			GOVERNMENTAL & NONPROFIT ASSI	\$145.00
	Invoice		Date	Description		Amount
	20110222		01/03/2011	Test Registration, Saldana: GFO.		\$145.00
65221	01/07/2011	Open			HOUSING AUTHORITY OF SCC	\$3,601.25
	Invoice		Date	Description		Amount
	11-4 CREHAB		11/09/2010	2010 Housing Rehabilitation Proç		\$231.75
	11-5 CREHAB		12/08/2010	2010 Housing Rehabilitation Proç		\$829.50
	11-05 CFTHB		12/08/2010	2010 First Time Home Buyer Pro Fund 1372, Housing Trust Fund		\$2,540.00
65222	01/07/2011	Open			HOWARD, CHARLIE	\$1,260.00
	Invoice		Date	Description		Amount
	12/13-12/17/10		01/03/2011	FY 10/11 In-House Mechanic		\$720.00
	12/20-12/24/10		01/03/2011	FY 10/11 In-House Mechanic		\$540.00
65223	01/07/2011	Open			KOSTELEK, DANIEL	\$2,175.00
	Invoice		Date	Description		Amount
	12		01/01/2011	FY10/11 Building Code Inspectio		\$2,175.00
65224	01/07/2011	Open			LABOR READY SOUTHWEST INC.	\$2,691.76
	Invoice		Date	Description		Amount
	51491559		12/10/2010	FY 10/11 Temporary Staff		\$937.26
	51771559		12/17/2010	FY 10/11 Temporary Staff		\$937.26
	5201159		12/24/2010	FY 10/11 Temporary Staff		\$817.24
65225	01/07/2011	Open			LIUNA PENSION FUND	\$694.47
	Invoice		Date	Description		Amount
	LIUNA12-30-10		01/03/2011	LIUNA Pension Dues, 12/30/10 F		\$694.47
65226	01/07/2011	Open			McMENAMIN, GEORGE	\$487.50
	Invoice		Date	Description		Amount
	12		01/05/2011	Riparian Restoration		\$487.50

City Checks Issued 1/7/11

From Payment Date: 1/7/2011 - To Payment Date: 1/7/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65227	01/07/2011	Open			MEADOWBROOK SWIM & TENNIS CLI	\$216.28
	Invoice		Date	Description	Amount	
	007290		01/04/2011	Balls for tennis trt	\$216.28	
65228	01/07/2011	Open			MID-COUNTY AUTO SUPPLY	\$1,828.43
	Invoice		Date	Description	Amount	
	245270		12/07/2010	auto parts-F150	\$114.66	
	245617		12/10/2010	Tool Box, 2 ea, F-150	\$1,201.75	
	245647		12/10/2010	auto parts-F800 Dump truck	\$125.53	
	245509		12/09/2010	Auto Parts-all vehicles	\$138.80	
	245803		12/13/2010	Auto Parts-F800 Dump Truck	\$16.38	
	245801		12/13/2010	Auto Parts Return credit	(\$87.35)	
	246017		12/14/2010	Auto Parts-F800 Dump Truck	\$241.76	
	245994		12/14/2010	Auto Parts-PD2002 Impala	\$64.39	
	246019		12/14/2010	Auto parts, all City vehicles	\$12.51	
65229	01/07/2011	Open			MID-STATE INVESTIGATIONS, INC.	\$1,942.45
	Invoice		Date	Description	Amount	
	2827		12/12/2010	2 backgrounds ODonovan and H	\$1,942.45	
65230	01/07/2011	Open			OLIVE SPRINGS QUARRY, INC.	\$106.62
	Invoice		Date	Description	Amount	
	20050		12/13/2010	Asphalt	\$106.62	
65231	01/07/2011	Open			ORCHARD SUPPLY HARDWARE	\$121.72
	Invoice		Date	Description	Amount	
	6015-2271066		12/07/2010	Bolts - Sweeper	\$20.83	
	6013-4772856		12/07/2010	Batteries-Fund 1310, Gas Tax	\$20.48	
	6013-124134		12/15/2010	Misc.	\$36.33	
	6015-2432441		12/15/2010	Concrete	\$44.08	
65232	01/07/2011	Open			PALACE ART & OFFICE SUPPLIES	\$523.23
	Invoice		Date	Description	Amount	
	881843		12/14/2010	Office supplies-PD	\$286.30	
	882276		12/16/2010	Office supplies stamp pad	\$5.38	
	881802		12/14/2010	Office Supplies-Fund 2210, Store	\$161.82	
	882371		12/17/2010	Office Supplies, City Hall	\$13.74	
	882591		12/22/2010	Planning Commissioner nameplate	\$44.79	
	883025		12/28/2010	Council name plate	\$11.20	
65233	01/07/2011	Open			PK SAFETY SUPPLY	\$204.42
	Invoice		Date	Description	Amount	
	120479		01/04/2011	Gas cans & gloves	\$204.42	
65234	01/07/2011	Open			REPUBLIC ITS	\$10,500.00
	Invoice		Date	Description	Amount	
	21714		12/20/2010	Traffic Signal Maintenance	\$10,500.00	
				Fund 1310, Gas Tax		

City Checks Issued 1/7/11

From Payment Date: 1/7/2011 - To Payment Date: 1/7/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65235	01/07/2011	Open			ROYAL WHOLESALE ELECTRIC	\$508.64
	Invoice		Date	Description		Amount
	7719-545547		12/15/2010	Lamps		\$16.73
	7719-545596		12/14/2010	Misc.		\$54.75
	7719-545822		12/22/2010	Electric Lighting Supplies		\$437.16
65236	01/07/2011	Open			SACRAMENTO MAGAZINES CORP.	\$350.00
	Invoice		Date	Description		Amount
	559490		11/16/2010	Brochure, BIA Fund 1321-BIA		\$350.00
65237	01/07/2011	Open			SCC CONFERENCE & VISITORS COUN	\$950.00
	Invoice		Date	Description		Amount
	9590		12/09/2010	Web Listing, 2011 - BIA funded Fund 1321-BIA		\$950.00
65238	01/07/2011	Open			TEAMAN, RAMIREZ & SMITH	\$13,724.00
	Invoice		Date	Description		Amount
	Audit 09-10		12/22/2010	FY09-10 Audit		\$13,724.00
65239	01/07/2011	Open			THILL, WENDY	\$120.00
	Invoice		Date	Description		Amount
	2011-00000444		12/23/2010	Volleyball Dec 4 11 18 2010		\$120.00
65240	01/07/2011	Open			UNION BANK OF CALIFORNIA	\$287.85
	Invoice		Date	Description		Amount
	2011-00000450		01/03/2011	PARS Contr for 12/30/10 Payroll		\$287.85
65241	01/07/2011	Open			UNITED RENTALS NORTHWEST INC.	\$21.80
	Invoice		Date	Description		Amount
	91513958-001		01/04/2011	Auger extension Rental		\$21.80
65242	01/07/2011	Open			ZUMAR INDUSTRIES INC.	\$281.53
	Invoice		Date	Description		Amount
	127178		12/17/2010	Street signs		\$281.53
65243	01/07/2011	Open			FUERTE, HILDA	\$85.00
	Invoice		Date	Description		Amount
	11129340		01/03/2011	Refund Citation Overpayment, PI		\$85.00
65244	01/07/2011	Open			Guagnini, Anna	\$70.20
	Invoice		Date	Description		Amount
	2000715-002		01/04/2011	Class Refund		\$70.20
65245	01/07/2011	Open			Nelson, Karyn	\$106.88
	Invoice		Date	Description		Amount
	2000706.002		01/04/2011	Refund		\$106.88
65246	01/07/2011	Open			Owen, Pat	\$425.00
	Invoice		Date	Description		Amount
	2011-00000451		01/04/2011	Refund Canceled Sports League		\$425.00

City Checks Issued 1/7/11

From Payment Date: 1/7/2011 - To Payment Date: 1/7/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65247	01/07/2011 Invoice 82515	Open	Date 01/04/2011	Description Refund	Renaud, Simone	\$43.20 \$43.20
65248	01/07/2011 Invoice 2000714.002	Open	Date 01/04/2011	Description Refund	Seidler, Margaret	\$68.40 \$68.40
65249	01/07/2011 Invoice 2000703.002	Open	Date 01/04/2011	Description Refund	Weingartner, Suzanne	\$72.00 \$72.00
65250	01/07/2011 Invoice 2011-00000142	Open	Date 08/16/2010	Description Jr. Leader payment	Wood, Jessica	\$24.00 \$24.00
Check Totals:				Count	47	Total: \$125,654.91

Checks dated 1/14/11 numbered 65251 to 65308 for a total of \$335,138.16 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 1/14/11 the unaudited cash balance is \$2,709,270

CASH POSITION - CITY OF CAPITOLA 1/14/11

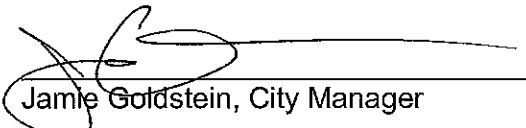
	Temporary <u>Loans</u>	<u>Net Balance</u>
General Fund		683,854
Worker's Comp. Ins. Fund		9,259
Self Insurance Liability Fund		226,761
Stores Fund		22,211
Information Technology Fund		163,760
Equipment Replacement		332,538
Compensated Absences Fund		38,640
Contingency Reserve Fund		-
Public Employee Retirement - PERS		511,231
Open Space Fund		256
Capital Improvement Projects		720,758
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS		<u><u>2,709,270</u></u>

On a fiscal year basis the City's annual budget balances expenditures and revenue in the General Fund. Due to the timing of revenue receipts, during most of the fiscal year General Fund expenditures will outpace revenue.

To resolve this cash flow issue, in July of this fiscal year a \$1,247,152 loan from Contingency Reserve was transferred to the General Fund. The Contingency Reserve was established to "provide a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements."

Although it is anticipated the Contingency Reserve loan will be sufficient to provide operational cash in the General Fund, in some fiscal years the General Fund may borrow additional funds from Internal Service Funds, particularly in November and December prior to the receipt of Property Tax revenue.

It is anticipated the Contingency Reserve loan to General Fund will be repaid by June 30, 2011.



 Jamie Goldstein, City Manager

1/14/11

 Date



 Jacques J.J. Bertrand, City Treasurer

1.19.11

 Date

City Checks Issued 1/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65251	01/14/2011 Invoice	Open			AFLAC	\$1,021.56
	DWR09-330095		Date	Description		Amount
	Dec2010Adj		12/25/2010	Dec10 Health Ins Premium, Employee F		\$1,127.22
			01/07/2011	Credit: Duggan; not employed in Dec		(\$105.66)
65252	01/14/2011 Invoice	Open			ALLSAFE LOCK COMPANY	\$18.96
	41684		Date	Description		Amount
	41669		01/03/2011	6 keys-PD		\$13.11
			12/22/2010	3 Keys-PD		\$5.85
65253	01/14/2011 Invoice	Open			AT&T	\$52.38
	624-6Jan2011		Date	Description		Amount
	674-3Jan2011		01/01/2011	Jan 2011 Long Distance		\$15.85
			01/01/2011	Jan 2011 Long Distance		\$36.53
65254	01/14/2011 Invoice	Open			BAY AVENUE SENIOR HOUSING, LP	\$122,720.00
	Draw 8		Date	Description		Amount
	Draw 7		12/10/2010	Pass Thru Developer Fees		\$53,448.00
			11/17/2010	HOME Drawdown		\$69,272.00
				Fund 1371, HOME Grant		
65255	01/14/2011 Invoice	Open			BETZ, SHERRI	\$529.90
	EW-1		Date	Description		Amount
			01/07/2011	Instructor Payment, Rec		\$529.90
65256	01/14/2011 Invoice	Open			BRESLIN-KESSLER, PAUL	\$1,274.00
	2011-00000457		Date	Description		Amount
			01/10/2011	Tennis Tournament		\$1,274.00
65257	01/14/2011 Invoice	Open			BRINKS AWARDS & SIGNS	\$216.81
	61293		Date	Description		Amount
			01/10/2011	Tournament Awards		\$216.81
65258	01/14/2011 Invoice	Open			CAPITOLA PEACE OFFICERS ASSOCIA'	\$692.53
	POA1-14-11		Date	Description		Amount
			01/12/2011	POA Dues, Employee Funded		\$692.53
65259	01/14/2011 Invoice	Open			CASA OF SANTA CRUZ COUNTY	\$1,113.50
	Q1&2CommGr		Date	Description		Amount
			01/07/2011	Q1 and Q2 Community Grant Payment		\$1,113.50
65260	01/14/2011 Invoice	Open			CDW GOVERNMENT INC.	\$2,601.36
	VWT0908		Date	Description		Amount
	VWX5718		12/20/2010	Anti-virus software update city-wide		\$2,543.25
			12/20/2010	Computer Supplies-IT		\$58.11
				Fund 2211, Info Technology		
65261	01/14/2011 Invoice	Open			CLASSIFIED SOUND	\$1,500.00
	101211-25A2		Date	Description		Amount
			12/29/2010	Village Holiday Music, BIA funded		\$1,500.00
				Fund 1321, BIA		

City Checks Issued 1/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65262	01/14/2011	Open			COASTAL WATERSHED COUNCIL	\$2,828.50
	Invoice		Date	Description	Amount	
	1061		12/31/2010	Urban Watch/First Flush	\$2,318.50	
	1060		12/31/2010	Storm Water Education and Outreach	\$510.00	
65263	01/14/2011	Open			CPS	\$1,762.95
	Invoice		Date	Description	Amount	
	CAP1001-SOP29781		12/20/2010	Building Inspector Test Administration	\$1,762.95	
65264	01/14/2011	Open			CREDIT COMMUNICATIONS, INC	\$50.00
	Invoice		Date	Description	Amount	
	84924		12/31/2010	Chaplin applications-PD	\$50.00	
65265	01/14/2011	Open			CVS PHARMACY INC.	\$24.74
	Invoice		Date	Description	Amount	
	20110106		01/06/2011	Misc Supplies-PD	\$24.74	
65266	01/14/2011	Open			DEPT OF HOUSING AND COMMUNITY C	\$42.00
	Invoice		Date	Description	Amount	
	AAU2203-2011		01/03/2011	Registration Renewal, Pac Cove Coach	\$42.00	
65267	01/14/2011	Open			DESIGN, COMMUNITY & ENVIRONMENT	\$9,967.90
	Invoice		Date	Description	Amount	
	0010723		11/30/2010	General Plan Update (Year 1 of 4)	\$9,967.90	
				Fund 1313, Gen Plan Update		
65268	01/14/2011	Open			DEVCO OIL INC.	\$1,797.13
	Invoice		Date	Description	Amount	
	70503		12/15/2010	489 Gal Gas	\$1,558.20	
	70502		12/15/2010	75 Gal Diesel	\$238.93	
65269	01/14/2011	Open			FIRST ALARM	\$113.34
	Invoice		Date	Description	Amount	
	411243		12/20/2010	Evidence storage	\$113.34	
65270	01/14/2011	Open			HOWARD, CHARLIE	\$1,270.00
	Invoice		Date	Description	Amount	
	12/22-12/31/11		01/10/2011	FY 10/11 In-House Mechanic	\$630.00	
	01/03-01/07/11		01/10/2011	FY 10/11 In-House Mechanic	\$640.00	
65271	01/14/2011	Open			ICMA RETIREMENT TRUST 457	\$6,532.50
	Invoice		Date	Description	Amount	
	ICMA1-14-11		01/12/2011	Retirement Plan Contr-Employee Funde	\$6,532.50	
65272	01/14/2011	Open			INTERWEST CONSULTING GROUP INC.	\$719.14
	Invoice		Date	Description	Amount	
	10320		12/20/2010	Plan Check for 312 & 410 Escalona Driv	\$719.14	
65273	01/14/2011	Open			LIFESPORT MEDICINE	\$246.00
	Invoice		Date	Description	Amount	
	Houtchens		12/20/2010	Hiring Medical Exam	\$246.00	

City Checks Issued 1/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65274	01/14/2011 Invoice 10805997	Open	Date 12/31/2010	Description Jan11 Courier Service	LOOMIS	\$1,286.59
65275	01/14/2011 Invoice 12/2010	Open	Date 01/03/2011	Description Dec. 2010 project grants, reporting, Lexi Fund 1300, SLESF	MARTIN, BRIAN, K.	\$791.60
65276	01/14/2011 Invoice 246110 246120 246327 246726 246708 246709	Open	Date 12/15/2010 12/15/2010 12/16/2010 12/21/2010 12/21/2010 12/21/2010	Description Auto Parts-F800 Dump Truck Auto Parts-F800 Dump Truck Auto Parts-PD Silver Impala Auto Parts-Shop Compressor Auto Parts-Shop Chev Impala Auto Parts-Equip Trailer	MID-COUNTY AUTO SUPPLY	\$140.56
65277	01/14/2011 Invoice 54888	Open	Date 12/27/2010	Description Capitola Flume Rehab Engineering Proj Fund 1200, CIP	MOFFATT & NICHOL	\$394.00
65278	01/14/2011 Invoice 93055 93059 93058 93054	Open	Date 12/21/2010 12/21/2010 12/21/2010 12/21/2010	Description Copier contract - REC 1/1-3/31/11 Copier Maint Contract, PD Copier Maint Contract, PD Copier Maint Contract, CH (Fund 2211)	MONTEREY BAY SYSTEMS	\$1,356.39
65279	01/14/2011 Invoice 28528-001	Open	Date 12/29/2010	Description Fuel Pump Calibration, Corp Yd	MONTEREY BAY UNIFIED AIR POLLUTK	\$336.00
65280	01/14/2011 Invoice 217546	Open	Date 12/28/2010	Description Auto Parts-F250	NORTH BAY FORD	\$1,573.89
65281	01/14/2011 Invoice 6013-7826056 6010-2272493	Open	Date 12/30/2010 12/21/2010	Description Supplies - REC Shop Compressor Maint	ORCHARD SUPPLY HARDWARE	\$150.74
65282	01/14/2011 Invoice 882756 883104	Open	Date 12/21/2010 12/27/2010	Description Binder, index tabs-PD Paper-PD	PALACE ART & OFFICE SUPPLIES	\$73.51
65283	01/14/2011 Invoice 112010070	Open	Date 12/20/2010	Description Citation processing, Nov10	PHOENIX GROUP INFORMATION SYSTE	\$1,979.14

City Checks Issued 1/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65284	01/14/2011 Invoice 38376430	Open	Date 12/20/2010	Description Gases, Corp Yard	PRAXAIR DISTRIBUTION INC.	\$48.96
65285	01/14/2011 Invoice 10100883	Open	Date 11/26/2010	Description Prof Services 10/2010 Park Avenue Pec	RBF CONSULTING	\$450.00
65286	01/14/2011 Invoice 22101 1012781 1012782	Open	Date 12/24/2010 01/01/2011 01/01/2011	Description Traffic Signal Maintenance Traffic Signal Maintenance-Dec 2010 Traffic Signal Maintenance Fund 1310, Gas Tax	REPUBLIC ITS	\$11,157.07
65287	01/14/2011 Invoice 12152010	Open	Date 12/15/2010	Description Dec 2010 Parking Meter Service	ROSEMAN, LEWIS	\$2,947.24
65288	01/14/2011 Invoice Nov 10 Dec10	Open	Date 01/07/2011 01/07/2011	Description Ticket Surcharges, Nov 10 Ticket Surcharges, Dec 10	SCC AUDITOR-CONTROLLER	\$11,721.50
65289	01/14/2011 Invoice Q2 FY10/11 TOT	Open	Date 01/07/2011	Description Q2 FY10/11 TMD, thru 12/31/10 TOT Pass Thru	SCC CONFERENCE & VISITORS COUNC	\$14,266.85
65290	01/14/2011 Invoice 132011 152011	Open	Date 01/03/2011 01/05/2011	Description Nov, Dec 2010 maps, prints & copies 2010 41st Ave Overlay Project Fund 1200, CIP	SCC DEPT OF PUBLIC WORKS	\$9,989.30
65291	01/14/2011 Invoice Q1FY10/11	Open	Date 11/19/2010	Description Radio Repair, Q1 FY 10/11	SCC INFORMATION SERVICES	\$1,773.58
65292	01/14/2011 Invoice 3rd quarter 2011	Open	Date 12/15/2010	Description 3rd quarter 2010/2011	SANTA CRUZ REGIONAL 911	\$105,114.75
65293	01/14/2011 Invoice Q1&Q2 Grant	Open	Date 01/07/2011	Description Q1 and Q2 Grant Payment	SANTA CRUZ TODDLER CARE CENTER	\$617.00
65294	01/14/2011 Invoice 3424	Open	Date 01/07/2011	Description PW TShirts, Uniforms	SPORT ABOUT	\$533.50

City of Capitola
City Checks Issued 1/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65295	01/14/2011 Invoice 10280	Open	Date 12/07/2010	Description Computer Supplies-IT Fund 2211, IT	STAPLES	\$61.25
65296	01/14/2011 Invoice 39063 39196	Open	Date 12/02/2010 12/15/2010	Description Uniform Purchase, Ward- PD Uniform Purchase, Thompson-PD	SUMMIT UNIFORM CORP	\$574.82
65297	01/14/2011 Invoice OSH3950	Open	Date 12/16/2010	Description Museum Exp Reimb	SWIFT, STEVE	\$16.99
65298	01/14/2011 Invoice TP8706	Open	Date 12/16/2010	Description Advertising Expense, BIA Funded Fund 1321, BIA	TAM COMMUNICATIONS INC.	\$1,500.00
65299	01/14/2011 Invoice 13077	Open	Date 01/04/2011	Description Cafeteria Plan Admin Fee for Jan 2011	TLC ADMINISTRATORS, INC.	\$193.00
65300	01/14/2011 Invoice 333716	Open	Date 12/02/2010	Description Cobra Renewal Fee	TLC ADMINISTRATORS, INC.	\$350.00
65301	01/14/2011 Invoice PARS-1/14/11	Open	Date 01/12/2011	Description PARS Contr, 1/14/11 payroll	UNION BANK OF CALIFORNIA	\$278.57
65302	01/14/2011 Invoice 954791011 954791510	Open	Date 01/01/2011 12/18/2010	Description Weekly Shipping Weekly Shipping-PD	UNITED PARCEL SERVICE	\$87.25
65303	01/14/2011 Invoice 13-2011	Open	Date 01/03/2011	Description Standard Mail (PI) Permit Fee, 2011 Fund 2210, Stores	UNITED STATES POSTAL SERVICE	\$185.00
65304	01/14/2011 Invoice 930367-930368	Open	Date 01/06/2011	Description Parking Structure Strategy & City Hall S	WATRY DESIGN INC.	\$6,370.95
65305	01/14/2011 Invoice OSH3478	Open	Date 01/06/2011	Description Reimb Small Tool Purch, Building	WHEELER, MARK, S	\$98.31
65306	01/14/2011 Invoice A08-1783	Open	Date 04/29/2010	Description Awards, grant funded, Avoid the Nine	WILSON TROPHY CO. OF CALIFORNIA	\$1,082.06

City Checks Issued 1/14/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
65307	01/14/2011 Invoice 2011-00000456	Open	Date 01/09/2011	Description 2 ink cartridges	Banks, Mike	\$42.59
65308	01/14/2011 Invoice 2011-00000455	Open	Date 01/06/2011	Description Tree Permit #11-001 deposit refund	Goodman, Steve	\$500.00
Check Totals:				Count	58	Total \$335,138.16



Item #: 2.F.2)

CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: FINANCE DEPARTMENT
DATE: JANUARY 19, 2011
SUBJECT: APPROVAL OF RDA CHECK REGISTER REPORT

Recommended Action: By motion and roll call vote, that the RDA Board approve the Check Register Report dated January 7, 2011 as submitted.

DISCUSSION

The attached Check Register for the referenced date:

Date	Starting Check #	Ending Check #	Total Checks	Amount
1/7/11	2891	2895	5	\$11,871.46

The prior RDA check register report of Dec 23, 2010 ended with check number 2890.

There were no checks issued for more than \$10,000.00.

As of 1/19/11 the unaudited cash balance in the RDA account is \$4,385,771.57

ATTACHMENTS

Check Register Report dated:
January 7, 2011

Report Prepared By: Linda Benko
AP Clerk

Reviewed and Forwarded
By Executive Director

City of Capitola
Payment Register


RDA Checks Issued 1/7/11


Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
2891	01/07/2011	Open			FLYNN, CAROLYN	\$700.00
	Invoice		Date	Description		Amount
	CBF-12-2010-1a		12/21/2010	H Affordable Housing Plan Assis		\$500.00
	CBF-12-2010-1b		12/21/2010	Grant Writing and Economic Dev		\$200.00
2892	01/07/2011	Open			HOUSING AUTHORITY OF THE COUN	\$5,800.00
	Invoice		Date	Description		Amount
	11-04 CSD		11/09/2010	2010 Sec Dep Program-Oct10		\$960.00
	11-05 CSD		12/06/2010	2010 Sec Dep Program-Nov10		\$4,840.00
2893	01/07/2011	Open			PACIFIC GAS & ELECTRIC	\$5.46
	Invoice		Date	Description		Amount
	6481-0Dec10		12/15/2010	Rispin Elec, Dec 2010		\$5.46
2894	01/07/2011	Open			TEAMAN, RAMIREZ & SMITH	\$3,476.00
	Invoice		Date	Description		Amount
	RDA Audit 09/10		12/23/2010	FY 09/10 Audit, RDA Portion		\$3,476.00
2895	01/07/2011	Open			WHARF ROAD MANOR HOME OWNER	\$1,890.00
	Invoice		Date	Description		Amount
	2011-1		12/15/2010	Jan, Feb, Mar 2011 Rent Subsid		\$1,890.00
Check Totals:						Total \$11,871.46

The attached checks have been printed and released under the RDA Executive Director's approval. Included are checks numbered 2891 to 2895 totaling \$11,871.46 and dated 1/7/11.

These checks has been reviewed and authorized for distribution.

The unaudited cash balance in the RDA account as of 1/7/11 is \$4,397,643.03





Jamie Goldstein, Executive Director – RDA Date 1/7/11 Debbie Johnson, Treasurer – RDA Date 1/7/11



Item #: **3.B.**

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: OFFICE OF THE CITY CLERK

DATE: JANUARY 18, 2011

SUBJECT: **CITY COUNCIL MINUTE APPROVAL** – MINUTES OF THE REGULAR MEETING OF DECEMBER 9, 2010, THE SPECIAL CITY COUNCIL WORKSHOP OF JANUARY 10, 2011, AND THE SPECIAL CLOSED SESSION MEETING OF JANUARY 10, 2011

Recommended Action: Motion to approve the subject minutes as submitted.

DISCUSSION

Attached for City Council review and approval are the subject minutes.

ATTACHMENTS

Minutes of December 9, 2010, and January 10, 2011

Report Prepared By: Pamela Greeninger, MMC
City Clerk

Reviewed and Forwarded
By City Manager: _____

December 9, 2010
 Capitola, California

**CAPITOLA CITY COUNCIL
 MINUTES OF A REGULAR MEETING**

**12:00 NOON - CLOSED SESSION - CITY MANAGER'S OFFICE
 CAPITOLA REDEVELOPMENT AGENCY & CITY COUNCIL**

At 12:00 p.m. in the City Hall Council Chambers, Mayor/Chairperson Norton noted that all City Council Members/Redevelopment Agency Directors were present. He made an announcement regarding the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9
 One Case: Macquarie Capitola Villas Inc.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9a)

Surf and Sand, LLC vs. City of Capitola (Surf & Sand Mobile Home Park)
 Los Altos/El Granada Investors vs. City of Capitola (Castle Mobile Estates)
 Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates)

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Eileen Cholden
 Agency claimed against: City of Capitola

Mayor/Chairperson Norton noted there was no one in the audience; therefore, the City Council/Redevelopment Agency recessed at 12:01 p.m. to the Closed Session in the City Manager's Office.

The City Council/Redevelopment Agency met in closed session from approximately 12:02 p.m. until 3:50 p.m.

CAPITOLA REDEVELOPMENT AGENCY (*See Redevelopment Agency Minutes*)

REGULAR MEETING OF THE CITY COUNCIL

Mayor Norton called the Regular Meeting of the City Council to order at 7:12 p.m. on Thursday, December 9, 2010, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

PRESENT: Council Members Stephanie Harlan, Michael Termini, Kirby Nicol, Sam Storey, and Mayor Dennis Norton

ABSENT: None

OTHERS: City Treasurer Jacques Bertrand

STAFF: City Manager Jamie Goldstein, City Attorney John G. Barisone, Community Development Director Derek Johnson, Public Works Director Steve Jesberg, Chief of Police Michael Card, Assistant to the City Manager Lisa Murphy, and City Clerk Pamela Greeninger

***** PRESENTATIONS *******Certificate of Appreciation to Jim Turcotte, Mechanic
for Thirty Years of Service to the City of Capitola
November 17, 1980, to November 17, 2010 [120-40]**

Mayor Norton presented a Certificate of Appreciation to Jim Turcotte for his Thirty Years of Service to the City in the capacities of Public Works Department Streets Maintenance Worker, Senior Maintenance Worker, Streets Division Supervisor, Streets & Facilities Maintenance Supervisor and Mechanic.

Public Works Director Jesberg provided additional information regarding Jim's service to the city. He said Jim actually started in the summer of 1979 as a seasonal parks employee under the Youth Employment Service Program; he was as an hourly, seasonal employee in the parks division of Public Works. After showing excellent work habits, he was hired again the following summer and then hired full time in November of 1980. From 1980 until 1992 Jim worked in various positions in the Public Works Department in both the Parks and Streets Divisions. From 1992 to 1995 Jim was the supervisor for the Streets Division, which required him to be active in the day to day work details that included all aspects of a Streets Department, from paving and patching to beach maintenance and wharf repairs. Jim always took on any assignment with the same level of dedication and effort and saw work through to completion. From 1995 to the present, Jim has worked as the City's Mechanic, servicing all motorized equipment. Jim also takes on special projects for the City such as manufacturing and rebuilding the handrails in the Esplanade Park and stepping up and helping out during emergency situations in whatever capacity needed. In 1991 Jim received public acknowledgement for saving a diamond ring that had fallen into a storm drain in the Village. Jim was honored as Maintenance Division Employee of the year in 1989 and again in 1996. Public Works Director Jesberg congratulated and thanked Jim for his 30 years of service to the City and said Jim has been and remains a valuable asset to the Public Works Department.

Jim Turcotte thanked the City Council for this recognition.

Certificates of Appreciation to Outgoing Advisory Committee Members:**Linda Hanson for service on the Finance Advisory Committee
from December 2008 to December 2010 [330-40/120-40]**

Mayor Norton said Linda Hanson was his appointee to the Finance Advisory Committee. As a practicing CPA, Linda was a valuable member on the Finance Advisory Committee, and he thanked her for her two years of service.

Linda thanked the mayor for the recognition and said she loves Capitola and was happy to serve. Mayor Norton noted that Linda also serves on the Traffic & Parking Commission.

**Darcy Horton for service on the Capitola Historical Museum Board
from August 2006 to December 2010 [240-40/120-40]**

Mayor Norton announced that Darcy Horton was unable to attend tonight's meeting to receive recognition for her 4½ years of service on the Museum Board. He said her certificate would be delivered to her.

**Dana Michelosen for service on the Commission on the Environment
from June 2008 to December 2010 [430-05/120-40]**

Mayor Norton said he has worked with Dana on the Capitola Commission on the Environment. He appreciates her participation on the commission and thanked her for her service.

Dana Michelosen thanked the mayor for his recognition, and he said she really enjoyed serving on that commission.

**Jeanne Roddy for service on the Traffic & Parking Commission
from May 2009 to December 2010 [470-60/120-40]**

Mayor Norton announced that Jeanne Roddy was unable to attend tonight's meeting to receive her recognition as the Pacific Cove Mobile Home Park Resident representative on the Traffic & Parking Commission. He said her certificate would be delivered to her.

Mayor Norton advised that Certificates of Appreciation were also being delivered to other committee members who have stepped down from service and were not able to attend tonight's meeting, including:

- Susan Westman, Council Member Graves' appointee to the Finance Advisory Committee from January 2007 to December 2010
- Melissa Van Ness, Council Member Begun's Appointee to the Commission on the Environment from February 2009 through December 2010
- Nels Westman for service as Council Member Graves' Appointee on the Traffic & Parking Commission from May 2009 and December 2010

Mayor Norton stated that he would also like to recognize two commission members not continuing due to being elected to the City Council, Planning Commissioners Stephanie Harlan and Michael Termini. He then presented certificates of appreciation to Michael Termini for service as Council Member Storey's appointee on the Planning Commission from December 2008 through December 2010, and to Stephanie Harlan for service as Council Member Graves' appointee on the Planning Commission from December 2006 through December 2010.

Council Member Harlan said she really enjoyed serving on the Planning Commission with a great group of people sharing that work.

Mayor Norton announced that the presentations for the Community Bridges Lift Line and Meals on Wheels Programs are being rescheduled due to the illness of one of the presenters.

**Presentation by Catherine Patterson-Valdez, Program Director
from Community Bridges – Lift Line Program [330-30]**

**Presentation by Lisa Berkowitz, Program Director
from Community Bridges - Meals on Wheels [330-30]**

1. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone announced that the City Council/Redevelopment Agency Directors met in Closed Session from approximately 12:00 noon until 4:00 p.m. In addition to all five council members/directors being present, City Manager Goldstein, City Attorney Barisone and Deputy City Attorney George Kovacevich were present. Also, for part of the discussion during closed session, Henry Heater, the attorney who represents the city on two of the three pending mobilehome lawsuits was present telephonically.

1. REPORT ON CLOSED SESSION (Continued)

The items discussed in closed session were those items listed on the posted Agenda and the Addendum posted on December 6, 2010.

Conference with Legal Counsel (Existing Litigation)

City Attorney Barisone reported that the City Council heard from him, Deputy City Attorney Kovacevich and City Manager Goldstein regarding the pending Mobile Home Park litigation pertaining to Surf and Sand, LLC v City of Capitola, which includes two lawsuits, one pending in federal court and one in state court; and Los Altos/El Granada Investors vs. City of Capitola (Castle Mobile Estates). After receiving a status report, the council gave instructions regarding ongoing defense of the lawsuits.

The City Council discussed potential litigation concerning Macquarie Capitola Villas Inc. (Capitola Beach Villas). Staff answered questions regarding potential litigation in that matter. No reportable action was taken in closed session.

The City Council discussed the Tort claim of Eileen Cholden, which is on the City Council's regular meeting Consent Calendar agenda for denial. No reportable action was taken in closed session.

City Attorney Barisone reported that there was no discussion regarding Vieira Enterprises vs. City of Capitola (Cabrillo Mobile Estates).

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda – None

B. Public Comments

1) Marilyn Garrett addressed the city council regarding protests held in Santa Rosa regarding installation of SmartMeters and provided copies of a press release in that regard. She also commented on the health effects caused by microwave radiation claimed by many individuals.

2) Greg Gomon, owner of the Frame Studio on 41st Avenue, addressed the council regarding the Capitola Road Traffic Calming Project. He distributed copies of the staff report for the meeting of October 14, 2010, where the council directed changes to the project, as well as photographs of the project and of an accident that recently occurred. Mr. Gomon said there have been numerous accidents in that location. He expressed concerns that the approved changes need to be done now, and that the Council should give public works a priority to work on this project. Mr. Gomon would like the new council to reinforce what the previous council did.

Public Works Director Jesberg provided an update on the project and informed the council that the plans need to be redesigned, and he responded to comments from council members regarding the dangerous situation existing there.

C. Staff Comments – None

D. City Council/Treasurer Comments/Committee Reports

1) City Treasurer Bertrand said both Susan Westman and Linda Hanson have been valuable members of the Finance Advisory Committee, and he was pleased to see them being recognized for their service at tonight's meeting. City Treasurer Bertrand also congratulated and welcomed the new members of the city council and said he looks forward to working with them.

2. ORAL COMMUNICATIONS (Continued)

2) Council Member Storey questioned an accident involving a pedestrian that occurred on Kennedy Drive.

Chief of Police Card reported on the incident and responded to questions of council members. There was discussion regarding lighting in the area of the 900 block of Kennedy where the accident occurred.

Council Member Storey suggested staff look into additional lighting at that location.

E. Committee Appointments

Note: Appointments were made under Other Business Item 5.B. for City Council Representation on City and County/Multi-County Boards, Commissions, and Committees, and City Council appointments/reappointments of public members to various City Advisory Bodies. (See pages 11833 through 11837.)

F. Approval of Check Register Report [300-10]

Mayor Norton asked if council members had questions regarding the check register report. There were none.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the Check Register Report dated November 19, 2010, including checks numbered 64838 through 64904 in the amount of \$105,512.32, and payroll disbursements for the November 19, 2010, payroll in the amount of \$176,237.23, for a Grand Total of \$281,749.55, as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: Council Member Harlan.

3. **CONSENT CALENDAR**

Mayor Norton asked if there were any items on the Consent Calendar that members of the public or the city council wished to pull for separate discussion. Council Member Nicol pulled Item 3.C.

Council Member Harlan commented on Item 3.E. saying that the state added a \$3 surcharge to parking fines; therefore, the city needed to raise its fines so that the revenues from the parking penalties remain the same.

Mayor Norton advised Item 3.C. would be discussed at the end of the meeting following Other Business Item 5.B. (See discussion and action on Page 11838.)

CONSENT CALENDAR ACTION: Council Member Harlan moved, seconded by Council Member Termini, to approve the Consent Calendar as recommended, with the exception of Item 3.C. which was pulled for separate discussion. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

A. **Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.**

ACTION: The City Council unanimously approved the reading by title of all Ordinances and Resolutions and declared that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

B. **Approve City Council Minutes – None**

3. CONSENT CALENDAR (Continued)**C. Adopt Resolution Setting an Interest Rate for Tenant Security Deposits for 2011 at 0.06% Consistent with the County of Santa Cruz. [750-10]**

This item was pulled for separate discussion. (*See discussion and action on page 11838.*)

D. Adopt Ordinance Amending Section 15.04.010 Pertaining to Adoption of Model Codes to become effective January 1, 2011. [2nd Reading] [570-10]

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to adopt **Ordinance No. 951, Ordinance Amending Section 15.04.010 of the Capitola Municipal Code Pertaining to Adoption of Model Codes**, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

E. Adopt Resolution Repealing Resolution No. 3744 and Revising the City's Parking Penalties to Reflect State Mandated Surcharges for Certain Parking Violations. [470-40]

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to adopt **Resolution No. 3848, Resolution Repealing Resolution No. 3744 and Revising the City's Parking Penalties to Reflect State Mandated Surcharges for Certain Parking Violations**, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

F. Deny Claim of Eileen Cholden and Forward the Claim to the City's Liability Insurance Carrier. [Claims Binder]

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to deny the claim of Eileen Cholden and forward it to the City's liability insurance carrier. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

4. PUBLIC HEARINGS – None**5. OTHER BUSINESS****A. Reconsideration of an Agreement between Macquarie Capitola Villas Inc. and the City of Capitola for Rental of Capitola Beach Villas, located at 1066 41st Avenue, for an interim period of six years. [730-10: 1066 41st Avenue]**

Community Development Director Johnson provided a brief summary of the background of this project and proposed agreement which had been previously denied by the City Council. He went through the key points of the agreement and summarized changes of the revised agreement which were made by Macquarie based on resident and council member comments at previous hearings. Based on staff's review of the revised agreement, Community Development Director Johnson said staff would recommend approval of recommended action.

Community Development Director Johnson and City Attorney John Barisone responded to questions of council members pertaining to the agreement.

Robert Barnes, representing Macquarie Capitola Villas Inc., commented on the revised agreement and thanked the council for reconsidering it. He responded to questions of council members.

5. A. OTHER BUSINESS (Continued)

Mayor Norton opened this matter to the public for comment at 7:49 p.m.

Carol Lezin, Commercial realtor in Capitola, said she worked with the original developer and the current owner of the project. She supports the proposed agreement and believes it is in the best interest of the community to have those units leased and occupied.

Greg Gomon, 41st Avenue Framing, expressed concerns about the agreement in the event the owner sells the project. City Attorney Barisone said the agreement will be recorded and binding to all successors. Mr. Gomon also commented on the resale value of the units after being rented.

Patti Boe, real estate agent, informed the council that her office is located across the street from the development and that she has met with other businesses in the area around the building. The businesses all urge the City Council to approve the proposed agreement to approve renting the building.

Council discussion was followed by this action:

ACTION: Council Member Nicol moved the staff recommendation with the addition of Gladys and Bain Avenues included in the parking restriction language, and direction to staff to bring this matter back for evaluation in one year. Council Member Harlan pointed out that Gladys Avenue and Bain Avenue are already included in the parking areas. Council Member Termini seconded the motion, thereby taking the following actions:

1. Directed the City Manager and the Community Development Director to execute an Agreement with Macquarie Capitola Villas Inc., to allow rental of the Capitola Beach Villas, located at 1066 41st Avenue, for a period of time not to exceed six years, on behalf of the City;
2. Approved the Notice of Exemption pursuant to CEQA § 15301, as submitted; and
3. Added a condition directing staff to bring this matter back to the City Council in one year for evaluation.

The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

B. City Council representation on City and County/Multi-County Boards, Commissions, and Committees, and City Council appointments/reappointments of public members to various City Advisory Bodies. [110-10]

CITY BOARDS, COMMISSIONS AND COMMITTEES

Mayor Norton said he would be taking the lead on this item. He asked if anyone from the public wished to discuss this item before the council began its discussion and made its appointments. No one spoke.

ARCHITECTURAL AND SITE REVIEW COMMITTEE [740-15]

The City Council unanimously reappointed the current Architect, Landscape Architect, and Historian members as follows: Frank Phanton, Architect; Susan Suddjian, Landscape Architect; and Carolyn Swift, Historian, for terms ending December 31, 2012.

ART AND CULTURAL COMMISSION [1010-60] (Michael Termini)

The City Council unanimously reappointed At Large Members Joyce Murphy and Jenny Shelton for two-year terms expiring December 31, 2012, and appointed Council Member Termini to serve as the Council Member representative on the Art & Cultural Commission.

The appointment of a Planning Commission representative was continued to the City Council's January 27, 2011, meeting.

COMMISSION ON THE ENVIRONMENT [430-05] (Dennis Norton)

The City Council took the following actions regarding appointments to the Commission on the Environment:

- Mayor Norton will continue to serve as the Council Representative on this commission.
- Council Member Harlan continued her appointment to the next meeting
- Council Member Termini appointed Nathan Cross
- Council Member Nicol reappointed Greg Tedesco
- Council Member Storey reappointed Karl Forest

Council Member Termini recommended appointment of Tiffany Wise West to fill the At Large Member vacancy.

The City Council reappointed Youth Member Kate Sylvan and Ex-Officio Members Steven Peters and John Ricker.

The appointment of a Planning Commission representative was continued to the City Council's meeting on January 27, 2011.

FINANCE ADVISORY COMMITTEE [330-40] (Kirby Nicol and Michael Termini)

After considerable Council discussion, the following appointments were made to the Finance Advisory Committee:

- Council Member Nicol will serve on behalf of Mayor Norton
- Council Member Harlan would serve for the Vice Mayor *
- Council Member Termini appointed TJ Welch **
- Mayor Norton appointed Bob Begun
- Council Member Storey reappointed Gary Wetsel
- The City Council reappointed Christine Buechting to serve as Business Representative

*Note: * This was changed later in the meeting when Council Member Harlan decided she could not serve on this committee. (See page 11837 for revised appointments.) **Vice Mayor Termini will serve; therefore, he cannot appoint TJ Welch. Council Member Harlan said she would like to continue her appointment to the Council's next meeting.*

HISTORICAL MUSEUM BOARD [240-40]

It was the consensus of the City Council to appoint David Shoaf to the Historical Museum Board to fill the unexpired term ending in June 2012.

PLANNING COMMISSION [740-50]

- Council Member Harlan appointed Ron Graves
- Council Member Nicol reappointed Ed Newman
- Council Member Termini appointed Velandia Rigsby-Smith (aka Linda Smith)
- Council Member Storey appointed Mick Routh, and
- Mayor Norton reappointed Gayle Ortiz

TRAFFIC & PARKING COMMISSION [470-60]

- Council Member Harlan continued her appointment to January 13, 2011
- Council Member Nicol reappointed Anne Nicol
- Council Member Termini tentatively appointed Nels Westman
- Council Member Storey reappointed Molly Ording, and
- Mayor Norton reappointed Linda Hanson

Traffic & Parking Commission (continued)

In addition, the City Council reappointed Margaret Kinstler and Ed Bottorff as Village Resident representatives, and Carin Hanna and Gary Wetsel as Village Business Owner representatives.

The City Council received a message from Jeanne Roddy, who is stepping down from the commission, and appointed Peter Roddy to fill the Pacific Cove Mobile Home Park Resident representative seat on the commission.

The City Council continued its appointment of a Planning Commission representative to its meeting of January 27, 2011, pending recommendation by the Planning Commission.

WHARF WORKING GROUP [280-10] (Dennis Norton and Michael Termini)

Mayor Norton and Council Member Termini volunteered to serve on the Wharf Working Group.

COUNTY AND MULTI-COUNTY BOARDS, COMMISSIONS AND COMMITTEES

Mayor Norton announced that the council would now review its representation on the various County and Multi-County Boards, Commissions and Committees. After Council discussion on each board, the following appointments/nominations were made:

ADVISORY COUNCIL OF THE AREA AGENCY ON AGING (SENIORS COUNCIL OF SANTA CRUZ & SAN BENITO COUNTIES) [150-70] (Sandra Williams; Council Member Harlan, Alternate)

The City Council unanimously reappointed Sandra Williams to continue to serve as the city's representative to the Advisory Council of the Area Agency on Aging; with Council Member Harlan serving as Alternate.

AMBAG & AMBAG SANCTUARY SCENIC TRAIL COMMITTEE – [150-10] (Council Member Harlan; Dennis Norton, Alternate)

Council Member Harlan commented on the trail committee, saying that committee has not met for some time.

It was the consensus of the City Council to appoint Council Member Harlan to serve as the city's representative to AMBAG and the Sanctuary Scenic Trail Committee, with Mayor Norton serving as Alternate.

COMMUNITY ACTION BOARD OF SANTA CRUZ COUNTY – [150-40] (George Winslow; Bob Begun, Alternate)

It was the consensus of the City Council to reappoint George Winslow to continue to serve as the city's representative on the Community Action Board of Santa Cruz County, with Bob Begun serving as Alternate

COMMUNITY TELEVISION OF SANTA CRUZ COUNTY – [160-25] (Doree Steinman; Term Expires November 2012) No action was necessary at this time.**CRIMINAL JUSTICE COUNCIL OF SANTA CRUZ COUNTY – [150-70] (Kirby Nicol and Michael Termini)**

Council Member Harlan proposed that the Criminal Justice Council be eliminated since this committee has not met in years.

Criminal Justice Council (Continued)

City Manager Goldstein said he and the police chief met with other law enforcement agencies and communities recently regarding interest in resurrecting the committee. He would recommend appointing two council members in the event it does meet.

Council Member Nicol said he has served for 6 years and it has never met. He would welcome the opportunity to continue to serve. Council Member Termini said he would also serve.

CULTURAL COUNCIL OF SANTA CRUZ COUNTY – [1000-05] (Sam Storey)

Council Member Storey was reappointed to continue to serve on the Cultural Council of Santa Cruz County.

HAZARDOUS MATERIALS ADVISORY COMMISSION – [430-50] (Gene Bensen; Term Expires 4/1/2011) No action was necessary.

LAFCO (Santa Cruz Local Agency Formation Commission) – [140-55]

Mayor Norton asked if the city manager or community development director could provide an update on what might be coming up on LAFCO in the future. City Manager Goldstein said he is not up-to-date on LAFCO matters and would be happy to get a briefing from LAFCO staff and provide an update to Council.

The City Council nominated Council Member Harlan for appointment by the City Selection Committee when the seat becomes available in May.

LIBRARY FINANCING AUTHORITY – [230-10] (Sam Storey; Michael Termini, Alternate)

It was the consensus of the City Council to appoint Council Member Storey to serve as the city's representative to the Library Financing Authority, with Council Member Termini serving as Alternate.

LIBRARY JOINT POWERS BOARD – [230-10] (Sam Storey)

It was the consensus of the City Council to reappoint Council Member Storey to serve as the city's representative on the Library Joint Powers Board.

MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT – [430-50] (Sam Storey)

The City Council unanimously nominated Council Member Storey to be considered for appointment by the City Selection Committee.

SANTA CRUZ COUNTY SANCTUARY INTER-AGENCY TASK FORCE - [430-80] (Stephanie Harlan)

It was the consensus of the City Council that Council Member Harlan continue to serve as the city's representative should the task force meet again in the future.

SANTA CRUZ COUNTY CHILDREN'S NETWORK - [140-70] (Sam Storey)

It was the consensus of the City Council that Council Member Storey continue to serve as the city's representative on the Children's Network.

SANTA CRUZ CONFERENCE & VISITORS COUNCIL – [150-70] (Sam Storey; Term Expires April 2012) No action was necessary on this board.

SANTA CRUZ COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT, ZONE 5 – [900-10] (Kirby Nicol; Dennis Norton, Alternate)

It was the consensus of the City Council that Council Member Nicol continue to serve as the city's representative on the Santa Cruz County Flood Control & Water Conservation District, Zone 5 Board, with Mayor Norton serving as Alternate.

SANTA CRUZ COUNTY INTEGRATED WASTE MANAGEMENT LOCAL TASK FORCE – [930-55] (Council Member Harlan; Lisa Murphy, Alternate)

Council Member Harlan said she would be interested in serving on this task force. It was the consensus of the City Council to appoint Council Member Harlan to serve as the city's representative on the Santa Cruz County Integrated Waste Management Local Task Force, with Assistant to the City Manager Lisa Murphy serving as Alternate.

** After volunteering to serve on this committee, Council Member Harlan said she would like to give the **Finance Advisory Committee** position back to Vice Mayor Termini. Mayor Norton said they would address that request after all other appointments were made. (See below.)*

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION - [770-05] (Kirby Nicol; Norton, Alternate)

Council Member Nicol said he would like to continue to serve on the RTC. Mayor Norton said he would also like to serve. Council Member Nicol said the commission has elected him to serve as vice chair.

Council Member Storey commented that with Council Member Nicol serving as vice chair and subsequently chair in the future, the city would be assured of a strong voice on the commission. Council Member Storey expressed interest in preserving that prominent position on the commission.

After considerable discussion, it was the consensus of the City Council to reappoint Council Member Nicol as the city's representative on the Santa Cruz County Regional Transportation Commission Board, with Mayor Norton serving as Alternate.

Mayor Norton requested that this appointment be reviewed by the council next October.

SANTA CRUZ COUNTY SANITATION DISTRICT – [1130-10] (Stephanie Harlan; Sam Storey, Alternate)

It was the consensus of the City Council to appoint Council Member Harlan as the city's representative to the Santa Cruz County Sanitation District Board, with Council Member Storey serving as Alternate.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT – [1170-30] (Ron Graves)

Former Council Member Ron Graves addressed the City Council saying he has offered his services to be the city's representative on the METRO Board.

After discussion, it was the consensus of the City Council to appoint Ron Graves to complete his term ending December 31, 2010, and to continue to serve as the city's representative on the Santa Cruz Metropolitan Transit District for the new term commencing in January of 2011, with Mayor Norton serving as Alternate.

*** FINANCE ADVISORY COMMITTEE [330-40] (Kirby Nicol and Michael Termini)**

Mayor Norton announced that the Council would now discuss Council Member Harlan's request to reconsider appointments to the Finance Advisory Committee; she does not want to serve on this committee based on the number of other committees she has volunteered to serve.

Vice Mayor Termini will serve on this committee. Council Member Termini then retracted his appointment of TJ Welch.

Council Member Harlan said she would interview applicants and make an appointment at the first meeting in January.

AT THIS POINT, ITEMS REMOVED FROM CONSENT CALENDAR WILL BE CONSIDERED

3. CONSENT CALENDAR *(Items pulled for separate discussion.)*

C. Adopt Resolution Setting Interest Rate for Tenant Security Deposits for 2011 at 0.06% Consistent with the County of Santa Cruz. [750-10]

Council Member Nicol pulled this because he received a number of emails about this rate and expressed concerns about it being burdensome to property owners. He recommended that the rate be set at zero percent (0%)..

Council discussion was followed by this action:

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to adopt **Resolution No. 3849, Resolution Setting Interest Rate for Tenant Security Deposits for 2011 at Zero Percent (0.00%) in the City of Capitola.** The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

City Manager Goldstein said he brought this matter up at the City Selection Committee this week, and it is on everyone’s radar.

6. **COUNCIL/STAFF COMMUNICATIONS**

Council Member Harlan would like to look at the idea of approving the check register before the checks go out, as was done in the past.

Mayor Norton would like staff to look at scheduling of closed sessions. Council Member Termini suggested that closed sessions could be done on another day or evening besides the regular council meeting day.

Mayor Norton commented on people driving too fast in Capitola. If everyone in our community would drive 25 mph, Capitola would be a much safer place. He discussed the Pace Car Program and said there are stickers available at City Hall that residents can put on their cars.

7. **ADJOURNMENT**

The City Council adjourned at 9:08 p.m. to its next Regular Meeting to be held on Thursday, January 13, 2011, in the City Hall Council Chambers, 420 Capitola Avenue,

Dennis Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

January 10, 2011
Capitola, California

CAPITOLA CITY COUNCIL

MINUTES OF A SPECIAL MEETING

Mayor Norton called the Special Workshop Meeting of the Capitola City Council to order at 12:15 p.m. on Monday, January 10, 2011, in the City Hall Community Room, 420 Capitola Avenue, Capitola, California.

1. ROLL CALL

PRESENT: Council Members Stephanie Harlan, Michael Termini, Kirby Nicol, Sam Storey, and Mayor Dennis Norton

ABSENT: None

STAFF: City Manager Jamie Goldstein, City Attorney John Barisone, Community Development Director Derek Johnson, Public Works Director Steve Jesberg, Police Captain Tom Held, Assistant to the City Manager Lisa Murphy, and City Clerk Pam Greeninger

2. CITY COUNCIL WORKSHOP

A. Council Member Handbook

Assistant to the City Manager Murphy provided a summary of the City Council Member Handbook utilizing a PowerPoint Presentation and responded to questions of council members. There was discussion regarding Rosenberg Rules of Order, specifically relating to reconsideration of action taken by the city council.

There was discussion regarding abstention from voting on a matter by an eligible council member.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to direct staff to prepare a proposed Municipal Code amendment for the City Council's consideration at a future meeting requiring that all council members eligible to vote on an item, not abstain. The motion carried unanimously.

B. Brown Act/Ethics/Public Records Act

City Attorney Barisone provided a verbal overview of pertinent aspects of the Brown Act, the Public Records Act, and legislative body ethics in general. He informed the Council that Oral Communications applies only to regular meetings and that the council is not required to include Oral Communications for matters not on a Special Meeting agenda. City Attorney John Barisone explained the difference between documents requested as a result of a Public Records Act Request and Discovery in a litigation matter. He responded to questions from council members regarding the information he presented.

Mayor Norton commented on an article that appeared in the League of California Cities magazine regarding council members serving on and participating in the decision-making/recommendation process of city advisory bodies. After discussion of this matter, the following action was taken:

ACTION: Council Member Termini moved, seconded by Council Member Nicol, to direct staff to prepare a proposed administrative policy for City Council consideration at a future meeting requiring a council member who sits on a city committee to abstain from voting on any item when it is reasonably foreseeable that the item will come to the City Council for final approval. The motion carried unanimously.

C. Best Practices Presentation by Dick Wilson, retired City Manager from the City of Santa Cruz

The City Council heard from retired City Manager Dick Wilson regarding matters of interest for council members in working with staff and relating to the public. Mr. Wilson responded to questions of council members after his presentation.

D. Council discussion of Meeting Practices and Protocols

City Manager Goldstein discussed The Riggins Rules which were provided to council members. Department heads commented on the rules. City Manager Goldstein then went over a number of items relating to managing meetings, including times for Closed Sessions, speaker time limits, joint City Council/Redevelopment Agency agenda format and minutes, etc.

ADJOURNMENT

The City Council adjourned at 3:50 p.m. to a Special Closed Session Meeting of the City Council to convene in the Community Room after a short break. The next Regular Meeting will be held on Thursday, January 13, 2011, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Dennis Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED BY THE CITY COUNCIL ON 1/27/2011

January 10, 2011
 Capitola, California

CAPITOLA CITY COUNCIL

MINUTES OF A SPECIAL CLOSED SESSION MEETING

Mayor Norton called the Special Closed Session Meeting of the Capitola City Council to order at 3:55 p.m. on Monday, January 10, 2011, in the City Hall Community Room, 420 Capitola Avenue, Capitola, California.

PRESENT: Council Members Stephanie Harlan, Michael Termini, Kirby Nicol, Sam Storey, and Mayor Dennis Norton

ABSENT: None

STAFF: City Manager Jamie Goldstein and City Attorney John Barisone

CLOSED SESSION [520-25/570-40]

Mayor Norton announced that pursuant to the Notice and Call of the Special Closed Session Meeting of the Capitola City Council dated January 7, 2011, the City Council would meet with its Legal Counsel in Closed Session in the City Manager's office on the following matters:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Govt. Code §54956.9a)

Surf and Sand, LLC vs. City of Capitola, et al (Surf & Sand Mobile Home Park) [Superior Court of the State of California for County of Santa Cruz, Case #CV 167716]

Surf and Sand, LLC vs. City of Capitola, et al (Surf & Sand Mobile Home Park) [U.S. District Court N.D., Case No. C09-05542 RS (Judge Richard Seeborg)]

Los Altos/El Granada Investors vs. City of Capitola, et al (Castle Mobile Estates) [U.S. District Court N.D., Case No. CV 04- 05138 JF (Judge Jeremy Fogel)]

No one from the public was present for the announcement regarding the Closed Session.

REPORT ON CLOSED SESSION [520-25]

The City Council received an update from City Attorney Barisone and City Manager Goldstein pertaining to the two pending Surf and Sand lawsuits and the pending Los Altos/El Granada (Castle Mobile Estates) lawsuit referenced above and provided direction with regard to their continued defense on behalf of the City. The City Council took no reportable action in closed session.

ADJOURNMENT

The City Council adjourned at approximately 5:00 p.m. to its next Regular Meeting to be held on Thursday, January 13, 2011, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Dennis Norton, Mayor

ATTEST: _____, MMC
 Pamela Greeninger, City Clerk

MINUTES WERE UNANIMOUSLY APPROVED BY THE CITY COUNCIL ON 1/27/2011



Item #: **3.C.**

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: COMMUNITY DEVELOPMENT DIRECTOR
DATE: JANUARY 20, 2011
SUBJECT: PLANNING COMMISSION ACTION MINUTES OF JANUARY 20, 2011

Chairperson Newman called the Regular Meeting of the Capitola Planning Commission to order at 7:00 p.m.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners Graves, Ortiz, Routh, Smith and Chairperson Newman
Staff: Community Development Director Johnson
Senior Planner Bane
Minute Clerk Uharriet

2. NEW BUSINESS

- A. Oath of Office – Newly Appointed Commissioners
- B. Election of Chair and Vice-Chair

A MOTION WAS MADE BY COMMISSIONER GRAVES AND SECONDED BY COMMISSIONER ROUTH TO NOMINATE COMMISSIONER ORTIZ AS THE CHAIRPERSON.

MOTION PASSED 5-0

A MOTION WAS MADE BY COMMISSIONER ROUTH AND SECONDED BY CHAIRPERSON ORTIZ TO NOMINATE COMMISSIONER GRAVES AS THE VICE-CHAIRPERSON.

MOTION PASSED 5-0

- C. Committee Appointments
 - a. General Plan Advisory Committee – **Commissioner Newman**
 - b. Traffic and Parking Commission – **Commissioner Routh**
 - c. Commission on the Environment – **Commissioner Graves**
 - d. Arts and Cultural Commission – **Commissioner Smith**

3. ORAL COMMUNICATIONS

- A. Additions and Deletions to Agenda - **NONE**
- B. Public Comments - **NONE**
- C. Commission Comments - **NONE**
- D. Staff Comments - **NONE**

4. APPROVAL OF MINUTES

- A. November 18, 2010 Regular Planning Commission Meeting

APPROVED 5-0

5. CONSENT CALENDAR

A. 1850 WHARF ROAD #10-084 APN: 035-031-39

Emergency Coastal Permit to install a slope stabilization system in response to a landslide at a single-family residence in the AR/R-1 (Automatic Review/Single-Family Residence) Zoning District.

This project requires a Coastal Permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

Environmental Determination: Categorical Exemption

Property Owner: Ted and Marilee Werfhorst, filed: 12/21/10

Representative: Jeffrey Martin

APPROVED 4-0 WITH AN ADDITIONAL CONDITION. CHAIRPERSON ORTIZ RECUSED.

9. The applicant shall submit a landscape plan that visually softens the slope stabilization system to the maximum extent feasible.

B. 723 EL SALTO DRIVE #10-082 APN: 036-143-35

Minor land division to convert four apartment units to condominiums in the VS/R-1 (Visitor Serving/Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Doug Dodds, filed: 10/5/10

APPROVED 4-0 WITH AN ADDITIONAL CONDITION. COMMISSIONER NEWMAN RECUSED.

7. The condo units shall not be permitted to be used as vacation rentals (rental of the unit for a period of less than thirty consecutive calendar days).

6. PUBLIC HEARINGS

A. 100-200 KENNEDY DRIVE #10-104 APN: 036-031-01

Master Use Permit for an existing industrial property in the IP (Industrial Park) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: John McCoy, filed: 12/15/10

APPROVED 5-0 WITH ADDITIONAL CONDITIONS

3. Truck loading and unloading hours shall be limited to 7:30AM – 8PM Monday through Friday, and 8:00AM – 8:00PM Saturday, Sunday, and holidays in order to minimize noise impacts to neighboring residents.

4. All signs shall be consistent with the master sign program. The approved sign program shall permit tenants signage along the north elevation of the new building where the main entrances to the office areas will be located. Each of the five tenant spaces will be permitted one wall sign, with a maximum height of 20” and a maximum length of 8’. Signs are to be of wood or metal construction with vinyl graphics. These sign requirements will also apply to the existing building when new tenants are incorporated and the existing nonconforming signs are removed.

13. Prior to leasing of any space upon the subject property, the holder of the master use permit shall submit in writing a description of the prospective tenant, including the name of the business, type business, number of employees and the square footage of the space to be leased to the Community Development Department. Upon inspection of the property and verification that the landscaping is in good repair and that all the conditions of the master use permit are being met, the tenant use permit shall may be issued by the Community Development Director or designee, or referred to the Planning Commission. Any proposed new use in the original building at 200 Kennedy Drive shall require a conditional use permit approved by the Planning Commission.

21. Approved uses to be permitted by the Master Use Permit are as follows:

- Administrative, executive and financial offices;
- Experimental, film or testing laboratories;
- Manufacture, assembly or packaging of products from previously prepared materials such as cloth, plastic, paper, leather, precious or semi-precious metals or stones, but not including such operations as saw and planing mills, any manufacturing uses involving primary production of wood, metal or chemical products from raw materials;
- Manufacture of food products, pharmaceuticals and the like, but not including the production of fish or meat products, sauerkraut, vinegar or the like, or the rendering or refining of fats and oils;
- Manufacture of electric and electronic instruments and devices such as television sets, radios, and television, radio and phonographic equipment;
- Any other research or light manufacturing use which the planning commission finds not to be inconsistent with the purpose of this chapter and which will not impair the present or potential use of adjacent properties;
- Agriculture, horticulture, gardening but not including the raising of rabbits, dogs, fowl or other animals for commercial purposes, or the sale of any products on the premises.
- Retail commercial and service use, including sale and consumption of food and beverage products manufactured on site. Food and wine tasting shall be limited to the quantity to enable a retail customer to develop an appreciation of the food or beverage product. In no case shall food and wine tasting constitute a meal. No restaurant or table service is permitted without a separate conditional use permit, nor will any outdoor seating be allowed; and
- Public and quasi-public uses of an educational or recreational measure, including classes or educational instruction pertaining to products or services on site.

22. Trash enclosures shall be covered, gated and maintained to provide a clean and sanitary area.

23. A new trash enclosure shall be constructed adjacent to the original building at 200 Kennedy Drive prior to any new tenant occupying the space.

24. A landscape plan shall be submitted that enhances the landscaping around the original building at 200 Kennedy Drive. The landscaping shall be installed prior to any new tenant occupying the space.

25. Any outdoor washdown of equipment shall be prohibited.

7. DIRECTOR'S REPORT

8. COMMISSION COMMUNICATIONS

9. ADJOURNMENT

The Planning Commission adjourned the meeting at 9:06 p.m. to a Joint Meeting of the Planning Commission and the Traffic and Parking Commission to be held on Thursday, February 3, 2011 at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: CITY TREASURER

DATE: JANUARY 17, 2011

SUBJECT: TREASURER'S REPORT FOR THE MONTH ENDED DECEMBER 31, 2010
(UNAUDITED)

Recommended Action:

By motion, that the City Council accept the December 2010 Treasurer's Report (unaudited) for the City of Capitola.

BACKGROUND

California Government Code Section 41004 requires that the City Treasurer submit to the City Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances.

The attachment provides various financial data and analysis for the City of Capitola funds, and the State Treasurer's Office (Local Agency Investment Fund) "LAIF" interest rates.

DISCUSSION - EXECUTIVE SUMMARY AT DECEMBER 31, 2010

The City Cash Position at December 31, 2010 totals \$4,366,200. LAIF deposits include \$3,456,100 of City and Assessment District Funds. The LAIF investment return as of December 31, 2010 was .462%.

The General Fund Balance Sheet consists of:

Total Assets	\$2,832,500 (includes Rispin receivable of \$1,350,000)
Total Liabilities	\$2,272,300
Total Fund Balance	\$ 560,300 (includes Rispin receivable of \$1,350,000)

FISCAL IMPACT: None.

ATTACHMENTS - 1) December 31, 2010 City Treasurer's Report and 2) LAIF rates

Report Prepared By:

Reviewed and Forwarded By:

Lisa Saldana, Supervising Accountant

Jacques Bertrand, City Treasurer



Treasurer's Report for Month Ended December 31, 2010

BACKGROUND

California government code section 41004 requires that the City Treasurer submit to the City Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances. Additionally with the passage of Chapter 687, Statutes of 2000 (AB 943 Dutra), effective January 1, 2001 cities are now required to forward copies of their second and fourth quarter calendar year investment portfolio reports to the California Debt and Investment Advisory Commission (CDIAC) within 60 days.

The CDIAC will use the report as an additional opportunity to examine public investment practices in a more consistent basis than before.

Cities, such as the City of Capitola, that are 100 percent invested in the Local Agency Investment Fund (LAIF) are exempt from the new investment portfolio reporting requirements and are only required to send a letter to CDIAC indicating the total and composition of their investments. This Treasurer's Report will satisfy our reporting requirement to the CDIAC.

The following pages provide various financial data and analysis for the City of Capitola's Funds collectively as well as specifically for the City's General (Operating) Fund, with an attachment from the State Treasurer's Office of quarterly LAIF rates from the 1st quarter of 1977 to present.

DISCUSSION

The following information is for the month ended December 31, 2010. Such information is preliminary and unaudited.

CASH BALANCE BY FUND

As of December 31, 2010, the LAIF deposits include \$3,456,100 of City and Assessment District funds. The LAIF investment return as of December 31, 2010 was .462%. The following summarizes the City's total cash balance of \$4,366,200 at December 31, 2010 amongst the funds:

December 31, 2010

GENERAL FUND SUMMARY BALANCE SHEET

The following is the General Fund summary balance sheet:

- ¹ A/R-Intergovernmental is primarily for State Mandated Cost Reimbursements.
- ² A/R for Year-End is for prior year-end revenues with cash received in July or August 2009 of new fiscal year.
- ³ Fund Balance is segregated for the amounts related to the Rispin Mansion Note Payable to the City and amount available.

CASH BALANCE & FUND BALANCE

The following graphs compare the monthly Cash and Fund Balance totals in the consolidated General Fund, Internal Service Funds, and Reserves for FY 09/10 and FY 10/11.

December 31, 2010 Total= \$2,574,700: Gen Fund= 600,800, Internal Service= \$1,308,200, Reserves= \$665,700

December 31, 2010 Total= \$2,410,200: Gen Fund= (\$804,900), Internal Service= \$1,302,100, Reserves= \$1,913,000

CHANGES IN TOTAL FUND BALANCE

This table presents the ending Fund Balances for the City's major fund types. (It excludes agency funds where the City acts merely as a third party custodian of an outside party's funds.)

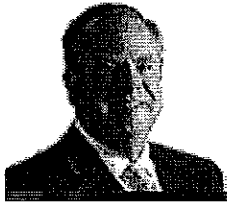
General Fund Balance: Fund Balance is segregated for: the amounts related to the Rispin Mansion Note Payable to the City, the amount reserved for disabled parking, and amount available.

General Fund Revenues: For the month ending December 31, 2010, total revenues were \$2,081,200 which included Sales Tax in Lieu of \$510,600(24%), Property Tax of \$412,900 (19%), Property Tax In Lieu of Motor Vehicle Fee of \$401,400(19%), Monthly Sales Tax of \$394,100 (18%), Charges for Services of \$126,900 (6%), and Business License Tax of \$57,700 (2%).

General Fund Expenditures: For the month ending December 31, 2010, total expenditures were \$1,195,600 which includes Staffing for (3) pay periods of \$793,200 (66%), Contract Services of \$197,600, which includes \$96,300 for Legal Services (16%), Quarterly transfers to Internal Service Funds of \$96,600 (8%), and Quarterly Community Grant payments of \$67,800 (5%).

CDBG Grant Fund: This fund operates on a reimbursement basis. Therefore the balance will be negative as expenditures are incurred prior to reimbursement.

Internal Services: Internal Service Fund transactions consist of quarterly General Fund transfers and budgeted expenditures.



Bill Lockyer
California State Treasurer

ATTACHMENT 2

Pooled Money Investment Account

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462



Item #: 3.E.

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: DEPARTMENT OF PUBLIC WORKS

DATE: JANUARY 19, 2011

SUBJECT: APPROVAL OF SUBDIVISION AGREEMENT AND
ACCEPTANCE OF DEDICATIONS
FOR A MINOR LAND DIVISION AT 509 HILL STREET
J. EDISON CORPORATION DEVELOPER
APPLICATION NO. 03-004
APN: 036-022-37

Recommended Action: By motion and roll call vote, that the City Council take the following actions:

1. Approve a subdivision agreement between the City and J. Edison Corporation covering construction of public improvements for the Hill Street Minor Land Division and providing securities for their completion and authorize the City Manager to sign on behalf of the City, and
 2. Adopt a resolution accepting an offer of dedication from J. Edison Corporation for certain real property along Hill Street for street and pedestrian purposes and direct the City Clerk to record the documents with the County Recorder's Office.
-

BACKGROUND

On November 13, 2003 the City Council originally approved the tentative map for a four lot minor land division at the southeast corner Hill Street and Capitola Avenue (509 Hill Street). The approved improvement plans include new sidewalks on both Capitola Avenue and Hill Street and a retaining wall along Capitola Avenue.

DISCUSSION

Per the subdivision agreement, construction of these improvements must be completed before occupancy is allowed in any of the new units. The developer wants to record the parcel map at this time so that he may begin selling the new houses. Prior to recording the parcel map the developer must either complete all of the public improvements or enter into an agreement with the City. Municipal Code Section 16.20.150 allows for the use of a subdivision agreement if any improvements have not been constructed at the time of recording a parcel map. The estimated cost of the off-site improvements is \$48,000. The agreement stipulates the developer to provide securities in the amount of 125% for faithful performance and 100% for labor and materials to be filed with the City.

Page 2

In addition to the subdivision agreement, the Council is also requested to adopt a resolution accepting an offer of dedication for a strip of land fronting Hill Street where the new sidewalk will be constructed. It is typical for sidewalks to be located on public street right-of-way, and the project surveyor has prepared the attached offer of dedication. Under the California Streets and Highway Code, adoption of the attached resolution will place the sidewalk in the street right-of-way; maintenance of the sidewalk will remain with the adjoining property owners. The City will incur no additional costs or liability by accepting this offer of dedication.

As of the writing of this agenda report the offer of dedication documents had not been provided by the developer. It is anticipated that these documents will be provided prior to the Council Meeting. Staff will review these documents once they are provided and will advise Council if there are any problems with proceeding with the recommended actions.

FISCAL IMPACT

None

ATTACHMENTS

1. Draft Resolution accepting offer of dedication
2. Subdivision Agreement
3. Parcel Map

**Report Prepared By: Steven Jesberg
Public Works Director**

**Reviewed and Forwarded
By City Manager:**

DRAFT**RESOLUTION NO.****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ACCEPTING AN OFFER OF DEDICATION OF LAND FROM J. EDISON CORPORATION,
ALONG HILL STREET FOR STREET AND PEDESTRIAN PURPOSES**

WHEREAS, On November 13, 2003 the City Council originally approved a 4-lot minor land division at 509 Hill Street; and

WHEREAS, As a condition of the 4-lot minor land division the developer, J. Edison Corporation was required to construct new sidewalks along Capitola Avenue and Hill Street and construct a new retaining wall along Capitola Avenue; and

WHEREAS, The new sidewalk along Hill Street is located on the private property located at 509 Hill Street; and

WHEREAS, The City of Capitola has received an offer of dedication from J. Edison Corporation, for the portion of their property located at 509 Hill Street (APN: 36-022-37) where this sidewalk will exist for street and pedestrian purposes; and

WHEREAS, City staff has reviewed said Offer of Dedication and has determined that acceptance of the Offer of Dedication by the City would be beneficial to the City and the public in general.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola hereby accepts the interest in real property conveyed by the OFFER OF DEDICATION and direct the City Clerk to file for record in the Official Records at the office of the Santa Cruz County Recorder said OFFER OF DEDICATION as described in Exhibit "A."

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 27th day of January 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

EXHIBIT A

PARCEL A

J. EDISON CORPORATION TO CITY OF CAPITOLA

SITUATE in the City of Capitola, State of California, described as follows:

BEING a Northwesternly portion the lands of J. Edison Corporation, as said lands are described in the Deed recorded August 24, 2001, in Document 2001-0053309, Official Records of Santa Cruz County, California, and also being a Northwesternly portion of Parcel B as shown on that certain Record of Survey map of the lands of John C. Lawrence, et ux, filed in Volume 54 of Maps, at Page 15, Santa Cruz County Records, and more particularly described as follows:

BEGINNING at the Northwest corner of said lands, at the Southeasterly intersection of the sidelines of Capitola Avenue and Hill Street as shown on said map, thence the following courses and distances:

1. Along the Easterly sideline of Capitola Avenue South $09^{\circ} 47'20''$ West, 4.04 feet, to a point along a non-tangent curve to the right, the radius point of which bears South $56^{\circ}37'03''$ East; thence leaving said Easterly sideline
2. Northeasterly along said non-tangent curve to the right with a Radius of 6.00 feet, through a central angle of $66^{\circ} 29'56''$, an arc distance of 6.96 feet, to a point; thence
3. North $9^{\circ} 50'00''$ East, 0.44 feet, to a point on the Southerly sideline of Hill street; thence
4. North $80^{\circ} 10'00''$ West, 5.51 feet, to the point of beginning.

Containing 8 square feet, more or less.

Description prepared by Robert L. DeWitt and Associates, Inc., Civil Engineers and Land Surveyors, in January, 2011.

APN 036-022-37 (portion)



1-20-11

SUBDIVISION AGREEMENT

**HILL STREET 4-LOT MINOR LAND DIVISION
J. EDISON CORPORTATION
PLANNING APPLICATION NO. 03-004**

THIS AGREEMENT, made and entered into this _____ day of January, 2011, by and between the CITY OF CAPITOLA, a municipal corporation of the State of California, hereinafter called "City", and J. EDISON CORPORATION, hereinafter called "Subdivider";

WITNESSETH:

WHEREAS, Subdivider has heretofore filed with City a final parcel map for the subdivision of certain real property in the City of Capitola, which map is designated Parcel Map for Lands of J. Edison Corporation, Planning Application No. 03-004, APN 036-022-37, which reference is more particularly made, and has requested that the same be approved by the Council of the City; and

WHEREAS, Subdivider, by said map, has offered for dedication to City those certain streets and ways as delineated thereon; and

WHEREAS, the City Council of City has heretofore on 27th day of January, 2011, by Resolution No. _____ approved said map and accepted the offers of dedication as shown thereon, and by said resolution has required that as a condition precedent to the acceptance of any streets, ways of easements as shown on said map, that Subdivider agrees to improve such streets and easements and make and install certain other public improvements within said subdivision; and

WHEREAS, the approval of said parcel map is conditioned upon the execution by Subdivider of this agreement;

NOW THEREFORE, in consideration of the approval of said parcel map and the acceptance of streets and easements therein, or some of them, Subdivider and City agree as follows:

1. **Performance of Work: Plans and Specifications.**

Subdivider will furnish, construct and install at Subdivider's own expense, in a good and workmanlike manner, all improvements as required by Title 16, Chapter 16.24, of the Capitola Municipal Code or as amended. Subdivider shall do all work and furnish all materials necessary to complete the required subdivision improvements in accordance with City subdivision regulations, and in strict accordance with approved subdivision improvements plans and specifications on file as required by said regulations, and with any changes required or ordered by the City which are necessary or required to complete the work. All of said work and improvements shall be under the direction of and to the satisfaction of the City Engineer.

2. Repairs and Replacements.

Subdivider shall replace, or have replaced, or repair, or have repaired, as the case may be, all pipes and monuments shown on the map which have been destroyed or damaged, and Subdivider shall replace or have replaced, repair or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs, of any and all property damaged or destroyed by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City or by any public or private corporation, or by any person whomsoever, or by any combination of such owners. Any such repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

3. Permits; Compliance with Law.

Subdivider shall, at Subdivider's expense, obtain all necessary permits and licenses for the construction of such improvements, give all necessary notices and pay all fees and taxes required by law.

4. Inspection by City.

Subdivider shall at all times maintain proper facilities and provide safe access for inspection by City or public utility, to all parts of the work, and to the shops wherein the work is in preparation. All improvements are subject to inspection by City, and provision shall be made therefore, for a period of twelve (12) months after acceptance by City.

5. Contract Security.

It is agreed that said Subdivider shall furnish, concurrently with the execution hereof, cash, bond or other security authorized by the subdivision regulations of City, in a sum equal to one hundred twenty-five percent (125%) of the City Engineer's estimated value of the costs of said improvements, including engineering contingencies and incidental expense, for the faithful performance of the terms and conditions of this agreement, and further approved security in a sum equal to one-hundred percent (100%) of the City Engineer's estimated value of the costs of said improvements made to insure to the benefit of laborers and material, men upon such work and improvements conditioned upon the payment of such laborers and material, men for labor and material performed or rendered, under the terms of this agreement. The surety on each of said bonds and the form thereof shall be satisfactory to the City. The contract security may be released or reduced by the City Engineer on the conditions specified in the Subdivision Map Act, and the subdivision regulations of City.

6. Performance by City.

It is understood and agreed that should the Subdivider fail to construct any or all of said improvements, as herein provided, the City may construct or cause to be constructed said improvements and the Subdivider agrees to reimburse the City for any and all such labor and materials used, and the contract security herein mentioned shall be security therefore.

7. Hold Harmless Agreement

Subdivider hereby agrees to, and shall hold City, its elective and appointive boards, commissions, officers, agents and employees, harmless from any liability or damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Subdivider's or Subdivider's contractors, subcontractors, agents or employees' operations under this agreement, whether such operations be by Subdivider or by any of Subdivider's contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Subdivider or any of Subdivider's contractors or subcontractors. Subdivider agrees to, and shall defend City and its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations; provided as follows:

- a. That City does not, and shall not, waive any rights against Subdivider which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Subdivider, of any of the insurance policies described in paragraph 8 hereof.
- b. That the aforesaid hold harmless agreement by Subdivider shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of aforesaid operations referred to in this paragraph, regardless of whether or not City has prepared, supplied or approved of, plans and/or specifications for the subdivision, or regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

8. Subdivider's Insurance.

Subdivider shall not commence work under this agreement until Subdivider shall have obtained all insurance required under this paragraph and such insurance shall have been approved by City as to form, amount, and carrier, nor shall Subdivider allow any contractor or subcontractor to commence work on his contract or subcontract until all similar insurance required of the contractor or subcontractor shall have been so obtained and approved. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

- a. Compensation Insurance. Subdivider shall maintain, during the life of this agreement, Worker's Compensation Insurance for all Subdivider's employees employed at the site of improvement, and in case any work is sublet, Subdivider shall require any contractor or subcontractor's similarly to provide Worker's Compensation Insurance for all contractors or subcontractor's employees, unless such employees are covered by the protection afforded by Subdivider. In case any class of employees engaged in work under this agreement at the site of the project is not protected under any Worker's Compensation Law, Subdivider shall provide, and shall cause each contractor and subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. Subdivider hereby indemnifies City for any damages resulting to it from failure of either Subdivider or any contractor or subcontractor to take out or maintain such insurance.

- b. **Public Liability and Property Damage Insurance.** Subdivider shall take out and maintain during the life of this agreement such Public Liability and Property Damage Insurance as shall insure City, its elective and appointive boards, commissions, officers, agents and employees, Subdivider and any contractor or subcontractor performing work covered by this agreement from claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Subdivider's or any contractor's or subcontractor's operations hereunder whether such operations by Subdivider or any contractor or subcontractor, or by anyone directly or indirectly employed by either Subdivider or any contractor or subcontractor, and the amounts of such insurance shall be \$1,000,000.00 per occurrence combined single limit bodily injury and property damage liability coverage.
- c. **Contractual Liability Insurance.** Subdivider shall take out and maintain during the life of this agreement and insurance policy in the amount of at least one hundred thousand dollars (\$100,000.00) insuring City, its elective and appointive boards, commissions, officers, agents and employees, Subdivider and any contractor or subcontractor performing work covered by this agreement against damages sustained by reason of any action or actions at law or inequity, and/or any claims or demands by reason of any breach or alleged breach of any contract, or provision thereof, or by reason of any contractual liability or alleged contractual liability or alleged contractual liability on any contract, entered into by Subdivider and/or any of Subdivider's contractors, subcontractors, agents and/or employees.

In the event that any of the aforesaid insurance policies provided for in this paragraph 10 insures any entity, person, board or commission other than those mentioned in this paragraph, such policy shall contain a standard form of cross liability endorsement, insuring on such policy the City, its elective and appointive boards, commissions, officers, agents and employees, Subdivider, and any contractor or subcontractor performing work covered by this agreement.

A contractual liability endorsement shall be added to each insurance policy extending coverage to include the liability assumed in paragraph 8 above.

9. **Evidence of Insurance.**

Subdivider shall furnish City concurrently with the execution hereof, with satisfactory evidence of the insurance required, and evidence that each carrier is required to give City at least thirty (30) days prior notice of a cancellation or deduction in coverage of any policy during the effective period of this agreement.

10. **Title to Improvements.**

Title to, and ownership of, all public improvements constructed hereunder by Subdivider shall vest absolutely in City or applicable utility, only upon completion and acceptance of such improvements by City or utility.

11. Repair of Reconstruction of Defective Work.

All work shall be guaranteed for a period of twelve (12) months from the date of acceptance by the City or utility. The Subdivider shall promptly make all needed repairs arising out of defective materials, workmanship or equipment. The contract security referred to above is to be so drawn as to cover such guarantee on the part of the Subdivider. If, within a period of twelve (12) months after final acceptance of the work performed under this agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Subdivider, or any of the work done under this agreement fails to fulfill any of the requirements of this agreement or the specifications referred to herein, Subdivider shall without delay and without any cost to City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. The City is hereby authorized to make such repairs if, within 10 days after the mailing of a notice in writing to the Subdivider or his agent, the Subdivider shall neglect to make or undertake with due diligence the aforesaid repairs, replacements or reconstruction; provided, however, that in case of an emergency where, in the opinion of the City, delay would cause serious loss or damage, repairs may be made without notice being sent to the Subdivider and the Subdivider shall pay the costs thereof.

12. Subdivider Not Agent of City.

Neither Subdivider nor any of Subdivider's agents or contractors are or shall be considered to be agents of City in connection with the performance of Subdivider's obligation under this agreement.

13. Notice of Breach and Default.

If Subdivider refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion with the time specified, or any extensions thereof, or fails to obtain completion of said work within such time, or if the Subdivider should be adjudicated as bankrupt, or Subdivider should make a general assignment for the benefit of Subdivider's creditors, or if a receiver should be appointed in the event of Subdivider's insolvency, or if Subdivider, or any of Subdivider's contractors, subcontractors, agents or employees should violate any of the provisions of this agreement, City Engineer or City Council may serve written notice upon Subdivider and Subdivider's surety of breach of this agreement or of any portion thereof, and default of Subdivider.

14. Breach of Agreement; Performance by Surety or City.

In the event of any such notice, Subdivider's surety shall have the duty to take over and complete the work in the improvement herein specified; provided, however, that if the surety, within five (5) days of the serving upon it of such notice of breach, does not give City written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to City of such election, City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Subdivider, and Subdividers surety shall be liable to City for any excess cost or damages occasioned City hereby; and, in such event, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances,

plant and other property belonging to the Subdivider as may be on the site of the work necessary thereof.

15. Location of Storage and Construction Yard.

Subdivider agrees to locate any construction yard for the storage of equipment, vehicles, supplies, and materials, or the preparation or fabrication thereof, to be used in connection with the installation of improvements for said subdivision or the construction of buildings therein, in such manner so as to cause a minimum of inconvenience to persons living in the area immediately adjacent to said subdivision, and to obtain the approval of the City Engineer to the proposed location of the yard. Immediately upon completion of the final building to be constructed in the subdivision, or unit thereof, to which this agreement refers, Subdivider agrees to cease using the construction yard and to remove therefrom all supplies, materials, equipment or vehicles being stored or kept thereon, Subdivider agrees not to use construction yard in connection with the installation of improvements or construction of buildings in any other subdivision, or any other unit of the subdivision to which this agreement refers. City may extend the time which the construction yard may be used or within which supplies, materials, equipment or vehicles may be stored or kept therein if City shall determine that the granting of such extension will not be detrimental to the public welfare. No extension will be made except on the basis of a written application made by Subdivider stating fully the grounds and facts relied upon for such extension.

16. Breach of Agreement; Legal Expenses to City.

In the event the City shall be forced to resort to action in court to enforce the terms of this agreement, or to obtain relief by way of damages arising from default in the performance thereof by the Subdivider, the Subdivider agrees to pay court costs and to pay such sum as the court may deem reasonable as compensation for such attorneys as the City may employ in the prosecution of said action.

17. Notices.

All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid. Notices required to be given to City shall be addressed as follows: City of Capitola, Attention: City Engineer, 420 Capitola Avenue, Capitola, CA 95010; notices required to be given to Subdivider shall be addressed as follows:

1550 Postola Rd. Woodside, CA 94062;

notices required to be given surety of Subdivider shall be addressed as follows:

Jack Klein Insurance Company 50 Argon Ave. Apt 51;
Redwood City, CA 94061

provided that any party or the surety may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

IN WITNESS WHEREOF, the said parties have hereto executed this agreement on the day and year first hereinabove written.

SUBDIVIDER

A handwritten signature in black ink, appearing to be "Resident" followed by a stylized signature.

(Name & Title)

CITY OF CAPITOLA

Benjamin Goldstein, City Manager

Approved as to Form:

City Attorney

SURVEYOR'S STATEMENT

This map was made by me or under my direction and is based upon a field survey performed in conformance with the Subdivision Map Act and local ordinance, at the request of J. Edison Corporation, a California Corporation, Jim Portman, in June 2004. The survey is true and complete as shown.

I hereby state that this Parcel Map substantially conforms to the conditionally approved tentative map. All monuments are of the character, and occupy the positions indicated, or will be set in those positions within one year after recordation of this map. The monuments are or will be, sufficient to enable the survey to be retraced.



Robert L. Dewitt R.C.E. 20919 Date _____

AUDITOR-CONTROLLER'S STATEMENT

I hereby certify that there are no liens for unpaid State, County, municipal, or local taxes or special assessments collected as taxes against the land included in the within subdivision or against any part thereof except taxes which are not yet payable and which it is hereby estimated will not exceed the sum of _____ for the year _____, and that said land is not nor is any part thereof subject to any special assessments which have not been paid in full and that this certificate does not include any assessment of any assessment district the bonds of which have not yet become a lien against said land or any part thereof.

Dated _____

Auditor-Controller of the County of Santa Cruz

by Deputy _____

CLERK OF THE BOARD'S CERTIFICATE

The Clerk of the Board of Supervisors of the County of Santa Cruz does hereby certify that all certificates and security required by the provisions of Sections 66492 and 66493 of Division 2 of the Subdivision Map Act have been duly filed and deposits have been made. Pursuant to the authority delegated to me by said Board, I hereby approve said certificates and securities on behalf of the County of Santa Cruz.

County Administrative Officer and Ex-Officio Clerk of the Board of Supervisors

by Deputy Clerk _____

Dated _____

OWNERS' STATEMENT

We hereby state that we are the owners of or have some right, title or interest in and to the real property included within the subdivision shown upon this map, that we are the only persons whose consent is necessary to pass a clear title to said property and that we consent to the preparation and recording of said map and said subdivision as shown within the distinctive border lines.

We hereby reserve for dedication to the City of Capitola by separate instrument the Parcel shown as Parcel "A" for road purposes. We also hereby make an irrevocable offer of dedication to the City of Capitola of the 22 foot wide Public Utility Easement as shown on Sheet 2.

J. Edison Corporation, a California Corporation

By _____

By _____

By _____

CITY ENGINEER'S STATEMENT

I hereby state that I have examined this map and that the subdivision as shown hereon is substantially the same as it appeared on the Tentative Map, if any, and any approved alterations thereof; that all provisions of the State Subdivision Map Act, as amended, Sub-sections 1, 2, and 3 of Section 66450(a), and of any local ordinances applicable at the time of approval of the Tentative Map, if any, have been complied with. Sheet Three of this map is for information only and was not a part of my examination.

Date _____ Steven E. Jesberg, City Engineer City of Capitola, California R.C.E. No. 44791 (EXP. 3-31-2012)

CITY SURVEYOR'S STATEMENT

I hereby state that I have examined this map pursuant to Government Code Section 66450 (b) and (c), and pursuant to Government Code Section 66450 (a)(4). I am satisfied this map is technically correct. Sheet Three of this map is for information only and was not a part of my technical review.

Date _____ Michael K. Cooper Acting City Surveyor URS Corporation R.C.E. No. 29072 (EXP. 3-31-2011)

ACKNOWLEDGEMENT

State of _____ ss County of _____ On _____, 20____, before me, _____ Notary Public, personally appeared _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature _____

RECORDER'S STATEMENT

Serial Number: _____ I hereby state that this map was presented at _____, m., on the _____ day of _____, by the Clerk of the Board of Supervisors of the County of Santa Cruz State of California and that after examination, I accept said map for recordation on the _____ day of _____ at _____, m., in Volume _____ of Maps Page _____, Santa Cruz County Records.

County Recorder _____

by Deputy _____ Date _____

ACKNOWLEDGEMENT

State of _____ ss County of _____ On _____, 20____, before me, _____ Notary Public, personally appeared _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature _____

ACKNOWLEDGEMENT

State of _____ ss County of _____ On _____, 20____, before me, _____ Notary Public, personally appeared _____

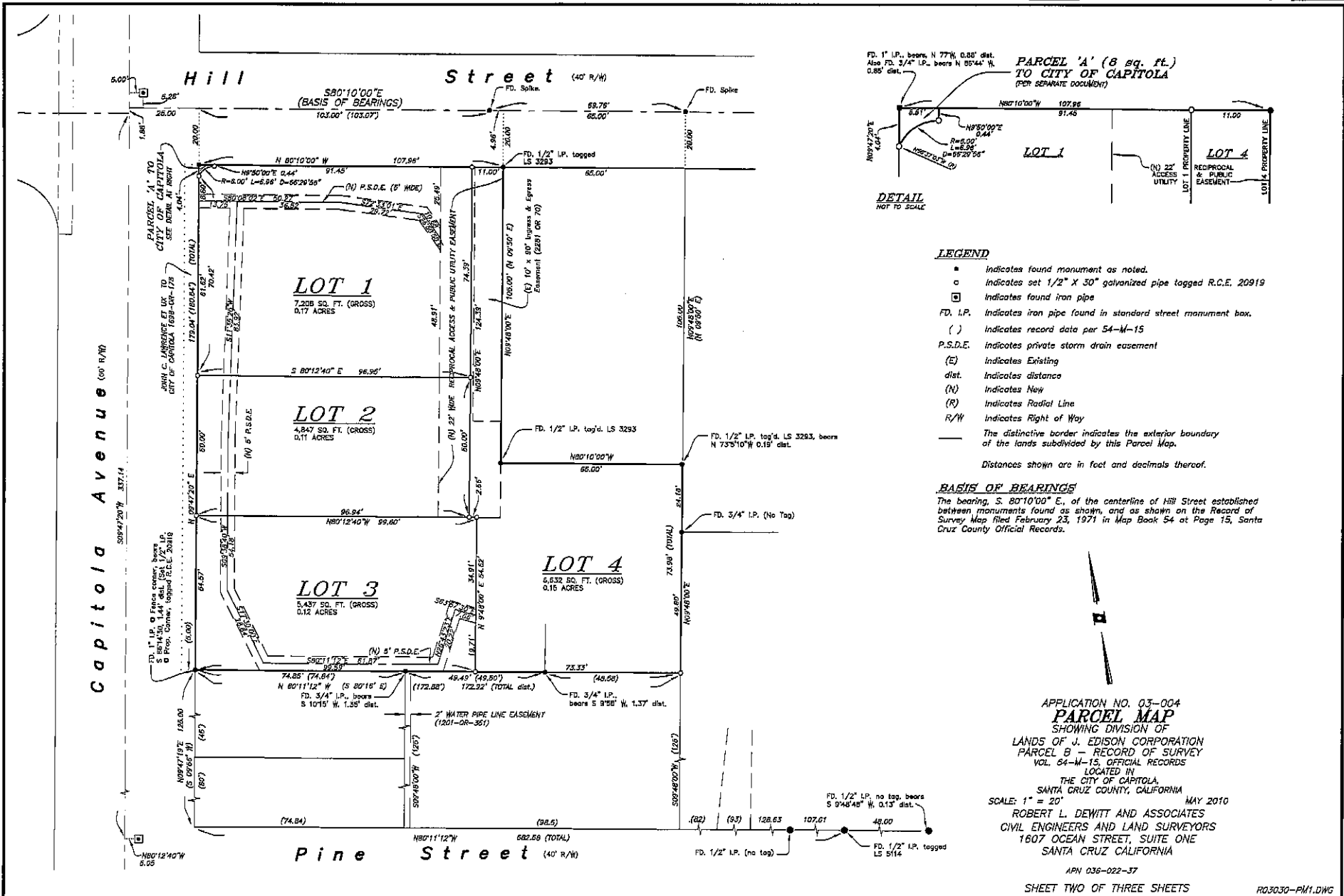
_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature _____

APPLICATION NO. 03-004
PARCEL MAP
SHOWING DIVISION OF
LANDS OF J. EDISON CORPORATION
PARCEL B - RECORD OF SURVEY
VOL. 54-M-15, OFFICIAL RECORDS
LOCATED IN
THE CITY OF CAPITOLA,
SANTA CRUZ COUNTY, CALIFORNIA
SCALE: 1" = 40' MAY 2010
ROBERT L. DEWITT AND ASSOCIATES
CIVIL ENGINEERS AND LAND SURVEYORS
1607 OCEAN STREET, SUITE ONE
SANTA CRUZ CALIFORNIA
APN 036-022-37
SHEET ONE OF THREE SHEETS

ATTACHMENT 3

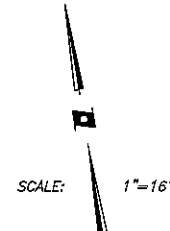
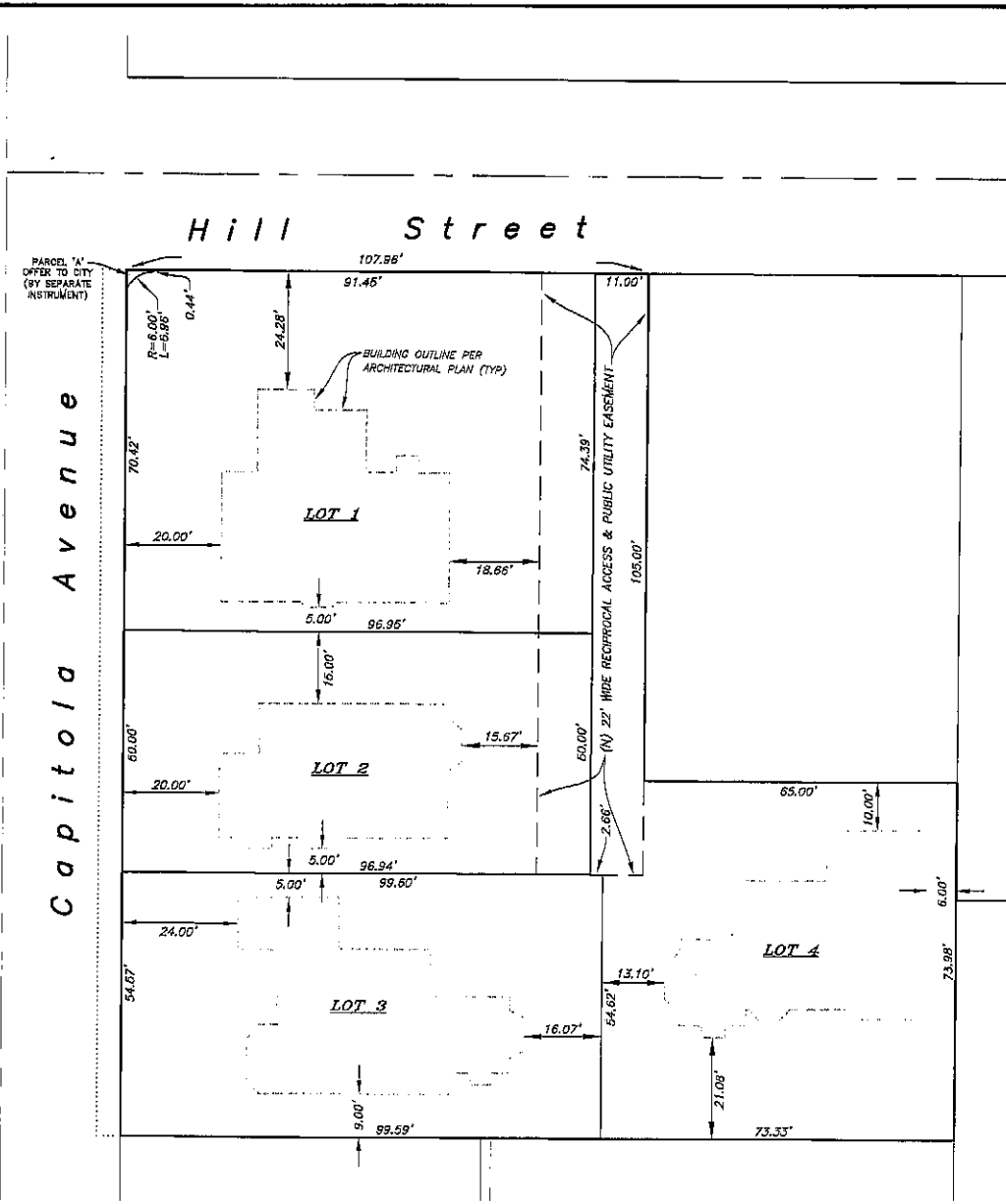


LEGEND:

-  24.00' INDICATES ACTUAL SETBACK MEASURED FROM LOT LINE OR EASEMENT LINE.
-  BUILDING LINE PER ARCHITECTURAL PLANS, DATED FEB. 5, 2004.

NOTES:

1. THE FINAL BOUNDARY SURVEY FOR THE EXTERIOR BOUNDARY RESULTED IN A DIFFERENT RESULT THAN THE PRELIMINARY BOUNDARY SHOWN ON THE TENTATIVE MAP. AS A CONSEQUENCE, THE SETBACKS SHOWN ON THE ARCHITECT'S SITE PLAN HAVE BEEN MODIFIED TO SHOW THE ACTUAL SETBACKS TO THE PROPOSED BUILDING LINE FROM THE PROPERTY LINE OR EASEMENT LINE.
2. THE BUILDING OUTLINES SHOWN ARE AS SUPPLIED BY THE ARCHITECT, DATED FEB. 5, 2004.
3. THE REDWOOD TREE ON LOT 1 SHALL BE THE RESPONSIBILITY OF THE OWNER OF LOT 1 RATHER THAN THE DISTRICT, AND A DEED RESTRICTION REQUIRING RETENTION OF THE TREE RING AND REGULAR EXAMINATION AND MAINTENANCE BY AN ARBORIST SHALL BE RECORDED ON THAT LOT.
4. THIS SHEET IS PROVIDED FOR INFORMATION ONLY AND WAS NOT PART OF THE PARCEL MAP REVIEW BY THE CITY SURVEYOR OR CITY ENGINEER.



NON-TITLE INFORMATION

APPLICATION NO. 03-004
PARCEL MAP
 SHOWING DIVISION OF
 LANDS OF J. EDISON CORPORATION
 PARCEL B - RECORD OF SURVEY
 VOL. 64-M-15, OFFICIAL RECORDS
 LOCATED IN
 THE CITY OF CAPITOLA,
 SANTA CRUZ COUNTY, CALIFORNIA

SCALE: 1" = 16' MAY 2010

ROBERT L. DEWITT AND ASSOCIATES
 CIVIL ENGINEERS AND LAND SURVEYORS
 1607 OCEAN STREET, SUITE ONE
 SANTA CRUZ CALIFORNIA

APN 036-022-37

SHEET THREE OF THREE SHEETS

R03030-PM1.DWG



Item #: **5.A.**

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: City Manager's Department
DATE: January 3, 2011
SUBJECT: Community Grant Applications for FY11-12

Recommended Action: By motion and roll call vote, that the City Council determine whether or not to allow a new agency or organization to apply for a community grant for FY11-12.

BACKGROUND

Each year the City Council determines whether or not to allow a new agency or organization to apply for a community grant from the City for the following fiscal year.

DISCUSSION

The City of Capitola provides grant funding for 35 agencies or organizations. The total amount of the current community grant program is \$275,000. Each year the City Council must make a determination if it will allow any new agencies or organizations to apply for a community grant. The City Council has not allowed a new applicant since FY07-08.

The opportunity to determine the actual amount of grant funding will be during budget deliberations.

FISCAL IMPACT – Unknown

ATTACHMENT - None

Report Prepared By: Lisa G. Murphy
Assistant to the City Manager

**Reviewed and Forwarded
By City Manager:** _____



RDA Item #: **5.B.**

CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: JANUARY 19, 2011

SUBJECT: RISPIN MANSION

Recommended Action: 1) Consider a proposal from Barry Swenson Builders to save and restore the Rispin Mansion, or 2) authorize the appropriation and expenditure of \$50,000 of Redevelopment Agency Operating Fund monies for the preparation of required environmental review documents and consideration of Coastal Development permits pertaining to demolition of the Rispin Mansion, or 3) Other direction as determined by the RDA Directors.

BACKGROUND

On December 9, 2010, staff requested that the Redevelopment Agency Directors authorize the appropriation and expenditure of \$50,000 to prepare the required environmental documents to demolish the Rispin Mansion. The item was continued in order for Staff to consult with the business and philanthropic community to determine if any viable partnerships could be identified to save and restore the Rispin Mansion.

DISCUSSION

On December 21, 2010, staff distributed Requests for Proposals (RFP) to seven prominently known builders and philanthropists. A copy of the RFP and distribution list is included as attachment 1 and 2. A proposal for a two phased hotel project was submitted by the January 12, 2011 deadline by Barry Swenson Builder is included as attachment 3.

In summary, the proposal is to restore and preserve the Rispin Mansion as a nine-room hotel under phase 1 and on or before 2021, add sixteen more hotel rooms and the conservatory, consistent with the entitled 25 room hotel project under phase 2. The financial and construction cost information indicates that phase 1 would cost \$3.8 million dollars. A total of \$2.3 million dollars in RDA funding is being requested by BSB builders, \$1.2 million in grant funding and \$1.1 in a low interest loan. BSB is proposing to provide \$1.5 million dollars in the form of cash and a bank loan. A copy of the operating pro-forma is included in the proposal.

Should the RDA Directors determine that the Agency is not interested in further considering the BSB proposal or provide other direction, the Director should consider the continued agenda item which was a request to authorize the appropriation and expenditure of \$50,000 to prepare environmental documents required to demolish the Rispin Mansion. Demolition of the mansion, even with preservation of some elements requires the preparation of an environmental document consistent with the California Environmental Quality Act (CEQA). The document will be used to

support the issuance of a Coastal Development Permit (CDP). It is anticipated, given the nature and location of the Rispin Mansion, that a focused Environmental Impact Report (EIR) will be required. An initial study will be prepared, and the CEQA document will likely consider alternatives prepared by Mark Sandoval and presented to the City Council at the November 20, 2010 meeting.

In conjunction with the environmental review process, preparation of construction documents for the demolition work will begin. The estimated cost of the construction documents is \$104,000. This work includes site plans including quantity estimates, redesign of the Wharf Road wall per the alternatives prepared by Mark Sandoval, well abandonment permits and reports, geotechnical reports for grading and storm water pollution prevention measures, and re-vegetation plans. If the Board chooses the demolition option, staff will return in the near future for further budget appropriations and contract approvals for this work.

Public comments received prior to the meeting have recapped the various options that the City Council has considered over the past few months. Staff has prepared a matrix, included as attachment 5, which summarizes the anticipated financial impacts and characteristics of each of the options previously or currently being considered by the Directors.

FISCAL IMPACT

It was reported at the January 13th meeting that the Governor proposed to abolish redevelopment agencies as of July 1, 2011. The implications of the proposal are uncertain and staff will continue to update Directors as information becomes available. Nonetheless, should the Governor's proposal be realized, it may severely limit resources available for RDA projects.

The BSB proposal requests \$2.3 million in RDA funding. \$1.2 million in the form of a grant and \$1.1 million as a low interest deferred loan. The pro-forma indicates that the City's return on the low interest deferred loan would range from 4.86-6.82% or \$53,465-\$75,074 per year. The City's return would vary, based on actual occupancy and average room rates.

Appropriation of \$50,000 for the cost of required environmental review and permits will increase RDA Operating Fund expenditures from \$2,820,600 to \$2,820,650. The RDA currently has adequate reserves to fund either the requested funding under the BSB proposal or to initiate environmental review.

ATTACHMENT

Attachment 1- Request for Proposal
Attachment 2- Request for Proposal Mailing List
Attachment 3- Barry Swenson Builder's Proposal
Attachment 4- Draft RDA Budget Resolution
Attachment 5- Project Matrix

Report Prepared By:

Derek Johnson
Deputy Executive Director

**Reviewed and forwarded
By Executive Director: _____**

December 21, 2010

«Name»

«Title_»

«Company»

«Address_»

«City», «State_» «Zip»

RE: *Request for Proposals to Save the Rispin Mansion*

Dear Mr. «Name»:

The City of Capitola is soliciting financially viable conceptual proposals from the development and philanthropic community to preserve and restore the historic Rispin Mansion. In the past, the City of Capitola partnered with a local developer to revive the mansion. That proposal consisted of an inn/hotel with eight rooms in a restored mansion, and 17 additional rooms in new buildings. Due to current economic conditions and other extenuating circumstances, the hotel project never materialized and the Council recently expressed opposition to a hotel project. The Council has expressed an interest in an alternative plan for the restoration and reuse of the mansion.

The City has limited resources to take on the restoration of the mansion and wishes to review proposals to partner with the community to secure the necessary resources and momentum to complete a building restoration project. The Council has extended development permits for one-year with an option for further extensions in October 2011. The City currently has allocated funds for additional planning and improvements. However, current resources do not allow for the City to restore the mansion on its own, a collaborative approach will be required.

The City is requesting that persons interested in partnering with the City, submit a summary describing the general approach, budget and funding sources to preserve and restore the Rispin Mansion. Please submit proposals to the City by January 12, 2011. If viable proposals and partnerships do not materialize in the near future, the City may have no other alternative but to proceed with the demolition of the mansion.

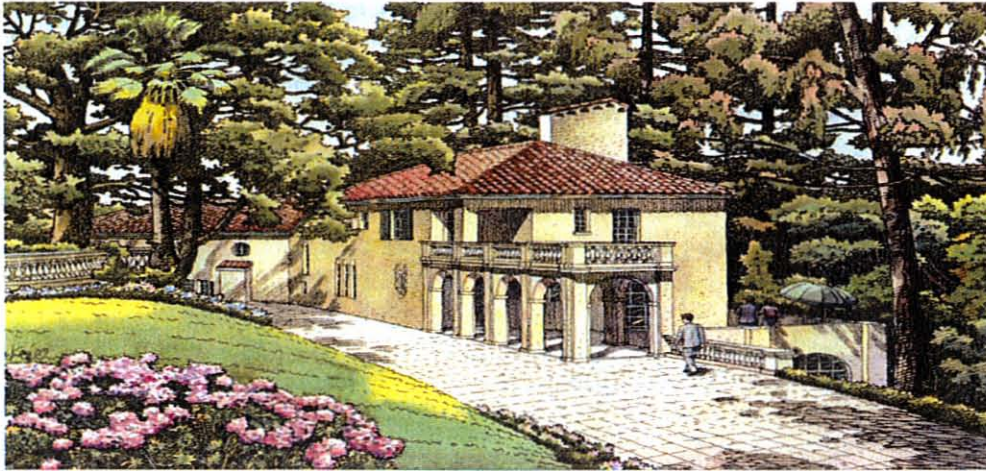
Please contact Derek Johnson, Community Development Director or myself directly should you be interested in working with the City, and for a copy of the complete RFP package. Both Derek Johnson and I can be reached at (831) 475-7300. Thank you in advance of your consideration.

Sincerely yours,

Jamie Goldstein
City Manager

Name	Title	Company	Address	City	State	Zip
Jesse L. Nickell III	Vice-President	BSB Builders	2400 Chanticleer Ave, Suite H	Santa Cruz	Ca	95062
Richard Novak	President	NHS	502 Riverview Drive	Capitola	Ca	95010
Gary Filizetti	President	Devcon	21532 East Cliff Drive,☐	Santa Cruz	CA	95062
Matt DiNapoli			109 Sacramento Ave	Capitola	CA	95010
George Ow	President	Ow Family Properties	1601 41st Avenue, Suite 202	Capitola	Ca	95010
Julie E. Packard	Vice-President	David & Lucile Packard	300 Second Street	Los Altos	CA	94022
Robert Ridno	President/CEO	SAR Enterprises	P.O Box 350	Aptos	Ca	95001

Rispin Mansion



2000 WHARF ROAD
CAPITOLA, CALIFORNIA

PROPOSAL TO SAVE THE RISPIN MANSION

JANUARY 12, 2011

PRESENTED TO:

CITY OF CAPITOLA
420 CAPITOLA AVENUE
CAPITOLA, CA 95010

January 12, 2011

City of Capitola
420 Capitola Avenue
Capitola, CA 95010

RE: Rispin Mansion

To Capitola City Council Members:

With enthusiasm Barry Swenson Builder would like to propose a partnership intended to redevelop and save the historic Rispin Mansion. The renovation project will result in a working historic building on City property, a new public park, numerous public improvements, habitat restoration, on-going revenue to the City, and 24 hour a day presence on the site. We propose a **hotel project consisting of two phases.**

Phase one restores the existing mansion as a nine room hotel with décor reminiscent of the original 1922 mansion with gardens and water features. Phase one would begin in spring of 2011 and create a historic oasis within the vibrant beach side community of Capitola. The fire damaged portions of the building would be removed and rebuilt to match the non-damaged portions of the mansion. Phase one would also include a driveway approach, the re-construction of the existing well house tower, and construction of the off-site roadway improvements. The property would remain publicly accessible with public interior tours available. All the original concrete walls to the building and fences and exterior finishes would be restored. All the interiors of the mansion would remain with the historical theme.

Phase two would begin on or before 2021 and add sixteen more hotel rooms and conservatory bringing us back to the original 25 room Hotel project. The ADA paths for Rispin Perry Trail will be included in this phase. Phase two would be privately funded if financially feasible. Barry Swenson Builder and the City of Capitola would form a subcommittee with all stake holders to ensure the project would meet all goals both private and public alike.

The approximate total project costs for phase one would be \$3.8 million dollars (see the attached hard construction and soft cost budget). The **Funding** would break into three sources: First, Capitola's Redevelopment Agency would invest \$1.2 million in grant funding and \$1.1 in a low interest loan to the project. In turn, this public owned property would receive \$2.3 million worth of public improvements for saving the Mansion. Second, Barry Swenson Builder would inject an additional \$500,000 cash into the project, and third, Barry Swenson Builder would secure a private bank loan from Bank of the West for \$1 million dollars.

\$2.3 Million RDA Funds: of the \$2.3 million RDA Funds, \$1.2 million would be a grant towards public property improvements and \$1.1 million would be a 30 year 2% low interest loan. **RETURNS ON CITY**

LOAN: See the attached financial proforma for the returns on this community investment. The RDA loan would be getting 4% to 6% return on investment.

This proposed project does not include historical tax credits, but we will stay with the historical theme. Any additional non-standard third party special inspections or audits, unrelated to standard construction procedures, will be paid by the City of Capitola.

SUMMARY OF BENEFITS:

- Conserves and restores the Rispin historical structure.
- Creation of a new, high profile luxury hotel and a tourist destination for the City of Capitola.
- The conversion of a City of Capitola liability into a productive long-term asset.
- Income producing asset for the City of Capitola in the form of Lease Revenue, Possessory Interest Tax (PIT), and Transient Occupancy Tax (TOT).
- Provides good environmental stewardship for the property and habitat.
- The RDA's \$2.3 million provides a way to save the building and offsite public improvements.
- 10 acres of Open Space will be preserved in perpetuity with professional monitoring of a wide array of sensitive habitat including Monarch Butterflies, Nesting Raptors, Roosting Bats, riparian flora & fauna.
- Public access to gardens, grounds, and pathways.
- Ancillary generated sales tax revenues from Rispin Resort activity and operations.
- Creates new short term jobs during project construction phases.
- Creates new long term permanent jobs in hotel operations upon completion.
- City of Capitola financial relief in yearly property maintenance expenses and issues (ie. maintenance, police, general staff time), and provides an on-site presence; however this proposal excludes the cost of a quick attack (Type 4) fire engine.
- Long term lease is a stable way of continuous revenues for the city an RDA.
- City revenues include: TOT, Property Tax, Rent @ 2% of gross room revenues starting after year 5 (See attached Proforma), and repaid RDA loan if profit expectations are exceeded.

All proposed terms and conditions of the new LDA are subject to review and will be required to stay in line with the Stipulation Agreement, Stipulation Amendment, and Conditions of Approval.

If the City of Capitola approves an LDA, in substantially the same form as proposed in this letter, Barry Swenson Builder will make a good faith non-refundable deposit of \$10,000 to initiate the project.

The following next steps are:

1. Community Development review of the project in the context of the existing entitlements and stipulations.
2. Prepare a draft LDA
3. One City/RDA hearing to approve new LDA.
4. Revise working drawings with reduced Phase 1 scope
5. Get building permits
6. Build it

Now is the time to solve this long term issue with the Rispin Mansion and adopt a new positive vision. This private and public joint venture will use redevelopment funds in a way to restore a blighted, empty shell into a community asset. This project is an opportunity for RDA funds to be used in such a way as to shift liability from the City of Capitola to Barry Swenson Builder as the new steward of this community property. This transition will create new jobs, city long term revenue, and preserve a biological sensitive habitat under a visitor serving hospitality business model. We are proud to be part of the process and look forward to bringing back the Rispin Mansion.

If you have any questions or need any further information, I can be reached at (831) 475-7100 ext 113. I look forward to discussing this proposal in depth before the City Council.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jesse Nickell III', with a stylized flourish at the end.

Jesse Nickell III
Vice President
Barry Swenson Builder

THE RISPIN
 2000 Wharf Rd, Capitola CA 95010
 APN 035-371-01 & 02
 JOB # 1265

BARRY SWENSON BUILDER
 2400 Chanticleer Ave, Suite H
 Santa Cruz, CA 95062

8709 Square feet total

PHASE I

Prepared By: Jesse Nickell, Frank Narciso
 DATE: January 12, 2011

The Phase I project consist of the demolition of portions of the fire damage of the existing 8,709 sf, 4 story mansion, the re-building of all elements of the mansion only. No Villas, no Creek side, no Kiosk, No Rispin Perry Trial ramp work, install garden but not the rose arbor or conservatory; each of these excluded items will be included in Phase II. Re create mansion and drive approach to mansion, and well house tower and off site roadway work.

	DESCRIPTION	TOTAL	NOTES
GENERAL CONDITIONS			
	PreCon services	\$40,000.00	Drawing development, Bidding, contract writing, Schedule
01-009	Vice president	\$35,000.00	
01-009	Project Manager	\$81,000.00	
01-009	Project Engineer / admin	\$20,000.00	
01-009	Superintendent	\$75,000.00	
01-009	Office time	\$5,000.00	
01-012	Railings, cables, barriers	\$2,500.00	
01-013	Project Trailer	\$2,500.00	
01-014	Sanitary Facilities	\$2,500.00	
01-015	Telephone	\$2,250.00	
01-016	Temporary Electricity (PG&E)	\$2,000.00	
01-017	Water (Temporary)	\$500.00	
01-018	Fences (Temporary)	\$5,000.00	
01-019	Barricades, sidewalk covers	\$2,500.00	
01-021	Trash Bins and Hauling	\$4,000.00	
01-022	Equipment Rentals	\$3,500.00	
01-024	Miscellaneous Items	\$2,500.00	
01-026	Safety Equipment	\$1,250.00	
01-029	Miscellaneous Tools	\$3,500.00	
01-032	Express Mail Charges	\$400.00	
01-035	Mobile Air Time	\$3,750.00	
01-039	Blue Print Reproducible	\$12,500.00	
		\$307,150.00	
SITWORK DEMOLITION			
02-003	Well Abandonment	\$5,000.00	Protection of creek included
02-010	Erosion Control management	\$9,360.00	Creek area
02-034	Asbestos removal	\$0.00	Work is finish already
02-034	Lead Removal	\$0.00	Work is finish already
02-034	Underground Storage Tank Removal	\$0.00	Work is finish already
	Prep around to restore well tank tower	\$4,000.00	Shore up foundation
02-047	Tree Work and removal	\$10,000.00	
02-047	Root pruning and arborist time	\$25,000.00	during the corse of construction
02-070	Demolition site & inside and Saw cutting	\$71,000.00	Phase 1 areas.
16-004	Removal of existing temp power pole	\$5,500.00	Must contact PGE early
	FROM FIRE - Install temp shoring and removal	\$45,000.00	Prepare for construction
		\$174,860.00	
OFF-SITE KIOSK / LIBRARY			
02-038	Parking Lot Striping	\$5,325.00	Library
02-038	Crosswalk striping and signage for Wharf	\$750.00	
02-082	Slurry coat and patching- Library parking lot	\$4,888.00	Library
06-140	Framing of Gate off of library/homes	\$1,200.00	
06-140	Wood Fence at Library Lot	\$1,200.00	
		\$13,363.00	

	DESCRIPTION	TOTAL	NOTES
ON- SITE WORK			
02-004	Construction Staking	\$7,000.00	On site work
02-075	Landscaping and irrigation	\$116,950.00	Phase I areas only
02-037	Excavation, underground, street work	\$250,000.00	
02-037	Sidewalk for wharf road	\$0.00	In site work number
02-037	Baserock for driveway	\$0.00	In site work number
02-037	Pervious Concrete Paving	\$56,187.90	In site work number
02-043	Fire water systems - 6"	\$0.00	In site work number
02-041	Domestic Water - 4"	\$0.00	In site work number
02-039	Bike parking	\$2,200.00	10 Bike parking spaces for phase 1
02-037	Sewer system pump	\$0.00	In site work number
02-048	Signs	\$3,500.00	
02-051	Transformer bollards (removable steel pipe)	\$0.00	See electrical
02-048	Project Signage	\$0.00	
			\$435,837.90
CONCRETE			
03-001	Sack and patch at walls and concrete fence	\$20,000.00	All along roadway
03-001	Rebuild pool - Waterproof and seal	\$6,253.00	Also for small pool below
03-001	Concrete misc	\$95,000.00	Ramps, borders for walkways, Step
02-036	Retaining wall near garage	\$6,440.00	Demo of old, build back of new
03-001	New path east of retaining wall	\$21,875.00	
03-001	Concrete stairs	\$8,750.00	Repair of (e) stairs
03-002	Precast concrete bollards, etc	\$65,000.00	
03-002	Install of precast	\$50,000.00	
03-089	Grand balustrade foundation	\$10,000.00	
03-001	Concrete flatwork between Creekside and Villa	\$0.00	No scope of work in this phase
03-001	Allowance for entry Pillars at main gate	\$10,000.00	
03-091	Gypcrete	\$5,625.00	ground floor and 2nd floor areas
			\$298,943.00
MASONRY			
04-105	Lawn Paving Cells	\$15,000.00	this is for emergency 3 point turn in lawn area.
04-105	Brick Stairs	\$12,600.00	
04-105	Repair allowance for brick terrace near living rd	\$20,000.00	
04-102	CMU Wall Pillars	\$8,000.00	
04-102	Rock Wall recreation	\$5,000.00	
			\$60,600.00
METALS			
05-001	Structural Steel, wrought iron at ramps, steel ramps	\$217,725.00	
05-126	Wrought Iron fence Wharf rd and perimeter	\$56,675.00	
			\$274,400.00
CARPENTRY			
06-001	Framing Rose Arbor top	\$0.00	Not in this phase
06-001	Wood applied to steel frame of Garden Gate	\$1,200.00	
06-001	Framing Guest Rooms (Mansion) drill and epoxy	\$150,014.00	Reuse of as much (e) as possible.
06-001	Wharf road stucco wall - Framing only	\$9,000.00	Close off wall along Wharf
06-001	Re build Well pump house	\$8,800.00	
	Frame Rispin Terrace floor	\$11,200.00	
	Casework	\$20,000.00	
06-148	Finish Millwork (Trim & Moldings)	\$26,127.00	
06-152	Wood Stairs & Hand Railings (Mansion)	\$54,000.00	
			\$280,341.00

	DESCRIPTION	TOTAL	NOTES
THERMAL & MOISTURE			
07-160	Waterproofing below grade (Mansion)	\$21,064.00	
	Waterproofing of decks and balconies	\$12,000.00	
07-161	Insulation - (Mansion)	\$11,321.70	
07-164	Roofing - (Mansion)	\$44,362.50	
07-164	Roofing Well house, incl sidewall - check framing	\$3,382.00	
07-169	Flashing (total 3 buildings)	\$0.00	
07-172	Awnings Canvas	\$7,500.00	
07-170	Gutters downspouts and Arch sheet metal (galvan)	\$0.00	In HVAC number
07-179	Sealants & Caulking	\$8,500.00	
			\$108,130.20
DOORS AND WINDOWS			
08-192	Doors, Frames (Mansion)	\$24,570.00	
08-191	Door installation (Mansion)	\$12,600.00	
	Custom Doors for Mansion	\$15,000.00	
	Door Hardware + Electronic locks	\$1,500.00	
08-001	Windows Mansion	\$44,850.00	Non historical wood clad
08-001	Windows installation (Mansion)	\$6,175.00	
	Custom Barrel type windows	\$13,000.00	
	Knox Box	\$250.00	
			\$117,945.00
FINISHES			
09-205	Stucco (Mansion) patch and repair	\$37,500.00	
	Site Stucco - New walls gate wraps	\$20,000.00	
	Wooden fence around Rispin Perry trial	\$3,740.00	
09-206	Scaffolding	\$22,500.00	
09-207	Painting (Mansion)	\$56,134.50	
09-207	Paint Historic main wall (Wharf road)	\$8,850.00	
09-207	Paint Well house	\$2,000.00	
09-208	Drywall (Mansion)	\$89,692.00	
09-219	Granite Slabs	\$10,800.00	
09-218	FRP	\$1,500.00	
09-210	Tile Flooring (Mansion)	\$71,500.00	
	Motor bed under clay tile	\$8,000.00	
09-212	Wood Flooring (Mansion)	\$53,257.00	
09-212	Carpet	\$2,750.00	
09-222	Resilient Flooring & Coved base kitchen/service	\$4,772.50	
			\$392,996.00
SPECIALTIES			
10-232	Mirrors and Glass int. towel bars, etc. (9 shr doors)	\$7,900.00	
	Signage	\$9,500.00	
	Toilet and bath accessories. (9 rooms)	\$4,500.00	
10-250	Fireplace unit installation	\$4,250.00	
10-250	Fireplaces Heater units	\$11,834.50	
			\$37,984.50
EQUIPMENT			
	Kitchen Hood Ansul System (Fire Suppression)	\$0.00	out for now, If this is needed please add \$5,000. 1/5/11
	Kitchen Hood	\$2,000.00	
11-704	Kitchen equipment	\$0.00	Put in FFE, Finishing cost
			\$2,000.00

	DESCRIPTION	TOTAL	NOTES
SPECIAL CONSTRUCTION			
13-319	Safety and Construction clean & general labor	\$42,674.10	
13-319	Final Building Clean-Up	\$4,354.50	
			\$47,028.60
CONVEYING SYSTEMS			
14-350	Elevator ADA lift (1 exterior grade)	\$32,000.00	
			\$32,000.00
MECHANICAL/PLUMBING			
15-360	Plumbing	\$174,180.00	
	Water Softener system Mansion	\$4,500.00	
15-362	HVAC base bid	\$68,000.00	
15-362	Gal louvers	\$1,200.00	
15-362	Architectural Sheet Metal base bid	\$18,000.00	
15.364	Fire Sprinklers (all areas)	\$24,385.20	
			\$290,265.20
ELECTRICAL			
	Low voltage between units and Stub up	\$5,000.00	
16-382	General electrical	\$240,978.03	
16-382	Afire Alarm and flow switches	\$3,000.00	
16-382	Generator and installation	\$35,000.00	
16-382	Historical wall scones Allowance	\$0.00	
16-382	1 light pole at Library	\$3,900.00	
16-383	Lowery pad between rooms	\$750.00	
16-387	Fire alarm allowance	\$13,934.40	
	Alarm control panel, Camera and monitor	\$2,217.00	
16-394	Telephone wiring, cable TV and jacks, data cabling	included	
	Temp power service	\$0.00	In general conditions
			\$304,779.43
SOFT COSTS 9 rooms			
CODE	DESCRIPTION	TOTAL	
00-010	Staff Preconstruction	\$0.00	
	Development fee	\$0.00	
00-920	Development Staff time during construction	\$10,000.00	
01-009-200	Expenses Account during construction	\$5,000.00	
01-031	Pre partnership Estimating	\$0.00	
01-032	Overnight Shipping	\$0.00	
01-035	Mobile Air Time	\$0.00	
01-039	Blue Print Reproducible	\$0.00	
	Builders Risk insurance	\$30,000.00	
17-001	Historical Report - Archaeological Resources Mgmt	\$0.00	No historical SHPO
17-002	Geotechnical Engineer Report - Haro & Kasunich	\$4,400.00	
17-003	Engineering Civil - construction Services	\$5,000.00	Design build
17-004	Architectural - Construction Adminis.	\$25,000.00	
17-005	Hotel Operation Proforma - ACME Henderson & Spa consultant & Structural Peer Review	\$0.00	
17-006	Architectural Landscape	\$2,200.00	
17-008	Arborists Tree and root observation during construction	\$0.00	
17-009	Misc. Engineering - Redwood Struct. Eng. & Sustainable Design (Bill Shadely), Reade & Assoc	\$13,400.00	
17-011	Engineering Electrical -BRK Assoc & Design Assist	\$2,000.00	Design build
17-014	Reinstall Weather Stations & Butterfly collect data	\$12,000.00	
17-034	Traffic & Parking Study (hotel Operating agreement)	\$10,000.00	
17-045	Planning fees Bud's time	\$0.00	Jammie can do this

	DESCRIPTION	TOTAL	NOTES	
17-401	Special Inspection D & M Consulting Engs.	\$15,000.00	No historical SHPO	
17-402	Permit Building permit (city giving tit to us)	\$0.00		
17-403	Sanitation Fees (based on 9 rooms)	\$12,800.00		
17-403	Zone 5 storm Fees	\$38,110.36		
17-404	Utility Fees (PG&E, PacBell,)	\$51,200.00		
17-404-002	Water meter & Sewer hook up fees based on 9 rooms)	\$21,600.00		
17-406	W,D,O's 6 acres ft X 20/acer ft (WE SHOULD HAVE ENOUGH)	\$0.00		
17-406	State Water Resources Control Board Permit	\$367.35		
17-411	Legal and Title	\$11,000.00		
17-417	Additional SHPO Fees	\$0.00		
17-418	Art In Public Places Program	\$0.00		
17-418	Other Permits	\$5,000.00		
17-419	RDA LDA Deposit & get it back at C of O	\$0.00		
17-425	Performance Bonds & Letter of Credit	\$30,000.00		
17-435	Reappraisals - Bank of the West	\$8,000.00		
17-451	Loan Fees (cash and City \$ 3million Loan)	\$21,000.00		
17-464	BSB sign, Banners and Web Page	\$0.00		
17-466	Warranty work (9rms X 500/rm)	\$0.00		
17-469	Environmental Review doing construction	\$5,000.00		
	CDBG Consultant	\$0.00		
17-469	Affordable housing fee	\$0.00		
17-430	Coastal Commission lobbyist/ consultant	\$0.00		
17-416	Encroachment Permits (City to wave fees)	\$1,500.00		
17-	Condition 94 - Bus turn out design	\$50,000.00		
17-	Condition 95 - Fair Share Clares St improvements	\$2,000.00		
17-	Condition 100 - Fair Share Traffic Study	\$3,000.00		
17-	Prevailing Wage Third Party Review	\$0.00		
17-	Condition 65 - Steelhead Monitoring Program	\$7,000.00		
17-700	Operation loss 1st year Revenue	\$0.00		
17-710	Interest reserves (private loan from RDA)	\$0.00		
	SOFT COSTS SUMMARY			
	SUBTOTAL SOFT COSTS	\$401,578		
	Overhead on soft cost @ 4%	\$0		
	TOTAL OF SOFT COST	\$401,578		
	SOFT S.F.	\$46.11		
	SOFT PER KEY (ROOM) 9	\$44,619.75		
	CONSTRUCTION HARD COSTS	\$3,178,624		\$3,178,624
	SUBTOTAL - (Construction, Contingency)	\$3,178,624		
	Overhead @ 0% cost	\$0		
	Profit @ 0% cost	\$0		
	CONTINGENCY @ 7.0%	\$219,799		
	CONSERVATORY PLUG	\$0		
		Total Const. Public & Private \$/SqFt, based on 8,709sf		
		\$3,398,423		\$390
	Cost per Key:	\$377,603		BASED ON 9 room B & B
	FFE & ZEV's Cost per Key:	\$225,000		\$26
	SOFT COSTS	\$401,578	\$46	
		\$3,800,000	\$436	
	Total Cost per Key:	\$422,222		

CITY OF CAPITOLA "SAVE THE MANSION" 9 Room Scenario

City of Capitola--January 12th, 2010

FUNDING SOURCES:	
REDEVELOPMENT AGENCY-GRANT	\$ 1,200,000
REDEVELOPMENT AGENCY-RESID. RECEIPTS LOAN	\$ 1,100,000
BSB	\$ 500,000
BANK LOAN	\$ 1,000,000
TOTAL FUNDING SOURCES	\$ 3,800,000

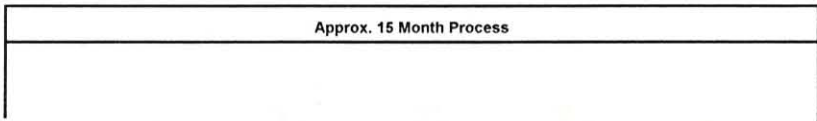
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL	
REVENUE:												
Rooms	448,403	470,438	486,512	503,040	503,040	513,100	525,235	542,882	553,740	553,740	\$ 5,100,129	
Food and wine	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	\$ 10,950	
Other Aquarium/Boardwalk tickets	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	\$ 11,464	
TOTAL REVENUE	\$ 450,403	\$ 472,488	\$ 488,613	\$ 505,194	\$ 505,248	\$ 515,364	\$ 527,555	\$ 545,261	\$ 556,179	\$ 556,240	\$ 5,122,543	
EXPENSES:												
Operating & Staff Salaries Expenses	121,069	127,018	131,358	135,821	135,821	138,537	141,813	146,578	149,510	149,510	\$ 1,377,035	
Employee Expenses	9,008	9,450	9,772	10,104	10,105	10,307	10,551	10,905	11,124	11,125	\$ 102,451	
Advertising & Marketing	22,520	23,624	24,431	25,260	25,262	25,768	26,378	27,263	27,809	27,812	\$ 256,127	
Business Expenses	49,995	52,446	54,236	56,076	56,082	57,205	58,559	60,524	61,736	61,743	\$ 568,602	
Misc. Expense	4,504	4,725	4,886	5,052	5,052	5,154	5,276	5,453	5,562	5,562	\$ 51,225	
Building Expenses	73,818	77,509	80,609	84,640	88,025	91,546	96,124	99,969	104,967	109,166	\$ 906,372	
Property Tax	17,250	17,250	17,250	17,250	17,250	17,250	17,250	17,250	17,250	17,250	\$ 172,500	
Food Expense	16,097	16,556	16,786	18,232	18,232	18,232	18,478	19,973	19,973	19,973	\$ 182,531	
General Office and Room Supplies	25,898	27,168	28,095	29,049	29,052	29,633	30,334	31,353	31,980	31,984	\$ 294,546	
Fish/Butterfly Monitoring Expenses	10,000	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	\$ 107,546	
City of Capitola Land Lease						10,262	10,505	10,858	11,075	11,075	\$ 53,774	
TOTAL EXPENSES	\$ 350,158	\$ 365,747	\$ 377,624	\$ 391,887	\$ 395,494	\$ 414,719	\$ 426,308	\$ 441,386	\$ 452,472	\$ 456,915	\$ 4,072,711	
NOI	\$ 100,244	\$ 106,741	\$ 110,989	\$ 113,307	\$ 109,754	\$ 100,644	\$ 101,247	\$ 103,875	\$ 103,707	\$ 99,325	\$ 1,049,832	
BANK LOAN:												
Debt Service (Interest Rate)***	7.50%	\$ 88,128	\$ 88,128	\$ 88,128	\$ 88,128	\$ 88,128	\$ 88,128	\$ 88,128	\$ 88,128	\$ 88,128	\$ 881,281	
Amortization Period (Years)***	25											
RDA LOAN:												
Debt Service-DEFERRED (Interest Rate)	2.00%	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	\$ 48,709	\$ 487,086	
Amortization Period (Years)	30											
RDA Residual Receipts Loan Payment		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
NOI After Debt Service (Bank Loan ONLY)		\$ 12,116	\$ 18,613	\$ 22,861	\$ 25,179	\$ 21,626	\$ 12,516	\$ 13,119	\$ 15,747	\$ 15,579	\$ 11,196	\$ 168,551
INVESTOR RETURNS:												
City of Capitola (Room Revenue Only)**	2%						10,262	10,505	10,858	11,075	11,075	\$ 53,774
Redevelopment Agency Tax Increment		8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	8,625	\$ 86,250
City of Capitola TOT (% of Room Revenue Only)	10%	44,840	47,044	48,651	50,304	50,304	51,310	52,523	54,288	55,374	55,374	\$ 510,013
Residual Receipts Loan Payment (Threshold)**	\$ 600,000	0	0	0	0	0	0	0	0	0	0	
Profit Sharing Percentage over Threshold	10%											
TOTAL CITY RETURN		\$ 53,465	\$ 55,669	\$ 57,276	\$ 58,929	\$ 58,929	\$ 70,197	\$ 71,653	\$ 73,771	\$ 75,074	\$ 75,074	\$ 650,037
City of Capitola ROI (Loan Only)		4.86%	5.06%	5.21%	5.36%	5.36%	6.38%	6.51%	6.71%	6.82%	6.82%	
TOTAL BSB RETURN		\$ 12,116	\$ 18,613	\$ 22,861	\$ 25,179	\$ 21,626	\$ 12,516	\$ 13,119	\$ 15,747	\$ 15,579	\$ 11,196	\$ 168,551
BSB Percentage ROI		2.42%	3.72%	4.57%	5.04%	4.33%	2.50%	2.62%	3.15%	3.12%	2.24%	
(Does not include Past Investment of \$2M)												
TOTAL AVAILABLE ROOMS		3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	
Total Occupied Rooms		2,300	2,365	2,398	2,431	2,431	2,431	2,464	2,497	2,497	2,497	
% OCCUPANCY		70%	72%	73%	74%	74%	74%	75%	76%	76%	76%	
AVERAGE ROOM RATE		\$ 195	\$ 199	\$ 203	\$ 207	\$ 207	\$ 211	\$ 213	\$ 217	\$ 222	\$ 222	
Room Rate Increase Per Year			2%	2%	2%	0%	2%	1%	2%	2%	0%	

*Property Tax Value to be Approved by Assessor

** Percentage of Gross Room Revenue Calc.

***Interest Rate/Amort. Period from Bank of the West (12/22/2010)

Rispin Mansion - Conceptual Schedule



I. Pre Construction (Approx. 3.5 Month Process)

A. Submit Proposal and Review - Jan. 12th, 2011

Submit Proposal and Review - Jan. 12th, 2011



B. 1st Council Meeting - Jan. 27th, 2011 (1 month)

1st Council Meeting - Jan. 27th, 2011

1. Revise LDA
2. Building & Public Works review
3. CEQA - Historical, Coastal Commission / City of Capitola
4. Revise drawings for deduct scope of work



C. 2nd Council Meeting - Feb. 27th, 2011 (Approx. 2 months)

2nd Council Meeting - Feb. 27th, 2011

1. Review Drawings
2. Pursue Building Permits



II. Construction (Approx. 12 Month Process)

A. Start Construction - May 1st, 2011 (Approx. 10 months)

Start Construction - May 1st, 2011

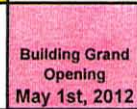


B. Building Start-up - Mar. 1st, 2012 (Approx. 2 months)

Building Start-up - Mar. 1st, 2012



C. Building Grand Opening - May 1st, 2012



AGENCY RESOLUTION NO. 2011-___

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CITY OF CAPITOLA REDEVELOPMENT AGENCY
AUTHORIZING APPROPRIATION AND EXPENDITURE OF \$50,000
OF REDEVELOPMENT AGENCY OPERATING FUND MONIES FOR THE
PREPARATION OF ENVIRONMENTAL DOCUMENTS AND CONSIDERATION OF
COASTAL DEVELOPMENT PERMITS FOR DEMOLITION OF THE RISPIN MANSION**

WHEREAS, the Redevelopment Agency Directors directed staff to proceed with preparing documents for a full demolition of Rispin Mansion on November 10, 2010; and

WHEREAS, Rispin Mansion is situated within sensitive protected riparian habitat, and located in the Coastal Zone; and

WHEREAS, the California Environmental Quality Act, Public Resources Code §21000 et seq., requires governmental agencies to take action to provide clean air and water, enjoyment of aesthetic, natural, scenic, and historic environmental qualities; and

WHEREAS, the California Environmental Quality Act declares that public agencies and projects are subject to the same level of review and consideration as that of private projects approved by public agencies; and

WHEREAS, the California Environmental Quality Act requires the evaluation of alternatives when preparing an Environmental Impact Report and provides public agencies with the systematic ability to select alternatives or projects based on economic, social, or other conditions related to feasibility.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Redevelopment Agency of the City of Capitola hereby authorizes the appropriation and expenditure of \$50,000 from the Redevelopment Agency Operating Fund for the preparation of required environmental review documents and consideration of Coastal Development permits pertaining to the demolition of the Rispin Mansion.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the Board of Directors of the Capitola Redevelopment Agency at its regular meeting held on the 27th day of January, 2011, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:
- DISQUALIFIED:

Dennis Norton, Chairperson

ATTEST: _____
Pamela Greeninger, Secretary

	Capital Costs	Ongoing Costs (yearly)	Preserves Mansion	Approved CDP	Anticipated Environmental Document	Conditions Compliance	Public Benefits	Project Resolution	Time to Start Construction
"Mothballing"	\$450,000	(\$20,000-\$25,000)	Yes	No	Exemption	None	reduction in attractive nuisance, saving mansion for future uses	Partial	3 months
Demolition	\$500,000	(\$10,000-\$15,000)	No	No	Focused EIR	Unknown	removal of attractive nuisance, reduction in costs	Partial	9 months
Demolition with Park	\$1.6 million	(\$75,000-\$100,000)	No	No	Focused EIR	Unknown	removal of attractive nuisance, habitat restoration, passive park	Full	1.5 years
"Mothballing with Park"	\$2.1 million	(\$100,000-\$125,000)	Yes	No	Focused EIR	Unknown	reduction in attractive nuisance, saving mansion for future uses, active park development, habitat restoration	Full	3 months for mothballing 1.5 years for park
Phased Hotel Project	\$2.3 Million	\$53,465-\$75,074	Yes	Yes	Completed	Per CDP	full time presence on property, restoration of public spaces & mansion, habitat restoration, positive financial impact,	Full	5 months

Greeninger, Pam

From: Ron Skelton [ronskelton@cruzio.com]
Sent: Monday, January 17, 2011 1:48 PM
To: City Council
Cc: City Manager; Gayle Ortiz
Subject: Rispin Reprieve

Mr Mayor and Council members

I read in the Post that another plan is to be presented by the developer and I hope to be here to take part in the public forum. In any event I would like to place on record my general and specific thoughts on the topic.

I see 3 main imperfect options each with pros and cons; restoration of the garden area and adhering to the environmental constrains are mandatory requirements.

1. Demolition.

Permanent loss of this historic structure, would be regrettable and may not be permitted if there are other realistic options. However this is the least-cost option and provides the most open public space for performing arts and similar activities.

2. Moth balling.

Securing historic structures and retaining them as revered ruins is very common in many parts of the world. Here this would leave open the possibility of a complete restoration at some point in the future. The public would loose the use of parts of the site and there are initial and ongoing costs associated with securing the structure.

3. Restoration as an Inn.

A restored structure would be a high-end visitor-serving amenity and generate a modest amount of TOT. As a commercial development It would provide the least opportunity for public access and use. Impacts on the residential area, size and degree of cost sharing are the principal concerns.

As this is public property any decision to apply public funds should be weighted heavily by the public amenity it provides. For several years the RDA funds have been retained for the project instead of carrying out much needed neighborhood improvements and preparations for a permanent library. Moreover I have grave concerns about the tactics of this particular developer. Missing the January 12 dead-line is just the latest in a long series of missed deadlines and misinformation. They are not indispensable from either construction or funding standpoints.

My bottom line is rather reluctantly Option 3 provided that cost sharing is kept to no more than is required to restore of the garden area. An absolute short-fuse deadline needs to be established for reaching agreement. If this isn't accomplished then I favor Option 1. In any event the balance of the RDA funds should be placed under contract for local projects without delay and as a matter of urgency.

I am always happy to discuss this topic and wish you wisdom in bringing this perennial discussion to an end



Item #: 5.C.

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: CITY MANAGER'S DEPARTMENT

DATE: JANUARY 19, 2011

SUBJECT: CONSIDER LETTER IN OPPOSITION TO GOVERNOR BROWN'S PROPOSAL TO ELIMINATE REDEVELOPMENT

Recommended Action: By motion and roll call vote, authorize the Mayor to execute letters opposing Governor Brown's proposal to eliminate redevelopment to Governor Jerry Brown, State Senator Joseph Simitian, and State Assemblyman Bill Monning.

BACKGROUND

Governor Jerry Brown has proposed eliminating or curtailing redevelopment in California as of July 1, 2011. The proposal calls for urgency legislation to prohibit existing agencies from creating new contracts or obligations. The proposal, as presented by Michael Cohen, Chief Deputy Director of the California Department of Finance, includes the ability to use tax increment for fiscal 2011-12 and subsequent years to pay debts and obligations for existing redevelopment projects, with current Housing Set Aside funds being shifted to local housing authorities.

DISCUSSION

The attached draft letter enumerates the reasons to oppose Governor Brown's proposal to eliminate redevelopment. While the specifics of the Governor's proposal are still in the formative stages, eliminating the redevelopment agency has significant implications for the City of Capitola, including plans for the Capitola Branch Library, disposition or development of the Rispin site, and redevelopment of the 41st Avenue Corridor.

FISCAL IMPACT

There is minimal cost to sending letters in opposition to the Governor's proposal.

ATTACHMENT

Draft letter

Report Prepared By: Derek Johnson
Community Development Director

Reviewed and Forwarded
By City Manager: _____



420 Capitola Avenue
Capitola, California 95010
Telephone: (831) 475-7300
FAX: (831) 479-8879
Website: www.ci.capitola.ca.us

January 27, 2011

Honorable Jerry Brown
Governor
State Capitol, Suite 1173
Sacramento, CA 95814

RE: Budget Proposal to Eliminate Redevelopment Agencies

Dear Governor Brown:

As the Mayor of Capitola, I understand the difficulty of passing a budget in these times of limited financial resources and economic uncertainty. Those of us in local government have been forced to make difficult decisions to bring our own budgets into balance.

However, even in difficult times, your proposal to eliminate or curtail redevelopment is short-sighted public policy that will damage our economy and bring little budget relief to the State. In addition, if redevelopment agencies are eliminated, it will have a direct and lasting negative impact on the California economy and on the local Capitola community. The proposal to eliminate redevelopment will not provide expected budget relief to the State or local governments after bond issues and contractual obligations are repaid. Statewide, it will destroy billions of dollars in local economic activity and hundreds of thousands of jobs. It will kill the state's leading program to provide affordable housing.

This proposal will impact local jobs and economic expansion at one of the weakest economic times since Capitola's incorporation. The Capitola Redevelopment Agency, in combination with various other entities including the City of Capitola, has been able to provide a variety of local projects, both planned and completed, that serve the citizens of Capitola well:

- A \$30 million, 109 unit Senior Housing project in the heart of Capitola is nearing completion. This major rehabilitation housing project serves the needs of low, very low, and extremely low income local seniors.
- 41st Avenue Corridor planned revitalization and mall upgrade projects are at their initial stages. The 41st Avenue Corridor businesses provide over 80% of Capitola's sales tax base, which equals 40% of the City's total revenue. Regeneration of this area is vital to the economic well being of the City.
- The Capitola Redevelopment Agency currently has 77 active low and moderate income housing loans totaling \$735,000.
- Site planning for saving the historic Rispin Mansion site to benefit the community is continuing.

The benefit of the Capitola Redevelopment Agency to date has allowed a superior quality of life and operation of the City for the benefit of its citizenry. The current proposal will either delay or eliminate these locally and regionally beneficial and self-sustaining projects.

The proposal runs contrary to the Governor's and Legislature's stated goals of realigning state services to provide more responsibility and funding locally. Redevelopment funds are already locally-generated property tax dollars directed toward community projects and programs directed by locally-elected officials with input from citizens. The proposal wipes out this local tool to drive economic growth, build up tax revenues, and grow sustainably.

On behalf of the City of Capitola, I respectfully request that you reject any State budget solution that eliminates or hampers local operation of redevelopment agencies in the State of California.

Respectfully submitted,

Dennis Norton
Mayor, City of Capitola, California



Item #: 5.D.

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: DEPARTMENT OF PUBLIC WORKS
DATE: JANUARY 19, 2011
SUBJECT: VILLAGE PAY BY SPACE PAY STATION PROGRAM
SELECTION OF CALE PARKING SYSTEMS, USA, INC

Recommended Action: By motion and roll call vote, that the Council approve the selection of Cale Parking Systems, USA, Inc., for the implementation of the Village Pay By Space Pay Station Program and authorize the Public Works Director to negotiate and execute a final contract and implementation plan with Cale for replacement of all parking meters along the Esplanade with pay stations at an estimated cost of \$100,000.

BACKGROUND

Per City Council direction the City issued a request for proposals for a phased implementation of pay by space parking stations to replace the single space parking meters in the Village. The first phase includes installation along the Esplanade; the second phase includes the remaining Village area up to Stockton Avenue. Ultimately, all single space meters may be phased out and replaced with pay stations throughout the City.

Besides the removal of the single space meters, the installation of pay stations will provide the following benefits:

- Credit card, coin, and paper payment systems for ease of payment
- Detailed accounting and usage reports for every parking space
- Ability to increase paid time without returning to car
- Estimated 25%-50% increase in meter revenue
- Ease in implementing variable rate structures based on demand models
- First step in implementing a parking management system to aid in directing vehicles to open parking areas

DISCUSSION

The City received six proposals from well-respected firms located throughout North America. Based on a review of the proposals and individual meetings with staff and each vendor, three vendors were invited to participate in a demonstration interview with staff from the Police Department, Finance Department, Community Development Department and two members of the Traffic and Parking Commission. Based on these interviews Cale Parking Systems and Digital Technologies were recommended to continue in the selection process. Since this recommendation, staff has been talking to existing users of both companies and monitoring recent implementation of new systems by other agencies.

Based on all this review, staff is excited to recommend Cale Parking Systems USA, Inc., for the Village project. Cale Parking is now based in Georgia, but has a western supply warehouse and trained technicians located in San Jose. Cale's close proximity and excellent service record was a key element in staff's recommendations. Cale Parking's system is an all inclusive system that includes credit card payment, bill and coin acceptance systems, lighted panel for night time use, and an integrated solar panel. The clients contacted with Cale Parking systems were pleased with their systems and the customer service provided by Cale Parking. Attached is a summary of the proposals received and excerpts from Cale's proposal that provides additional information on their equipment.

FISCAL IMPACT

The Village Pay by Space Pay Station program is funded out the dedicated parking fund established for improving parking in the Village. This fund receives 1/12th of the parking meter revenue in the Village and has estimated annual revenues of \$100,000 and has a current balance of \$99,800. The first phase of this project will utilize most of this funding although increased growth of this fund can be anticipated. Subsequent phasing will follow as funding is available and with acceptance of the new system by the public.

ATTACHMENTS

1. Proposal Summary
2. Cale Parking Systems USA, Inc. proposal

Report Prepared By: Steven Jesberg
Public Works Director

**Reviewed and Forwarded
By City Manager:**

Item	Description	Digital		Cale		Parkeon		
		Unit Price	Cost	Unit Price	Cost	Unit Price	Cost	
Capital Expenditures:								
Pay by Space Machines	Phase 1 - incl. installation	\$ 7	\$ 93,327	\$ 7,365	\$ 51,555	\$ 10,468	\$ 73,276	
	Phase 2	\$ 16	\$ 195,793	\$ 7,365	\$ 117,840	\$ 10,393	\$ 166,288	
Spare parts	Key components only	\$ 2		\$ 5,321	\$ 10,643	\$ 21,788	\$ 43,576	
Training		\$ 1	\$ 3,250	\$	\$	\$ 2,950	\$ 2,950	
Marketing Program		\$ 1	\$	\$	\$	NR	\$	
Monthly fees	Phase 1	\$ 7	\$ 525	\$ 55	\$ 385	\$ 60	\$ 420	
	Phase 2	\$ 16	\$ 1,200	\$ 55	\$ 880	\$ 60	\$ 960	
Wifi System		\$ 1	\$ 29,990	\$ 41,800	\$ 41,800	\$	\$	
Optional features:								
Bill Acceptor		\$ 23	\$ 1,215	\$ 3000		\$ 2584		
Receipt printer			\$?	\$ 1535		\$ 0		
Data Management			\$ NR		\$ NR	\$?		
Handhelds			\$ NR		\$?	\$?		
Space sensors		161	\$?	\$ \$30/month	\$?	\$?		
Cell phone payment			\$?		\$ NR	\$ NR		
Credit card processing			\$?		\$?	\$ NR		
Financing terms			\$ NR		\$ NR	\$ Yes		
Cost with Bill Acceptor and receipt		\$	\$ 14,547	\$ 11,900	\$	\$ 13,052	\$	

Not stainless steel

Dunham		Amano		Ventek		MacKay	
Unit Price	Cost	Unit Price	Cost	Unit Price	Cost	Unit Price	Cost
\$ 9,090	\$ 63,630	\$ 8,960	\$ 62,720	\$ 10,795	\$ 75,565	\$ 8,059	\$ 56,413
\$ 8,990	\$ 143,840	\$ 8,960	\$ 143,360	\$ 9,720	\$ 155,520	\$ 8,059	\$ 128,944
\$ 3,000	\$ 11,132			\$ 4,995	\$ 2,756	?	
\$ 3,000	\$ 3,000	\$ 1,500				\$ -	
tbd		\$ -		\$ -		nr	
\$ 39	\$ 273	\$ 15		\$ 96		\$ 40	
\$ 35	\$ 560	\$ 15		\$ 96		\$ 40	
\$ -	\$ -			NR		nr	
NR		\$ 2,280		\$ 1,048		\$ 1,200	
NR		incl		\$ 1,574		\$ -	
MR		\$ 14,820		\$ 100,000			
\$ 33,653	\$ -	NA		\$ 665			
\$ 330	\$ 53,130			yes		no	
yes							
yes							

NR \$ 11,240 \$ 13,417 \$ 9,259

CALE

ATTACHMENT 2
Parking has never been so
easy.

CITY of CAPITOLA, CA

Public Works Department

420 Capitola Ave., Capitola, CA 95010

RFP for CITY PAY BY SPACE MULTI-SPACE PAY STATIONS

Response Due: 4/27/2010

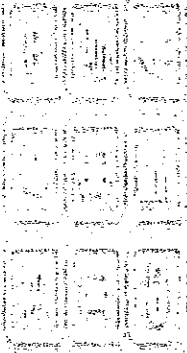
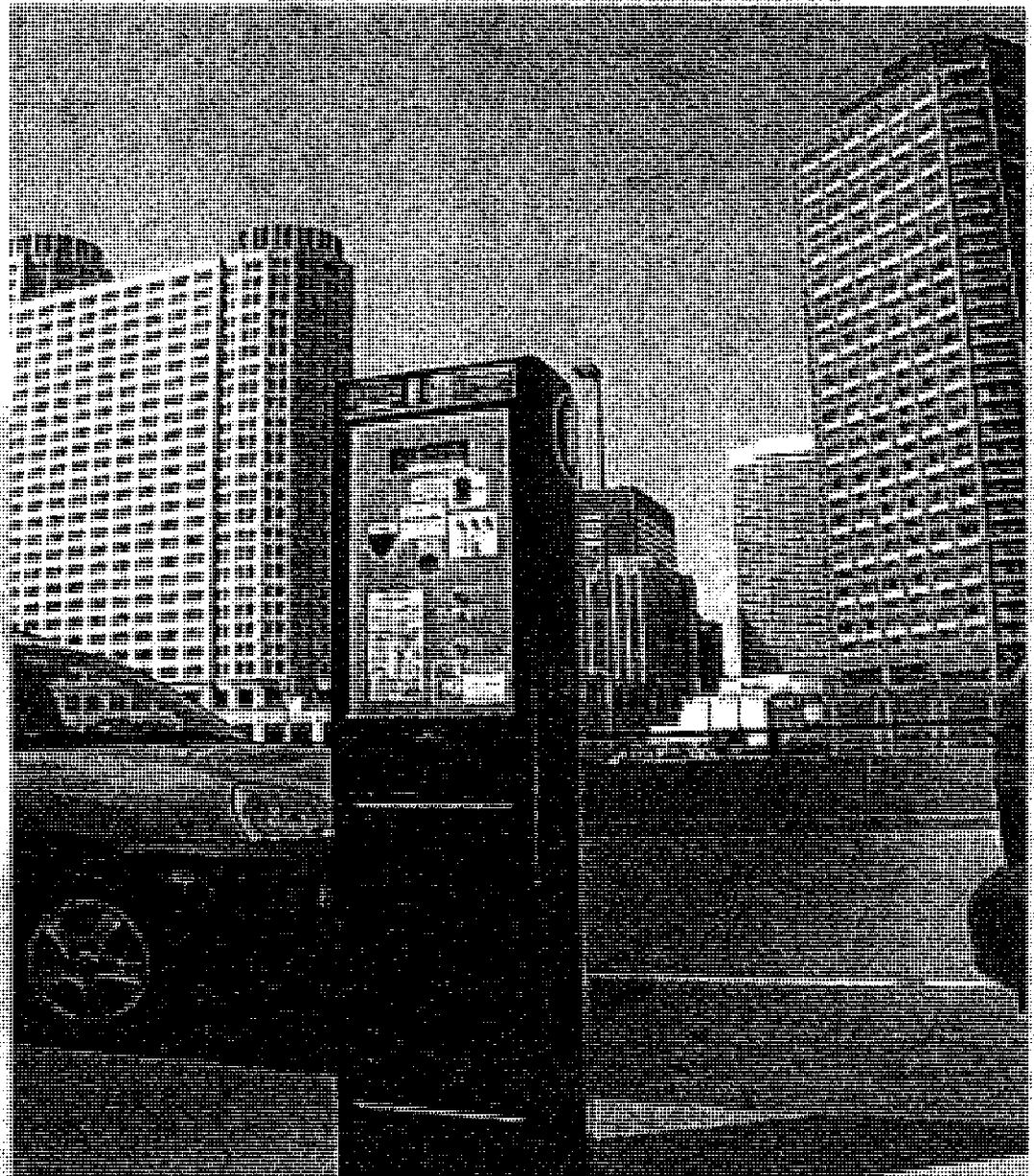
UNBOUND ORIGINAL

Presented by:

CALE PARKING SYSTEMS USA, INC.

13808 Monroes Business Park - Tampa, FL 33635

CONTACT: RYAN BONARDI 770.634.4947



Cover Letter/Letter of Introduction

CALE PARKING USA is prepared to participate in the new Pay by Space parking program developing in Capitola, CA. The offer made by CALE and our subcontractors will remain valid for 120 days from receipt. We have read the RFP and the responses to the pre-bid questions and have outlined our commitments to the City. The plan set forth by CALE is born from vast experiences with installing multi-space meters, servicing multi-space meters, testing of multi-space meters and fostering an environment where a city's new parking program will be a success from the beginning. The executive staff of CALE USA has more than 50 years of experience between four people.



CALE USA is the dominant vendor in the Bay Area of California. Capitola is only 70 miles from CALE's west coast warehouse and field support staff. Our proven and tested pay stations, along with our unmatched approach to customer service and support of our pay station systems, have contributed greatly to the success of area operations, i.e. Berkeley – Oakland – Santa Rosa – Walnut Creek and more. CALE has more than 1000 meters installed in the region. Our presence is solidified for this region of the US; partnering with CALE will assure the City of Capitola of having a partner in close proximity for a long time to come.

Our proposal includes these components:

The Pay station: CALE is proposing that the city purchase the MP104 Compact pay by space meter. The ability to pay for any space, from any meter will be available; adding time up to two hours maximum will also be available. The meter will allow coin and credit card acceptance, per the wishes of the city. The meter will not have a printer, per the wishes of the city. The meter will have the ability to communicate via WiFi. The meter will be powered by a battery, which is

charged by a fully integrated solar panel. It is the intent of CALE to install the meters in Capitola in less than 60 days. In order for the meters to be installed within the cities short time line, we will propose delivering the meters with the standard form of communications capabilities, that being GPRS communications. Once the WiFi infrastructure is in place CALE will convert the meters communications to WiFi, at no further cost to the city. US Wireless has committed to having their wireless infrastructure in place within 2 months of a signed contract; meaning that the time the meters will communicate via GPRS will be very short and quite possibly not at all. A two year parts warranty for the meter will be included.

Back Office: The management tool for the CALE meter system is CALE Web Office (CWO). It is the most advanced management tool on the market today. The design of the web based tool allows for intuitive navigation of the site. The site is accessible from any computer with a browser and web access. The site is where all information about the meter and the spaces that it covers will be found. Enforcement reports, meter alerts, meter alarms, statistical information, revenue data are all found on the CWO. The fee that is stated for the back office includes every module that is currently available on CWO. There are no hidden fees or transaction fees that CALE will impose on the city, or the parking patron.

Enforcement: We understand the City currently has enforcement hand helds that do not communicate. It will be CALE's recommendation that the city work with its hand held provider to convert the handhelds to a communicating status. If the current hand helds can communicate and have a browser the city will be able to enforce the spaces monitored by the CALE meter. Enforcement reports can be downloaded to any device that has a browser and internet connectivity, including laptops, PC's, smart phones, PDA's and hand held ticket writers. CALE does not use proprietary enforcement equipment.

Installation and Marketing plan: Any meter that has ever been purchased by CALE USA has never been taken out of commission because of customer or patron discontent. The reason why is because the meter works well and is easy to understand and use; it is also easy to work on and maintain. Add CALE's Help desk, which never closes or goes to an answering service and you will have peace of mind moving forward with CALE. The marketing plan that CALE will work with the city to put into action consists of an informational press release that would be released to the public a week before the meters are turned on. The piece will provide the public with all necessary information to prepare for the new meters, the new style of payment, enforcement, payment options and where the meters will be located. If applicable and of a direct benefit to the public, information on how the revenues are spent is sometimes a great selling point; especially if a portion of the monies are earmarked for upgrading side walk furniture, general repairs and the like. The first week of enforcement should be one where warnings are giving out. The warning should look like a parking ticket, telling the driver that they would and should have received a ticket, but they are getting away with a warning. The flier should then convey the hourly rates of the parking district, times of enforcement, a picture of the meter and the instructions on how to use the meter. The last part of the campaign will be for the City to use current staff or hire temporary staff to act as docents/meter greeters in the meter zone. These three steps, along with a ribbon cutting ceremony will ensure that the public is well informed of why the change was made, when it will be made and how the public and the city will benefit.

Service and Support: CALE understands that the City has a current technician that addresses the issues of the installed single space meters. We will train this person to be on the front line of all maintenance requirements for the meter. Allowing this person to conduct preventative maintenance of the meters and general technical issues will save the city the expense of having CALE respond to every issue. CALE has telephonic technical assistance available at any time of day, any day of the year. If there is an issue that the local technician cannot solve, a call to CALE for our troubleshooting assistance will be the next step for the City; this action will solve 99% of all issues. For the issues that cannot be resolved by the city technician, or through telephonic support, CALE will dispatch a technician from our Oakland warehouse. Initially, during the first three months of the installation, CALE will be available to the city at no cost; we will come to Capitola as needed. We will expect the city technician to be present for all service calls during the first three months, this will allow CALE to perform in-field training and for the city technician to become more comfortable with working on the equipment, from trouble shooting meter issues, preventative maintenance and interfacing with CALE Web Office. When calling our customer references, ask about CALE's commitment and ability to support its customers; we are confident the feedback you receive will very positive.

Signage: Because it is stated in the question responses that the City wants the vendor to supply and install the signage, based on what is approved by the city, we will wait to provide budgetary pricing for the hardware, artwork and installation. Committing to a fixed price when we do not know the quantities and styles the city will ultimately want is impossible.

The meters will be installed within 60 days of notice to proceed. The first seven meters will be able to be installed in less than six weeks, if the City accepts CALE's standard color scheme, which is a gloss black finish with a light gray patron interface area. The two tone look of the meter is specifically designed to direct the eye of the patron, in order to start and finish a transaction in as little time as possible.

CALE USA will be the prime contractor for this project. Our partners will be US Wireless (WiFi) and StreetSmart (In-ground Sensors). The work and benefits that the two subcontractors will provide are explained in the Project Approach section of this response. Pay by Cell phone is also listed as an option that the city would like feedback on. CALE is currently working with two companies to fully integrate this service to our back office, CWO. This capability should be available to the city by June 2010.

CALE USA is the Master Distributor, in the USA, for CALE Systems; which has been in business for over 50 years. CALE USA started in 2003 and has since grown its domestic installation of Multi-Space meters to over 8,000, and we have over 1000 meters in our back-log. We have customers with one meter installed and we have customers with thousands of meters installed. We have a well established track record of conforming to individual customer specifications, and to our own standards of good workmanship. We understand that strict adherence to schedules, and moving towards a complete installation as quickly as possible is something that the city is concerned with; we will state again, CALE will have its meters installed and our administrative infrastructure in place within 60 days of a NTP from the City of Capitola.

EXHIBIT "A"

PROPOSAL LETTER

Proposer CALE Parking Systems
USA, Inc.
Business Address 13808 Monroes Bus. Park
Tampa, FL 33635
Telephone No. 813.405.3900
Fax Number 813.405.3909
E-Mail Address: rbonardi@caleparkingusa.com

Mr. Steve Jesberg
Public Works Director
City of Capitola
420 Capitola Avenue
Capitola, CA 95010

In response to the Request for Proposal ("RFP") for **CITY PAY BY SPACE MULTI-SPACE PAY STATIONS**, we the undersigned hereby declare that we have carefully read and examined the RFP documents including any addenda issued during the proposal period, and hereby propose to perform and complete the work as required.

If this proposal is accepted for final selection, the undersigned agrees to negotiate in good faith with City toward a final Agreement containing such material business and legal deal points as set forth in the Proposal and as negotiated by the parties.

If awarded, the undersigned agrees to execute a formal Agreement within (10) calendar days following the Notice to Proceed, and will deliver to the City prior to the execution of the Agreement the necessary certificates of insurance and endorsements.

Vendor represents that the following person is authorized to negotiate on behalf of the Firm or Agency with the City in connection with this RFP: 130 S. CASTLE ST. BALTIMORE, MD 21231
RYAN F. BONARDI 770.634.4947 - rbonardi@caleparking
VP - Sales usa.com

The undersigned certifies that he/she has examined and is fully familiar with all the provisions of the RFP Documents and is satisfied that this proposal is accurate; and that he/she has carefully checked all words, figures and statements made in the proposal requirements and that he/she has satisfied himself/herself with respect to other matters pertaining to the proposal which in any way affect the

Pay Station RFP


work or the costs thereof. The undersigned hereby agrees that the City will not be responsible for any errors or omissions contained in these RFP documents.

The undersigned further certifies under penalty of perjury that this RFP is genuine and not a sham or collusive, or made in the interest of or on behalf of any person, firm or corporation not herein names; that the Vendor has not directly or indirectly induced or solicited any other Vendor to put up a sham proposal, or any other person, firm or corporation to refrain from proposing, and that the Vendor has not in any manner sought by collusion to secure to himself/herself any advantage over other Vendors.

The undersigned being cognizant of the pages, documents, and exhibits contained herein agree to provide the City with the services described in the proposal specifications and agreement documents.

By:

Authorized Signature:



RYAN F. BONARDI

Type or Print Name:

VP - SALES

Title:

Authorized Signature:

Type or Print Name:

Title:

Project Approach

CALE has a WiFi ready meter that can meet the needs for Capitola. CALE has a partner for the integration of WiFi but we are also willing to work with any WiFi provider the City may select. The Pay by Space method of control will mean an increase in efficiency, not only for the city but for the parking patron as well. The increase in efficiency for the patron will be the fact that they will not have to find loose change in order to pay for their parking time, as they must do with a single space meter.

CALE's meters will provide the patron with multiple payment options. Coin, credit and debit card payment options will be available.

CALE recommends keeping the initial installation as simple as possible. The most important thing to focus on is the proper function of the meters and that the patron has an easy time navigating the new process. Keeping variables to a minimum, at the onset, will be important to a successful transition. Installing meters, signs and space markings should be what the City focuses on during the rush of getting the revenue generating part of the installation completed. Setting up a mesh WiFi network takes planning and testing. CALE will propose to initially install the meters with GPRS communications. We estimate the transition to WiFi will take less than three months. When the transition begins CALE will come back to Capitola and make the necessary changes to the meter, so it may communicate via WiFi. No additional cost to the City will be incurred when CALE converts the meter to communicate through WiFi.

The CALE meter is designed and fabricated in a way that will reduce the frequency and impact of vandalism or attempted theft. The meter is constructed of durable LDX2120 Stainless steel, the seams of doors are tight and rounded. The meter has two outer doors, both with four locking points; there is a separate door and lock for the coin vault. The coin vault door is made of 4mm thick armored steel, with six locking points. The meter is rated to work in 100% relative humidity, at 140 degrees Fahrenheit, and to -22 degrees Fahrenheit. Electronics of the meter are environmentally sealed. The simple application of a solvent will remedy most vandal spray paint tags. There is a sensor on the coin inlet, controlling a steal door, which will only open when a metallic object, like a coin, is introduced. The coin inlet will not open for anything but something metallic, this will mitigate the damage done by popsicle sticks, straws, windblown debris, etc.

The meters LCD display will convey city programmed messages, and other useful information to the end-user. The screen is visible during the day and is backlit at night. As an optional feature CALE can place a light bar on the meter, lighting the entire face of the meter during nighttime hours. The light bar feature works from a solar powered meter, it does not require an AC power source. All signage on the meter will clearly indicate what the meter is to be used for, how to use the meter, the parking times and rates for the block and also what to do if there's any issue with the meter.

The CALE meter is set up and the city will be trained on how to independently retrieve all real-time data from the meter. The entire backoffice, CALE Web Office, will be at the city's disposal anytime. The CALE system is scalable, and has proven to work in large urban areas and small towns.

The following is CALE's complete response to Section 4 of the RFP

4.1 Hardware – Pay Station Cabinet Pedestal

4.1.1 The unit shall have a visually pleasing design and/or exterior finish. It should be compatible with existing street furniture and not be an "intrusion" to the urban landscaping. The color will be specified by the City. **This is how the meter will look with the standard color scheme. If the city wishes to have a different color delivered, CALE will provide any single color, for the added cost of \$300 per meter. The meter has a monolithic design to it, when installed it will look like it's growing out of the ground. It is simple in design, not confusing or intimidating to a first time customer. The layout of the patron interface is intuitive in design and for most people, they'll only need to read the directions once.**



4.1.2 Internal components enclosed in a theft resistant steel housing. Since downtown Capitola is near the Pacific Ocean, stainless steel housing is required. If other housing is offered as an option, the Vendor must certify its quality of performance in Ocean proximity and climates. **CALE's meter is constructed of LDX2120 Stainless steel. CALE has meters installed at boat ramps and beach lots in many coastal settings, in some cases our meters are less than 10 feet from salt water, salt spray, sand spray and everything else that is inherent with a coastal installation.**

4.1.3 Units must be plumb mounted to sidewalk or City approved site. **CALE will fully comply with this specification**

4.1.4 Bolt (anchor) must only be accessible by City maintenance staff and not viewable by the public. **CALE fully complies with this specification**

4.1.5 Coin chute must have an anti-back up device to prevent coin retrieval. **The meter has this feature and also an alarm will be activated if this action is attempted.**

4.1.6 Coins passing through the unit should be deposited directly into a removable sealed coin vault/canister/bag securely enclosed in separate compartment of the pay station. **CALE fully complies with this specification**

4.1.7 The unit shall have separate compartments for maintenance and collections. There shall be no access to the money in the cash box or bag when the unit is open for maintenance or collection. **The**

CALE collection system is completely closed and complies fully with the this specification

4.1.8 The height of the pay station unit, all coin and card aperture locations must be compatible with the American with Disabilities (ADA) requirements. **The CALE meter is compliant with the height and usage requirements set by the ADA. No function of the meter requires the patron to pinch, twist or turn anything on the meter. There are only buttons on the meter that require light pressure to actuate.**

4.2 Security and Locking Mechanisms

4.2.1 No locks can be exposed beyond the flush mount of the housing. All locks must be out of the public's view. **CALE is fully compliant**

4.2.2 All locks (housing and vault) must be at a minimum equal to or greater than the superior high security locks currently on the market with anti-vandalism protection. **CALE uses abloy locks with anti-drill technology. The combinations used for the meter housing and vault door locks will be unique to Capitola.**

4.2.3 Locks must not utilize oval or hollow keys. **CALE is fully compliant**

4.2.4 Locks must not utilize tumblers. **CALE is fully compliant**

4.2.5 Locks should be corrosive resistant and should not require regular cleaning or maintenance. **CALE is fully compliant**

4.2.6 Locks cannot be duplicated or purchased from either Vendor or lock manufacturer without City's written approval. **CALE is fully compliant – CALE keeps no extra keys for any customer and we do not keep records of customer's key combinations. The only way for a customer to receive extra keys for the meters would be to provide the key combination to CALE and then order the keys from CALE. CALE has a device we will mail to Capitola, when needed, which decodes an individual keys combination. CALE will order and mail the replacement key(s) direct to Capitola.**

4.2.7 Separate keys must be available to prevent maintenance personnel from entering the collection area and vice versa. **CALE is fully compliant, this is standard for CALE.**

4.3 Payment Type

4.3.1 Accept dollar, quarter, dime, and nickel coins. **CALE is fully compliant**

4.3.2 Pay stations must be able to detect and reject foreign coins and slugs. If the coin slot is jammed (inoperable), the unit should still accept credit cards. **CALE is fully compliant**

4.3.3 Debit & Credit card acceptance shall include at least Visa and MasterCard. Vendors may propose acceptance of Amex and Discover as an optional payment method. The pay station must be Payment Certification Industry (PCI) compliant. Vendor supplying parking equipment must meet the credit card data security requirements outlined by the Payment Card Industry Standards Council (<http://www.pcisecuritystandards.org>) for Service providers and/or Software Vendors. PCI Certification must be achieved through a third party audit process. The provision of voluntary security scan reports and questionnaires as proof of compliance will not be acceptable. **CALE is PCI Level 1 compliant. We are listed on both the Visa and MC lists of certified merchants; the lists are available online. A companies PCI accreditation status can change on a daily basis, we recommend the city go to the following web address to confirm any and all respondents. CALE will be found by searching for CALE ACCESS AB. – MasterCard**

<http://www.mastercard.com/us/sdp/assets/pdf/Compliant%20Service%20Providers%20-%20April%2015%202010.pdf> Or VISA

<http://usa.visa.com/download/merchants/cisp-list-of-pcidss-compliant-service-providers.pdf>

4.3.4 All transactions must meet or exceed the latest security requirements

(encryption) for wireless financial data communications. **CALE is fully compliant, please read response to 4.3.**

4.3.5 Pay by space at a different unit to be interconnected so a customer may pay at any unit, at any on-street or off-street location. **CALE is fully compliant**

4.4 Screen

4.4.1 Shall have back lights to help with visibility but have energy saving capacities. **CALE is fully compliant. The CALE MP104 is specifically designed with parts that draw very little power.**

4.4.2 Shall be protected by Lexan windows or equivalent material. **CALE is fully compliant, we use Lexan to protect the screen.**

4.4.3 Shall be easily readable under various daytime and nighttime light conditions. **CALE is fully compliant**

4.4.4 Shall be capable of displaying different fonts and styles of characters on the same screen and should use U.S. date style (MM: DD: YY) and time (HH:MM AM/PM). **CALE uses one font, making the reading of directions or status of the meter easy for all,, and the cost of the display relatively low. We are fully compliant with providing the US style of date and time.**

4.4.5 Color LCD will be considered but is not mandatory. N/A

4.4.6 For increased contrast, the screen must display dark lettering on light background, or light lettering on dark background. These contrast settings should be selectable and allow for automatically changing from one to the other and back at a predetermined times during the day. **CALE understands the City's request, but has found that dark lettering on a light background works best for both day and night time usage; this is what we will offer the city.**

4.4.7 Screen must be able to display a graphic and or photograph for a user defined amount of time when the pay station is turned on. **CALE does not supply this feature.**

4.4.8 All prompts on the pay station must be user configurable. **CALE is fully compliant**

4.5 Instructions to paying customers

4.5.1 Instructions should be provided in English. Vendors should list any available language choices that are also available and any associated costs. **English, Spanish, French and German are available and at no additional cost. Any other language may also be added at no further cost to the city, we will only require that the city provide the translation, and that the language being provided uses roman lettering.**

4.5.2 Use of International symbols when and where ever possible. **CALE is fully compliant**

4.5.3 Instructions should be provided on the LCD screen as well as usage of decals and permanent signage on the pay station. Instructions should be clear and concise. **CALE is fully compliant**

4.5.4 Vendor shall provide samples of signage that are mounted on, or adjacent to pay station that directs the public to pay at pay station. City will provide an allocation for the cost of the pay station signs, their installation and directional signs to the successful vendor.

Sample signage is provided on the following three pages. The message signs need to convey two things, the fact that a patron must pay for parking, and where to pay.



ATTENTION
PAY FOR PARKING
AT MID BLOCK

PARKING ENFORCED
MON-SUN 24HRS



4.5.5 Screen must maintain normal operation from 0 degrees Fahrenheit to 120 degrees Fahrenheit. **CALE is fully compliant**

4.5.6 All pay stations are being located in a humid environment during most months where condensation can occur and must maintain readability in the environmental conditions. **CALE is fully compliant. We have successful installations in other humid places, from Clearwater, FL to Ocean City MD, our meters work very well in these humid, salt air environments.**

4.6 Keypad

4.6.1 The unit must have a full numeric keypad. **CALE is fully compliant**

4.6.2 When a key is pressed, an audible indication must be given to provide feedback to the user. **CALE is fully compliant**

4.6.3 The keypad must be vandal resistant, weather proof and corrosion resistant. **CALE uses a Piezo key pad and has no seams, is vandal resistant, weather proof and corrosion resistant.**

4.6.4 The keypad must be modular and easily unplugged and removed with basic tools for easy servicing. **CALE is fully compliant**

4.7 Coin Changer/Acceptor

4.7.1 Coin slot shall accept all coins through a single slot. **CALE is fully compliant**

4.7.2 Must be capable of accepting nickels, dimes, quarters and dollars (including Susan B.) **CALE is fully compliant**

4.7.3 Must reject all fraudulent coins and foreign coins immediately through the coin return cup. **CALE is fully compliant**

4.7.4 Must be modular construction to allow easy removal with basic tools. **CALE is fully compliant; no tools are required to remove the CALE coin acceptor.**

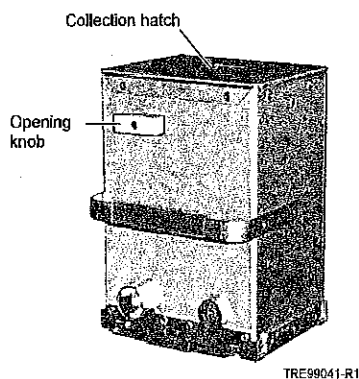
4.8 Coin Compartment

4.8.1 All denominations of coins must be a secure cash box or bag. Vender must fully describe the security features of their proposed cash box or bag in their proposal. **CALE uses a metal canister, with a handle for easy carrying, not a coin bag which can be easily cut open. The coin canister can hold more than \$700 in coins, but be programmed for collection at a smaller coin amount.**

4.8.2 The coin bag must be secure when removed from the pay station. **CALE's metal coin canister cannot be removed from the meter until the collection hatch is completely sealed**

4.8.3 A key must be required to remove the coin bag/box from the pay station, and a separate, different key must be required to open the coin bag/box. **CALE is fully compliant. The coin box, shown below, is housed behind an armored door with six locking points and separately keyed lock. The coin canister also requires a key to collect the funds, this key is also a different combination than any other lock on the meter.**

4.8.4 Maintenance Personnel without keys must not be able to remove or open the coin box or bag. **Maintenance personnel will have no access to the coin compartment when either maintenance door is opened. The coin box, shown below, is housed behind an armored door with six locking points and separately keyed lock.**



4.9 Credit Card Reader and Operation

4.9.1 The Credit Card reader must only partially ingest card, so the parking customer maintains control of the card at all times. **CALE is fully compliant**

4.9.2 The Credit Card reader must be modular and easily unplugged and removed with basic tools for easy servicing. **CALE is fully compliant**

4.10 Power Supply

4.10.1 Pay stations must be solar powered with a minimum battery back-up life of thirty (30) days. **The CALE meter is solar powered. Based on typical customer usage, which is approximately 30 transactions per day, the meter does meet the minimum battery back-up life of 30 days.**

4.10.2 Pay stations must be equipped with an auxiliary battery backup system for power disruptions. **CALE is fully compliant**

4.10.3 Batteries must be able to be changed without use of significant tools. **CALE is fully compliant**

4.10.4 Minimum battery life at full charge shall not be less than 30 days. **Based on typical customer usage, which is approximately 30 transactions per day, the meter does meet the minimum battery back-up life of 30 days.**

4.10.5 Vendor must provide warranty and detailed specifications for batteries. **The battery is an off the shelf 12V 55AH battery. The warranty for the battery is exclusive of any other warranty that CALE may provide to the city for the meter. The battery warranty is for one year from delivery to the city. The battery life should be 3-5 years, depending on usage.**

4.10.6 Unit must have a low battery indicator and be easily viewable. **The meter has a low battery alarm and can be received by the city wirelessly. The CWO monitors the meters main battery charge and the meter also has low battery indicator LED that is easily viewable.**

4.10.7 Low battery indicator and alarm through viewing of remote software is required. **CALE is fully compliant**

4.10.8 Low battery indicator shall be sent to e-mail, pager and/or cellular communication. **CALE is fully compliant**

4.10.9 A separate battery must be supplied to sustain the clock, calendar, audit information and RAM in the event of a main backup system failure or during battery replacement. Unit must retain rate structure, auditing/financial data and maintenance data during battery replacement or power failure. **CALE is fully compliant**

4.10.10 Due to the high cost of disposal, lithium batteries are not preferred. If Vendor supplies lithium batteries, Vendor must dispose of used lithium batteries at their own expense. **Spent lithium batteries, from the CALE meter, will be disposed of by CALE, and at CALE's expense.**

4.11 Serviceability

4.11.1 All circuit boards and internal components are to be environmentally sealed, high water resistance and operate in conditions of over 120 degrees Fahrenheit. Vendor shall explain how unit components are protected from moisture, dust, and other factors that might cause an operational failure of a component or the unit. **CALE is fully compliant**

EXHIBIT "D"
COST PROPOSAL SHEET

Based on the specifications contained in the RFP	Quantity	Cost per Unit
Phase 1 Pay Station Units – Initial Seven (7)	7	\$7,165
Installation of Phase 1 - 7 Pay Station Units	7	\$200
Phase 2 Pay Station Units	15	\$7,165
Installation of Phase 2 – Balance of Pay Station Units	15	\$200
Required Spare Parts (minimum of 2)	2	\$5,321.35
Training		Included
Marketing Program		Included
Any Monthly/Annual Fees (Licensing, etc.)		\$55/\$49*
Wi Fi System and Installation	1	\$41,800
Optional Products/Services		
Bill Acceptor		\$3,000
Receipt Printer		\$1,535
Data Management		Included**
Expand remote communications with Enforcement Handhelds or Provide New Handhelds		N/A
Space Sensors		\$30/Month

Pay by Cell Feature		N/A
Credit Card Processing		***
Finance /Lease – Term and Monthly Fee		N/A
Other Features (List items)		
CALE Patron Help Desk****		\$23/Month

- * \$55 is the monthly fee for complete access to CALE Web Office. The fee covers airtime up to 2Megs per meter, licensing fees and credit card data transfers. The price will be \$49 per month when the city is converted to WiFi.
- ** Data Management is part of the CALE Web Office offering
- *** Credit Card transactions will be processed on a daily basis. Transference of all date is included in the CWO monthly fee. Bank fees, interchange fees and the like will be the burden of the city.
- **** Patron Help Desk - \$23/Meter/Month. Includes a total of 500 minutes of call time, beyond that the charge will be \$1/minute

Cost Proposal

A complete spare parts list begins on the following page. The required spare parts, two sets, are also separately listed below.

Required Spare Parts and Pricing

PART #	Description	Price with 20% discount included
CPMB100	Main board revision F	\$1,275.10
24HB451	ID Tech Hybrid reader complete	\$307.13
C4PC100	SRAM Memory Card	\$106.86
24CS100	Coin selector new	\$308.23
04WC120	Modem	\$356.24
04PR100N	Printer assembly complete	\$1,535.46
111F	Fuse 5 A	\$1.00ea
12V55A	12 Volt 55 Amp battery for solar machines	\$126.50
C4AP100N	Antipin complete, excluding cable	\$368.51
CPES100N	Escrow assembly complete	\$368.51
24DS100N	Display assembly complete with cover	\$567.80
Total		\$5,321.34
Two Sets Grand Total		\$10,642.68

All above pricing includes CALE's 20% discount

The following four pages are CALE's complete spare parts price list. CALE will provide the city with a 20% discount on all list pricing, except refurbished parts.

SALES TAX – CALE's pricing does not include Sales Tax. If your institution is sales tax exempt, please provide a copy of your Sales Tax Exemption Certificate, made out to Cale Parking Systems USA, Inc. If you are a taxable customer and pay your own Sales or Use Tax, please provide a copy of your Use Tax Payment Permit or appropriate documentation for your state or municipality.

2010 CUSTOMER PRICE LISTING			
Part Number	Description	List Price	20% Discount
CABINET PARTS			
24DC111	Protection window for symbol sign	21.50	17.20
24DC112	Protection glass for display assembly	29.93	23.94
24DC150	Ticket outlet lower	54.75	43.80
24DC151	Ticket outlet upper	21.50	17.20
24DC152	Weather Guard for Credit Card Reader	93.75	75.00
24DC153	Weather Guard for Bill Acceptor	93.75	75.00
24DC154	Weather Guard for Ticket Receipt Dispenser	93.75	75.00
24DC160	Coin return flap	23.02	18.41
24DC162	Coin return flap spring, left	6.14	4.91
24DC163	Coin return flap spring, right	6.14	4.91
24DC174N	Plastic nut for ticket or cancel button	6.14	4.91
24DD100	12V Distribution panel	196.54	157.23
24HB405	Plastic rain diverter for credit card reader	55.66	44.53
24SP200N	Solar panel voltage regulator	62.02	49.62
BTS13964	Light bar for MP104C - A/C or 20 Watt Solar	687.50	550.00
BTS13965	Light bar for MP104C - 10 Watt Solar	687.50	550.00
C24CD625	Display mounting bracket	58.86	47.09
C24CLIP	Flat cable clip (10 each)	5.75	4.60
C24DECAL	Parking "P" Decal - Blue	11.88	9.50
C24DECAL-G	Parking "P" Decal - Green	11.88	9.50
CCPLC0004	Metal rain diverter for credit card reader	23.18	18.54
CDC160	Coin return assembly complete	138.20	110.56
CDC171	Cancel button red	68.95	55.16
CDC172	Ticket button green	68.95	55.16
CDC801-A	Extra button red	72.93	58.34
CDC801-B	Extra button green	72.93	58.34
CDC801-C	Extra button yellow	72.93	58.34
CPKP100	Piezzo 16 key keypad	301.47	241.18
CPKP110N	Main keypad assembly, with cable	183.63	146.90
CPLA-001	Lock Assembly	124.98	99.99
CPSP100	10 W Solar Panel Assembly	452.88	362.31
24SP120	10 W Solar Cell	367.35	293.88
CPSP104N	20.5 W Solar panel assembly	1,182.92	946.33
CSPB100	10W Solar mounting bracket, rear	46.64	37.32
CSPF100	10W Solar mounting bracket, front	46.64	37.32
DCBU02401	Ticket button green (for XL machine)	114.61	91.69
DCBU02403	Cancel button red (for XL machine)	114.61	91.69
DCOOC0004	Metal plate for ticket outlet	21.29	17.03
SMOOC0008	Door sealing kit	33.68	26.94
SMOOC2401	Door magnet, upper cabinet	36.81	29.45
DISPLAY PARTS			
24CDB100	Display board no cover	655.67	524.54
24DS100N	Display assembly complete with cover	709.75	567.80
24DS120D	Plastic cover display, back and front	31.39	25.11
MAIN BOARD PARTS			
111RS	Reed-switch	11.88	9.50
24BT400N	Main board battery	22.14	17.71
111F	Fuse 5 A	1.25	1.00
CPMB100	Main board revision F	1,593.87	1,275.10

2010 CUSTOMER PRICE LISTING			
Part Number	Description	List Price	20% Discount
COIN SYSTEM			
04AP130	Antipin PC board	137.90	110.32
04AP600	Coil Antipin	76.77	61.42
24AP120N	Round plate Antipin	22.91	18.33
24CS100	Coin selector new	385.29	308.23
C4AP100N	Antipin complete, excluding cable	460.63	368.51
CRKP110-16	\$1 Test tokens	1.25	1.00
PRINTER PARTS			
04PR300N	Printer board	537.40	429.92
04PR100N	Printer assembly complete	1,919.32	1,535.46
24PR911	Take ticket sensor with bracket	134.36	107.49
24PR160N	Motor for ticket ejector	157.40	125.92
24PR135N	Thermal print head	347.44	277.95
24PR140N	Guillotine complete	115.15	92.12
ESCROW PARTS			
24ES110N	Sensor board	95.97	76.77
24ES120N	Escrow flap, return	57.59	46.07
24ES130N	Escrow flap, collection	15.41	12.33
24ES140N	Motor for escrow unit	157.40	125.92
24ES150N	Controller cog wheel for flap movement	28.79	23.03
24ES160N	Pinion for escrow motor	11.52	9.21
CPES100N	Escrow assembly complete	460.63	368.51
CREDIT CARD			
0401-CO308	Windows with value buttons A,B,C	172.75	138.20
04CC140	Value Button board for credit card- CALE (Sweden)	241.83	193.46
04CC198	Value Button board for credit card - QI	60.34	48.27
04CCB10	Value Button	48.00	38.40
24HB200N	Magtek bezel	66.80	53.44
24HB201N	ID Tech bezel	66.80	53.44
24HB300N	QI top board	936.68	749.34
24HB400	Magtek Card reader, without bezel	192.03	153.62
24HB401	ID Tech Card reader, without bezel	192.03	153.62
24HB405	Plastic rain diverter for credit card reader	55.66	44.53
24HB406	Metal rain diverter for credit card reader	23.18	18.54
24HB450	Magtek Hybrid reader complete	383.92	307.13
24HB451	ID Tech Hybrid reader complete	383.92	307.13
C4CC100	Maghead Cleaner (Box of 50)	62.50	50.00
T100	Test card with magstripe	18.75	15.00
NETWORK & COMMUNICATION			
04CB100N	Communication board	1,113.22	890.57
04WC120	Modem	445.29	356.24
C4PC100	SRAM Memory Card	133.57	106.86
C4PC110	PCMCIA Flash card	133.57	106.86
LP902	SmartEQ antenna - fin style	84.07	67.26

2010 CUSTOMER PRICE LISTING			
Part Number	Description	List Price	20% Discount
PEDESTAL			
12117	Charger for A/C	72.63	58.10
111CBS	Coin box switch	110.95	88.76
12V20-A	12 Volt 20 Amp battery for A/C machines	118.75	95.00
12V55A	12 Volt 55 Amp battery for solar machines	158.13	126.50
24CB100	Coin canister	723.59	578.87
C24CBD100	Coin box vault door	502.90	402.32
CPD100	Lower service door assembly	703.91	563.13
GM1000	Base Anchor	190.93	152.74
TEMPLATE	Mounting Template	31.25	25.00
WKA12-80C/FR	12 Volt 80 Amp battery for solar machines	183.38	146.70
LOCKS & KEYS			
LK100	Lock Exec - Re-Key Service	11.16	8.93
LK104	Lock Exec - New	46.21	36.97
KY800	Key Exec	12.13	9.70
KY888	Key Kaba	45.99	36.79
WIRES & CABLES			
111CBS	Coin Box Switch	110.95	88.76
WR120	Cable, Intermediate Power	59.38	47.50
WR145	Cable, Intermediate Collection	48.29	38.63
WR150	Cable, Coin Selector	39.29	31.43
WR160	Cable, Power Wire - Old Style	69.02	55.22
WR165	Cable, Modem Power	69.02	55.22
WR169	Cable, Modem Communication	69.02	55.22
WR170	Cable, Printer	54.70	43.76
WR171	Cable, Intermediate Printer	46.64	37.32
WR193	Cable, Grounding - Cabinet/Base	64.55	51.64
WR220	Cable, Antipin to CPU board	54.07	43.26
WR241	Cable, Hybrid Card Reader	37.86	30.29
WR246	Cable, Ethernet	37.86	30.29
WR250	Cable, QI Power Wire	48.98	39.19
WR260	Cable, Intermediate Display	46.64	37.32
WR261	Cable, Display	48.98	39.19
WR270	Cable, QI to Main Board	64.57	51.66
WR281	Cable, Keypad Ribbon Small	48.98	39.19
WR282	Cable, Keypad Ribbon Large	48.98	39.19
WR444	Battery wire solar (female)	33.39	26.71

2010 CUSTOMER PRICE LISTING			
Part Number	Description	List Price	20% Discount
BILL VALIDATOR WIRES & CABLES			
WR1000	Cable, Daughter Board to Bill Validator, 6 Pin	50.61	40.49
WR1100	Cable, Power for Bill Validator, With "Y" Adaptor	63.32	50.66
WR1200	Cable, CPU to Coin box XL, Double "Y"	63.32	50.66
WR1300	Cable, Main Board to Daughter Board, 16 Pin	63.32	50.66
WR1400	Cable, Adaptor Board for 104XL Validator	43.75	35.00
BILL VALIDATOR SYSTEM			
0401-EO848	Daughter Board, for Bill Validator	502.12	401.69
C4CC110	Bill validator cleaning cards (box of 50)	68.75	55.00
CST-500M-P1L	Cassette for MSM -Non Modified (for XL)	210.00	168.00
CST-500M-P1L-M	Modified Cassette for MSM (for Compact XL)	210.00	168.00
CST-600M-67-P1L	Cassette for SM Validator	237.50	190.00
MSM-3092	Bill Validator - Non-Modified (for XL)	745.00	596.00
MSM-3092-M	Modified Bill Validator - (for Compact XL)	745.00	596.00
SM-2021	Bill Validator - Non-Modified (for XL)	745.00	596.00
REFURBISHED PARTS PROGRAM			
R-C4AP100N	Antipin assembly	142.20	
R-24CS100	Coin Selector	203.57	
R-0401-EO848	Daughter Board, for Bill Validator	236.72	
R-CPES100N	Escrow assembly	174.50	
R-24HB401	ID Tech Card reader	95.00	
R-24HB400	Magtek Card reader	95.00	
R-CPMB100	Main board revision F	553.00	
R-04WC120	Modem	155.45	
R-04PR100N	Printer assembly complete	551.52	
R-24HB300N	QI top board	588.17	
R-24PR135N	Thermal print head	237.00	
R-04CC198	Value Button board for credit card - QI	28.60	
R-04CC140	Value Button board for credit card- CALE (Sweden)	74.00	
R-MSM-3092-M	Modified Bill Validator - (for Compact XL)	395.00	
R-MSM-3092	Bill Validator - Non-Modified (for XL)	395.00	
R-SM-2021	Bill Validator - Non-Modified (for XL)	395.00	
R-04CB100N	Communication board	426.00	



Item #: 5.E.

CITY COUNCIL AGENDA REPORT

MEETING OF JANUARY 27, 2011

FROM: DEPARTMENT OF PUBLIC WORKS
DATE: JANUARY 18, 2011
SUBJECT: GRANT FOR ELECTRIC VEHICLE CHARGING STATION INSTALLATION

Recommended Action: By motion and roll call vote, that the Council take the following actions:

1. Accept a grant from Coulomb Technologies, Inc for two electric vehicle charging stations near City Hall and authorize the City Manager to execute two agreements with Coulomb,
2. Approve the installation of the charging stations in the Pacific Cove Parking Lot utilizing three parking spaces for two stations,
3. Award a soul source contract to Phat Energy in an amount not to exceed \$4,500 for the installation of the two charging stations at a site to be determined, and
4. Approve a Notice of Exemption from CEQA for the installation of the charging stations.

BACKGROUND

Through the efforts of the Monterey Bay Electric Vehicle Alliance on December 7, 2010, the City has been awarded a grant by Coulomb Technologies for two electric vehicle charging stations valued at \$6,000 apiece. The City is responsible for installing the stations at a cost of approximately \$4,500. Coulomb Technologies funding is being provided by the American Recovery and Reinvestment Act (ARRA) and also includes two years of service and maintenance.

DISCUSSION

Pursuant to the attached agreements with Coulomb (Attachments 1 and 2) the City must agree to maintain the stations until December 31, 2013. At that time the City may remove, relocate, or retain the stations. The agreements with Coulomb allows the City to establish rules pertaining to the use of the stations regarding fees and time limits. Staff recommends that initially the stations operate at no fee and the time limit for parking be 4-hours. Coulomb will be responsible for assuring compliance with all federal labor wage laws.

Coulomb and their approved installer Phat Energy have given the City two location options for the charging stations. The first is in the Pacific Cove Parking Lot along the back fence, near the existing electrical panel. The second is in the City Hall Parking Lot near the museum. Due to the fact that the site in the City Hall Parking Lot is being considered for a modular office building sometime in the future coupled with the limited number of unrestricted parking spaces in the City Hall lot, staff is recommending the station installation in the Pacific Cove Parking Lot. Federal and State regulations require that one of the stations meet accessibility standards, therefore two stations in the Pacific Cove Parking Lot will require three parking spaces. The City Hall location could most likely be done with in only two spaces. Attachments 3 and 4 shows the 2 proposed locations. Attachments 5 and 6 are the installation proposals from Phat Energy.

CEQA

Section 15061 (b) (3) provides that a project is exempt from CEQA if the activity does not have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Section 15311 provides that a project is exempt from CEQA if the project consists of construction or replacement of minor structures accessory to existing commercial, industrial, or institutional facilities.

Section 15301 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A notice of exemption (Attachment 7) has been prepared for the Council's consideration.

FISCAL IMPACT

It is recommended that the \$4,500 installation cost be covered by transferring funds within the Capital Improvement Program fund from the Esplanade Retaining Wall project. The retaining wall project has been deferred for a year. Full funding for the retaining wall project will be reprogrammed in the next fiscal year.

ATTACHMENTS

1. January 12, 2011, letter and agreement with Coulomb Technologies, Inc.
2. ChargePoint Master Services Agreement
3. Pacific Cove Parking Lot site map with proposed location
4. City Hall Parking Lot site map with proposed location
5. Phat Energy proposal for installation in Pacific Cove Parking Lot
6. Phat Energy proposal for installation in City Hall Parking Lot
7. Notice of Exemption

Report Prepared By: Steven Jesberg
Public Works Director

**Reviewed and Forwarded
By City Manager:** _____



January 12, 2011

Mr. Steve Jesberg
City of Capitola
420 Capitola Ave
Capitola, CA 95010

Dear Steve:

Congratulations! You have been awarded one or more Coulomb Technologies, Inc. electric vehicle charging station(s) under the ChargePoint America™ Program . The Program has been funded in part under the terms of Grant number DE-EE0003391 from the United States Department of Energy as part of the American Reinvestment and Recovery Act. In order to receive delivery of the Charging Station(s), you must agree to all of the terms and conditions following. Furthermore, you need to:

1. Countersign at the end of this letter and provide a copy of it back to Coulomb or to the local Coulomb distributor.
2. Provide a \$0 PO to Coulomb Technology for the charger(s). Please make sure the part numbers on the order correspond to the part numbers on this letter and provide a ship to address with a contact name, phone number, and email.
3. Sign and return the attached Master Services Support Agreement.
4. Please familiarize yourself with the Contractor Installation Guide. Providing proper documentation of the charger installation is a requirement of the Grant.
5. Return the documents within 30 days of the date of this award letter

Please note that delivery of the charging systems will be from 8 - 10 weeks of receipt of PO and associated signed documents. We appreciate your participation in this exciting program and look forward to creating an electric vehicle charging infrastructure in your area.

Best regards,

Michael Jones
Western Region Director
ChargePoint America Program
Coulomb Technologies



CHARGEPOINT AMERICA™ STATION AWARD AGREEMENT

1. **Charging Stations.** You (“You”) have been awarded, and may be awarded from time to time, one or more Coulomb Technologies, Inc. (“CTI”) electric vehicle charging stations under the ChargePoint America™ Program . The Program has been funded in part under the terms of Grant number DE-EE0003391 from the United States Department of Energy (the “DOE”) as part of the American Reinvestment and Recovery Act (“ARRA”). The charging stations will be installed at the locations specified on Appendix A, as amended from time to time to reflect the award of additional Charging Stations under this Station Award Agreement.

Product Name	Product Description	Product Code	Quantity	Unit Price	Total Price
CT2101C-CDMA-LOCK-CCR	Dual 208/240-30A & 120V-12A Bollard with CDMA, Zigbee, locking holster, and credit card reader	CT2101C-CDMA-LOCK-CCR	1	\$0.00	\$0.00
CT2101C-LOCK-CCR	Dual 208/240-30A & 120V-12A Bollard with Zigbee, locking holster, and credit card reader	CT2101C-LOCK-CCR	1	\$0.00	\$0.00

Grand Total:	\$0.00
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2. Shipment and Delivery. CTI will pay for the cost of standard delivery charges of the Charging Stations to the locations designated by You in writing to CTI. CTI shall choose the method by which Charging Stations are to be delivered. If You desire expedited delivery, You will be responsible for the payment of all delivery charges. No Charging Stations will be delivered until CTI has received written confirmation that You have obtained all applicable permits for the installation of the Charging Stations. A CTI representative, or one of its authorized distributors ("Authorized Distributors") will assist You in obtaining the necessary permits.

3. Installation.

(a) Installation of the Charging Stations shall be at your sole cost and expense. Unless specifically agreed in writing, installation of the Charging Stations may only be done by an Authorized Distributor or one or more installers chosen by such Authorized Distributor. Should You wish to use your own installer, you shall request CTI's permission, in its reasonable discretion, to do so no more than fifteen (15) days prior to the scheduled installation date. You should be aware, however, that your installer may be subject to the provisions of the Davis Bacon Act (FAR 52.222-6). The Davis Bacon Act is a federal law that requires certain private contractors working on federal construction projects to pay their workers a wage at least equal to locally prevailing wages, as determined by the United States Department of Labor, for the type of work being performed. It is likely that the installation of Charging Stations would be treated as a federal construction project requiring observance of the Davis Bacon Act requirements. Union pay scales have frequently been used as a guide by the Department of Labor when determining locally prevailing wages. In addition, because the Charging Stations are being awarded to You under a federal program, in the event You use your own installer, such installer shall become subject to certain audit and other rights granted to the United States government and to CTI. YOU SHOULD CONTACT CTI IMMEDIATELY FOR A COMPLETE EXPLANATION OF THE APPLICABLE REPORTING, AUDITING AND OTHER REQUIREMENTS THAT APPLY TO YOU OR YOUR INSTALLER SHOULD YOU WISH TO USE YOUR OWN INSTALLER TO INSTALL THE CHARGING STATIONS. In the event you choose to use your own installer, you shall indemnify and hold harmless CTI from all costs (including, without limitation, reasonable attorneys' fees), losses, charges, fees, fines and other expenses of any sort whatsoever, including, without limitation, the refusal of the DOE to provide reimbursement to CTI in respect of the Charging Stations awarded to you, incurred by CTI as a result of such installer's (i) failure to comply with any applicable law, including, without limitation, the Davis-Bacon Act or (ii) failure to provide CTI such documentation as is reasonably needed by it to comply with applicable DOE requirements.

(b) You agree to cause the installation of the Charging Stations within forty five (45) days of their delivery to You. In the event that the Charging Stations have not been installed by the expiration of such forty five day period, CTI reserves the right to reclaim the Charging Stations. In the event that You are having trouble arranging for the installation of the Charging Stations by an Authorized Distributor or an installer chosen by such Authorized Distributor, please contact CTI as soon as possible so that it can assist you in obtaining prompt installation of the Charging Stations.

(c) The Charging Stations are not to be removed from their packaging by any person other than the Installer.



4. Warranty/Limitation of Liability. (a) **Warranty.** The Charging Station is covered by the terms of CTI's standard Warranty (the "Warranty") for a period beginning on the date of installation and running until December 31, 2013. A copy of the Warranty is included with this agreement. All applicable warranties with respect to the Charging Station are set forth in the Warranty, and are hereby incorporated by reference into this Agreement.

(b) **Disclaimer of Warranties.** EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 4 AND IN THE WARRANTY, CTI MAKES NO WARRANTY WITH RESPECT TO THE PERFORMANCE OF THE CHARGING STATION, THE CHARGEPOINT™ NETWORK STANDARD SERVICES OR THE CHARGEPOINT™ NETWORK, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE. CTI EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT OF THIRD PARTY RIGHTS BY THE CHARGING STATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CTI DOES NOT WARRANT UNINTERRUPTED OR ERROR FREE OPERATION OF THE CHARGING STATION.

(c) **Limitation of Liability.**

(i) REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL CTI BE LIABLE FOR ANY LOST REVENUE OR PROFIT, LOST OR DAMAGED DATA, BUSINESS INTERRUPTION, LOSS OF CAPITAL, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY OR WHETHER ARISING OUT OF THE USE OF OR INABILITY TO USE THE CHARGING STATION, THE CHARGEPOINT™ NETWORK, ANY CHARGEPOINT™ NETWORK SERVICES, OR OTHERWISE OR BASED ON ANY EXPRESSED, IMPLIED OR CLAIMED WARRANTIES BY YOU NOT SPECIFICALLY SET FORTH IN THIS ADDENDUM. BECAUSE SOME STATES OR JURISDICITON DO NOT ALLOW LIMITATION OR EXCLUSION OF CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY.

(ii) YOUR SOLE REMEDY FOR ANY BREACH BY CTI OF ITS OBLIGATIONS OR WARRANTIES UNDER THIS AGREEMENT SHALL BE LIMITED TO, AT CTI'S OPTION, REPAIR OR REPLACEMENT OF THE CHARGING STATION.

(d) **Warranty Exclusions. Exclusive Remedies.** THE REMEDIES CONTAINED IN SECTION 4 ARE YOUR SOLE AND EXCLUSIVE REMEDIES AND ARE IN LIEU OF ANY OTHER RIGHTS OR REMEDIES YOU MAY HAVE AGAINST CTI WITH RESPECT TO THE PERFORMANCE OF THE CHARGING STATIONS, THE CHARGEPOINT™ NETWORK STANDARD SERVICES OR THE CHARGEPOINT™ NETWORK.



5. Access to the Public. All of the Charging Stations will be installed in a manner and in locations that make them available for access and use by the general public. The Charging Stations, and the facilities in which they are located, shall be kept clean and in good repair. You shall promptly call CTI or an Authorized Distributor in order to arrange for the repair of any non-functioning Charging Stations.

6. Network Access. As a part of the award, You will receive free a free subscription for ChargePoint™ Network Standard Service, as defined in the ChargePoint™ Master Services Subscription Agreement (the “Master Services Agreement”), that will expire December 31, 2013 (the “Subscription Period”). You must execute a copy of the Master Services Agreement as a part of your obligations under this ChargePoint America™ Station Award Agreement and must keep the Charging Stations connected to the ChargePoint™ Network throughout the entire Subscription Period. CTI offers various other services, such as billing services, which may be accessed through the ChargePoint™ Network. All of such services are subject to CTI’s standard terms and conditions.

7. Access to Information. In consideration of your receipt of the Charging Stations and free subscription to ChargePoint™ Network Standard Service, you agree to provide and release to CTI, the DOE, such other participants and partners of CTI in the Program as CTI shall determine necessary, all data and information relating to You, Your electric vehicles, if any, and their use, the use by others of Your Charging Stations and Your use of the Charging Stations and any public Charging Stations and infrastructure (the “Data”). You acknowledge and agree that the Data may be used by any of the above-described persons for any purpose, including analyzing Your use and charging patterns, the public’s use of Your Charging Stations, the effectiveness of infrastructure put in place to meet the needs of drivers of electric vehicles, and the efficacy of the Program.

Your performance of this Agreement and willingness to supply and release Data to the persons described in the immediately preceding paragraph is a material condition to CTI’s willingness to enter into this Agreement with You and provide the Charging Stations hereunder. You understand, acknowledge and agree that CTI will need Your reasonable cooperation and assistance, and You agree to provide your reasonable cooperation and assistance to CTI, so that CTI can successfully conduct its testing and collect Data from You, the Charging Stations, and public electric vehicle infrastructure utilized by You and others. Except as set forth in this Section 7, the use of the Charging Stations will be subject to CTI’s standard privacy policy (the “Privacy Policy”). The Privacy Policy is located on CTI’s web site and may be accessed at: <https://www.chargepointportal.net/index.php/general/uri/privacy.html>.

Notwithstanding anything to the contrary contained in this Section 7, or in the Privacy Policy, CTI reserves the right, on behalf of the DOE, to collect certain anonymous information regarding the use and operation of the Charging Stations.

8. Certain Rights of the United States Government. Notwithstanding the fact that You are being awarded the Charging Stations under the Program, the United States Government



reserves the right to seize the Charging Stations under certain, limited circumstances, including, without limitation, national emergency.

9. No Right to Remove or Sell the Charging Stations. The Charging Stations may not be sold or removed from their place of installation, prior to January 1, 2014, without the prior written consent of CTI.

10. Additional Charging Stations. In the event that You have purchased Charging Stations that are to become a part of the Program, CTI's standard terms and conditions shall apply.

11. No Amendment or Modification. No modification, amendment or waiver of this Agreement shall be effective unless in writing and either signed or electronically accepted by the party against whom the amendment, modification or waiver is to be asserted.

12. Waiver. CTI's failure at any time to require your performance of any obligation under this Agreement will in no way affect the full right to require such performance at any time thereafter. CTI's waiver of a breach of any provision of this Agreement will not constitute a waiver of the provision itself. CTI's failure to exercise any of its rights provided in this Agreement will not constitute a waiver of such rights. No waiver will be effective unless in writing and signed by a CTI authorized representative. Any such waiver will be effective only with respect to the specific instance and for the specific purpose given.

13. Applicable law. This Agreement will be construed, and performance will be determined, according to the laws of the State of California without reference to such state's principles of conflicts of law and the state and federal courts of California shall have exclusive jurisdiction over any claim arising under this Agreement.

14. Waiver of Jury Trial. You and CTI each hereby waive any right to jury trial in connection with any action or litigation arising out of this Agreement.

15. Severability. Except as otherwise specifically provided herein, if any term or condition of this Agreement or the application thereof to either You or CTI will to any extent be determined by any judicial, governmental or similar authority, to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to this Agreement, You and CTI or circumstances other than those as to which it is determined to be invalid or unenforceable, will not be affected thereby.

16. Assignment. You may not assign any of your rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of CTI.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute but one and the same document.



**COULOMB TECHNOLOGIES, INC.
Praveen K. Mandal, President**

AWARDEE: City of Capitola

By: _____
(Signature)

Name: _____

Title: _____



APPENDIX A - CHARGING STATION LOCATIONS

Station #1/2 – Public Accessible Parking - 420 Capitola Ave, Capitola, CA



ChargePoint America Installation Compliance Guide

OVERVIEW

ChargePoint America is a Federal Grant provided by the Department of Energy (DOE) funded through the American Recovery and Reinvestment Act (ARRA). As such, certain requirements must be met by all contractors and subcontractors working to install electric vehicles station equipment (EVSE) as part of the Grant. The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor. For the ChargePoint America program, construction includes all alterations, improvements and/or repair, including painting and decorating, performed on a site in performance of the installation of EVSE.

In addition to the Davis Bacon Act itself, Congress added Davis-Bacon prevailing wage provisions to approximately 60 laws—"related Acts"—under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance. Generally, the application of prevailing wage requirements to projects receiving federal assistance under any particular "related" Act depends on the provisions of that law. Some examples of related acts:

The Contract Work Hours and Safety Standards Act (CWHSSA) requires payment at time and one-half of the basic hourly rate of pay for overtime (OT) hours (over 40 hours in any seven day work week) worked on covered project(s).

The Copeland (Anti-Kickback) Act makes it a crime for anyone to require any laborer or mechanic employed on a federally funded project to pay back any part of his or her wages. In addition, the Act prohibits any deductions from pay other than those specifically listed as permissible. The Copeland Act also requires that contractors and subcontractors at all tiers submit weekly certified payrolls.

The Fair Labor Standards Act (FLSA) requires payment of the federal minimum wage rates and overtime premium. FLSA applies to most employers in the U.S. These requirements generally apply to any work performed and may be superseded by other federal standards such as DBA prevailing wage requirements and CWHSSA O/T provisions.

The U.S. Department of Labor (DOL) has oversight responsibilities to assure coordination of administration and consistency of enforcement of the labor standards provisions of the Davis Bacon and Related Acts. Under this authority, DOL has issued regulations establishing standards and procedures for the administration and enforcement of the Davis-Bacon labor standards provisions. Federal contracting agencies have day-to-day responsibility for administration and enforcement of the Davis-Bacon labor standards provisions in covered contracts for which they are responsible or to which they provide federal assistance under laws they administer.

Within DOL, the Wage and Hour Division (WHD) is responsible for administration and enforcement of the DBRA.



APPLICABLE LAWS AND REGULATIONS

Below is a summary list of compliance regulations for ChargePoint America:

Davis-Bacon Act (DBA) - Requires payment of prevailing wages to laborers and mechanics employed on federal and federally assisted construction projects.

Reorganization Plan of 1950

29 CFR Part 1 - Regulations describing the procedures for predetermination of wage rates.

29 CFR Part 3 - Regulations regarding contractors and subcontractors on public building or public work financed in whole or in part by loans or grants from the United States.

29 CFR Part 5 - Regulations regarding labor standards provisions applicable to contracts covering federally financed and assisted construction.

29 CFR Part 6 - Regulations describing the Rules of Practice for administrative proceedings enforcing labor standards in federal and federally assisted construction contracts and federal service contracts.

29 CFR Part 7 - Regulations describing practice before the Administrative Review Board with regard to federal and federally assisted construction contracts.

RECORDKEEPING

Under the Davis-Bacon and Related Acts (DBRA), covered contractors must maintain payrolls and basic records and submit certified weekly payrolls. Although use of Form WH-347 is optional, the form will satisfy the requirements of Regulations, Parts 3 and 5 (29 CFR, Subtitle A), as to payrolls submitted in connection with contracts subject to the DBRA. Records to be maintained include:

Name, address, and social security number of each employee;
Each employee's work classification(s);
Hourly rate(s) of pay (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof);
Daily and weekly numbers of hours worked;
Deductions made; and
Actual wages paid.

See 29 CFR 5.5(a)(3) for further information.



COMPLIANCE PROCESS OUTLINE

The following briefly outline the steps required for compliance with DBRA and ChargePoint America program.

PRE-CONSTRUCTION STEPS

1. **Information and Contract Review:** The ChargePoint America Grant recipient, Contractor and/or Subcontractors should review and acknowledge any bids, wages paid, and other applicable laws for DBRA compliance.
2. **Execution of Contractor Installation Agreement:** Subcontractor and Grant recipient will execute and submit to Coulomb or an authorized Coulomb agent a completed ChargePoint America installation agreement. This document is available from Coulomb or its authorized agents.
3. **Wage Determination:** The Contractor and/or Subcontractor shall download the applicable DOL Davis-Bacon Wage Determination for the work from the DOL website:

<http://www.wdol.gov/dba.aspx#0>

Once on the selection page, choose the state, county, and Construction Type. Construction Type choices are "All Construction Types" [PICK THIS], "Building" (public buildings), "Heavy", "Highway", or "Residential".

Note: if you have any questions about the category of worker, please contact your program manager or the Department of Wages and Labor for assistance.

Click on "Search" Scroll to the bottom, and click on "Printer Friendly Version". Then clicks on "File", "Print", and retain for your records.

4. **Worksite Poster:** The contractor shall maintain posted on site a copy of the Davis-Bacon and Related Acts poster (form WH-1321) containing a copy of the wage determination and the contact number of the Coulomb or DOE representative. You can write the Coulomb address and telephone number in this section as follows:

Coulomb Technologies, Inc.
1692 Dell Ave
Campbell, CA 95008
(408) 841-4500

The poster is available at:

<http://www.dol.gov/whd/regs/compliance/posters/davis.htm>



CONSTRUCTION STAGE STEPS

1. **Submit Weekly Payroll Reports:** Covered Contractors have the option to use form WH-347 to report payroll. This can be submitted in lieu of Certified Payroll Reports (CPR), but does NOT exempt the contractor from retaining CPR records. This form has been made available for the convenience of contractors and subcontractors required to comply with the Recovery Act. Properly filled out, this form will satisfy the requirements of Regulations, Parts 3 and 5 (29 CFR, Subtitle A), as to payrolls submitted in connection with contracts subject to the DBRA. These documents are to be filled out and submitted to Coulomb or its authorized agent for the duration of construction.

Optionally, covered contractors may submit weekly CPRs for contractors and/or subcontractors. Review the CPRs for payment of correct wage and fringe benefit amounts, copy for record and forward the originals to the Coulomb.

All CPRs or WH-347's should be obtained and submitted to the Coulomb or its authorized agents on a timely basis.

2. Coulomb may perform periodic on-site wage-compliance monitoring during the course of construction. The contractor must make their employees available for interview at the job site by Coulomb, or DOL representatives. The interviews are confidential, and the employee will be asked about the duties performed, hours worked and compensation paid.

POST CONSTRUCTION STAGE STEPS

1. **Submit Job Receipt or Invoice:** Contractor and/or Subcontractor MUST submit within (5) days of work completion to Coulomb or authorized agent a copy of the invoice or receipt used for completion of the installation. The invoice or receipt MUST contain the following:
 - A) Name, Address and License Number of Contractor or Subcontractor.
 - B) Location of the installation (address)
 - C) Itemized breakdown of labor and materials, including permit costs.

Note: Companies using their own workforce should generate an internal invoice and submit to Coulomb or the authorized Coulomb agent.

NON-COMPLIANCE

Failure to comply with Recovery Act requirements can result in debarment, revocation of funds, repayment of funds, or other actions from the Federal Government. If you are uncertain about reporting requirements or other activities, you should ask your Coulomb Project Manager or the DOE for clarification.



INSTRUCTIONS FOR COMPLETING PAYROLL FORM, WH-347

The use of the WH-347 payroll form is not mandatory. This form has been made available for the convenience of contractors and subcontractors required to comply with the Recovery Act. Properly filled out, this form will satisfy the requirements of Regulations, Parts 3 and 5 (29 CFR, Subtitle A), as to payrolls submitted in connection with contracts subject to the DBRA. Optionally, actual payroll records may be submitted.

This form meets needs resulting from the amendment of Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay not less than fringe benefits as predetermined by the Department of Labor, in addition to payment of not less than the predetermined rates. The contractor's obligation to pay fringe benefits may be met either by payment of the fringes to the various plans, funds or programs or by making these payments to the employees as cash in lieu of fringes.

This payroll provides for the contractor's showing on the face of the payroll all monies to the employees, whether as basic rates or as cash in lieu of fringes and provides for the contractor's representation in the statement of compliance on the rear of the payroll that he is paying to other fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions concerning the preparation of the payroll follow:

Contractor or Subcontractor: Fill in your firm's name and check appropriate box.

Address: Fill in your firm's address.

Column 1 - Name, Address, and Social Security number of Employee: The employee's full name must be shown on each weekly payroll submitted. The employee's address must also be shown on the payroll covering the first week in which the employee works on the project. The address need not be shown on subsequent weekly payrolls unless his address changes. Although not required by Regulations, Parts 3 and 5, space is available in the name and address section so that Social Security numbers may be listed.

Column 2 - Withholding Exemptions: This column is merely inserted for the employer's convenience and is not a requirement of Regulations, Part 3 and 5.

Column 3 - Work Classifications: List classification descriptive of work actually performed by employees. Consult classification and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary, see Contracting Officer or Agency representative. Employee may be shown as having worked in more than one classification provided accurate breakdown or hours so worked is maintained and shown on submitted payroll by use of separate entries.

Column 4 - Hours worked: On all contracts subject to the Contract Work Hours Standard Act enter as overtime hours worked in excess of 8 hours per day and 40 hours a week.

Column 5 - Total: Self-explanatory

Column 6 - Rate of Pay, including Fringe Benefits: In straight time box, list actual hourly rate paid the employee for straight time worked plus in cash in lieu of fringes paid the employee. When recording the



straight time hourly rate, any cash paid in lieu of fringes may be shown separately from the basic rate, thus \$3.25/.40. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. In overtime box shown overtime hourly rate paid, plus any cash in lieu of fringes paid the employee. Payment of not less than time and one-half the basic or regular rate paid is required for overtime under the Contract Work Hours Standard Act of 1962. In addition to paying no less than the predetermined rate for the classification which the employee works, the contractor shall pay to approved plans, funds or programs or shall pay as cash in lieu of fringes amounts predetermined as fringe benefits in the wage determination made part of the contract.

FRINGE BENEFITS - Contractors who pay all required fringe benefits: A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage determination of the Secretary of labor shall continue to show on the face of the payroll the basic cash hourly rate and overtime rate paid to his employees just as he has always done. Such a contractor shall check paragraph 4(a) of the statement on the reverse of the payroll to indicate that he is also paying to approved plans, funds or programs not less than the amount predetermined as fringe benefits for each craft. Any exceptions shall be noted in section 4(c). **Contractors who pay no fringe benefits:** A contractor who pays no fringe benefits shall pay to the employee, and insert in the straight time hourly rate column of the payroll, an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage determination. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringes at the straight time rate. In addition, the contractor shall check paragraph 4(b) of the statement on the reverse of the payroll to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c), Exceptions: Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employee as cash in lieu of fringes and the hourly amount paid to plans, funds, or programs as fringes. The contractor shall pay, and shall show that he is paying to each such employee for all hours (unless otherwise provided by applicable determination) worked on Federal or Federally assisted project an amount not less than the predetermined rate plus cash in lieu of fringes as shown in Section 4(c). The rate paid and amount of cash paid in lieu of fringe benefits per hour should be entered in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate.

Column 7 - Gross Amount Earned: Enter gross amount earned on this project. If part of the employees' weekly wage was earned on projects other than the project described on this payroll, enter in column 7 first the amount earned on the Federal or Federally assisted project and then the gross amount earned during the week on all projects, thus \$63.00/\$120.00.

Column 8 - Deductions: Five columns are provided for showing deductions made. If more than five deduction should be involved, use first 4 columns; show the balance deductions under "Other" column; show actual total under "Total Deductions" column; and in the attachment to the payroll describe the deduction contained in the "Other" column. All deductions must be in accordance with the provisions of



the Copeland Act Regulations, 29 CFR, Part 3. If the employee worked on other jobs in addition to this project, show actual deductions from his weekly gross wage, but indicate that deductions are based on his gross wages.

Column 9 - Net Wages Paid for Week: Self-explanatory

Totals - Space has been left at the bottom of the columns so that totals may be shown if the contractor so desires.

Statement Required by Regulations, Parts 3 and 5: While this form need not be notarized, the statement on the back of the payroll is subject to the penalties provided by 18 USV 1001, namely, possible imprisonment of 5 years or \$10,000.00 fine or both. Accordingly, the party signing this statement should have knowledge of the facts represented as true.

Space has been provided between item (1) and (2) of the statement for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "See Deductions column in this payroll." See paragraph entitled "FRINGE BENEFITS" above for instructions concerning filling out paragraph 4 of the statement.

DEPARTMENT OF LABOR CONTACTS

Wage and Hour Division
200 Constitution Avenue, NW
Room S-3502
Washington, DC 20210
Contact WHD
Tel: 1-866-4USWAGE (1-866-487-9243)

For questions on other DOL laws:

Call DOL's Toll-Free Help Line at 1-866-4-USA-DOL (1-866-487-2365). Live assistance is available in English and Spanish, Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern Time. Additional service is available in more than 140 languages through a translation service.
Tel: 1-866-4-USA-DOL (1-866-487-2365)

CHARGEPOINT®
MASTER SERVICES SUBSCRIPTION AGREEMENT

IMPORTANT: PLEASE READ THIS MASTER SERVICES SUBSCRIPTION AGREEMENT (“AGREEMENT”) CAREFULLY.

THIS AGREEMENT GOVERNS REGISTRATION OF YOUR CHARGING STATION ON THE CHARGEPOINT NETWORK AND ACTIVATION OF CHARGEPOINT NETWORK SERVICES. SUBSCRIBING FOR A CHARGEPOINT NETWORK SERVICE CONSTITUTES ACCEPTANCE OF ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT AND IS BINDING ON YOU AND THE BUSINESS ENTITY YOU REPRESENT (COLLECTIVELY, “SUBSCRIBER” OR “YOU”). IF YOU ARE ENTERING INTO THIS AGREEMENT ON BEHALF OF A COMPANY OR OTHER LEGAL ENTITY, YOU REPRESENT THAT YOU HAVE AUTHORITY TO BIND SUCH COMPANY OR OTHER LEGAL ENTITY AND ITS AFFILIATES TO THESE TERMS AND CONDITIONS; IF NOT, YOU MAY NOT ENTER INTO THIS AGREEMENT AND MAY NOT USE THE CHARGEPOINT SERVICES.

YOU MAY NOT ACCESS THE CHARGEPOINT SERVICES IF YOU ARE A DIRECT COMPETITOR OF CTI EXCEPT WITH CTI’S PRIOR WRITTEN CONSENT. IN ADDITION, YOU MAY NOT ACCESS THE CHARGEPOINT SERVICES FOR PURPOSES OF MONITORING THEIR AVAILABILITY, PERFORMANCE OR FUNCTIONALITY, OR ANY OTHER BENCHMARKING OR COMPETITIVE PURPOSE.

1. DEFINITIONS. The following terms shall have the definitions set forth below when used in this Agreement:

1.1 “Affiliate” means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. “Control”, for purposes of this definition, means direct or indirect ownership or control of fifty percent (50%) or more of the voting interests of the subject entity.

1.2 “ChargePass™ RFID Card” means a CTI provisioned radio-frequency identification card issued to a ChargePass Account Holder which permits a User of such card access to the ChargePoint Network for the delivery of Subscriber-provided services and the ChargePass Account Holder to use the ChargePoint Network to manage their ChargePass Account.

1.3 “ChargePass Account” means an account registered with CTI that permits a User to prepay for access to Networked Charging Stations utilizing a ChargePass RFID Card.

1.4 “ChargePass Account Holder” means a User who has registered with the Network Operator and created a ChargePass Account.

1.5 “ChargePoint Network” means the Network Operator provisioned software, firmware, hardware (excluding Charging Stations owned and registered by Subscribers) and services for Subscribers and Users that, among other things, provision, manage, and allow access to Networked Charging Stations by ChargePass Account Holders via the RFID Card and by other Users via the utilization of contactless RFID embedded credit cards, or authorized credit or electronic debit card transactions and permit Subscribers to register, activate, monitor and operate Charging Stations.

1.6 “ChargePoint Network Standard Service” means the bundled group of ChargePoint Services that assist in the basic operation of the Networked Charging Stations. The ChargePoint Network Standard Service is required to be subscribed to by Subscriber in order to register and activate a Charging Station on the ChargePoint Network.

1.7 “ChargePoint Services” means the ChargePoint Network support services and ChargePoint software applications, as such may be introduced and made available to Subscribers by the

Network Operator from time to time, which provide network support and functionalities for Users and Subscribers and allow Subscribers, among other things, to monitor and control Networked Charging Stations. ChargePoint Services, including, but not limited to, the ChargePoint Network Standard Service, are made available for subscription by Subscribers pursuant to Purchase Orders entered into between Subscriber and CTI.

1.8 ***“Charging Session”*** has the same definition as “Session” set forth below.

1.9 ***“Charging Station”*** means the electric vehicle charging station(s) installed by Subscriber at the Subscriber Location(s), either manufactured by CTI or by another entity, which have embedded within them CTI proprietary hardware and firmware, enabling Subscriber to register and activate such charging stations on the ChargePoint Network. A charging station may be designated by a Subscriber as a Commercial Charging Station or a Free Charging Station, a Public Charging Station or a Private Charging Station and such designations may be changed at any time with respect to any Networked Charging Station(s) utilizing the ChargePoint Network Standard Service.

1.10 ***“Commercial Charging Station”*** means a Charging Station that is designated by the Subscriber as one where Users must pay a Session Fee for access to the Charging Station.

1.11 ***“CTI”*** means Coulomb Technologies, Inc., a Delaware corporation.

1.12 ***“CTI Marks”*** means the various trademarks, service marks, names and designations used in connection with the CTI manufactured Charging Stations and/or the ChargePoint Network, including, without limitation, ChargePoint and ChargePass.

1.13 ***“CTI Intellectual Property”*** means all intellectual property of CTI relating to the CTI Marks, the ChargePoint Network, the ChargePoint Services, ChargePass, ChargePass RFID Cards, ChargePass Accounts and all other Intellectual Property Rights of CTI.

1.14 ***“Documentation”*** means written information (whether contained in user or technical manuals, product materials, specifications or otherwise) pertaining to ChargePoint Services and/or the ChargePoint Network and made available by the Network Operator to Subscribers and/or Users in any manner (including on-line).

1.15 ***“Free Charging Station”*** means a Charging Station that is designated by the Subscriber as one where Users do not pay a Session Fee for access to the Charging Station.

1.16 ***“Intellectual Property Rights”*** means all intellectual property rights, including, without limitation, patents, patent applications, patent rights, trademarks, trademark applications, trade names, service marks, service mark applications, copyrights, copyright applications, franchises, licenses, inventories, know-how, trade secrets, Subscriber lists, proprietary processes and formulae, all source and object code, algorithms, architecture, structure, display screens, layouts, inventions, development tools and all documentation and media constituting, describing or relating to the above, including, without limitation, manuals, memoranda and records.

1.17 ***“Malicious Code”*** means viruses, worms, time bombs, Trojan horses and other malicious code, malware, spyware, files, scripts, agents or programs.

1.18 ***“Net Session Fees”*** means all Session Fees actually collected on behalf of the Subscriber from Users by Network Operator for use of Networked Charging Stations less Session Authorization Fees and Session Processing Fees, as well as any Taxes and Regulatory Charges, if any, required by law to be collected by CTI from Users in connection with the use of Networked Charging Stations. Except as required by law, Subscriber shall be responsible for the payment of all Taxes and Regulatory Charges incurred in connection with the Networked Charging Stations.

1.19 *“Networked Charging Station”* means a Charging Station for which a Subscriber has subscribed for the ChargePoint Network Standard Service and registered and activated such Charging Station on the ChargePoint Network.

1.20 *“Network Operator”* means the entity responsible for provisioning, managing and maintaining the ChargePoint Network and offering ChargePoint Services. CTI is the Network Operator in North America but is permitted at any time to assign its rights and obligations as Network Operator under this Agreement to another entity.

1.21 *“Network Web Portal”* means any of the secure Internet web portals established and maintained by the Network Operator which will allow (i) Subscriber through its Subscriber Accounts to access ChargePoint Services for the management and control of Subscriber’s Networked Charging Stations and (ii) ChargePass Account Holders through their respective ChargePass Accounts to track their use of Networked Charging Stations, replenish ChargePass RFID Cards and otherwise manage their ChargePass Account.

1.22 *“Party”* means the Network Operator and Subscriber.

1.23 *“Private Charging Station”* means a Charging Station for which access by the general public is restricted (e.g., a Charging Station located in a private parking facility or restricted corporate campus).

1.24 *“Public Charging Station”* means a Charging Station that is accessible by any User subject only to stated hours of operation.

1.25 *“Purchase Order”* means the purchase order(s) or other documentation entered into between Subscriber and the Network Operator, its distributors or other authorized representatives for the subscription of ChargePoint Services the terms of which are incorporated herein by reference.

1.26 *“Purchased ChargePoint Services”* means those ChargePoint Services made available by the Network Operator and for which a Subscription has been purchased by Subscriber with respect to any of Subscriber’s Networked Charging Stations or for which the Subscription Term has automatically been renewed pursuant to Section 8.3 (Automatic Renewal of Subscriptions).

1.27 *“Regulatory Charges”* is defined in Section 4.6 (Taxes and Regulatory Charges).

1.28 *“Session”* or *“Charging Session”* means a continuous period of time measuring not less than five (5) minutes commencing when a User has accessed a Networked Charging Station and the delivery of Subscriber provided services has been initiated and terminating upon the cessation by such User of the Subscriber provided services.

1.29 *“Session Authorization Fees”* means the fees payable by the Subscriber to the Network Operator to pre-authorize a Charging Session at a Commercial Networked Charging Station.

1.30 *“Session Fees”* means the fees set by the Subscriber for a Charging Session, including any applicable Taxes and/or Regulatory Charges.

1.31 *“Session Processing Fees”* means the fees charged by the Network Operator for the management, collection and processing of Session Fees on behalf of Subscriber and the remittance of Net Session Fees to Subscribers.

1.32 *“Session Transaction Fees”* means the complete set of fees, session authorization fees and session processing fees, charged by the Network Operator to the Subscriber for collection of User Session Fees on behalf of the Subscriber, as well as any applicable Taxes and Regulatory Charges.

1.33 **“Software Application”** means computer programs, including firmware, as provided or otherwise made available to Subscriber by the Network Operator, or its distributors or other authorized representatives, as embedded in or downloaded by Subscriber to the Subscriber’s Charging Stations, related products and any Upgrades.

1.34 **“Subscriber”** is an owner of one or more Charging Stations for which Subscriber has purchased Subscriptions for ChargePoint Services and registered with and activated on the ChargePoint Network.

1.35 **“Subscriber Account”** means an account established by a Subscriber.

1.36 **“Subscriber Location(s)”** means the physical locations where Subscriber has installed Networked Charging Stations registered with the ChargePoint Network.

1.37 **“Subscription”** means a subscription for ChargePoint Services purchased by a Subscriber.

1.38 **“Subscription Fees”** means the fees payable by Subscriber to the Network Operator for subscribing to any of the ChargePoint Services.

1.39 **“Subscription Term”** means the Term for which Subscriber has purchased a Subscription for Purchased ChargePoint Services for a Networked Charging Station.

1.40 **“Taxes”** is defined in Section 4.6 (Taxes and Regulatory Charges).

1.41 **“Upgrades”** means any authorized upgrades, updates, bug fixes or modified versions of Software Applications furnished by the Network Operator.

1.42 **“Users”** means any person using Networked Charging Stations including, without limitation, ChargePass Account Holders.

1.43 **“You”** or **“Your”** means the company or other legal entity for which you are accepting this Agreement and the Affiliates of that company or entity.

2. CTI’S RESPONSIBILITIES AND AGREEMENTS.

2.1 NETWORK OPERATION. The Network Operator shall be solely responsible for: (i) **Provisioning and Operating the ChargePoint Network** – provisioning and operating, maintaining, administration and support of the ChargePoint Network infrastructure (but excluding Subscribers’ Charging Stations and infrastructure for transmitting data from Networked Charging Stations to any ChargePoint Network operations center); (ii) **Provisioning and Operating Network Web Portals** – provisioning and operating, maintaining, administration and support of the Network Web Portals; (iii) **User Acquisition, Administration and Support** -- acquisition and registration of new ChargePass Account Holders, administration and support of ChargePass Accounts and provisioning the support services for Users embodied in the ChargePoint Services, and (iv) **Data Protection** – using commercially reasonable efforts to comply with all applicable laws and regulations of the United States of America and all other governmental entities governing, restricting or otherwise pertaining to the use, distribution, export or import of data, products, services and/or technical data whether such information or data relates to either the Subscriber or Users in connection with the ChargePoint Network.

2.2 PURCHASED CHARGEPOINT SERVICES. The Network Operator shall make the Purchased ChargePoint Services available to Subscriber pursuant to this Agreement and the applicable Purchase Orders for each Networked Charging Station during the Subscription Term. The Network Operator represents and warrants that: (i) **Authority** -- it has the power and authority to enter into and be bound by this Agreement, (ii) **Performance of ChargePoint Services** -- the ChargePoint Services shall

perform materially in accordance with the Documentation, (iii) **Support for Purchased ChargePoint Services** – it will provide all support for Purchased ChargePoint Services and technical support and maintenance for all Software Applications as set forth in the Documentation, including, without limitation, Upgrades, (iv) **Continuity of Purchased ChargePoint Services** – It will use commercially reasonable efforts to make the Purchased ChargePoint Services available 24 hours a day, 7 days a week, 365 days per year, except for planned downtime (of which Subscriber shall be given not less than eight (8) hours prior notice via electronic messaging to the email address for notices specified in each Subscriber Account), (v) **No Decrease in Functionality of ChargePoint Services** -- subject to Section 2.3(vi), the functionality of the ChargePoint Services shall not materially decrease during the Subscription Term, and (vi) **Malicious Code** – it will use commercially reasonable efforts to ensure that it does not transmit to Subscriber any Malicious Code (excepting Malicious Code transmitted to CTI or the Network Operator by Subscriber or its Affiliates). Subscriber’s exclusive remedy for a breach of any of the foregoing shall be as provided in Section 8.4 (Termination) and Section 8.5 (Refund or Payment Upon Termination) as set forth below.

2.3 LIMITATIONS ON RESPONSIBILITY. Neither CTI, its distributors nor its other authorized representatives nor the Network Operator shall be responsible for, or makes any representation or warranty to Subscriber with respect to the following: (i) **Competing Subscriber Locations** -- specific location(s) or number of Networked Charging Stations now, or in the future, owned, operated and/or installed by Subscribers other than Subscriber, or the total number of Networked Charging Stations that comprise the ChargePoint Network; (ii) **Electrical Service Interruptions** – continuous availability of electrical service to any Networked Charging Stations; (iii) **Cellular and Internet Service Interruptions** – continuous availability of any wireless or cellular communications network or Internet service provider network not operated by CTI or the Network Operator; (iv) **Network Intrusions** – availability of or interruption of the ChargePoint Network attributable to unauthorized intrusions; (v) **Unregistered Charging Stations** -- Charging Stations that are not registered and activated with the ChargePoint Network, and (vi) **Google™ Services** – the continued availability of any Google services incorporated for use with the ChargePoint Services; provided that, if Google ceases to make the Google Application Programming Interface (“API”) or any similar program available on reasonable terms for the ChargePoint Services, the Network Operator shall make commercially reasonable efforts to replace the Google API or such similar program with products providing similar functionalities if such products are available upon terms which the Network Operator, in its reasonable discretion, believes are commercially reasonable; and provided further that, if Google ceases to make the Google API or similar program available, or available on reasonable terms for the ChargePoint Services, the Network Operator may cease providing such features without entitling Subscriber to any refund, credit or other compensation.

2.4 DISCLAIMER OF WARRANTY. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS SECTION 2, NEITHER CTI, THE NETWORK OPERATOR NOR ANY OF THEIR RESPECTIVE DISTRIBUTORS OR OTHER AUTHORIZED REPRESENTATIVES AS APPLICABLE, MAKES ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY FOR FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

3. SUBSCRIBER RESPONSIBILITIES AND AGREEMENTS

3.1 GENERAL. Subscriber shall be solely responsible for: (i) **Installation of Charging Stations and/or Related Electrical Vehicle Charging Products** – the purchase and installation of Subscriber’s Charging Stations and other electrical vehicle charging products shall be at Subscriber’s sole cost and expense; (ii) **Registration and Activation of Charging Stations with the ChargePoint Network** – registration with and activation of Subscriber’s Charging Stations on the ChargePoint Network through a

Network Web Portal, including, without limitation, keeping current Subscriber's contact information, email address for the receipt of notices hereunder, billing address for invoices and payment of Subscriber's Net Session Fees due under this Agreement; (iii) **Pricing and Access** -- setting the pricing (including all applicable Taxes and Regulatory Charges) for any Subscriber provided services accessed by Users through Networked Charging Stations that are designated Commercial Charging Stations and any conditions limiting access thereof, (iv) **Update of Registration of Charging Stations** -- if a Networked Charging Station is moved from its registered location Subscriber shall update the registration location of the Networked Charging Station on the appropriate Network Web Portal within five (5) business days of making any change in the Subscriber Location(s); (v) **Identification of Charging Stations and Subscriber Locations** -- provisioning and installation of appropriate signage that clearly and prominently identifies and, where appropriate, provides directions to the Subscriber Locations so that they may be easily located by Users; (vi) **Public Access Level** -- designation of each Networked Charging Station as either a Public Charging Station or a Private Charging Station; (vii) **Commercialization** -- designation of each Networked Charging Station as either a Commercial Charging Station or a Free Charging Station; (viii) **Appearance and Cleanliness** -- keeping Networked Charging Stations and Subscriber Locations(s) clean and free of graffiti, unauthorized advertising, debris and other materials that would obscure, block access or otherwise detract from or cast a negative light on the reputation of the ChargePoint Network; (ix) **Maintenance, Service and Repair of Networked Charging Stations** -- the maintenance, service, repair and/or replacement of Subscriber's Networked Charging Stations as needed, including deactivation of Networked Charging Stations that are non-operational and not intended to be replaced or repaired by Subscriber within ten (10) business days from the ChargePoint Network; (x) **Location of Charging Stations** -- assuring the accessibility, lighting and other factors pertaining to the safety of Users while utilizing the Charging Stations not directly related to the design or manufacture of the Charging Stations themselves; and (xi) **Compliance with Laws** -- operating and maintaining the Subscriber's Networked Charging Stations in a manner that complies with all applicable laws.

3.2 REPRESENTATIONS AND WARRANTIES OF SUBSCRIBER. Subscriber represents and warrants to CTI, the Network Operator, their respective distributors and other authorized representatives that: (i) **Authority** -- Subscriber has the power and authority to enter into and be bound by this Agreement and to install the Charging Stations and any other electrical vehicle charging products to be registered and activated on the ChargePoint Network at the Subscriber Location(s); (ii) **No Violation With Subscriber's Electrical Supply or Other Agreements** -- Subscriber assumes all responsibility that the electrical usage consumed by any of Subscriber's Networked Charging Station does not violate or otherwise conflict with the terms and conditions of any applicable electrical purchase or other agreement including, without limitation, any lease, to which Subscriber is a party; (iii) **Installation of Charging Stations Will Not Violate Any Other Agreements or Laws** -- Subscriber will not install or attach Charging Stations on or to infrastructure not owned by Subscriber without proper authority, or in a manner that will block any easement or right of way. Subscriber will observe all legal requirements with respect to vehicle clearances from intersections, points of ingress or egress and public infrastructure such as fire hydrants, lampposts, parking meters, and will otherwise observe all applicable governmental restrictions or restrictions applicable to the Subscriber Locations under any other agreements to which Subscriber is subject; and (iv) **Compliance Laws** -- Subscriber will comply with all applicable laws.

3.3 FURTHER AGREEMENTS OF SUBSCRIBER MADE IN CONNECTION WITH REGISTRATION OF CHARGING STATIONS ON THE CHARGEPOINT NETWORK AND USE OF CHARGEPOINT SERVICES. Subscriber further acknowledges and agrees with the Network Operator, CTI, and their respective distributors and authorized representatives, as applicable, as follows: (i) **Display of CTI Marks** -- Subscriber will not remove, conceal or cover the CTI Marks or any other markings, labels, legends,

trademarks, or trade names installed or placed on the Networked Charging Stations or any peripheral equipment for use in connection with the Networked Charging Stations for so long as such Charging Stations are Networked Charging Stations; (ii) **Use of Network Web Portals** -- Subscriber shall comply with, and shall have responsibility for and cause all other persons accessing or using Network Web Portals to comply with, all of the rules, regulations and policies of the Network Operator, as well as other networks and computer systems used to access Network Web Portals, whether operated by Subscriber, its suppliers or others and Subscriber agrees to indemnify and hold the Network Operator, CTI, and their respective distributors and authorized representatives, directors, shareholders, officers, agents, employees, permitted successors and assigns harmless from any third party notices, allegations, claims, suits or proceedings (each, a "Claim") resulting from Subscriber's use of Network Web Portals and the ChargePoint Services in violation of the terms of this Section 3.3(ii) or of Section 3.3(iii); (iii) **Use of the ChargePoint Network and ChargePoint Services** -- Subscriber shall be responsible for use of the ChargePoint Services in compliance with this Agreement, and in particular, shall: (A) use its commercially reasonable efforts to prevent unauthorized access to Purchased ChargePoint Services, (B) use the Purchased ChargePoint Services only in accordance with the Documentation and applicable laws and government regulation, (C) shall not sell, resell, rent or lease the Purchased ChargePoint Services, (D) shall not interfere with or disrupt the integrity of the ChargePoint Network, the ChargePoint Services or any third party data contained therein, and (E) shall not attempt to gain unauthorized access to the ChargePoint Network or the ChargePoint Services or their related systems or networks; (iv) **Future ChargePoint Services** -- Purchase Orders are not contingent on the delivery of any future functionality or features, nor dependent on any oral or written comments anticipating future functionality or features; (iv) **Ownership of Data** -- All data collected by the Network Operator in connection with the operation of the ChargePoint Network shall be owned by CTI and the Network Operator and Subscriber acknowledges and agrees that Subscriber shall have no right of access or the use of such data for any purpose other than the management of Subscriber's Networked Charging Stations while registered with the ChargePoint Network.

4. FEES AND PAYMENT FOR PURCHASED CHARGEPOINT SERVICES.

4.1 SUBSCRIPTION FEES. Subscriber shall pay the Subscription Fees set forth on any Purchase Order for Purchased ChargePoint Services. Except as otherwise specified herein or in any Purchase Order, (i) Subscription Fees are quoted in and payable in U.S. Dollars, (ii) Subscription Fees are based on ChargePoint Services purchased and not on actual usage, (iii) payment obligations are non-cancelable and are non-refundable, and (iv) Subscriptions are non-transferable (provided, that any Subscription may be transferred to a Charging Station that is purchased by Subscriber to replace a previously Networked Charging Station). Subscription Fees are based on annual periods that begin on the date of the Subscription start date and end each annual anniversary thereafter.

4.2 INVOICING AND PAYMENT. Subscriber shall provide the Network Operator with valid and up to date credit card information if Subscriber is subscribing for ChargePoint Services online through the applicable Network Web Portal. In all other cases, payment of Subscription Fees shall be made under the terms of any accepted Purchase Order pursuant to a method of payment reasonably acceptable to the Network Operator. Where Subscriber provides credit card information to the Network Operator through such Network Web Portal for the payment of Subscription Fees, Subscriber hereby authorizes the Network Operator to charge such credit card for all Purchased ChargePoint Services for the initial Subscription Term and the automatic renewal of Subscription Term(s) as set forth in Section 8.3 (Automatic Renewal of Subscriptions). All credit card charges shall be made in advance, either annually or in accordance with the terms of the accepted Purchase Order. If the Purchase Order specifies that payment shall be made by a method other than credit card, the Network Operator, its

distributors or authorized representatives, as applicable, shall invoice Subscriber in advance in accordance with the accepted Purchase Order (including the automatic renewal of Subscription Term(s)) and invoiced charges shall be due within thirty (30) days of the invoice date.

4.3 OVERDUE SUBSCRIPTION FEES. If any invoiced Subscription Fees are not received by the Network Operator by the due date, then such charges: (i) may accrue late interest at the rate of one and one-half percent (1.5%) of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, from the date such payment was due until paid, and (ii) the Network Operator may condition future Subscription renewals and acceptance of Purchase Orders on payment terms other than those set forth herein.

4.4 ACCELERATION AND SUSPENSION OF CHARGEPOINT SERVICES. If any amount owing by Subscriber under this Agreement for Subscription Fees for Purchased ChargePoint Services or under any other agreement between the Network Operator and Subscriber is more than thirty (30) days overdue (or, in the event that Subscriber has authorized the Network Operator to charge the amount owing to Subscriber's credit card and payment under such credit card has been declined, more than 5 days has passed since Subscriber has received notice from the Network Operator of such event), the Network Operator may, without otherwise limiting the Network Operator's rights or remedies, accelerate Subscriber's unpaid fee obligations under such agreements so that all such obligations become immediately due and payable, and suspend the use by Subscriber of the Purchased ChargePoint Services until such amounts are paid in full.

4.5 PAYMENT DISPUTES. The Network Operator shall not exercise its rights under Section 4.3 (Overdue Subscription Fees) or Section 4.4 (Acceleration and Suspension of ChargePoint Services) if the applicable charges are under reasonable and good faith dispute and Subscriber is cooperating diligently to resolve the dispute.

4.6 TAXES AND REGULATORY CHARGES. Unless required by law or otherwise stated herein, Session Authorization Fees and Session Processing Fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including, but not limited to, value added, sales, local, city, state or federal taxes ("**Taxes**") or any fees or other assessments levied or imposed by any governmental regulatory agency ("**Regulatory Charges**"). Subscriber is responsible for the payment of all Taxes and Regulatory Charges hereunder in connection with Purchased ChargePoint Services, Session Fees, Session Authorization Fees and Session Processing Fees; *provided* that the Network Operator is solely responsible for all Taxes and Regulatory Charges assessable based on the Network Operator's income, property and employees. Where the Network Operator is required by law to collect and/or remit the Taxes or Regulatory Charges for which Subscriber is responsible, the appropriate amount shall be invoiced to Subscriber in accordance with this Section 4 and deducted by the Network Operator from Session Fees, unless Subscriber has otherwise provided the Network Operator with a valid tax or regulatory exemption certificate or authorization from the appropriate taxing or regulatory authority.

5. FLEX-BILLING SERVICE FOR NETWORKED CHARGING STATIONS.

5.1. SESSION FEES. Subscriber shall have sole authority to determine and set in real-time a User's Session Fees (which shall include all applicable Taxes and Regulatory Charges) applicable to Subscriber's Networked Charging Stations that are designated as Commercial Charging Stations.

5.2. SESSION TRANSACTION FEES. In exchange for the Network Operator collecting Session Fees on behalf of the Subscriber, the Subscriber hereby authorizes the Network Operator to deduct from all Session Fees collected: (i) a Session Authorization Fee, and (ii) a Session Processing Fee, each in the amount and subject to the terms and conditions as set forth in **Schedule 1**.

5.3 PAYMENT TO SUBSCRIBER OF NET SESSION FEES. The Network Operator shall remit to Subscriber not more than thirty (30) days after the end of each calendar month to the address set forth in Subscriber's Account information registered on the applicable Network Web Portal all Net Session Fees.

6. PROPRIETARY RIGHTS.

6.1 RESERVATION OF RIGHTS. Subject to the limited rights granted expressly hereunder, CTI reserves all right, title and interest in and to the ChargePoint Services, including all related Intellectual Property Rights. No rights are granted to Subscriber hereunder except as expressly set forth herein. CTI shall have a royalty-free, worldwide, transferable, sublicensable, irrevocable perpetual license to use or incorporate in the ChargePoint Services any suggestions, enhancement requests, recommendations or other feedback provided by Subscribers or Users relating to the ChargePoint Services.

6.2 RESTRICTIONS ON USE. Neither Subscriber nor any of its Affiliates shall: (i) permit any third party to access the ChargePoint Services except as otherwise expressly provided herein or in any Purchase Order, (ii) create derivative works based on the ChargePoint Services, (iii) copy, frame or mirror any part or content of the ChargePoint Services, other than copying or framing on Subscribers own intranets or otherwise for Subscriber's own internal business purposes, (iv) reverse engineer any Charging Station or Software Application, or (v) access the ChargePoint Network, any Network Web Portal or the ChargePoint Services in order to (A) build a competitive product or service, or (B) copy any features, functions, interface, graphics or "look and feel" of any Network Web Portal or the ChargePoint Services.

6.3 GRANT OF LIMITED LICENSE FOR CTI MARKS.

(a) LICENSE GRANT. Subscriber is granted under this Agreement the nonexclusive privilege of displaying the CTI Marks during the Term of this Agreement in connection with the Networked Charging Stations installed by Subscriber. Subscriber warrants that it shall not use any of the CTI Marks for any products other than the Networked Charging Stations at the Subscriber Locations(s). CTI may provide trademark usage guidelines with respect to Subscriber's use of the CTI Marks which will be made available on a Network Web Portal, in which case Subscriber thereafter must comply with such guidelines. If no such guidelines are provided, then for each initial use of the CTI Mark, Subscriber must obtain CTI's prior written consent, which shall not be unreasonably withheld or delayed, and after such consent is obtained, Subscriber may use the CTI Mark in the approved manner. The CTI Marks may not be used under this Agreement as a part of the name under which Subscriber's business is conducted or in connection with the name of a business of Subscriber or its Affiliates.

(b) NO REGISTRATION OF CTI MARKS BY SUBSCRIBER. Neither Subscriber nor any of its Affiliates will take any action, directly or indirectly, to register or apply for or cause to be registered or applied in Subscriber's favor or in the favor of any third party any CTI Marks or any patent, trademark, service mark, copyright, trade name, domain name or registered design that is substantially similar to a patent, trademark, service mark, copyright, trade name or registered design of CTI or the Network Operator, or that is licensed to, connected with or derived from confidential, material or proprietary information imparted to or licensed to Subscriber by CTI or the Network Operator.

(c) USE OF CTI MARKS BY SUBSCRIBER ON INTERNET. Subscriber shall be entitled to use the CTI Marks to promote the ChargePoint Network on Subscriber-owned websites and through the Internet advertising of Subscriber and its Affiliates, *provided*, that Subscriber is limited to using the CTI Marks in connection with the Internet as follows: (i) **Compliance with Law** -- the use must be in

compliance with local rules regarding advertising of the Networked Charging Stations and the ChargePoint Network on the Internet; (ii) **No Domain Name** -- no license is granted to use or register any domain name containing "CTI", the name of the Network Operator or the CTI Marks; and (iii) **Notice of License** – Subscriber and its Affiliates, as applicable, will at all times indicate that each of the CTI Marks is a mark of CTI and used under license, as appropriate.

(d) **TERMINATION AND CESSATION OF USE OF CTI MARKS.** Upon termination of this Agreement Subscriber and its Affiliates will immediately discontinue all use and display of the name "CTI", the name of the Network Operator and the CTI Marks.

6.4 FEDERAL GOVERNMENT END USER PROVISIONS. CTI provides the ChargePoint Services, including Software Applications and technology, for ultimate federal government end use solely in accordance with the following: Government technical data and software rights related to the ChargePoint Services include only those rights customarily provided to the public as defined in this Agreement. This customary commercial license is provided in accordance with FAR 11.211 (Technical Data) and FAR 11.212 (Software) and, for Department of Defense transactions, DFAR 252.227-7015 (Technical Data – Commercial items) and DFAR 226.7202-3 (Rights in Commercial Computer Software or Computer Software Documentation). If a government agency has a need for rights not conveyed under these terms, it must negotiate with CTI to determine if there are acceptable terms for transferring such rights, and a mutually acceptable written addendum specifically conveying such rights must be included in any applicable Purchase order, contract or other agreement.

7. INDEMNIFICATION

7.1 INDEMNIFICATION OF SUBSCRIBER BY CTI. CTI shall defend at its expense any third party notices, allegations, claims, suits, or proceedings ("**Claim**") against Subscriber and its Affiliates, and their respective directors, shareholders, officers, agents, employees, permitted successors and assigns, to the extent alleging that the use of any of the ChargePoint Services as permitted hereunder or the CTI Marks as furnished hereunder infringes or misappropriates the Intellectual Property Rights of any third party, and to pay costs and damages finally awarded in any such suit or agreed to by CTI in settlement with such third party (including reasonable attorney's fees and expenses), provided that CTI is notified promptly in writing of the suit and at CTI's request and at its expense is given control of said suit and all requested reasonable assistance for defense of same. CTI agrees that it shall not settle any Claim unless Subscriber and its Affiliates, as applicable, are unconditionally released from any liability as part of any settlement. This indemnity does not extend to any suit based upon any infringement or alleged infringement of any Intellectual Property Rights by the combination of a product (including the ChargePoint Services) furnished by CTI with other elements not furnished by CTI if such infringement would have been avoided by the use of the CTI product (including in conjunction with the CTI furnished ChargePoint Services) alone.

7.2 INDEMNIFICATION OF CTI AND THE NETWORK OPERATOR BY SUBSCRIBER. Subscriber shall defend CTI, the Network Operator, and their respective distributors, authorized agents, directors, shareholders, officers, agents, employees, permitted successors and assigns against any Claim brought by a third party (i) as a result of Subscriber's negligence or willful misconduct or (ii) alleging that Subscriber's or any of its Affiliates' use of the ChargePoint Network or ChargePoint Services in violation of this Agreement infringes or misappropriates the Intellectual Property Rights of any third party or violates applicable law, and to pay costs and damages finally awarded in any such suit or agreed to by Subscriber in settlement with such third party (including reasonable attorney's fees and expenses), provided that Subscriber is notified promptly in writing of the suit and at Subscriber's request and at its expense is given control of said suit and all requested reasonable assistance for defense of same.

Subscriber agrees that it shall not settle any Claim unless CTI, the Network Operator, and their respective distributors and/or other authorized representatives, as applicable, are unconditionally released from any liability as part of any settlement.

7.3 LIMITATION OF LIABILITY. Except for liability for indemnification against third party claims for infringement or misappropriation of intellectual property rights, the Network Operator and CTI's aggregate liability under this Agreement shall not exceed the aggregate Subscription Fees paid by Subscriber to the Network Operator in the calendar year prior to the event giving rise to the Claim. THE FOREGOING DOES NOT LIMIT SUBSCRIBER'S PAYMENT OBLIGATIONS FOR THE PURCHASED CHARGEPOINT SERVICES.

7.4 EXCLUSION OF CONSEQUENTIAL AND RELATED DAMAGES. REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE OR OTHERWISE, IN NO EVENT WILL CTI, THE NETWORK OPERATOR OR THEIR RESPECTIVE DISTRIBUTORS OR OTHER AUTHORIZED REPRESENTATIVES BE LIABLE FOR ANY LOST REVENUE OR PROFIT, LOST OR DAMAGED DATA, BUSINESS INTERRUPTION, LOSS OF CAPITAL, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES, HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY OR WHETHER ARISING OUT OF THE USE OF OR INABILITY TO USE THE CHARGEPOINT NETWORK, ANY CHARGEPOINT SERVICES, THIS AGREEMENT OR OTHERWISE OR BASED ON ANY EXPRESSED, IMPLIED OR CLAIMED WARRANTIES BY SUBSCRIBER NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT AND EVEN IF CTI, THE NETWORK OPERATOR OR THEIR RESPECTIVE DISTRIBUTORS, OTHER AUTHORIZED REPRESENTATIVES, SUPPLIERS OR LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BECAUSE SOME STATES OR JURISDICITON DO NOT ALLOW LIMITATION OR EXCLUSION OF CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

7.5 EXCLUSIVE REMEDY. The foregoing states the indemnifying party's sole liability to, and the indemnified party's exclusive remedy against, the other party with respect to any Claim described in this Section 7.

7.6 ELECTRICAL, CELLULAR AND INTERNET SERVICE INTERRUPTIONS. None of CTI, the Network Operator, any of their respective distributors, other authorized representatives, or Subscriber shall have any liability whatsoever to the other with respect to damages caused by: (i) electrical outages, power surges, brown-outs, utility load management or any other similar electrical service interruptions whatever the cause; (ii) interruptions in wireless or cellular service linking Networked Charging Stations to the ChargePoint Network; (iii) interruptions attributable to unauthorized ChargePoint Network intrusions; or (iv) interruptions in services provided by any Internet service provider not affiliated with CTI or the Network Operator. This includes the loss of data resulting from such electrical, wireless, cellular or Internet service interruptions.

8. TERM AND TERMINATION.

8.1 TERM OF AGREEMENT. This Agreement shall become effective on the date of acceptance and continues until all Subscriptions (including any automatic renewals thereof) purchased by Subscriber have been terminated or otherwise have expired.

8.2 TERM OF PURCHASED SUBSCRIPTIONS. Subscriptions purchased by Subscriber commence on the start date specified in the Purchase Order and shall continue for the applicable Subscription Term specified therein for each Subscription or until the Purchased ChargePoint Services provided pursuant to any Subscription are otherwise terminated, changed or canceled by the Network Operator or Subscriber as allowed by the terms and conditions set forth herein.

8.3 AUTOMATIC RENEWAL OF SUBSCRIPTIONS. Unless otherwise specified in the applicable Purchase Order, all purchased Subscriptions shall automatically be renewed for a period equal to that of the expiring Subscription, unless either party gives the other notice of non-renewal not less than thirty (30) days prior to the schedule expiration date for the relevant Subscription Term. The per-unit pricing for any renewal term shall be the same as during the prior term unless the Network Operator shall have given Subscriber notice to the email address for the Subscriber Account that Subscriber has provided hereunder of any increase in pricing for Subscriptions not less than thirty (30) days prior to the end of such expiring Subscription, in which case the price increase shall be effective upon renewal and thereafter. Any such pricing increase shall not exceed ten percent (10%) over the pricing for the relevant Purchased ChargePoint Services in the prior term, unless the pricing for such expiring Subscription was designated in the applicable Purchase Order as promotional or a one-time offer.

8.4 TERMINATION.

(a) BY THE NETWORK OPERATOR. This Agreement and the Purchased ChargePoint Services furnished hereunder may be immediately suspended or terminated: (i) if Subscriber is in material violation of any of Subscriber's obligations under this Agreement, provided, that Subscriber shall be given written notice of such violation and if cured within thirty (30) days of such notice, any suspension or termination of Purchased ChargePoint Services shall be restored and this Agreement shall continue in effect, (ii) Subscriber becomes the subject of a petition in bankruptcy or any other proceeding related to insolvency, receivership, liquidation or an assignment for the benefit of creditors, (iii) upon the determination by any regulatory body that the subject matter of this Agreement is subject to any governmental regulatory authorization or review, or (iv) if, pursuant to the terms of this Agreement, the Network Operator is permitted the right to terminate upon the occurrence of an event or events.

(b) BY SUBSCRIBER. This Agreement may be terminated by Subscriber for cause: (i) upon thirty (30) days written notice given to the Network Operator alleging a material breach of this Agreement and the alleged breach remains unremedied at the expiration of such period, or (ii) the Network Operator becomes the subject of a petition in bankruptcy or any other proceeding related to insolvency, receivership, liquidation or an assignment for the benefit of creditors. This Agreement may be terminated by Subscriber upon the voluntary deactivation and removal from registration via the applicable Network Web Portal of all Networked Charging Stations owned by Subscriber and its Affiliates from the ChargePoint Network, at which time this Agreement shall terminate effective immediately; provided, that Subscriber shall not be entitled to any refund of prepaid Subscription Fees as a result of such termination.

8.5 REFUND OR PAYMENT UPON TERMINATION. Upon any termination of this Agreement for cause by Subscriber pursuant to Section 8.4(b)(i), or (ii) or the election of the Network Operator to terminate this Agreement pursuant to Section 8.4(a)(iii), the Network Operator shall refund to Subscriber the pro-rata portion of any pre-paid Subscription Fees for the remainder of the applicable Subscription Term for all Subscriptions after the effective date of termination. Upon any termination for cause by the Network Operator pursuant to Section 8.4(a)(i), (ii) or (iv) or upon the voluntary removal from registration and activation of all of Subscriber's Network Charging Stations from the ChargePoint Network, Subscriber shall pay any unpaid Subscription Fees covering the remainder of the Subscription Term for any accepted Purchase Orders. In no event shall any termination relieve Subscriber of any liability for the payment of Subscription Fees or Session Processing Fees for any period prior to the termination date.

9. **AMENDMENT OR MODIFICATION.** No modification, amendment or waiver of this Agreement shall be effective unless in writing and either signed or electronically accepted by the party against whom the amendment, modification or waiver is to be asserted; *provided*, that subject to any applicable Purchase Order the Network Operator may change the Session Authorization Fee and/or the Session Processing Fee as provided in **Schedule 1**.

10. **WAIVER.** The failure of either Party at any time to require performance by the other Party of any obligation hereunder will in no way affect the full right to require such performance at any time thereafter. The waiver by either Party of a breach of any provision hereof will not constitute a waiver of the provision itself. The failure of either Party to exercise any of its rights provided in this Agreement will not constitute a waiver of such rights. No waiver will be effective unless in writing and signed by an authorized representative of the Party against whom such waiver is sought to be enforced. Any such waiver will be effective only with respect to the specific instance and for the specific purpose given.

11. **FORCE MAJEURE.** Except with respect to payment obligations, neither the Network Operator nor Subscriber will be liable for failure to perform any of its obligations hereunder due to causes beyond such party's reasonable control and occurring without its fault or negligence (a "*Force Majeure Event*"). A Force Majeure Event will include, but not be limited to, fire, flood, earthquake or other natural disaster (irrespective of such party's condition of any preparedness therefore); war, embargo; riot; strike; labor action; any lawful order, decree, or other directive of any government authority that prohibits a party from performing its obligations under this Agreement; material shortages; shortage of transport; and failures of suppliers to deliver material or components in accordance with the terms of their contracts.

11. **APPLICABLE LAW.** This Agreement will be construed, and performance will be determined, according to the laws of the State of California without reference to such state's principles of conflicts of law (the "*Applicable Law*") and the state and federal courts of California shall have exclusive jurisdiction over any claim arising under this Agreement.

12. **WAIVER OF JURY TRIAL.** Each Party hereby waives any right to jury trial in connection with any action or litigation arising out of this Agreement.

13. **SURVIVAL.** Those provisions dealing with the Intellectual Property Rights of CTI, limitations of liability and disclaimers, restrictions of warranty, Applicable Law and those other provisions which by their nature or terms are intended to survive the termination of this Agreement will remain in full force and effect as between the Parties hereto as contemplated hereby.

14. **SEVERABILITY.** Except as otherwise specifically provided herein, if any term or condition of this Agreement or the application thereof to either Party will to any extent be determined jointly by the Parties or by any judicial, governmental or similar authority, to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to this Agreement, the Parties or circumstances other than those as to which it is determined to be invalid or unenforceable, will not be affected thereby. If, however such invalidity or unenforceability will, in the reasonable opinion of either Party cause this Agreement to fail of its intended purpose and the Parties cannot by mutual agreement amend this Agreement to cure such failure, either Party may terminate this Agreement for cause as provided herein above.

15. **ASSIGNMENT.** Subscriber may not assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the Network Operator (not to be unreasonably withheld). In the event of any purported assignment in breach of this Section 15, the Network Operator shall be entitled, at its sole discretion, to terminate this Agreement upon written

notice given to Subscriber. In the event of such a termination, Subscriber shall pay any unpaid Subscription Fees covering the remainder of the Subscription Term for any accepted Purchase Orders. In no event shall any termination relieve Subscriber of any liability for the payment of Subscription Fees or Session Processing Fees for any period prior to the termination date. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns. CTI and the Network Operator may each assign its rights and obligations under this Agreement. Within ninety (90) days of any such assignment, CTI or the Network Operator, as the case may be, shall provide written notice to Subscriber of the fact of such assignment.

16. NO AGENCY OR PARTNERSHIP CREATED BY THIS AGREEMENT. CTI, in the performance of this Agreement, and in its role as the Network Operator, is an independent contractor. In performing its obligations under this Agreement, CTI shall maintain complete control over its employees, its subcontractors and its operations. No partnership, joint venture or agency relationship is intended by CTI and any Subscriber to be created by this Agreement.

17. ENTIRE AGREEMENT. This Agreement, **Schedule 1** and the applicable Purchase Orders of Subscriber contain the entire agreement between the Parties and supersedes and cancels all previous and contemporaneous agreements, negotiations, commitments, understandings, representations and writings in respect to the subject matter hereof. To the extent of any conflict or inconsistency between the terms and conditions of this Agreement and any Purchase Order, this Agreement shall prevail. Notwithstanding any language to the contrary therein, no terms or conditions stated in any other documentation (excluding **Schedule 1** and Purchase Orders) shall be incorporated into or form any part of this Agreement, and all such purported terms and conditions shall be null and void.

18. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute but one and the same document.

COULOMB TECHNOLOGIES, INC.
Praveen K. Mandal, President

SUBSCRIBER:
By: _____
(Signature)

Name: _____

Title: _____

On Behalf of:

(Print Name of Company or Other Legal Entity)

Address: _____

City: _____

State: _____ Zip Code: _____

E-Mail Address for Notices: _____

(Please complete Appendix A if signing up for Flex Billing Service.)

Schedule 1: Subscriber Session Transaction Fee Schedule¹

Fee Schedule	<u>For Each Charging Session using ChargePass Card</u>	<u>For Each Charging Session Using Credit Card</u>
Session Authorization Fee²	\$0.50 per Session	\$0.50 per Session
Session Processing Fee³	7.5% of Session Fees	7.5% of Session Fees

¹ Subscriber is required to separately subscribe for the ChargePoint™ Network Standard Service in order to activate its Charging Stations on the ChargePoint™ Network.

² The Session Authorization Fee may not be increased more than once in any twelve (12) month period nor more than the greater of (i) ten percent (10%) or (ii) the Consumer Price Index rate of change promulgated by the United State Bureau of Labor Statistics with respect to the 12-month period just then ended when any notice of change is given by CTI to Subscribers.

³ CTI may increase the Session Processing Fee payable pursuant to this Agreement at any time after July 1, 2011, upon not less than one hundred eight (180) days notice (the "**Notice Period**") given by electronic notice posted to the Subscriber Portal and sent to each individual Subscriber Account, and any such change shall thereafter be binding and enforceable with respect to Subscriber after the expiration of such Notice Period; provided, further, that the Session Processing Fee may not be increased by more than one percentage point in any twelve (12) month period, nor in the aggregate, increased to more than twenty percent (20.00%) of Session Fees at any time.

Appendix A: Account Information Form for Flex Billing Services

Complete and fax this form to Coulomb Technologies Sales Operations (+1-214-716-1244) to sign up for Flex Billing services. All fields are required (except where noted).

Business Info

Business Legal Name: _____

Business Legal Address: _____
(Number) (Street) (City) (State/Province) (Postal Code) (Country)

Business Federal Tax ID: _____

Individual Point of Contact

Contact Name: _____

Contact Phone: _____

Contact Fax: _____

Contact Email Address: _____

Bank Account Info

Bank Name: _____

Bank Address: _____
(Number) (Street) (City) (State/Province) (Postal Code) (Country)

Bank Routing number or Swift Code: _____

Bank's Account number (if applicable): _____

Business's Account Number: _____

Business's Account Name: _____
(Remit To Name, if different than Business Legal Name)

Business's Account Address: _____
(Remit To Address, if different than Business Legal Address)

Business's Federal Tax ID: _____
(if Remit To Entity is if different than Business Legal Entity)

Additional Information (for Non-US Customers Only)

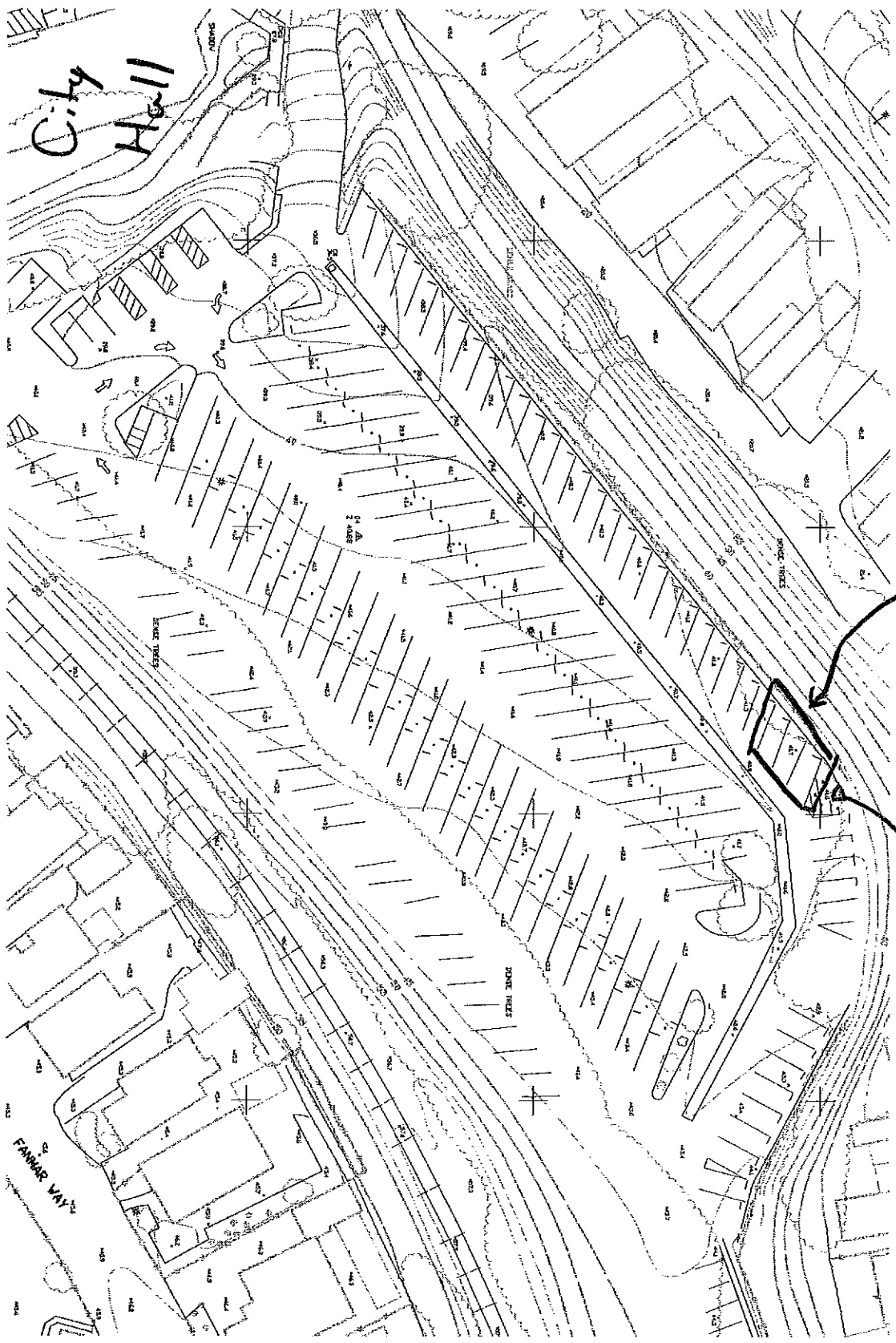
Intermediary Bank Name: _____

Intermediary Bank Address: _____
(Number) (Street) (City) (State/Province) (Postal Code) (Country)

Intermediary Bank Routing or Swift Code: _____

Intermediary Bank' Account number if applicable: _____

Pacific Cove Parking Lot



Existing Electric Panel

Proposed EV Station Site
(3 spaces)

City Hall Parking Lot

NO.	DATE	REVISION



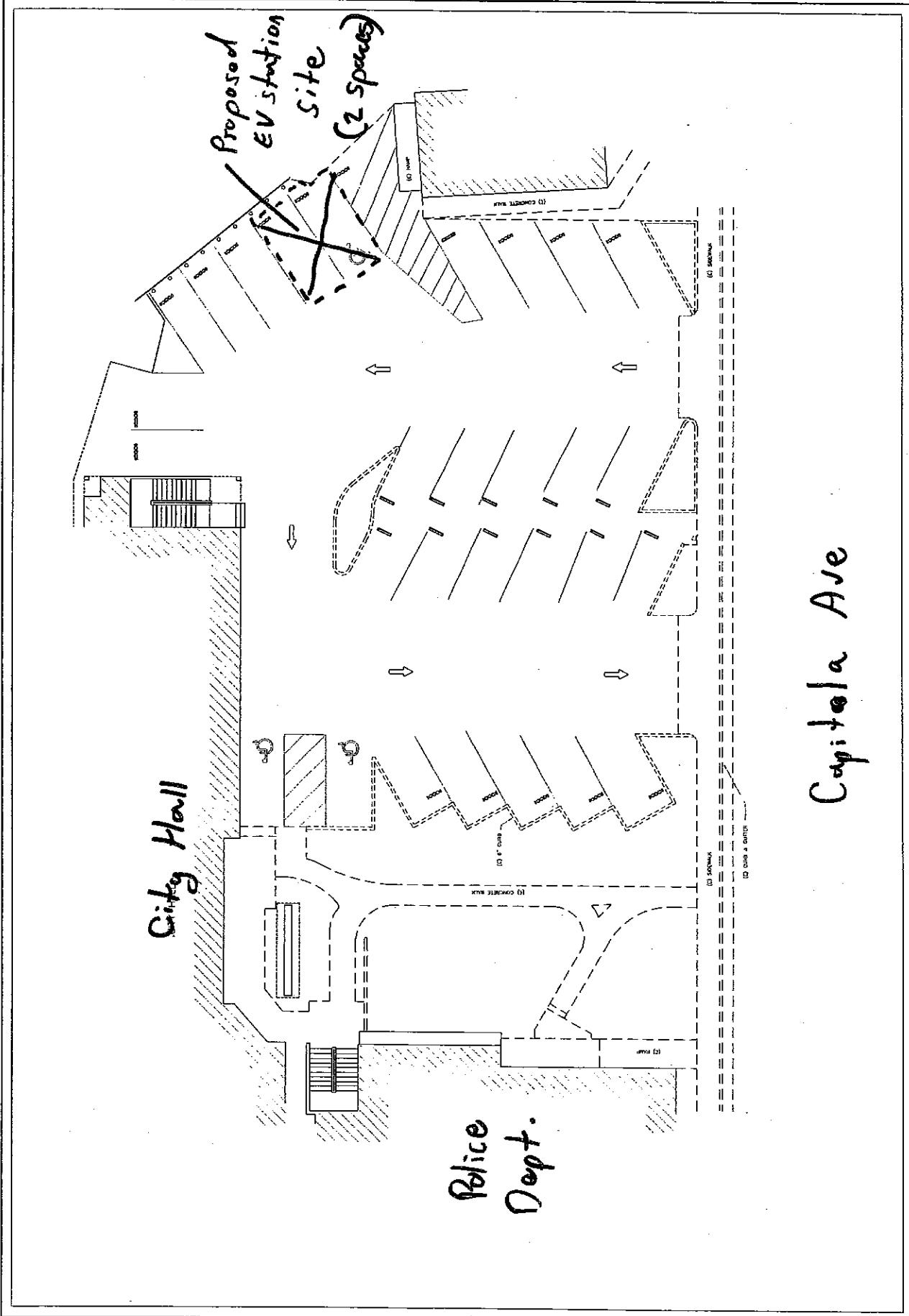
JOE L. AKERS
CIVIL ENGINEER
11-11212

CAPITOLA CITY HALL
LOWER PARKING LOT
EXISTING LAYOUT

ATTACHMENT 4

DATE	SCALE	BY	CHKD.

SHEET
1 OF 3



Capitola Ave

City Hall

Police Dept.

Electric Vehicle Charging Station Installation Proposal

City of Capitola (Upper Lot)

Demo

- Temporary disconnection of local lighting and power circuit(s)

Electrical Plan

Furnish and install the following, including any necessary commodities (conduit, wire, cable, fittings, boxes) required to complete installation.

- Furnish and provide dedicated electrical power to one (1) new Chargepoint CT2101 located in upper Pacific Cove parking lot. Completed installation includes pouring of 18"x18"x18" concrete mounting pad.
- Installation of two permanent protective bollards

Bid Amount: \$4,092.00

Exclusions

Demo:

Removal of debris created by others. Dumpster

Electrical Plan:

Painting and/or patching of interior walls.

Exterior painting and/or singage.

Striping of parking area.

Any and all costs which may be incurred due to existing code violations.

Permit fees.

Option

The two proposals and the related documentation are attached. Consider that approximately \$1,500 of each proposal is devoted to protective bollards. The City may consider strategically positioned parking curbs as a worthwhile alternative and if parking length allows.

Electric Vehicle Charging Station Installation Proposal

City of Capitola (Lower Lot)

Demo

- Temporary disconnection of local lighting and power circuit(s)

Electrical Plan

Furnish and install the following, including any necessary commodities (conduit, wire, cable, fittings, boxes) required to complete installation.

- Furnish and provide dedicated electrical power to one (1) new Chargepoint CT2101 located in lower City Hall parking lot. Completed installation includes pouring of 18"x18"x18" concrete mounting pad.
- Installation of two permanent protective bollards

Bid Amount: \$4,328.00

Exclusions

Demo:

Removal of debris created by others. Dumpster

Electrical Plan:

Painting and/or patching of interior walls.

Exterior painting and/or singage.

Striping of parking area.

Any and all costs which may be incurred due to existing code violations.

Permit fees.

Option

The two proposals and the related documentation are attached. Consider that approximately \$1,500 of each proposal is devoted to protective bollards. The City may consider strategically positioned parking curbs as a worthwhile alternative and if parking length allows.



NOTICE OF EXEMPTION

DATE: JANUARY 13, 2011
 TO: COUNTY CLERK, COUNTY OF SANTA CRUZ
 FROM: COMMUNITY DEVELOPMENT DEPARTMENT

Based on a preliminary review of the project the following activity is determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State Guidelines for the implementation of CEQA.

Case No.: #10-072

Location: Urban Area Inside the Coastal Zone and Appeals Jurisdiction within the City of Capitola, 420 Capitola Ave, CA 95010

Project Title:

Project Description: Installation of Coulomb Technologies CT 2100 electric vehicle charging station with a dual outlet (110/220V) for public use in the currently developed Pacific Cove Parking Lot behind City Hall located at 420 Capitola Ave and in front of City Hall in the existing parking lot. The units will be available for public use and benefit owners of electric vehicles, plug-in hybrid vehicles, electric bikes, scooters and motorcycles, as well as Neighborhood Electric Vehicles (NEVs) who are visiting the City of Capitola City Hall or nearby retail stores and restaurants.

Exempt Status: (Check one)

Ministerial
 Statutory
 Categorical Exemption 15301, 15311 (c)
 Emergency Project
 No Possibility of Significant Effect [§15061 (b) 3]

Cite specific CEQA Guideline Section: Sections §§ 15061 (b) 3, 15301, 15311 (c)

Reasons to support exemption findings:

Please see the attached impact discussion for the proposed amendment on the following pages.

Department Representative

Date

Note: A copy must be filed with the County Clerk of the Board after project approval and posted by the Clerk of the Board for a period of 30 days to begin a 35 day statute of limitations on legal challenges.

Date File of County Clerk

Impact Discussion

Section 15061 (b) (3) provides that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Section 15311 provides that a project is exempt from CEQA if the project consists of construction or replacement of minor structures accessory to existing commercial, industrial, or institutional facilities.

Section 15301 of the CEQA Guidelines consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The key consideration is whether the project involves negligible or no expansion of uses.

Discussion:

The project is the Installation of Coulomb Technologies CT 2100 electric vehicle charging station with a dual outlet (110/220V) for public use in the currently developed Pacific Cove Parking Lot behind City Hall located at 420 Capitola Ave and in front of City Hall in the existing parking lot. The unit will be available for public use and benefit owners of electric vehicles, plug-in hybrid vehicles, electric bikes, scooters and motorcycles, as well as Neighborhood Electric Vehicles (NEVs) who are visiting City Hall or nearby retail stores and restaurants.

The charging station will not be an expansion of uses as the parking lots are currently constructed and used to park vehicles. The parking spaces with the electrical charging station will be available to electric vehicles only, but will have a negligible impact on the supply of parking. Temporary construction impacts are anticipated to be insignificant.