

City of Capitola Agenda

Mayor: Stephanie Harlan
Vice Mayor: Sam Storey
Council Members: Ed Bottorff
Dennis Norton
Michael Termini
Treasurer: Christine McBroom



CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, OCTOBER 10, 2013

CITY HALL COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CLOSED SESSION – 6:30 PM 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 on closed session items only. There will be a report of any final decisions in City Council Chambers during the City Council's Open Session Meeting.

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Lisa Murphy, Administrative Services Director
Employee Organizations: Capitola Police Captains

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM

All matters listed on the Regular Meeting of the Capitola City Council Agenda shall be considered as Public Hearings.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Dennis Norton, Sam Storey, Ed Bottorff, Michael Termini and Mayor Stephanie Harlan

2. REPORT ON CLOSED SESSION

3. ADDITIONAL MATERIALS

Additional information submitted to the City Council after distribution of the agenda packet.

4. ADDITIONS AND DELETIONS TO AGENDA

5. PUBLIC COMMENTS

Oral Communications allows time for members of the Public to address the City Council 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.

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Council Members/City Treasurer/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration.

7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

8. CONSENT CALENDAR

All items listed in the "Consent Calendar" 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 City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.

Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.

A. Consider approving the City Council Minutes of the September 26, 2013, Regular City Council Meeting.

RECOMMENDED ACTION:

Approve Minutes.

B. Receive Planning Commission Action Minutes for the Regular Meeting of October 3, 2013.

RECOMMENDED ACTION:

Receive Minutes.

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- C. Receive the Fourth Quarter Preliminary Budget Reports and Third Quarter Sales Tax Report.
RECOMMENDED ACTION:
Receive reports.
- D. Consider an Administrative Policy to implement the In-Lieu Parking Fee Program.
RECOMMENDED ACTION:
Approve Administrative Policy.
- E. Consider accepting a Homeland Security Grant in the amount of \$6,928, and amending the Fiscal Year 2013/2014 General Fund Operating Budget by increasing both revenues and expenditures by \$6,928.
RECOMMENDED ACTION:
Approve budget amendment.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

General Government items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each General Government item: 1) Staff explanation; 2) Council questions; 3) Public comment; 4) Council deliberation; 5) Decision.

- A. Report from Teresa Landers, Director of Santa Cruz Public Libraries, regarding the Santa Cruz Public Libraries Facilities Master Plan.
RECOMMENDED ACTION:
Receive report.
- B. Consider an Ordinance amending Chapter 13.02 of the Capitola Municipal Code pertaining to Water Conservation Plumbing Fixture Retrofit Requirements [1st Reading].
RECOMMENDED ACTION:
Introduce Ordinance.
- C. Consider a Resolution of the City of Capitola accepting the transfer of the Rispin Property to the City of Capitola and terminating a Purchase Agreement.
RECOMMENDED ACTION:
Adopt Resolution.
- D. Consider a request for staffing adjustments in the Community Development, Finance, and Police Departments.
RECOMMENDED ACTION:
Approve request and budget amendment.

10. ADJOURNMENT

Adjourn to the next Regular Meeting of the City Council on Thursday, October 24, 2013, at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Note: Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that court action within ninety (90) days following the date on which the decision becomes final as provided in Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes "final." Please be advised that in most instances the decision become "final" upon the City Council's announcement of its decision at the completion

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of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the City Council decision in court.

Notice regarding City Council: The Capitola City Council meets on the 2nd and 4th Thursday of each month at 7:00 p.m. (or in no event earlier than 6:00 p.m.), in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

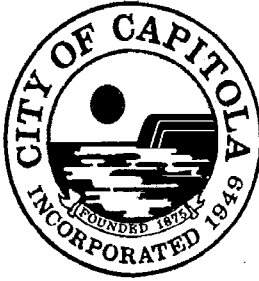
Agenda and Agenda Packet Materials: The City Council Agenda and the complete agenda packet are available on the Internet at the City's website: www.ci.capitola.ca.us. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola.

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 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 are streamed "Live" on the City's website at www.ci.capitola.ca.us by clicking on the Home Page link "View Capitola Meeting Live On-Line." Archived meetings can be viewed from the website at anytime.



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: OFFICE OF THE CITY CLERK

SUBJECT: APPROVAL OF THE CITY COUNCIL MEETING MINUTES OF THE
SEPTEMBER 26, 2013, REGULAR CITY COUNCIL MEETING

RECOMMENDED ACTION: Approve the subject minutes as submitted.

DISCUSSION: Attached for City Council review and approval are the minutes of the subject meeting.

ATTACHMENTS:

1. September 26, 2013, Regular City Council Meeting minutes

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

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**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION SUMMARY
THURSDAY, SEPTEMBER 26, 2013**

**CLOSED SESSION – 6:45 PM
CITY MANAGER’S OFFICE**

CALL TO ORDER

Mayor Harlan called the meeting to order at 6:00 PM and announced the items to be discussed in Closed Session, as follows:

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code §54957.6)

Negotiator: Lisa Murphy, Administrative Services Director
Employee Organizations: Capitola Police Captains

The City Council recessed at 6:45 PM to the City Manager’s Office.

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL – 7:00 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Dennis Norton, Sam Storey, Ed Bottorff, Michael Termini and Mayor Stephanie Harlan

2. PRESENTATIONS

A. Introduction of Steve Needens, Maintenance Worker.

B. Oath of Office for Christine McBroom, City Treasurer. [120-20]

3. REPORT ON CLOSED SESSION [520-25]

City Attorney Barisone stated that the Council received a status report from Administration Services Director Murphy, City’s labor negotiator, regarding labor negotiations with the Capitola Police Captains; there was no reportable action.

4. ADDITIONAL MATERIALS

5. ADDITIONS AND DELETIONS TO AGENDA

6. PUBLIC COMMENTS

Marilyn Garrett, local resident, stated she opposes wireless radiation.

Sharon Sheris, Monterey Bay Electric Vehicle Alliance, stated that in Santa Cruz, on September 29th from Noon – 4 PM at the Staff of Life parking lot, there will be a large display area where you will have the opportunity to view many different types of electric vehicles.

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Council Member Storey stated that the City will receive \$15,000 towards a ZeroMotorcycle (electric motorcycle) as a result of Assembly Bill 2766 Emission Reduction Grant Program.

City Manager Goldstein stated that the City received the Government Finance Officers Association Award for Excellence for the City's Comprehensive Annual Financial Report. He reported that the City's overall revenues for Fiscal Year 2012/2013 exceeded expenditures by approximately in the amount of \$600,000.

Community Development Director Grunow provided an update on the Monarch Cove Expansion Project.

Public Works Director Jesberg announced that construction of the Lower Pacific Cove Parking Lot will begin on October 7, 2013.

City Clerk Sneddon announced openings on the City's Finance Advisory Committee and the Santa Cruz Hazardous Materials Advisory Commission.

Mayor Harlan stated that she attended the 2013 League of California Cities Annual Conference; she reported on future trends for sale tax receipts.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS (none provided)

9. CONSENT CALENDAR

Marilyn Garrett, local resident, stated her opposition to Item 9.C. regarding the Art & Cultural Commission's mobile application program.

ACTION **Motion made by Council Member Termini, seconded by Council Member Storey, to approve the following Consent Calendar items: 9.A.; 9.B.; 9.C.; and 9.D. The motion was passed unanimously.**

- A. Consider approving the City Council Minutes of the September 12, 2013, Regular City Council Meeting.
- B. Approval of City Check Register Reports dated July 19, 2013; July 26, 2013; August 2, 2013; August 9, 2013; August 16, 2013; August 23, 2013; August 30, 2013; September 6, 2013; and September 13, 2013. [300-10]
- C. Receive Report on the Art & Cultural Commission's mobile application program (app). [1010-60]
- D. Consider authorizing the Police Department to purchase evidence lockers for the property and evidence room; and amend the Fiscal Year 2013/2014 State Supplemental Law Enforcement Services Fund (SLESF) Budget to authorize additional expenditures of \$23,000 from the unassigned fund balance. [370-40]

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Discussion regarding the re-establishment of the City's Commission on the Environment. [430-05]

City Clerk Sneddon presented this item.

Kristin Sullivan, City's Commission on the Environment (COE) Chair, provided the proposed restructuring plan for the COE. She recommended that four (4)

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COE members be appointed by the City Council, and one appointee from the City Council; she suggested that the COE meet once a month and working subcommittees meet every other month.

The following provided support for re-establishing the COE:

Ana Maria Rebelo, Santa Cruz County Sustainability Coordinator

Sharon Sheris, former member of Santa Cruz County COE

Elisabeth Russell, AMBAG Special Projects Manager

Tiffany Wise West, former City COE member

Elida Erickson, UCSC Sustainability Programs Manager

Amy Forest, City resident

ACTION Motion made by Council Member Termini, seconded by Council Member Norton, to approve reconstituting the Capitola Commission on the Environment (COE); staff to meet with Kristin Sullivan, COE Chair, to discuss how the COE is to be restructured; and to agendize the consideration of a Resolution confirming the re-establishment of the COE. The motion was passed unanimously.

B. Receive report on traffic mitigation options for Park Avenue. [490-40]

Police Chief Escalante presented this item.

ACTION Motion made by Council Member Storey, seconded by Council Member Termini, to approve the purchase of solar powered speed signs for Park Avenue; approval of a Fiscal Year 2013/2014 budget amendment to utilize funds from the Equipment Replacement Reserve for traffic calming measures. The motion carried with the following vote: AYES: Council Members Storey, Bottorf, Termini, and Mayor Harlan. NOES: Council Member Norton. ABSENT: None. ABSTAIN: None.

C. Presentation regarding the City's Capital Improvement Program (CIP) for Fiscal Year 2013/2014 through Fiscal Year 2017/2018. [330-20]

Public Works Director Jesberg presented this item.

Mayor Harlan suggested that the City replace the lawn in front of City Hall with drought resistant plants to reduce water use (Public Works Director Jesberg stated he would bring back an estimated cost).

ACTION Motion made by Council Member Termini, seconded by Council Member Norton, to approve City's Capital Improvement Program (CIP) for Fiscal Year 2013/2014 through Fiscal Year 2017/2018. The motion was passed unanimously.

D. Consider an Ordinance amending Section 10.36.055(b) of the Capitola Municipal Code pertaining to meter rates accepting the Coastal Commission's modifications [1st Reading]. [470-30/740-30]

Community Development Director Grunow introduced this item.

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Nels Westman, Capitola Traffic and Parking Commissioner, stated his reasoning for opposing the proposed Ordinance pertaining to parking meter rates.

ACTION **Motion made by Council Member Termini, seconded by Council Member Storey, to continue this item to the October 24, 2014, City Council meeting, to allow additional time for staff to obtain more information. The motion was passed unanimously.**

E. Consider an In-Lieu Parking Fee Program. [470-40]

Community Development Director Grunow introduced this item.

Nels Westman, Capitola Traffic and Parking Commissioner, stated his reasoning for opposing the proposed In-Lieu Parking Fee Program.

The Council directed staff to return to the next City Council meeting with an amended Administrative Policy which limited program eligibility to large hotels with valet service and to base participation costs on the estimated cost of a parking structure at the time of application.

ACTION **Motion made by Council Member Michael Termini, seconded by Council Member Sam Storey, to amend a revised Administrative Policy to implement the In-Lieu Parking Fee Program. The motion was passed unanimously.**

11. **ADJOURNMENT**

Mayor Harlan adjourned the meeting at 10:16 PM to the next Regular Meeting of the City Council on Thursday, October 10, 2013, at 7:00 PM, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Stephanie Harlan, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk



**ACTION SUMMARY MINUTES
CAPITOLA PLANNING COMMISSION
THURSDAY, OCT. 3, 2013
7 P.M. CAPITOLA COUNCIL CHAMBERS**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Gayle Ortiz and TJ Welch, and Chairperson Mick Routh
Absent: Commissioners Ron Graves and Linda Smith

2. ORAL COMMUNICATIONS

- A. Additions and Deletions to Agenda
- B. Public Comments
- C. Commission Comments
- D. Staff Comments

3. APPROVAL OF MINUTES

- A. Sept. 5, 2013, Regular Meeting Minutes

ACTION: Approved 3-0

4. CONSENT CALENDAR

- A. **812 Laurence Avenue #13-127 APN: 036-052-08**

Design Permit for a 306-square-foot addition to an existing Single Family Home in the R-1 (Single Family) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Paul Pashby, filed: 9/10/13

Representative: Ron Ragsdale

ACTION: Approved 3-0

5. PUBLIC HEARINGS

- A. **1900 41st Ave. #12-155 APN: 034-201-37**

Amendment to existing Conditional Use Permit to incorporate a bar use and allow live entertainment in the CC (Community Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: R. Deane

Representative: Pedro Salazar, filed 11/21/2012

ACTION: Denied 3-0

B. 100 Central Avenue #11-136 APN:036-131-10

Plan revisions to a previously approved design permit for a new two-story single-family dwelling in the R-1 (Single-Family Residence) Zoning District.

Property Owner: Jill Caskey & Bruce Yoxsimer, filed 12/15/11

Representative: Derek Van Alstine

ACTION: Approved 3-0

6. DIRECTOR'S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT

Adjourned at 7:37 p.m. to the next Planning Commission meeting Thursday, November 7, 2013, at 7 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: FINANCE DEPARTMENT

SUBJECT: QUARTERLY FINANCIAL REPORTS – FOURTH QUARTER PRELIMINARY
BUDGET REPORTS AND THIRD QUARTER SALES TAX REPORT

RECOMMENDED ACTION: Receive the Fourth Quarter Preliminary Budget Report and Third Quarter Sales Tax Report.

BACKGROUND: In February of 2012, Interim Finance Director Bill Statler, recommended a series of financial management improvements. One of these improvements included a recommendation to consolidate existing financial management reports into a more meaningful newsletter which would be posted to the City's website and distributed to Council "off-agenda." Staff implemented this practice; however during budgetary discussions, Council recommended placing the reports back on the agenda for informational purposes. The attached files include the Fourth Quarter Preliminary Budget Report and the Third Quarter Sales Tax Report.

DISCUSSION: The City's quarterly financial reports are typically posted to the City's website in the last week of the month for the preceding quarter. Due to the year-end closing and reconciliation processes, the Fourth Quarter Budget Reports are typically delayed to provide the most accurate year-end information. The attached Fourth Quarter Preliminary Budget Report includes all revenues and expenditures received to date. Pending items are limited to additional reconciling entries, as well as analysis of the final sales tax amount which were received on September 25, 2013 and accrued back to June 30, 2013.

The Third Quarter Sales Tax Report includes revenues earned for the period from January to March 31, 2013. This report also includes two charts which compare Capitola's Third Quarter Bradley Burnes sales tax receipts to the City's benchmark cities; followed by a comparison to local, regional, and state sales tax performance. Due to the late September receipt of the Fourth Quarter sales tax payment and the comprehensive supporting data, the Fourth Quarter Sales Tax Report will be available in late October. The preliminary annual sales tax results are presented in the attached Budget Report.

Detailed information on both subjects can be found in the attached documents.

FISCAL IMPACT: This action is administrative and should not result in a financial impact.

ATTACHMENTS:

1. Fourth Quarter Preliminary Budget Report
2. Third Quarter Sales Tax Report

Report Prepared By: Tori Hannah
Finance Director

Reviewed and Forwarded
by City Manager: 

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Budget Report Fourth Quarter – FY12/13

Overview:

This report provides an estimate of the Fiscal Year 12/13 ending balance. Due to timing of sales tax receipts and potential reconciling items, some of the charts may be updated prior to the preparation of financial statements. If there are significant variances prior to the completion of the annual financial statements, an updated report will be prepared.

News and Information:

- **Pipe Failure Settlement**

After two years of working with the City's insurance provided to recover damages related to the Pacific Cove pipe failure, both parties agreed to a \$1.35 million settlement. The distribution of the settlement proceeds are listed below:

Item	Amount	Percent
Debt Prepayment – Santa Cruz County Bank	\$500,000	37%
Capital Improvement Projects	350,000	26%
Reserves	295,000	22%
Attorney Fees	205,000	15%

- **Fiscal Year 2013/14 Adopted Budget**

The Fiscal Year 2013/14 Adopted Budget has been posted to the City's Website. The document can be accessed through the following link: <http://www.cityofcapitola.org/general/page/annual-budget>. This Fiscal Year's budget includes updates on charts contained in the City's 2012 Benchmark Study, as well as an expanded statistical section. Benchmark information can be found in the Supplementary Information section, while the statistics are located in the Community Profile section.

General Fund:

The preliminary fiscal year-end numbers indicate that the General Fund revenues are performing 1% above the budgeted projections, while operating expenditures are trending at 97% of their estimated amounts. While there were variances within the projected revenue categories, the year-end surplus is primarily the result of increased Sales Tax and TOT performance; and significant salary and contract savings. Detailed information can be found in the subsequent sections.

The following numbers represent the *estimated* year-end transactions. The net operating difference varies from the mid-year report due to timing, year-end carry forwards, and approved budget amendments. The table listed below includes mid-year transfers from fund balance: \$350,000 transfer to reserves, \$200,415 in Department of Finance "clawbacks" related to the dissolution of the Redevelopment Agency.

General Fund (1)	Amended Budget	YTD Transactions	Percent
Revenues	\$ 14,148,054	\$ 14,353,429	101%
Expenditures	\$ 14,621,012	\$ 14,184,481	97%
Net Difference	(\$ 472,958)	\$ 168,948	97%

(1) Includes extraordinary items and related expenditures. The Amended revenues and expenditures were adjusted for the full settlement value.

Item #: 8.C. Attach 1.pdf

An overview of the variances is provided in the following sections.

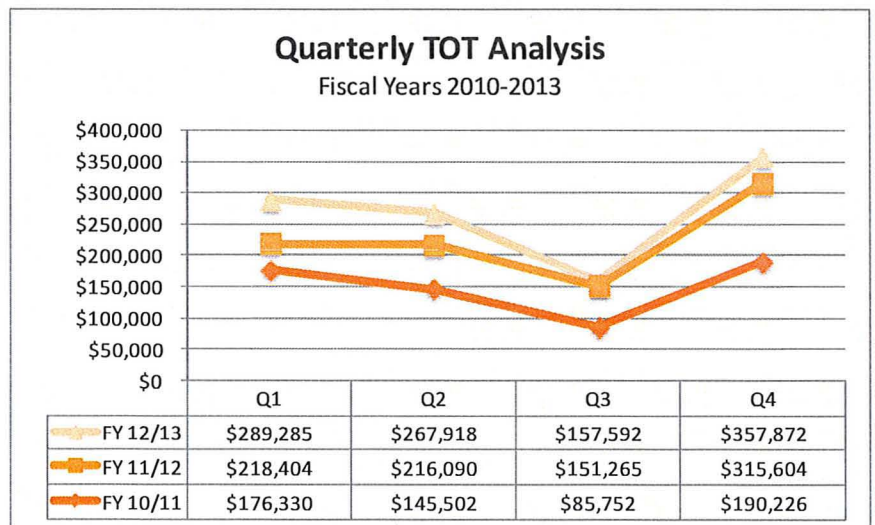
Key Revenues:

Revenue	Amended Budget	YTD Transactions	% Used / Rec'd
Taxes:			
Property Taxes	\$ 1,700,610	\$ 1,714,696	101%
Sales and Use Tax	5,890,800	6,040,541	103%
Document Transfer Tax	35,000	63,340	181%
Business License Tax	270,000	291,643	108%
Franchise Tax	478,200	478,628	100%
TOT Tax	965,000	1,074,506	111%
Total Taxes	\$ 9,339,610	\$ 9,663,353	103%
Other:			
Licenses and permits	\$ 144,800	\$ 209,946	145%
Intergovernmental revenues	370,244	254,646	69%
Charges for services	1,906,800	1,862,023	98%
Fines and forfeitures	707,000	688,272	97%
Use of money & property	22,800	21,567	95%
Other revenues	204,800	205,623	100%
Other financing sources	103,000	99,000	96%
Extraordinary Items	1,349,000	1,349,000	100%
Other Revenues	4,808,444	4,690,076	98%
Total Revenues	\$ 14,148,054	\$ 14,353,429	101%

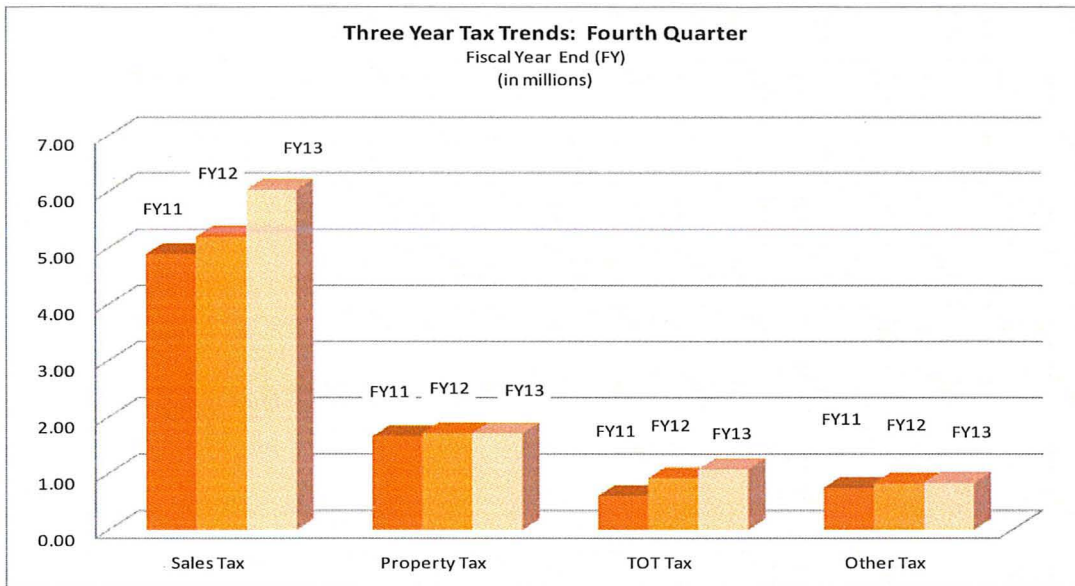
Taxes:

Due to timing of the timing of sales tax receipts in September, the YTD transactions include the reported Fourth Quarter sales tax revenues. Additional analysis of these receipts is still pending. During the first two quarters of FY 12/13, sales tax receipts increased by 3% or \$50,000 over the original budget. As a result, the FY 12/13 estimates were increased by approximately \$121,000. The third quarter and anticipated fourth quarter receipts are anticipated to yield year-end revenues that are \$150,000 greater than the Amended Budget.

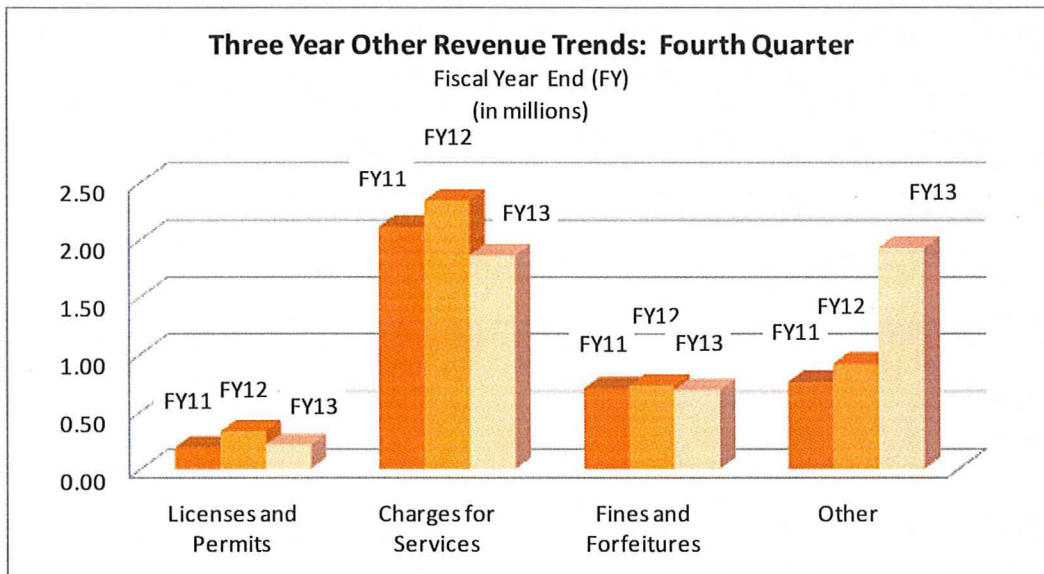
TOT revenues have increased as a result of general economic improvement, a one-time internal hotel adjustment of \$48,300, and a local hotel's affiliation with a national chain. During the year, the budget was amended to increase TOT projections by \$75,000 to reflect increased performance. The year-end results exceeded the updated amounts by approximately \$100,000. If the one-time adjustment is excluded, the year-end results reflect a \$114,000 or a 12.4% increase over the prior year.



A chart comparing Three-year tax trend information is provided for reference:



Additional three-year revenue trend information is presented below:



Licenses and Permits – In FY 12/13, it appears this revenue category realized a reduction in revenues; however a large portion of this \$120,000 decrease can be attributed to a \$60,000 refund of prior year Building fees. If this refund actually occurred within the prior fiscal year, the two year revenues would be relatively similar.

Charges for Services – In FY 11/12, the City received \$250,000 in additional revenues related to assist with RDA dissolution costs. This resulted in a reduction in FY 12/13 revenues when compared to the prior year. The FY12/13 revenues were also lower due to the loss of \$63,000 in Mobile Home Park Administrative Fees and a reduction of approximately \$67,000 in recreation fees. The Recreation fee decrease was offset by a reduction in expenditures.

Item #: 8.C. Attach 1.pdf

Other - Proceeds realized from a Property Tax Administration Fee and a disaster recovery settlement resulted in a \$1.4 million increase, with an additional \$100,000 realized from the sale of surplus property. This increase was offset by reductions in City/RDA loan interest of \$152,000 and Pacific Cove Mobile Home rents of \$130,000.

Intergovernmental revenues which are also included in this category remained relatively constant. The \$103,000 difference between the year-end and budgeted amounts reflect unused grants fund that may be available for carryforward into the next fiscal year.

Expenditures:

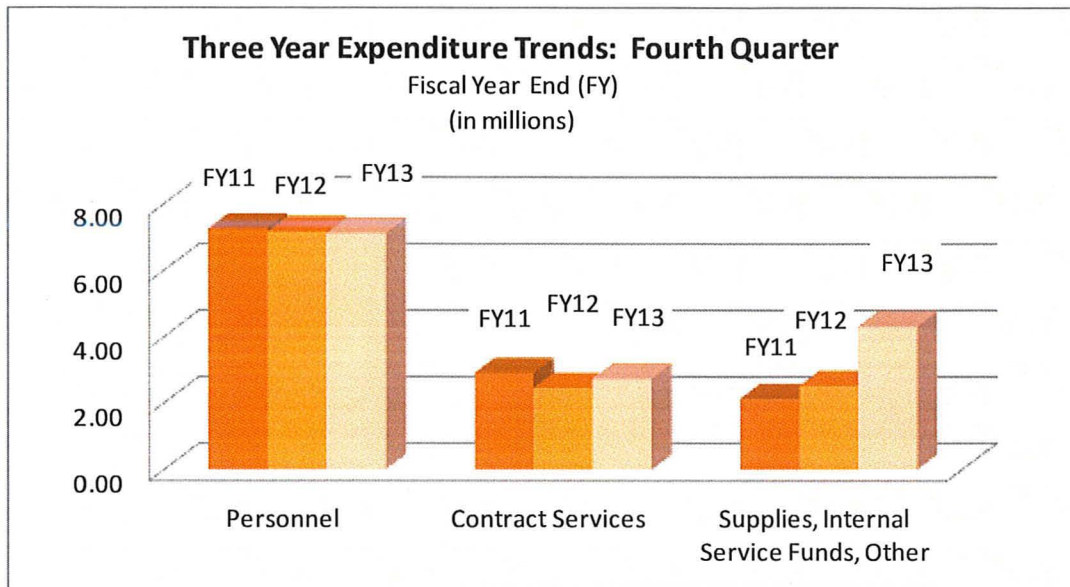
Salaries – In FY12/13, approximately 97% of the salary budget was used. The City realized savings due to partial year vacancies within the Finance, Public Works, Community Development and Police Departments. An additional \$76,000 in savings was realized due to reduced Police Department overtime.

Contracts – In FY 12/13, the Police Department achieved \$91,000 in contract savings related to State and County processing fees; grant-funded contracts; and maintenance and repair expenses. In addition, the Finance Department realized savings of \$50,000 related to tax administrative fees, RDA dissolution expenses, and contract costs; while the Public Works and Community Development Departments realized savings of \$20,000 and \$16,000 respectively.

Expenditures by Category	Amended Budget	YTD Transactions	% Used/ Rec'd
Personnel	\$ 7,329,867	\$ 7,124,420	97%
Contract Services	2,917,622	2,741,335	94%
Training & Memberships	62,835	65,030	103%
Supplies	521,263	476,041	91%
Grants and Subsidies	249,561	248,633	100%
Capital Outlay	10,842	-	-
Internal Service Fund Charges	940,373	940,373	100%
Other Financing Uses	2,588,649	2,588,649	100%
Fund Totals: General Fund	\$ 14,621,012	\$ 14,184,481	97%

Expenditures By Department	Amended Budget	YTD Transactions	% Used/ Rec'd
City Council	\$ 126,401	\$ 121,135	96%
City Manager	771,725	793,373	103%
Personnel	211,300	194,083	92%
City Attorney	569,187	585,036	103%
Finance	768,021	679,579	88%
Community Grants	249,561	248,633	100%
Public Safety	5,848,699	5,600,648	96%
Public Works	2,017,315	1,945,931	96%
Community Development & Building	534,064	503,402	94%
Culture and Leisure	936,090	924,010	99%
Transfers	2,588,649	2,588,649	100%
Expenditure Totals	\$ 14,621,012	\$ 14,184,480	97%

Three year expenditure trend information by category is presented in the following chart.



While most expenditures remained relatively constant, the amounts represented in the Other column increased by \$1.76 million. This increase represented transfers to reserves, CIP funding, a \$500,000 prepayment on the Pacific Cove Debt, and RDA dissolution expenditures. The additional reserve, debt payment, and CIP transfers were funded through the General Fund balance, insurance settlement proceeds, and Measure O revenues.

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Third Quarter Sales Tax Report

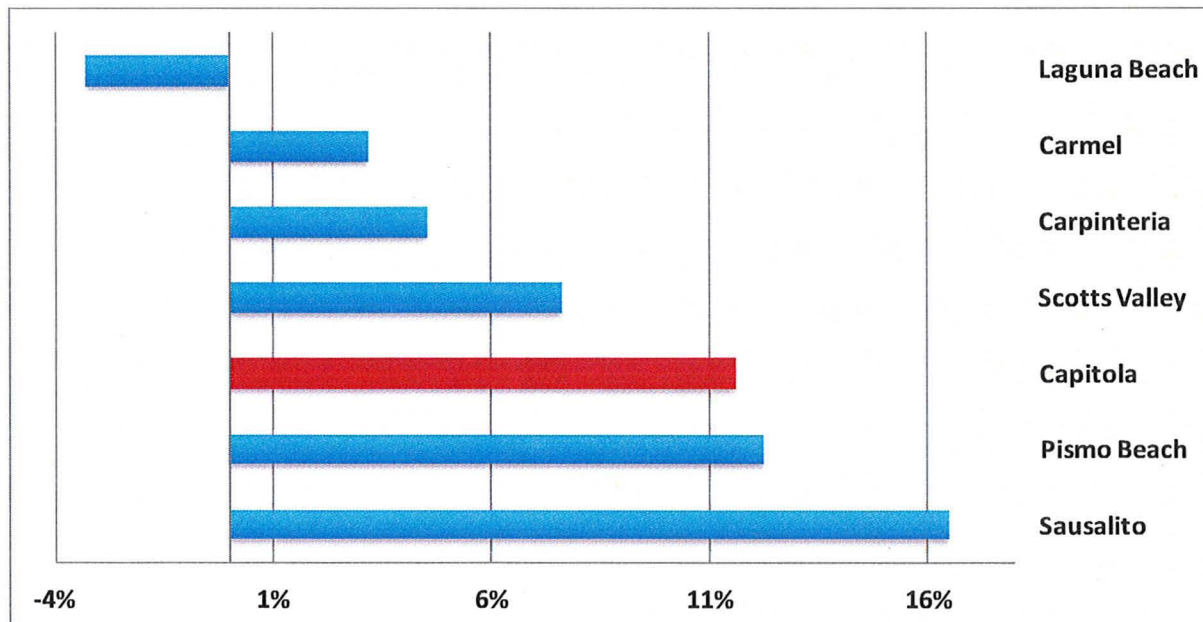
Sales tax revenue for fiscal year 2012-13 was \$297,055 or 12.2% above prior year, due in large part to the addition of a major retailer. Sales for department stores, new auto sales, and restaurants reached their highest levels in the last two years. Total sales tax revenue was also \$64,827 or 2.4% above the amended budget.

Sales Tax Revenue

Description	2013			vs. Amended Budget	2013 Actual vs. 2012 Actual
	2013 Actual Amount	2013 Amended Budget	2012 Actual Amount		
Q1 Bradley Burns (a)	\$ 909,273	\$ 909,300	\$ 812,162	0.0%	12.0%
Q2 Bradley Burns (a)	990,039	978,900	877,241	1.1%	12.9%
Q3 Bradley Burns (a)	836,015	782,300	748,869	6.9%	11.6%
	<u>\$ 2,735,327</u>	<u>\$ 2,670,500</u>	<u>\$ 2,438,272</u>	2.4%	12.2%
In Lieu - Annual Total	\$ 1,102,417	\$ 1,102,400	\$ 946,995	0.0%	16.4%
Q1 0.25% District Tax	\$ 251,114	\$ 251,100	\$ 229,269	0.0%	9.5%
Q2 0.25% District Tax	276,317	270,300	248,768	2.2%	11.1%
Q3 0.25% District Tax	229,835	216,000	204,913	6.4%	12.2%
	<u>\$ 757,266</u>	<u>\$ 737,400</u>	<u>\$ 682,950</u>	2.7%	10.9%
	<u>\$ 4,595,010</u>	<u>\$ 4,510,300</u>	<u>\$ 4,068,218</u>	1.9%	12.9%

In September 2012, the City's benchmark study analyzed its finances and quality of services in comparison to six California cities that were identified as being comparable in many aspects to Capitola. The following chart provides an update to the analysis for sales tax revenues.

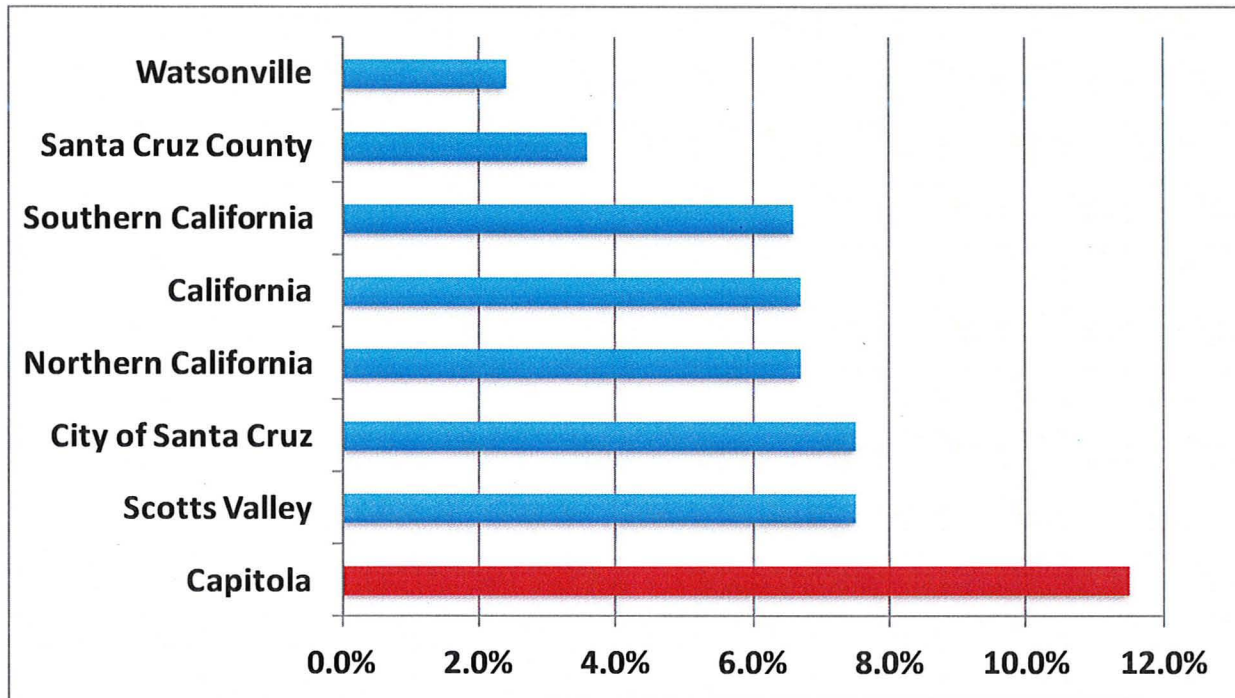
Benchmark Cities Bradley Burns Sales Tax Comparison Q3 2012 Sales to Q3 2013 Sales



Item #: 8.C. Attach 2.pdf

Overall, the State of California's Q3 2012 sales tax revenues have grown compared to Q3 2013. The following graph shows local as well as regional sales tax comparisons. Capitola's sales tax growth fares better than local, regional, and statewide trends.

**Local and Regional Bradley Burns Sales Tax Comparison
Q3 2012 Sales to Q3 2013 Sales**





CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: IN-LIEU PARKING FEE PROGRAM

RECOMMENDED ACTION: That the City Council:

- 1) Find the project is exempt from CEQA as it does not involve an increase in the intensity of use or new development (CEQA Guidelines 15301); and
- 2) Adopt an Administrative Policy establishing an In-Lieu Parking Fee Program.

BACKGROUND/DISCUSSION: On September 26, 2013, the City Council considered an Administrative Policy to establish an In-Lieu Parking Fee Program (Program). The Council directed staff to return with an amended Administrative Policy which limited program eligibility to large hotels with valet service and to base participation costs on the estimated cost of a parking structure at the time of application. Staff has revised the draft policy accordingly as shown in Attachment 1.

FISCAL IMPACT: The proposed Program would generate revenue to contribute to the future construction of a multi-level parking structure on the Upper Pacific Cove site or other parking facilities as authorized by the City Council. The amount of revenue generated by the Program would depend on the participation cost and payment method authorized by the City Council at the time of application.

CEQA REVIEW - Categorically Exempt

ATTACHMENTS

1. Draft Administrative Policy (track changes version)
2. Draft Administrative Policy (clean version)
3. Municipal Code Section 17.03.320

Report Prepared By: Richard Grunow
Community Development Director

Reviewed and Forwarded
by City Manager: _____

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REVISED POLICY STRIKE AND UNDERLINE VERSION



ADMINISTRATIVE POLICY

Number: _____

Issued: _____

Jurisdiction: City Council

IN-LIEU PARKING FEE PROGRAMI. PURPOSE

The purpose of this policy is to establish an In-Lieu Parking Fee Program (Program) for new hotel uses in the Village. The Program allows eligible development projects to purchase off-site parking spaces from the City in-lieu of providing on-site parking.

II. POLICY

New large hotels—uses, as defined by Municipal Code section 3.32.01017.03.320 which provide a valet service, proposed in the Central Village zoning district may request to participate in the Program by submitting an application to the Community Development Department. An applicant may request to purchase any or all of the allotted 57 parking spaces designated for the Program. Applications shall include an economic analysis showing both direct, and indirect economic impacts of the proposed project.

Applications shall be considered by the City Council, and may be approved if the following findings can be made:

1. The proposed project is consistent with the City's Local Coastal Plan and the Coastal Act
2. Offsite parking for the proposed project would reduce traffic impacts and provide a design more consistent with the historic character of the village.
3. The proposed project will help to facilitate the City's economic development goals.

If approved, the applicant shall be required to submit payment, ~~or establish an annual assessment, as defined by the City Fee Schedule~~ prior to issuance of a grading or building permit, whichever comes first. The in-lieu fee rate shall be determined by the City Council based on the cost of constructing a parking structure at the time the application is submitted. The applicant may propose the establishment of an annual assessment rather than an up-front payment of fees. Such annual assessment proposal may be approved or denied by the City Council.

Parking spaces designated for the Program shall be located in the upper Pacific Cove parking lot. The designated parking area shall be conspicuously marked and shall be for the exclusive use by employees and guests of Program participants. Prior to issuance of a building permit, applicants shall be required to submit a plan to secure, monitor, and enforce the use of purchased parking spaces to the satisfaction of City staff. The parking area shall be secured to the City's satisfaction prior to issuance of a certificate of occupancy.

The Community Development Department shall maintain a record of all properties that have fulfilled their parking requirements through payment of in-lieu fees. In the event that a property or use is sold to another party, the purchased parking spaces shall transfer to the new owner(s). Parking spaces may not be sold, transferred, or shared with other parties to meet parking requirements of other uses not authorized by the original permit. In-lieu fees paid to meet parking requirements shall be non-refundable.

Revenue collected from the Program shall be deposited into an interest bearing account established for the sole purpose of contributing to the financing of a future parking facilities, such as a multi-level parking structure located on the upper Pacific Cove property.

This policy is approved and authorized by

Jaimie Goldstein
City Manager



ADMINISTRATIVE POLICY

Number: _____

Issued: _____

Jurisdiction: City Council

IN-LIEU PARKING FEE PROGRAM

I. PURPOSE

The purpose of this policy is to establish an In-Lieu Parking Fee Program (Program) for new hotel uses in the Village. The Program allows eligible development projects to purchase off-site parking spaces from the City in-lieu of providing on-site parking.

II. POLICY

New large hotels, as defined by Municipal Code section 17.03.320 which provide a valet service, proposed in the Central Village zoning district may request to participate in the Program by submitting an application to the Community Development Department. An applicant may request to purchase any or all of the allotted 57 parking spaces designated for the Program. Applications shall include an economic analysis showing both direct, and indirect economic impacts of the proposed project.

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Revenue collected from the Program shall be deposited into an interest bearing account established for the sole purpose of contributing to the financing of a future parking facilities, such as a multi-level parking structure located on the upper Pacific Cove property.

This policy is approved and authorized by

Jamie Goldstein
City Manager

DRAFT

Capitola Municipal Code Excerpt

17.03.320 Hotel.

“Hotel” means any building or portion containing six or more guest rooms intended or designed to be used or which are used, rented or hired out to be occupied or which are occupied for sleeping purposes by guests with no provision for cooking in any individual room or suite, with access to units primarily from interior lobbies, courts or halls (including hotels, public and private clubs and any such buildings of any nature whatsoever so designed or intended to be occupied), except that jails, hospitals, asylums, sanitariums, orphanages, prisons, detention homes and similar buildings where human beings are housed or detained under legal restraint, are specifically not included. (Ord. 608 § 2, 1986; Ord. 388 Art. 1 (part), 1975)

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CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: POLICE DEPARTMENT

SUBJECT: ACCEPT A HOMELAND SECURITY GRANT IN THE AMOUNT OF \$6,928 AND AMENDING THE FISCAL YEAR 2013-2014 GENERAL FUND OPERATING BUDGET BY INCREASING BOTH REVENUES AND EXPENDITURES BY \$6,928

RECOMMENDED ACTION: Approve amending the General Fund Fiscal Year 2013-2014 Operating Budget to accept Homeland Security Grant Program Funds (HSGP) in the amount of \$6,928 and authorize budget expenditures of \$6,928 for the purchase of a forensic evidence drying cabinet.

BACKGROUND: The City of Capitola, in conjunction with other public safety agencies in Santa Cruz County, annually apply for and receive Homeland Security Grant Program funding through the Anti-Terrorism Approval Authority. The grant is designed to provide financial support to the City for the purchase of equipment that is predetermined and authorized by the FEMA Preparedness Grants Authorized Equipment List (AEL). The award amount is based on each city or jurisdiction's proportion of the total county population. The City's share of the HSGP funds for Fiscal Year 2013-2014 is \$6,928.

DISCUSSION: The Police Department intends to utilize the 2013-2014 HSGP funds to pay for the purchase of a forensic evidence drying cabinet. Forensic evidence drying cabinets are used to provide a secure area to dry wet crime scene evidence. Evidence collection and processing equipment is listed on the AEL as a qualifying purchase for the HSGP.

FISCAL IMPACT: This will not require additional general fund resources. All of the funds received from this grant will be used to purchase a forensic evidence drying cabinet, which is equipment predetermined and authorized by the FEMA Preparedness Grants Authorized Equipment List (AEL).

ATTACHMENTS:

1. 2013-14 HSGP Funding Allocation Chart
2. Budget Adjustment

Report Prepared By: Denice Pearson
Administrative/Records Analyst

Reviewed and Forwarded
By City Manager

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Anti Terrorism Approval Authority

2012 Homeland Security Grant Funding Allocations

	<u>TOTAL</u>		<u>TOTAL BY AGENCY</u>
Grant Allocation	297,596	County SO/OES/EMS	142,516
Admin. Allowance (5.0%)	14,880	Santa Cruz	40,042
Available for projects	<u>282,716</u>	Watsonville	35,669
		Scotts Valley	8,086
		Capitola	6,928
		Fire	49,475
		Admin	14,880
		Total	297,596

Law Enforcement 25%	<u>70,679</u>	
Allocated by population		
50.63% County	35,785	
21.79% Santa Cruz	15,401	
19.41% Watsonville	13,719	
4.40% Scotts Valley	3,110	
3.77% Capitola	2,665	
	<u>49,475</u>	
Fire Agencies 17.5%	<u>49,475</u>	
County EMS 17.5%	<u>49,475</u>	
Discretionary 40%	<u>113,086</u>	
County	57,256	
Santa Cruz	24,642	
Watsonville	21,950	
Scotts Valley	4,976	
Capitola	4,263	

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City of Capitola Budget Adjustment Form



Date 10/10/2013

Requesting Department Police

Administrative Council

Item #8.F.
Council Date: 10/10/2013
Council Approval

Revenues		
Account #	Account Description	Increase/Decrease
1000-20-20-000-3310.200	Grant Revenue-Federal Capital	\$6,928
Total		\$6,928

Expenditures		
Account #	Account Description	Increase/Decrease
1000-20-20-000-4650.400	Capital Outlay-Equipment	\$6,928
Total		\$6,928

Net Impact -

Purpose: To accept FY 13/14 Homeland Security Grant

Department Head Approva _____

Finance Department Approval _____

City Manager Approval _____

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CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: FINANCE AND CITY MANAGER DEPARTMENTS
SUBJECT: SANTA CRUZ PUBLIC LIBRARIES FACILITIES MASTER PLAN REPORT

RECOMMENDED ACTION: Receive presentation provided by Teresa Landers, Director of Libraries, and provide comments.

BACKGROUND/DISCUSSION: The development of a facilities master plan was a key recommendation made in the Community Service Model; adopted in April 2011. The planning process began in August 2012, and a draft of the plan was presented in a study session with the Library Joint Powers Board (LJPB) on March 18, 2013.

The contract was awarded to Group4 Architecture, Research + Planning with the following charges:

1. Review all the library facilities and develop a plan for basic maintenance that keeps all 11 fixed facilities open and able to operate.
2. Review all the facilities for their ability to support the new service model and make recommendations for small scale changes as well as identify larger scale changes needed.
3. Develop a methodology for determining specific projects and their phasing.

The process followed by Group4 included:

1. Life cycle analysis, review of floor plans and equipment/system records and cursory physical examination.
2. Do an in-depth study of 2-3 facilities and develop recommendations for more extensive changes.
3. Work with a staff based project management team.
4. Conduct two Library Joint Powers Board sessions and one session with the Friends of Santa Cruz Libraries.
5. Meet with staff stakeholders in the four jurisdictions- Cities of Santa Cruz, Capitola, Scotts Valley, and County of Santa Cruz.

Specifically not included in the scope of this report:

1. Community stakeholder involvement at this stage given the large amount of stakeholder participation that has occurred during the recent Strategic Planning and Alternative Service Model Task Force processes.
2. Financing options.

A Facilities Master Plan Implementation Steering Committee (Committee) was authorized by the LJPB and has been meeting since June 2014. Members include one representative from each of the four jurisdictions. This LJPB then commissioned a poll of registered voters to take the pulse of the community regarding the Library System and to begin to measure their level of support for a possible financial measure in order to successfully implement the plan.

Item #: 9.A. Staff Report.pdf

AGENDA STAFF REPORT OCTOBER 10, 2013

SANTA CRUZ PUBLIC LIBRARIES FACILITIES MASTER PLAN REPORT

Highlights of both the report and the polling are included here:

Key findings of the plan:

1. SCPL facilities are an average of 40 years old with an obvious lack of attention; resulting in pent up demand for basic capital maintenance.
2. The population served by SCPL is very mobile and all branches are used by everyone.
3. Overall square footage is not grossly inadequate and a moderate increase in identified locations will be sufficient to meet demand.
4. Two facilities must be replaced. The plan recommends minimal investment to keep those facilities operating until new facilities are built; Felton and Capitola. Capitola is also too small to meet the current demand it enjoys.
5. Aptos and to a lesser extent, Scotts Valley, are also too small for the level of use they are currently experiencing.
6. Downtown is in need of major renovation or replacement in order to adequately provide services expected by the community. Many system wide functions and services are provided by the Downtown branch such as local history, and storage of research materials (i.e. historical runs of magazines and newspapers).
7. Only Scotts Valley is designed to function with the new service model in mind with the result that efficiencies promised in the new model have not been fully realized.

Key findings of the poll:

1. The summary results are encouraging. The library is well thought of in the community in terms of importance and value. It is also apparent that community members do view the library as a system rather than from an individual branch perspective.
2. While the demographics of the poll responders did skew to the older, more established members of the community; support for services to youth is very strong, indicating fundamental support for what the library means to the community.
3. It is also clear that the maintenance of our facilities and their inability to meet basic standards is of concern.
4. There is sufficient support for a financial measure and the Committee needs to get more specific in terms of projects and phasing in order to tailor a measure that will be supported by the community.

FISCAL IMPACT: None

ATTACHMENT: None

Report Prepared By: Jamie Goldstein
City Manager

**Reviewed and Forwarded
By City Manager:** 



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: DEPARTMENT OF PUBLIC WORKS

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 13.02
WATER CONSERVATION PLUMBING FIXTURE RETROFIT REQUIREMENTS

RECOMMENDED ACTION: Approve for a first reading of an Ordinance amending Chapter 13.02 of the Capitola Municipal Code specifying Water Conservation Plumbing Fixture Retrofit Requirements.

BACKGROUND: Both the Santa Cruz Water Department and the Soquel Creek Water District have requested amendments to the Municipal Code to update the definition of the replacement fixtures required at the time of sale for properties within the City. The amendments replace the definition and requirement for required upgraded fixtures from "low consumptions plumbing fixtures" to "high efficiency plumbing fixtures." The difference being showerheads are reduced from a consumption rate of 2.5 gallons to 2.0 gallons per minute, and toilets from 1.6 gallons to 1.28 gallons per flush.

DISCUSSION: These changes are being requested to reflect the latest technology in water conservation.

The enforcement of these retrofit requirements is done by the two water districts that track all sales and certify compliance with the regulations.

FISCAL IMPACT: None

ATTACHMENTS

1. Revised Ordinance strike and underline version
2. Clean copy of revised Ordinance

Report Prepared By: Steven Jesberg
Public Works Director

Reviewed and Forwarded
By City Manager: 

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REVISED ORDINANCE STRIKE AND UNDERLINE VERSION

**"Chapter 13.02
WATER CONSERVATION PLUMBING FIXTURE RETROFIT REQUIREMENTS**

Sections:

- 13.02.010 Purpose.
- 13.02.020 Application of regulations.
- 13.02.030 Definitions.
- 13.02.040 Retrofit requirements upon sale of real property.
- 13.02.050 Exemptions.
- 13.02.060 Verification of compliance.
- 13.02.070 Persons authorized to perform plumbing fixture inspections.
- 13.02.080 Option to transfer responsibility for retrofitting.
- 13.02.090 Penalties for violation and enforcement.
- 13.02.100 Civil remedy.
- 13.02.110 Historic structure exemption.

13.02.010 Purpose.

The purpose of this chapter is to reduce long-term demand for potable water within the city in order to ensure a reliable and adequate public water supply by establishing water efficiency standards for interior plumbing fixtures when changes in ownership of real property occur. (Ord. 856 § 1, 2003)

13.02.020 Application of regulations.

The provisions of this chapter shall apply to all residential, commercial, and industrial buildings served by the City of Santa Cruz Water Department and the Soquel Creek Water District that use water in showers, toilets, and urinals whenever the title to real property is conveyed from the seller to the buyer, for consideration, by means of a grant deed. (Ord. 856 § 1, 2003)

13.02.030 Definitions.

For the purpose of this chapter, the following words shall have the meanings set forth below:

A. "Buyer" means the person, persons, or entity to whom the title to real property is conveyed.

B. "Department." For persons served by the City of Santa Cruz Water Department, the term "department" shall refer to the City of Santa Cruz Water Department. For persons served by the Soquel Creek Water District, the term "department" shall refer to the Soquel Creek Water District.

C. "Director." For persons served by the City of Santa Cruz Water Department, the term "director" shall refer to the director of the City of Santa Cruz Water Department. For persons served by the Soquel Creek Water District, the term "director" shall refer to the general manager of the Soquel Creek Water District.

D. "High efficiency plumbing fixtures" means any fixture which is designated as an USEPA WaterSense fixture; or any showerhead rated to use a maximum of 2.0 (two) gallons of water per minute, any high efficiency toilet rated to use a maximum of 1.28 (one and twenty eight hundredths) gallons of water per flush, and any urinal and associated flush valve rated to use a maximum of 0.5 (one half) gallon of water per flush.

~~"Low consumption plumbing fixtures" means any showerhead rated to use a maximum of two and one-half gallons of water per minute, any toilet rated to use a maximum of one and six-tenths gallons per flush, and any urinal and associated flush valve rated to use a maximum of one gallon per flush.~~

Item #: 9.B. Attach 1.pdf

Strike out version - Water Conservation Plumbing Fixture Retrofit Requirements
Draft Ordinance

E. "Retrofit" means the replacement of conventional plumbing fixtures with ~~low consumption~~ high efficiency plumbing fixtures. Pre-existing toilets that use not more than 1.6 (one and six tenths) gallons per flush shall be considered to meet the requirements of this code.

F. "Seller" means the owner of real property prior to the time of sale.

G. "Time of sale" means the date of the recording of the deed transferring legal title to real property to implement a sale of the property.

H. "Transfer of responsibility to retrofit form" means a form provided by the director which certifies that the seller and buyer mutually agree that the responsibility for compliance with the retrofit requirements in this chapter is assumed by the buyer.

I. "Water conservation certificate" means a form provided by the director certifying compliance with the plumbing fixture requirements specified by this chapter. (Ord. 856 § 1, 2003)

13.02.040 Retrofit requirements upon sale of real property.

A. When Required. All existing residential, commercial, and industrial buildings shall, at the time of sale, be retrofitted, if not already so, exclusively with ~~low consumption~~ high efficiency plumbing fixtures.

B. Responsibilities of Seller. The seller shall be responsible for complying with the requirements of this chapter and for obtaining a water conservation certificate in accordance with Section 13.02.060 before the time of sale.

C. Disclosure of Retrofit Requirement. The seller and/or the seller's real estate agent or broker, under the California Real Estate Transfer Disclosure Statement requirements made pursuant to Section 1102.6a of the California Civil Code, shall give a written statement to the prospective buyer of the requirements of this chapter as soon as practicable prior to the transfer of title. The statement shall be either included in the receipt for deposit in a real estate transaction, an addendum to the real estate transfer disclosure statement, or a separate document. A signed copy of the water conservation certificate and the statement of retrofit requirements shall be included in the transfer documentation. (Ord. 856 § 1, 2003)

13.02.050 Exemptions.

The director may grant an exemption to the provisions of this chapter to any person only if the director determines that the unique configuration of a building drainage system or portions of a public sewer, or both, are incompatible with ~~low consumption~~ high efficiency toilet specifications and require a greater quantity of water to flush the system in a manner that is consistent with public health. The director shall require sufficient evidence or proof be submitted to substantiate any exemption. (Ord. 856 § 1, 2003)

13.02.060 Verification of compliance.

A. Upon retrofitting with ~~low consumption~~ high efficiency plumbing fixtures, prior to time of sale, the seller shall verify compliance by one of the following methods:

1. Physical inspection of the building by the director or other person authorized by the director to perform an on-site property inspection and to certify that the plumbing fixture requirements specified in this chapter have been satisfied;

2. Participation in an available toilet rebate program, where documentation of an inspection demonstrates that the retrofit requirements of this chapter have been satisfied;

3. Documentation that all structures which include plumbing fixtures on the property changing ownership were constructed or renovated in 1994 or later.

B. Once compliance with the requirements of this chapter has been verified, a water conservation certificate will be issued to the seller within two business days.

C. The director may waive re-inspection and/or further proof of retrofit when a property already certified undergoes a subsequent sale. Water conservation certificates shall be maintained on file at the department in order to provide future verification that ~~low consumption~~ high efficiency plumbing fixtures have been installed. (Ord. 856 § 1, 2003)

Strike out version - Water Conservation Plumbing Fixture Retrofit Requirements
Draft Ordinance

13.02.070 Persons authorized to perform plumbing fixture inspections.

The following persons shall be authorized to perform an inspection of plumbing fixtures for the purpose of verifying compliance with the provisions of this chapter:

- A. Employees of the department assigned by the director.
- B. Plumbing contractors who hold a valid contractor's license issued by the state of California, and all A or B licensed contractors qualified to review plumbing fixtures.
- C. Other persons approved by the director to perform plumbing fixture inspections. (Ord. 856 § 1, 2003)

13.02.080 Option to transfer responsibility for retrofitting.

Before the time of sale, the seller and buyer of any property may mutually agree to transfer responsibility for compliance with this chapter to the buyer. In the event the buyer agrees to assume responsibility for retrofitting, the buyer shall complete the retrofit within ninety calendar days from the date of the sale. Before the time of sale, the seller and buyer shall complete the following procedures:

- A. The seller shall request from the department a transfer of responsibility to retrofit form. Both the seller and buyer shall sign the form certifying that the buyer has assumed responsibility for the retrofit.
- B. The seller shall file the signed transfer of responsibility to retrofit form with the department and include it in the real estate transfer documentation in lieu of the water conservation certificate.
- C. Upon completing the retrofit, the buyer shall contact the department to verify compliance. A water conservation certificate shall be issued to the buyer upon verification of compliance in accordance with Section 13.02.060. (Ord. 856 § 1, 2003)

13.02.090 Penalties for violation and enforcement.

A. Violation. It is unlawful for any person, firm, partnership, association, or corporation to fail to comply with the retrofit requirements of this chapter, or to alter or replace ~~low consumption~~ high efficiency plumbing fixtures required by this chapter with other than ~~low consumption~~ high efficiency plumbing fixtures. Violation of the provisions of this chapter shall constitute an infraction.

B. Notice of Correction. Whenever the director determines that there is a property where ~~low consumption~~ high efficiency plumbing fixtures have not been installed as required by this chapter or where such fixtures have been removed since initial installation and replaced with other than ~~low consumption~~ high efficiency plumbing fixtures, the director may serve a notice of correction on the owner(s) of the property on which the violation is situated and any other person responsible for the violation. The owner of record shall have ninety days to take corrective action. If corrective action is not taken within said ninety-day period the director may record a notice of violation in accordance with the administrative procedures for doing so set forth in this code.

C. Administrative Enforcement. In addition to any other remedy provided by this code, any provision of this ordinance may be enforced by an administrative order issued pursuant to any one of the administrative processes set forth in this code.

D. Persons Liable. No liability shall arise, nor shall any action be brought or maintained against, any agent of any party to a transfer of title, including any person or entity acting in the capacity of escrow officer, for any error, inaccuracy, or omission relating to compliance with this chapter. However, this section does not apply to a licensee, as defined in Section 10011 of the California Business and Professions Code, where the licensee participates in the making of the disclosure required to be made pursuant to this chapter with actual knowledge of the falsity of the disclosure. Except as otherwise provided in this chapter, this section shall not be deemed to create or imply a duty upon a licensee, as defined in Section 10011 of the California Business and Professions Code, or upon any agent of any party to a transfer of title, including any person

Item #: 9.B. Attach 1.pdf

Strike out version - Water Conservation Plumbing Fixture Retrofit Requirements
Draft Ordinance

or entity acting in the capacity of an escrow officer, to monitor or ensure compliance with this chapter, or to notify any person of requirements to comply with this chapter.

E. A transfer of title is not invalidated on the basis of failure to comply with this chapter. (Ord. 856 § 1, 2003)

13.02.100 Civil remedy.

If the seller fails to comply with the retrofit requirements, the buyer shall install the ~~low consumption~~high efficiency plumbing fixtures within ninety days from the time of sale. Any seller who fails to comply with the requirements of this chapter is liable to the buyer in the amount of two hundred fifty dollars for each fixture that does not comply with this chapter at the time of sale, or the actual costs of the buyer to comply with this chapter, whichever amounts are greater. (Ord. 856 § 1 (part), 2003)

13.02.110 Historic structure exemption.

Structures which are considered architecturally significant and which are listed as such in a recognized federal, state or local historic registry or in the city's general plan are exempt from the requirements of this chapter when both of the following circumstances exist: authentic historic plumbing fixtures are presently in place in the structure; and the plumbing fixtures cannot be replaced by matching ~~low consumption~~high efficiency fixtures. (Ord. 856 § 1, 2003)"

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CAPITOLA AMENDING CHAPTER 13.02 OF THE CAPITOLA MUNICIPAL CODE SPECIFYING WATER CONSERVATION PLUMBING FIXTURE RETROFIT REQUIREMENTS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS FOLLOWS:

Section 1: Chapter 13.02 of the Capitola Municipal Code is hereby amended to read as follows:

Chapter 13.02 WATER CONSERVATION PLUMBING FIXTURE RETROFIT REQUIREMENTS

Sections:

- 13.02.010 Purpose.
- 13.02.020 Application of regulations.
- 13.02.030 Definitions.
- 13.02.040 Retrofit requirements upon sale of real property.
- 13.02.050 Exemptions.
- 13.02.060 Verification of compliance.
- 13.02.070 Persons authorized to perform plumbing fixture inspections.
- 13.02.080 Option to transfer responsibility for retrofitting.
- 13.02.090 Penalties for violation and enforcement.
- 13.02.100 Civil remedy.
- 13.02.110 Historic structure exemption.

13.02.010 Purpose.

The purpose of this chapter is to reduce long-term demand for potable water within the city in order to ensure a reliable and adequate public water supply by establishing water efficiency standards for interior plumbing fixtures when changes in ownership of real property occur. (Ord. 856 § 1, 2003)

13.02.020 Application of regulations.

The provisions of this chapter shall apply to all residential, commercial, and industrial buildings served by the City of Santa Cruz Water Department and the Soquel Creek Water District that use water in showers, toilets, and urinals whenever the title to real property is conveyed from the seller to the buyer, for consideration, by means of a grant deed. (Ord. 856 § 1, 2003)

13.02.030 Definitions.

For the purpose of this chapter, the following words shall have the meanings set forth below:

A. "Buyer" means the person, persons, or entity to whom the title to real property is conveyed.

B. "Department." For persons served by the City of Santa Cruz Water Department, the term "department" shall refer to the City of Santa Cruz Water Department. For persons served by the Soquel Creek Water District, the term "department" shall refer to the Soquel Creek Water District.

C. "Director." For persons served by the City of Santa Cruz Water Department, the term "director" shall refer to the director of the City of Santa Cruz Water Department. For persons served by the Soquel Creek Water District, the term "director" shall refer to the general manager of the Soquel Creek Water District.

D. "High efficiency plumbing fixtures" means any fixture which is designated as an USEPA WaterSense fixture; or any showerhead rated to use a maximum of 2.0 (two) gallons of water

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Water Conservation Plumbing Fixture Retrofit Requirements Draft Ordinance

per minute, any high efficiency toilet rated to use a maximum of 1.28 (one and twenty eight hundredths) gallons of water per flush, and any urinal and associated flush valve rated to use a maximum of 0.5 (one half) gallon of water per flush.

E. "Retrofit" means the replacement of conventional plumbing fixtures with high efficiency plumbing fixtures. Pre-existing toilets that use not more than 1.6 (one and six tenths) gallons per flush shall be considered to meet the requirements of this code.

F. "Seller" means the owner of real property prior to the time of sale.

G. "Time of sale" means the date of the recording of the deed transferring legal title to real property to implement a sale of the property.

H. "Transfer of responsibility to retrofit form" means a form provided by the director which certifies that the seller and buyer mutually agree that the responsibility for compliance with the retrofit requirements in this chapter is assumed by the buyer.

I. "Water conservation certificate" means a form provided by the director certifying compliance with the plumbing fixture requirements specified by this chapter. (Ord. 856 § 1, 2003)

13.02.040 Retrofit requirements upon sale of real property.

A. When Required. All existing residential, commercial, and industrial buildings shall, at the time of sale, be retrofitted, if not already so, exclusively with high efficiency plumbing fixtures.

B. Responsibilities of Seller. The seller shall be responsible for complying with the requirements of this chapter and for obtaining a water conservation certificate in accordance with Section 13.02.060 before the time of sale.

C. Disclosure of Retrofit Requirement. The seller and/or the seller's real estate agent or broker, under the California Real Estate Transfer Disclosure Statement requirements made pursuant to Section 1102.6a of the California Civil Code, shall give a written statement to the prospective buyer of the requirements of this chapter as soon as practicable prior to the transfer of title. The statement shall be either included in the receipt for deposit in a real estate transaction, an addendum to the real estate transfer disclosure statement, or a separate document. A signed copy of the water conservation certificate and the statement of retrofit requirements shall be included in the transfer documentation. (Ord. 856 § 1, 2003)

13.02.050 Exemptions.

The director may grant an exemption to the provisions of this chapter to any person only if the director determines that the unique configuration of a building drainage system or portions of a public sewer, or both, are incompatible with high efficiency toilet specifications and require a greater quantity of water to flush the system in a manner that is consistent with public health. The director shall require sufficient evidence or proof be submitted to substantiate any exemption. (Ord. 856 § 1, 2003)

13.02.060 Verification of compliance.

A. Upon retrofitting with high efficiency plumbing fixtures, prior to time of sale, the seller shall verify compliance by one of the following methods:

1. Physical inspection of the building by the director or other person authorized by the director to perform an on-site property inspection and to certify that the plumbing fixture requirements specified in this chapter have been satisfied;

2. Participation in an available toilet rebate program, where documentation of an inspection demonstrates that the retrofit requirements of this chapter have been satisfied;

3. Documentation that all structures which include plumbing fixtures on the property changing ownership were constructed or renovated in 1994 or later.

B. Once compliance with the requirements of this chapter has been verified, a water conservation certificate will be issued to the seller within two business days.

Water Conservation Plumbing Fixture Retrofit Requirements Draft Ordinance

C. The director may waive re-inspection and/or further proof of retrofit when a property already certified undergoes a subsequent sale. Water conservation certificates shall be maintained on file at the department in order to provide future verification that high efficiency plumbing fixtures have been installed. (Ord. 856 § 1, 2003)

13.02.070 Persons authorized to perform plumbing fixture inspections.

The following persons shall be authorized to perform an inspection of plumbing fixtures for the purpose of verifying compliance with the provisions of this chapter:

- A. Employees of the department assigned by the director.
- B. Plumbing contractors who hold a valid contractor's license issued by the state of California, and all A or B licensed contractors qualified to review plumbing fixtures.
- C. Other persons approved by the director to perform plumbing fixture inspections. (Ord. 856 § 1, 2003)

13.02.080 Option to transfer responsibility for retrofitting.

Before the time of sale, the seller and buyer of any property may mutually agree to transfer responsibility for compliance with this chapter to the buyer. In the event the buyer agrees to assume responsibility for retrofitting, the buyer shall complete the retrofit within ninety calendar days from the date of the sale. Before the time of sale, the seller and buyer shall complete the following procedures:

- A. The seller shall request from the department a transfer of responsibility to retrofit form. Both the seller and buyer shall sign the form certifying that the buyer has assumed responsibility for the retrofit.
- B. The seller shall file the signed transfer of responsibility to retrofit form with the department and include it in the real estate transfer documentation in lieu of the water conservation certificate.
- C. Upon completing the retrofit, the buyer shall contact the department to verify compliance. A water conservation certificate shall be issued to the buyer upon verification of compliance in accordance with Section 13.02.060. (Ord. 856 § 1, 2003)

13.02.090 Penalties for violation and enforcement.

A. Violation. It is unlawful for any person, firm, partnership, association, or corporation to fail to comply with the retrofit requirements of this chapter, or to alter or replace high efficiency plumbing fixtures required by this chapter with other than high efficiency plumbing fixtures. Violation of the provisions of this chapter shall constitute an infraction.

B. Notice of Correction. Whenever the director determines that there is a property where high efficiency plumbing fixtures have not been installed as required by this chapter or where such fixtures have been removed since initial installation and replaced with other than high efficiency plumbing fixtures, the director may serve a notice of correction on the owner(s) of the property on which the violation is situated and any other person responsible for the violation. The owner of record shall have ninety days to take corrective action. If corrective action is not taken within said ninety-day period the director may record a notice of violation in accordance with the administrative procedures for doing so set forth in this code.

C. Administrative Enforcement. In addition to any other remedy provided by this code, any provision of this ordinance may be enforced by an administrative order issued pursuant to any one of the administrative processes set forth in this code.

D. Persons Liable. No liability shall arise, nor shall any action be brought or maintained against, any agent of any party to a transfer of title, including any person or entity acting in the capacity of escrow officer, for any error, inaccuracy, or omission relating to compliance with this chapter. However, this section does not apply to a licensee, as defined in Section 10011 of the California Business and Professions Code, where the licensee participates in the making of the

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Water Conservation Plumbing Fixture Retrofit Requirements Draft Ordinance

disclosure required to be made pursuant to this chapter with actual knowledge of the falsity of the disclosure. Except as otherwise provided in this chapter, this section shall not be deemed to create or imply a duty upon a licensee, as defined in Section 10011 of the California Business and Professions Code, or upon any agent of any party to a transfer of title, including any person or entity acting in the capacity of an escrow officer, to monitor or ensure compliance with this chapter, or to notify any person of requirements to comply with this chapter.

E. A transfer of title is not invalidated on the basis of failure to comply with this chapter. (Ord. 856 § 1, 2003)

13.02.100 Civil remedy.

If the seller fails to comply with the retrofit requirements, the buyer shall install the high efficiency plumbing fixtures within ninety days from the time of sale. Any seller who fails to comply with the requirements of this chapter is liable to the buyer in the amount of two hundred fifty dollars for each fixture that does not comply with this chapter at the time of sale, or the actual costs of the buyer to comply with this chapter, whichever amounts are greater. (Ord. 856 § 1 (part), 2003)

13.02.110 Historic structure exemption.

Structures which are considered architecturally significant and which are listed as such in a recognized federal, state or local historic registry or in the city's general plan are exempt from the requirements of this chapter when both of the following circumstances exist: authentic historic plumbing fixtures are presently in place in the structure; and the plumbing fixtures cannot be replaced by matching high efficiency fixtures. (Ord. 856 § 1, 2003)

Section 2: This ordinance shall take effect and be in full force thirty (30) days after its final adoption by the City Council.

This ordinance was introduced on the 10th day of October, 2013, and was passed and adopted by the City Council of the City of Capitola on the ___ day of _____ 2013, by the following vote:

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

APPROVED:

Stephanie Harlan, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: FINANCE AND CITY MANAGER DEPARTMENTS
SUBJECT: TRANSFER OF THE RISPIN PROPERTY

RECOMMENDED ACTION: Approve the transfer of the Rispin Property from the Successor Agency to the City of Capitola; terminate the \$1,350,000 Purchase and Sale Agreement between the Successor Agency and the City for the purchase of the Rispin Property; and make related findings and declarations.

BACKGROUND: As part of the Redevelopment Agency (RDA) dissolution process, Health and Safety Code Section 34181 (d), provides the Oversight Board with the authority to terminate certain Successor Agency agreements, if the Oversight Board concludes the early termination would be in the best interests of the taxing entities. On April 30, 2012, the Oversight Board determined it would be in the best interest of the taxing entities to terminate the Purchase Agreement and transfer the Rispin Property to the City. The DOF initially denied this transaction and requested the Oversight Board to reconsider this decision. On August 29, 2012, the Oversight Board unanimously reaffirmed the decision to transfer the Rispin Property to the City and terminate the City/RDA loan.

DISCUSSION: The City has not received a response from the Department of Finance regarding the Oversight Board's second action. The adoption of this resolution will acknowledge the City's final acceptance of the property in absence of a DOF denial letter. Health and Safety Code Sections 34179 (h) and 34181 (f) indicates that the Oversight Board's action is intended to be final if an objection is not raised by the DOF within five business days. Health & Safety Code Section 34181 (f) also states that this can be relied upon as conclusive by any person. While this could be in conflict with language in Section 34179 (h), which indicates that a modified action shall not become effective until approved by the DOF, the City's attorney believes the transaction to be final; and legal action would be required to compel the City to transfer the title.

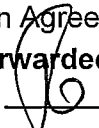
Section 34191.5 of the Health & Safety Code requires the Successor Agency to file a Long Range Property Management Plan by November 24, 2013. This plan is required to address the disposition and use of real properties held by the former redevelopment agency. Unless additional information is made available, the City intends to indicate that the Successor Agency has not retained any real property due to the Rispin transfer. It should also be noted that the transfer of the Rispin Property under 34191.5 (H)(2)(A)(B) indicates that the Board can liquidate the property for a project identified in an approved redevelopment plan and to fulfill an enforceable agreement. Based on the Board's actions and the City's intended public use of this property, this action also appears to be consistent with Section 34191.5.

Due to the opportunity for additional feedback from the Department of Finance, it is recommended that any improvement projects be delayed until after the mid-year budget presentation.

FISCAL IMPACT: The proposed transition exchanges a loan with a principal value of \$1.35 million for a property valued at a similar amount. The original interest earnings associated with the loan could have been reduced under AB 1484.

ATTACHMENT: Resolution to Transfer the Rispin Property and Termination of a Loan Agreement.

Report Prepared By: Tori Hannah
Finance Director

Reviewed and Forwarded
By City Manager: 

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RESOLUTION NO. _____

RESOLUTION OF THE CITY OF CAPITOLA ACCEPTING THE TRANSFER OF THE RISPIN PROPERTY TO THE CITY OF CAPITOLA AND TERMINATING A PURCHASE AGREEMENT

WHEREAS, on December 31, 1985, the City of Capitola (the "City") purchased certain property occupied by the Rispin Mansion and located at 2000 Wharf Road in the City of Capitola, County of Santa Cruz, State of California (Assessors' Parcel Numbers 035-371-01 and 035-371-02), as further described on **Exhibit A** and depicted on **Exhibit B** attached hereto and made a part hereof (the "Rispin Property"), for a purchase price of \$1,350,000; and

WHEREAS, the City and the Redevelopment Agency of the City of Capitola (the "Redevelopment Agency") entered into a Purchase and Sale Agreement on July 24, 2003, amended on June 22, 2006 and reentered into on April 26, 2012, and attached hereto as **Exhibit C** (the "Purchase Agreement"), whereby the City agreed to sell the Rispin Property to the Redevelopment Agency for the original purchase price of \$1,350,000 and to loan the Redevelopment Agency \$1,350,000 to be used to acquire the Rispin Property from the City for the benefit of the Redevelopment Project Area and the community, and the Redevelopment Agency agreed to repay the City from available tax increment revenues pursuant to the "Promissory Note" attached as Exhibit B to the Purchase Agreement; and

WHEREAS, on March 8, 2011, the City and the Redevelopment Agency entered into a "Property Conveyance Agreement," whereby the Redevelopment Agency agreed to transfer the Rispin Property to the City, and the City agreed to accept the Rispin Property, and grant deeds evidencing the transfer of the Rispin Property to the City were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012; and

WHEREAS, on January 12, 2012, the City Council of the City adopted a resolution accepting for the City the role of Successor Agency to the Redevelopment Agency (the "Successor Agency"); and

WHEREAS, Health & Safety Code Section 34167.5 provides in part that assets transferred from the Redevelopment Agency to the City after January 1, 2011 that are not contractually committed to a third party shall be returned to the Successor Agency; and

WHEREAS, in recognition of Health & Safety Code Section 34167.5, the Successor Agency on March 22, 2012 and the City on April 12, 2012, by Resolution No. 3913, attached hereto as **Exhibit D**, acknowledged that the Rispin Property was an asset of the Successor Agency; and

WHEREAS, the Dissolution Act created an oversight board to oversee the Successor Agency ("Oversight Board"); and

RESOLUTION NO. _____

WHEREAS, while the Dissolution Act generally provides that agreements between the Redevelopment Agency and the City are not enforceable obligations, Health & Safety Code Sections 34178(a) and 34180(h) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements; and

WHEREAS, at its April 12, 2012 meeting the Oversight Board for the Successor Agency by a unanimous vote authorized the Successor Agency to reenter into the Purchase Agreement; and

WHEREAS, the City and the Successor Agency reentered into the Purchase Agreement on April 26, 2012; and

WHEREAS, at its April 30, 2012 meeting, the Oversight Board determined it would be in the best interests of the taxing entities to terminate the Purchase Agreement and transfer the Rispin Property to the City and directed the Successor Agency staff to prepare the documents needed to effectuate the transfer of the Rispin Property to the City and to terminate the Purchase Agreement; and

WHEREAS, as directed by the Oversight Board, on June 14, 2012, the Successor Agency adopted Resolution No. 002, attached hereto as **Exhibit E**, transferring the Rispin Property to the City and terminating the Purchase Agreement, to become effective upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in Health & Safety Code Section 34179(h) and 34181(f); and

WHEREAS, on June 15, 2012, the Oversight Board adopted Resolution No. 2012-03 approving the transfer of the Rispin Property to the City and terminating the Purchase Agreement, to become effective at the time and in the manner prescribed in Health & Safety Code Section 34179(h); and

WHEREAS, on July 9, 2012, the State Department of Finance returned the Oversight Board's action to the Oversight Board for reconsideration, and Oversight Board Resolution No. 2012-03 and Successor Agency Resolution No. 002 did not become effective; and

WHEREAS, on August 29, 2012, the Oversight Board reconsidered the transfer of the Rispin Property to the City and adopted Resolution No. 2012-06, attached hereto as **Exhibit F**, approving the transfer of the Rispin Property to the City and terminating the Purchase Agreement, to become effective at the time and in the manner prescribed in Health & Safety Code Sections 34179(h) and 34181(f); and

WHEREAS, on August 31, 2012, the Successor Agency notified the California Department of Finance of the Oversight Board's action regarding the transfer of the Rispin Property; and

WHEREAS, because no objection was raised by the Department of Finance within five business days, the Oversight Board's action transferring the Rispin Property to the City has become effective in the manner prescribed in Health & Safety Code Sections 34179(h) and 34181(f), and, pursuant to Health & Safety Code Section 34181(f), the Oversight Board's action became final on October 28, 2012 and can be relied on as conclusive by any person; and

RESOLUTION NO. _____

WHEREAS, pursuant to Section 15061(b)(3) of the CEQA Guidelines, the transfer of the Rispin Property from the Successor Agency to the City is exempt from the requirements of CEQA because it can be seen with certainty that there is no possibility that the transfer of the Rispin Property may have a significant effect on the environment, in that the use of the Rispin Property will not change or otherwise be modified following the conveyance by the Successor Agency to the City.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency as follows:

Section 1. Recitals. The foregoing recitals are true and correct, and are hereby incorporated by reference.

Section 2. Acceptance of Rispin Property. The City hereby accepts the transfer of the Rispin Property from the Successor Agency to the City.

Section 3. Termination of Purchase Agreement. In consideration of the transfer of the Rispin Property to the City, the City hereby terminates the Purchase Agreement shown in **Exhibit C**.

Section 4. Method of Conveyance. Grant deeds evidencing the transfer of the Rispin Property to the City and the City's acceptance of the Rispin Property were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679.

Section 5. Effect of Property Conveyance Agreement. Nothing in this Resolution shall be deemed to invalidate or amend the terms of the Property Conveyance Agreement. The Property Conveyance Agreement shall remain in full force and effect according to its original terms.

PASSED AND ADOPTED on October 10, 2013 by the City Council of the City of Capitola with the following vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Stephanie Harlan, Mayor

ATTEST:

_____, CMC
City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A

Legal Description

DRAFT

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 798.32 FEET; THENCE NORTH 26 DEGREES 37' WEST 62.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 126.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.61 FEET; THENCE SOUTH 31 DEGREES 32' EAST 558.63 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.69 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.66 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 65 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 26, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 186, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX., BY DEED RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1996 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-01

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

Exhibit B

Easements Encumbering Rispin Property

DRAFT

EXHIBIT B

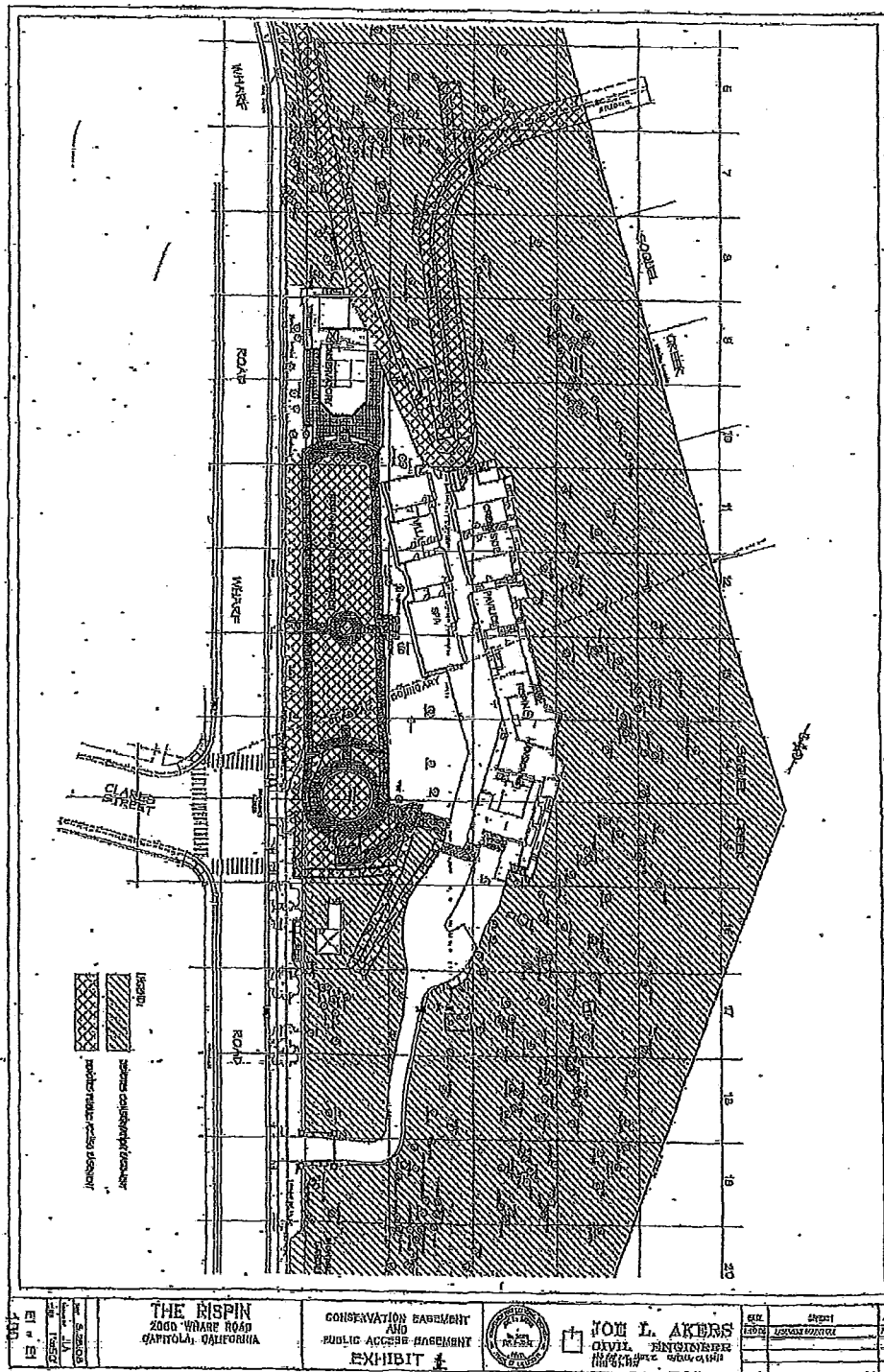


Exhibit C

Purchase Agreement

[PP. 129 – 151 + Reentered Agreement]

DRAFT

COPY

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is entered into this 24th day of July, 2003, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522.

B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985, for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000) and is currently owned in fee by the City.

C. On August 8, 1999, by Resolution No. 3026, the City Council amended the survey area for the Project to include certain real property, including the Property, within the survey area.

D. On February 20, 2003, by Resolution No. 03-01, the Planning Commission of the City of Capitola amended the Preliminary Plan for the Project to include the Property within the Project area.

E. Health and Safety Code Sections 33391 and 33392 authorize the acquisition of the Property by the Agency.

F. Health and Safety Code Section 33220 provides that, for the purpose of aiding and cooperating in the planning or undertaking of the Project, the City may, upon the terms and with or without consideration as it determines, sell or convey any of its property to the Agency.

G. The City and the Agency have determined that it is in the public interest and in furtherance of the Redevelopment Plan for the City to convey the Property to the Agency in accordance with the terms set forth herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Agency agree as follows:

ARTICLE 1. PURCHASE AND SALE

1.01. Purchase and Sale. The City shall sell the Property to the Agency, and the Agency shall purchase the Property from the City, on the terms and conditions specified in this Agreement.

1.02. Purchase Price. The purchase price for the Property shall be ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000.00) (the "Purchase Price").

1.03 Payment. The Agency shall pay the Purchase Price by delivering to the City its promissory note (the "Agency Note") in the amount of the Purchase Price in the form attached hereto as Exhibit B and incorporated herein by this reference.

ARTICLE 2. CONDITIONS TO CONVEYANCE

2.01. General. The provisions of this Article are conditions precedent to the sale described in Article 1 and, unless otherwise provided expressly or by context, are covenants.

2.02. Title. The City shall cause title to the Property to be conveyed to the Agency by grant deed in the form attached hereto as Exhibit C and incorporated herein by reference subject only to exceptions approved by the Agency. Upon recording of the grant deed, the City shall cause a title insurance company selected by the parties (the "Title Company") to issue its CLTA policy of title insurance insuring title to the Property in the Agency with liability in the amount of the Purchase Price. The City shall, upon the signing of this Agreement, order from the Title Company and cause to be delivered to the Agency for its approval a preliminary title report and legible copies of all documents referred to therein covering or relating to the Property. The Agency shall approve or disapprove the condition of title within thirty (30) days of receipt of the preliminary title report. If the Agency disapproves the condition of title it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated.

2.03. Delivery of Documents. Within five (5) days after the date of this Agreement, the City shall deliver to the Agency, for the Agency's approval, the following:

- A. Copies of all leases that affect the Property;
- B. Copies of all environmental assessments and site characterization reports; and
- C. Copies of all soils reports, geological reports, well reports and any other reports, documents or related information pertaining to the Property.

The Agency shall approve or disapprove the condition of the Property within thirty (30) days of receipt of the foregoing documents. If the Agency disapproves the condition of the Property it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated

2.04. Possession. The City shall deliver exclusive possession of the Property to the Agency upon recording of the grant deed.

2.05 Conveyance. The City shall duly execute, acknowledge and deliver the grant deed to the Title Company and the Agency shall duly execute and deliver the Agency Note to the City not later than sixty (60) days after the date of this Agreement. The City shall cause the Title Company to promptly record the grant deed in the official land records of the County of Santa Cruz.

ARTICLE 3. RECONVEYANCE

If the Redevelopment Plan has not been amended to add the Property to the Project area by December 31, 2005, then the Agency shall re-convey the Property to the City by grant deed approved by the City and the City shall thereupon cancel the Agency Note. There shall be no repayment by the City of any interest payments made by the Agency pursuant to the Agency Note. The terms of this Article 3 shall not be deemed merged and shall survive conveyance of the Property to the Agency.

ARTICLE 4. MISCELLANEOUS

4.01. Assignment. This Agreement shall bind and inure to the benefit of the successors and assigns of both the City and the Agency. The Agency may not assign its rights under this Agreement without the prior written consent of the City.

4.02. Interpretation. The captions of paragraphs used in this Agreement are for convenience only. The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the City and the Agency.

4.03. Time of Essence. Time is of the essence of this Agreement and of the escrow provided for herein.

4.04. Integration. This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter which are not fully expressed herein.

4.05. Additional Documents. From time to time prior to and after conveyance, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

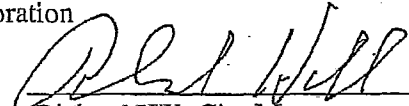
4.06. California Law. This Agreement shall be governed by the laws of the State of California.

4.07. Counterparts. This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one (1) document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

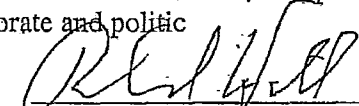
By:


Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic

By:


Richard Hill, Executive Director

"AGENCY"

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

[To be inserted.]

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 798.32 FEET; THENCE NORTH 26 DEGREES 37' WEST 62.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 126.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.61 FEET; THENCE SOUTH 31 DEGREES 32' EAST 558.63 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.89 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.66 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 65 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 26, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 186, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX., BY DEED RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1996 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-01

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

EXHIBIT B

PROMISSORY NOTE

PROMISSORY NOTE

\$1,350,000

July 24, 2003
Capitola, California

FOR VALUE RECEIVED, the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency") having an address of 420 Capitola Avenue, Capitola, California 95010, promises to pay the City of Capitola, a municipal corporation ("City") a principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).

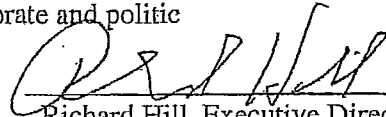
1. This Note is made pursuant to that certain Purchase and Sale Agreement ("Agreement") between the Agency and the City dated July 24, 2003, for the purchase by the Agency of certain real property described therein (the "Property") from the City.
2. The principal sum of this Note shall bear interest, from July 24, 2003, at the rate of five percent (5%) per annum, to be adjusted annually on each June 30 by not more than a percentage of change of an index to be determined by the City Council.
3. Payment of accrued interest shall be made quarterly, not later than September 30, December 31, March 31 and June 30.
4. The outstanding principal sum of this Note shall be due and payable in full on June 24, 2017 (the "Maturity Date"), provided, however, that if the Redevelopment Plan for the Capitola Redevelopment Project is amended to extend the time limit on receipt of tax increment revenues, then the Maturity Date shall automatically be extended until the last date on which the Agency may receive tax increment under the Redevelopment Plan, as amended.
5. Payment shall be made in lawful money of the United States to the City at 420 Capitola Avenue, Capitola, California 95010. The place of payment may be changed from time to time as the City may designate in writing.
6. Principal may be prepaid in whole or in part at any time without penalty.
7. The occurrence of the any of the following shall constitute an event of default under this Note:

- A. There shall be any failure to make the payment of principal or interest which continues for fifteen (15) days after notice that such payment is due; or
 - B. There shall be a failure to comply with any other term, obligation, covenant or condition contained herein, provided, however, that the Agency shall not be in default if the Agency, after the City sends written notice demanding cure of such failure,
 - (1) Cures the default within thirty (30) days, or
 - (2) If the cure requires more than thirty (30) days, immediately commences to cure the failure and thereafter diligently prosecutes such cure to completion within one hundred twenty (120) days after giving notice of default.
8. Upon the occurrence of any event of default, at the option of the City, the entire unpaid principal sum owing on this Note shall become immediately due and payable. This option may be exercised at any time following such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of the City's option. The City's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event of default.
9. At all times following an event of default hereunder by reason of the Agency's failure to pay principal or interest due under this Note, the interest rate on the sums as to which the Agency is in default shall bear interest as of the date such sums were due until repaid at a rate equal to the lower of the highest rate then allowed by law or five percent (5%) over the prime interest rate announced by Wells Fargo Bank, N.A. as of the date such sums were due.
10. The Agency and any endorsers of this Note and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

11. The Agency hereby pledges for repayment of the principal sum and all accrued interest of this Note property taxes allocated and paid to the Agency pursuant to Health and Safety Code Section 33670(b) from the Capitola Redevelopment Project, subject to any bonds or other indebtedness of the Agency outstanding on the date of this Note (including, without limitation, that certain agreement between the Agency and County of Santa Cruz dated November 30, 1984, regarding pass-through of tax increments and that certain Tax Increment Sharing Agreement between the Agency and the Central Fire Protection District dated December 23, 1993) and subject further to any bonds or other indebtedness issued by the Agency after the date of this Note with the consent of the City.
12. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in this Note or at such address as either party may designate by written notice.
13. This Note shall be binding on the Agency, its successors and assigns.
14. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

REDEVELOPMENT AGENCY OF THE
CITY OF CAPITOLA, a public body
corporate and politic

By:


Richard Hill, Executive Director

"AGENCY"

EXHIBIT C

GRANT DEED

COPY of Document Recorded

05-Aug-2003 2003-0077748 142

Has not been compared with original

SANTA CRUZ COUNTY RECORDER

NO FEE FOR RECORDING PURSUANT TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

The Redevelopment Agency of the City of Capitola 420 Capitola Avenue Capitola, CA 95010

APNS: 035-371-01 and 035-371-02

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE CITY OF CAPITOLA, a municipal corporation (herein called "Grantor"), hereby grants to THE REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic, of the State of California (herein called "Grantee"), the real property (the "Site") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference.

The Site is conveyed pursuant to that certain Purchase and Sale Agreement entered into by and between Grantor and Grantee dated July 24, 2003.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this 24th day of July, 2003.

CITY OF CAPITOLA, a municipal corporation

By:

[Handwritten signature of Richard Hill]

Richard Hill, City Manager

"GRANTOR"


ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated July 24, 2003, from the City of Capitola to The Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency"), is hereby accepted by order of the undersigned officer on behalf of the Agency pursuant to authority conferred by resolution of the Agency adopted on July 24, 2003, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: July 24, 2003.

REDEVELOPMENT AGENCY OF THE
CITY OF CAPITOLA, a public body
corporate and politic

By:


Richard Hill, Executive Director

"GRANTEE"

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 798.32 FEET; THENCE NORTH 26 DEGREES 37' WEST 62.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 126.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.61 FEET; THENCE SOUTH 31 DEGREES 32' EAST 558.63 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.69 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.86 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 65 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

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ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1996 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

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APN: 035-371-01

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BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3928 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

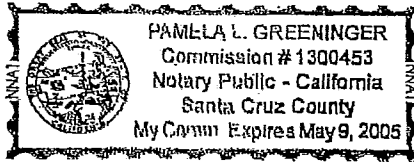
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Santa Cruz } ss.

On August 5, 2003, before me, Pamela L. Greeninger, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Richard Hill
Name(s) of Signer(s)

- personally known to me
- 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 that 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.

WITNESS my hand and official seal.

Pamela L. Greeninger
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Grant Deed (Rispin Property)

Document Date: July 24, 2003 Number of Pages: 6

Signer(s) Other Than Named Above: _____

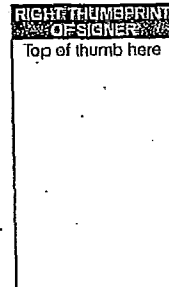
Capacity(ies) Claimed by Signer

Signer's Name: Richard Hill

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: City of Capitola City Manager

Redevelopment Agency of the City of Capitola

Signer is Representing: Executive Director



AMENDMENT TO PURCHASE AND SALE AGREEMENT
PERTAINING TO THE RDA ACQUISITION OF THE RISPIN PROPERTY

THIS AMENDEMENT TO THE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into the 22nd day of June 2006, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

- A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522, which included the Project within a defined Project Area.
- B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985.
- C. On February 20, 2003, by Resolution NO. 03-01 the Planning Commission of the city of Capitola amended the Preliminary Plan for the Project to include the Property within the Project Area.
- D. On July 24, 2003 the City sold to the Agency and the Agency purchased from the City the Property for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).
- E. The payment for the sale of the Property from the City to the Agency was secured by a Promissory Note, attached to the Agreement as Exhibit B, promising the Agency to pay to the City the principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000), which shall bear interest at the rate of 5% per annum.
- F. The Agency acknowledges that the principal sum of \$1,350,000 identified in the Agreement as due to the City represent a significant sum with which the City could retire or defray some of its existing debt obligations.
- G. The City and Agency have determined that it is to the benefit of the public for the Agency and the City amend Appendix B to the Agreement and revise the interest rate.

AMENDMENT TO THE PURCHASE AND SALE AGREEMENT

NOW THEREFORE, for and in consideration of mutual covenants set forth, the City and the Agency agree to amend item 2. of Exhibit B, Promissory Note, of the Agreement to read as follows:

"2. The principal sum of this Note shall bear interest, from the date of this amendment, at a rate that equals the greater of any of the following: a) the interest rate charged by the Public Employees Retirement System for the City's unfunded liability; or, b) the true interest cost of any pension obligation bond sold by the City; or, c) the State of California Local Agency Investment Fund (LAIF); or d) 5%."

IN WITNESS WHEREOF, the parties hereto have caused the Amendment to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

By: Richard Hill
Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF
CAPITOLA, a public body corporate and politic

By: Richard Hill
Richard Hill, Executive Director

"AGENCY"

RESOLUTION NO. ____

Exhibit D

City Resolution No. 3913

DRAFT

7775

RESOLUTION NO. 3913

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ACKNOWLEDGING AND AUTHORIZING THE RISPIN PROPERTY
(APN 035-371-01; 035-371-02) AS AN ASSET OF THE SUCCESSOR AGENCY TO THE
FORMER CAPITOLA REDEVELOPMENT AGENCY

WHEREAS, in March of 2011, the Capitola Redevelopment Agency Board of Directors approved a Resolution authorizing the execution of a Property Conveyance Agreement for the conveyance of the Rispin Mansion property to the City of Capitola

WHEREAS, the consensus of attorneys reviewing AB X126 is that property owned by the Redevelopment Agency could not be transferred after January 2011

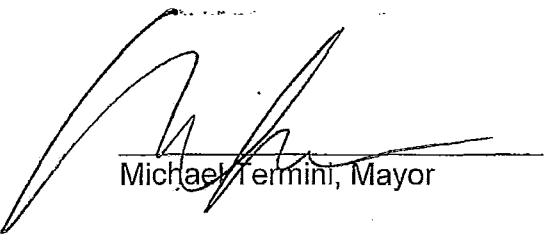
WHEREAS, the property could not be transferred back to the Redevelopment Agency because it no longer is in existence; and has been replaced by the Successor Agency for the Former Capitola Redevelopment Agency

WHEREAS, to be consistent with AB X126, the City would like to be proactive and acknowledge and authorize that the Rispin Property is an asset of the Successor Agency to the Former Capitola Redevelopment Agency.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the Rispin Property (APN 035-371-01; 035-371-02) is an asset of the successor agency to the former Capitola Redevelopment Agency and that its transfer or disposal should be directed by the Oversight Board.

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 12th day of April, 2012, by the following vote:

- AYES: Council Members Harlan, Norton, Nicol, Storey, and Mayor Termini
- NOES: None
- ABSENT: None
- ABSTAIN: None



Michael Termini, Mayor

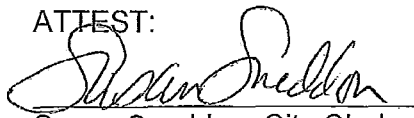
ATTEST:

 Susan Sneddon, City Clerk CMC

Exhibit E

Successor Agency Resolution No. 002

DRAFT

RESOLUTION NO. 002**RESOLUTION OF THE CITY OF CAPITOLA ACTING AS THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, TRANSFERRING THE RISPIN PROPERTY TO THE CITY OF CAPITOLA AND TERMINATING A PURCHASE AGREEMENT**

WHEREAS, on December 31, 1985, the City of Capitola (the "City") purchased certain property occupied by the Rispin Mansion and located at 2000 Wharf Road in the City of Capitola, County of Santa Cruz, State of California (Assessors' Parcel Numbers 035-371-01 and 035-371-02), as further described on **Exhibit A** and depicted on **Exhibit B** attached hereto and made a part hereof (the "Rispin Property"), for a purchase price of \$1,350,000; and

WHEREAS, the City and the Redevelopment Agency of the City of Capitola (the "Redevelopment Agency") entered into a Purchase and Sale Agreement on July 24, 2003, amended on June 22, 2006 and reentered into on April 26, 2012, and attached hereto as **Exhibit C** (the "Purchase Agreement"), whereby the City agreed to sell the Rispin Property to the Redevelopment Agency for the original purchase price of \$1,350,000 and to loan the Redevelopment Agency \$1,350,000 to be used to acquire the Rispin Property from the City for the benefit of the Redevelopment Project Area and the community, and the Redevelopment Agency agreed to repay the City from available tax increment revenues pursuant to the "Promissory Note" attached as Exhibit B to the Purchase Agreement; and

WHEREAS, on March 8, 2011, the City and the Redevelopment Agency entered into a "Property Conveyance Agreement," whereby the Redevelopment Agency agreed to transfer the Rispin Property to the City, and the City agreed to accept the Rispin Property, and grant deeds evidencing the transfer of the Rispin Property to the City were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012; and

WHEREAS, on January 12, 2012, the City Council of the City adopted a resolution accepting for the City the role of Successor Agency to the Redevelopment Agency (the "Successor Agency"); and

WHEREAS, Health & Safety Code Section 34167.5 provides in part that assets transferred from the Redevelopment Agency to the City after January 1, 2011 that are not contractually committed to a third party shall be returned to the Successor Agency; and

WHEREAS, in recognition of Health & Safety Code Section 34167.5, the Successor Agency on March 22, 2012 and the City on April 12, 2012 acknowledged that the Rispin Property was an asset of the Successor Agency; and

WHEREAS, the Dissolution Act created an oversight board to oversee the Successor Agency ("Oversight Board"); and

WHEREAS, while the Dissolution Act generally provides that agreements between the Redevelopment Agency and the City are not enforceable obligations, Health & Safety Code Sections 34178(a) and 34180(h) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements; and

WHEREAS, at its April 12, 2012 meeting the Oversight Board for the Successor Agency by a unanimous vote authorized the Successor Agency to reenter into the Purchase Agreement; and

WHEREAS, the City and the Successor Agency reentered into the Purchase Agreement on April 26, 2012; and

WHEREAS, Health and Safety Code Section 34177(e) requires the Successor Agency to dispose of properties of the Redevelopment Agency as directed by the Oversight Board, and Health and Safety Code Section 34181(d) provides that the Oversight Board shall direct the Successor Agency to terminate certain agreements if the Oversight Board has found that early termination would be in the best interests of the taxing entities; and; and

WHEREAS, at its April 30, 2012 meeting, the Oversight Board determined it would be in the best interests of the taxing entities to terminate the Purchase Agreement and transfer the Rispin Property to the City and directed the Successor Agency staff to prepare the documents needed to effectuate the transfer of the Rispin Property to the City and to terminate the Purchase Agreement; and

WHEREAS, pursuant to Section 15061(b)(3) of the CEQA Guidelines, transfer of the Rispin Property from the Successor Agency to the City is exempt from the requirements of CEQA because it can be seen with certainty that there is no possibility that transfer of the Rispin Property may have a significant effect on the environment, in that the use of the Rispin Property will not change or otherwise be modified following the conveyance by the Successor Agency to the City.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency as follows:

Section 1. Recitals. The foregoing recitals are true and correct, and are hereby incorporated by reference.

Section 2. Conveyance and Consideration. As directed by the Oversight Board and consistent with Health and Safety Code Section 34177(e), the Successor Agency hereby transfers the Rispin Property to the City in consideration for the City's agreement to terminate the Purchase Agreement.

Section 3. Termination of Purchase Agreement. As directed by the Oversight Board and consistent with Health and Safety Code Section 34181(d), the Successor Agency hereby terminates the Purchase Agreement as shown in **Exhibit C**.


Section 4. Method of Conveyance. Grant deeds evidencing the transfer of the Rispin Property to the City were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679.

Section 5. Effect of Property Conveyance Agreement. Nothing in this Resolution shall be deemed to invalidate or amend the terms of the Property Conveyance Agreement. The Property Conveyance Agreement shall remain in full force and effect according to its original terms.

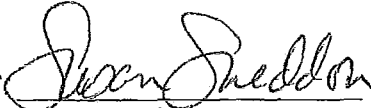
Section 6. Effective Date. This Resolution shall take effect upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in Health & Safety Code Section 34179(h).

PASSED AND ADOPTED on the 14th day of June, 2012 by the Successor Agency for the Redevelopment Agency of the City of Capitola with the following vote, to wit:

- AYES: Board Members Harlan, Norton, and Chairman Termini
- NOES: Board Member Nicol
- ABSENT: Board Member Storey
- ABSTAIN: None



Michael Termini, Chair

ATTEST 
 Susan Sneddon, Secretary

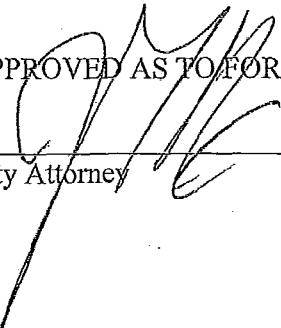
APPROVED AS TO FORM:

 City Attorney

EXHIBIT A

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 798.32 FEET; THENCE NORTH 26 DEGREES 37' WEST 62.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 128.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.81 FEET; THENCE SOUTH 31 DEGREES 32' EAST 558.63 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.89 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.66 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 65 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1961, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 28, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 186, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX., BY DEED RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1998 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

SUCCESSOR AGENCY RESOLUTION NO. 002

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 80 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-01

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODÉO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 85 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

EXHIBIT B

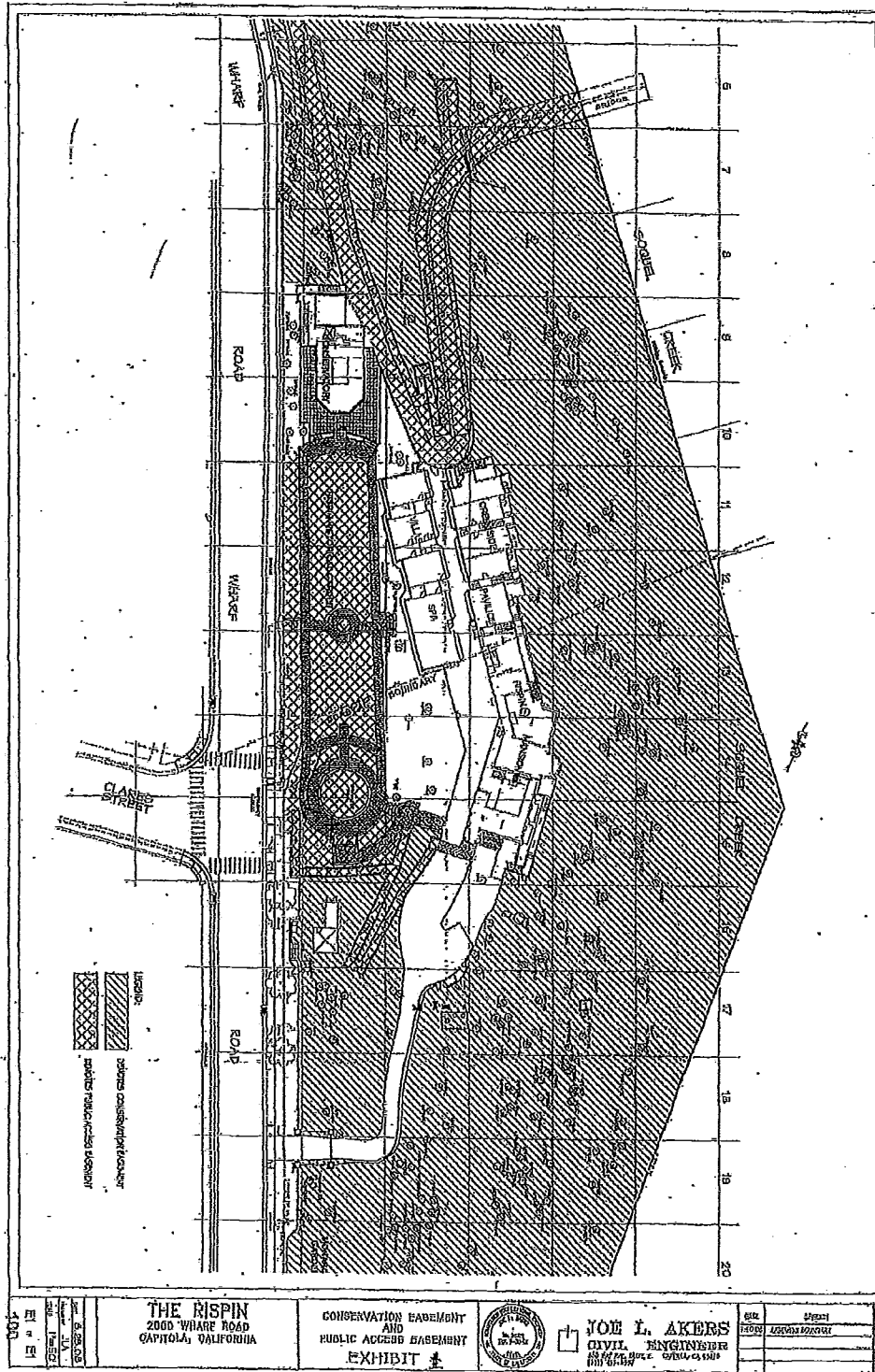


EXHIBIT C

AGREEMENT REENTERING INTO LOAN AGREEMENT
(2003 Rispin Purchase Loan)

This Agreement Reentering into Loan Agreement ("Agreement") is entered into this 26 day of April 2012 by and between the City of Capitola, a California municipal corporation ("City") and the City of Capitola acting as the Successor Agency to the former Redevelopment Agency of the City of Capitola ("Successor Agency").

WHEREAS, the City and the Redevelopment Agency of the City of Capitola (the "Redevelopment Agency") entered into a Purchase and Sale Agreement on July 24, 2003, attached hereto as Exhibit A (the "Loan Agreement"), whereby the City agreed to loan the Redevelopment Agency \$1,350,000 to be used for purposes of acquiring the Rispin Mansion property for park and recreational purposes for the benefit of the Redevelopment Project Area and the community, and the Redevelopment Agency agreed to repay the City over time from available tax increment revenues pursuant to the "Promissory Note" attached as Exhibit B to the July 24, 2003 Loan Agreement; and

WHEREAS, the Rispin Mansion property was acquired by the Redevelopment Agency on December 31, 1985 and

WHEREAS, on February 1, 2012, pursuant to AB1x 26 (the "Dissolution Act"), the Redevelopment Agency, along with all redevelopment agencies in the State of California, was dissolved, and all assets and obligations of the Redevelopment Agency were transferred by operation of law to the Successor Agency; and

WHEREAS, the Rispin Mansion property is an asset of the Successor Agency, as recognized by the Capitola City Council at its meeting of April 12, 2012; and

WHEREAS, the Dissolution Act creates an oversight board for each redevelopment agency to oversee the wind down of the Redevelopment Agency ("Oversight Board"); and

WHEREAS, the Dissolution Act requires that the Successor Agency prepare and the Oversight Board approve a Recognized Obligation Payment Schedule setting forth all Enforceable Obligations (as defined in the Dissolution Act) of the Redevelopment Agency. The Dissolution Act generally provides that agreements between the Redevelopment Agency and the City are not Enforceable Obligations but Health & Safety Code Sections 34178(a) and 34180(h) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements; and

WHEREAS, at its April 12, 2012 meeting the Oversight Board for the Successor Agency by a unanimous vote authorized the Successor Agency to reenter into the Loan Agreement; and

WHEREAS, the City and the Successor Agency have determined that reentering into the Loan Agreement is in the best interests of the City and the Successor Agency.

1098W1V1133984.1
4/16/2012

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The foregoing recitals are true and correct, and are hereby incorporated by reference and made part of this Agreement.
2. The Successor Agency and the City hereby agree to reenter into the Loan Agreement under the terms and conditions set forth in the Loan Agreement, provided, however, all references in the Loan Agreement to the "Redevelopment Agency of the City of Capitola" or "Agency" shall be deemed to refer to the Successor Agency. The City and the Successor Agency agree that notwithstanding anything set forth in the Loan Agreement, with approval of the Oversight Board, the Successor Agency can prepay the full amount owed under the Loan Agreement at any time without penalty.
3. In reentering into the Loan Agreement, the City is acting in its capacity as a municipal corporation, while the Successor Agency is acting in its capacity as the successor to the former Redevelopment Agency; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by Health & Safety Code Sections 34178(a) and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the parties to this Agreement are not merged.
4. Except as amended by the foregoing provisions of this Agreement, the Loan Agreement shall remain in full force and effect.
5. This Agreement shall take effect from and after the date of execution of this Agreement by both parties.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereof as of the date first written above.

CITY OF CAPITOLA, CALIFORNIA,
a California municipal corporation ("CITY")

APPROVED AS TO FORM:



JAMIE GOLDSTEIN,
City Manager

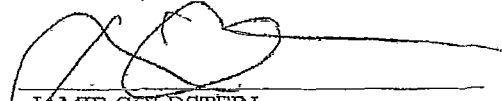
ATTEST:



Susan Sneddon, City Clerk

CITY OF CAPITOLA, CALIFORNIA,
a California municipal corporation
acting as the Successor Agency to the former City of Capitola Redevelopment Agency
("SUCCESSOR AGENCY")

APPROVED AS TO FORM:



JAMIE GOLDSTEIN,
City Manager

ATTEST:



Susan Sneddon, City Clerk

Exhibit A

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is entered into this 24th day of July, 2003, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522.

B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985, for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000) and is currently owned in fee by the City.

C. On August 8, 1999, by Resolution No. 3026, the City Council amended the survey area for the Project to include certain real property, including the Property, within the survey area.

D. On February 20, 2003, by Resolution No. 03-01, the Planning Commission of the City of Capitola amended the Preliminary Plan for the Project to include the Property within the Project area.

E. Health and Safety Code Sections 33391 and 33392 authorize the acquisition of the Property by the Agency.

F. Health and Safety Code Section 33220 provides that, for the purpose of aiding and cooperating in the planning or undertaking of the Project, the City may, upon the terms and with or without consideration as it determines, sell or convey any of its property to the Agency.

G. The City and the Agency have determined that it is in the public interest and in furtherance of the Redevelopment Plan for the City to convey the Property to the Agency in accordance with the terms set forth herein.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Agency agree as follows:

ARTICLE 1. PURCHASE AND SALE

1.01. Purchase and Sale. The City shall sell the Property to the Agency, and the Agency shall purchase the Property from the City, on the terms and conditions specified in this Agreement.

1.02. Purchase Price. The purchase price for the Property shall be ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000.00) (the "Purchase Price").

1.03 Payment. The Agency shall pay the Purchase Price by delivering to the City its promissory note (the "Agency Note") in the amount of the Purchase Price in the form attached hereto as Exhibit B and incorporated herein by this reference.

ARTICLE 2. CONDITIONS TO CONVEYANCE

2.01. General. The provisions of this Article are conditions precedent to the sale described in Article 1 and, unless otherwise provided expressly or by context, are covenants.

2.02. Title. The City shall cause title to the Property to be conveyed to the Agency by grant deed in the form attached hereto as Exhibit C and incorporated herein by reference subject only to exceptions approved by the Agency. Upon recording of the grant deed, the City shall cause a title insurance company selected by the parties (the "Title Company") to issue its CLTA policy of title insurance insuring title to the Property in the Agency with liability in the amount of the Purchase Price. The City shall, upon the signing of this Agreement, order from the Title Company and cause to be delivered to the Agency for its approval a preliminary title report and legible copies of all documents referred to therein covering or relating to the Property. The Agency shall approve or disapprove the condition of title within thirty (30) days of receipt of the preliminary title report. If the Agency disapproves the condition of title it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated.

2.03. Delivery of Documents. Within five (5) days after the date of this Agreement, the City shall deliver to the Agency, for the Agency's approval, the following:

- A. Copies of all leases that affect the Property;
- B. Copies of all environmental assessments and site characterization reports; and
- C. Copies of all soils reports, geological reports, well reports and any other reports, documents or related information pertaining to the Property.

The Agency shall approve or disapprove the condition of the Property within thirty (30) days of receipt of the foregoing documents. If the Agency disapproves the condition of the Property it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated.

2.04. Possession. The City shall deliver exclusive possession of the Property to the Agency upon recording of the grant deed.

2.05 Conveyance. The City shall duly execute, acknowledge and deliver the grant deed to the Title Company and the Agency shall duly execute and deliver the Agency Note to the City not later than sixty (60) days after the date of this Agreement. The City shall cause the Title Company to promptly record the grant deed in the official land records of the County of Santa Cruz.

ARTICLE 3. RECONVEYANCE

If the Redevelopment Plan has not been amended to add the Property to the Project area by December 31, 2005, then the Agency shall re-convey the Property to the City by grant deed approved by the City and the City shall thereupon cancel the Agency Note. There shall be no repayment by the City of any interest payments made by the Agency pursuant to the Agency Note. The terms of this Article 3 shall not be deemed merged and shall survive conveyance of the Property to the Agency.

ARTICLE 4. MISCELLANEOUS

4.01. Assignment. This Agreement shall bind and inure to the benefit of the successors and assigns of both the City and the Agency. The Agency may not assign its rights under this Agreement without the prior written consent of the City.

4.02. Interpretation. The captions of paragraphs used in this Agreement are for convenience only. The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the City and the Agency.

4.03. Time of Essence. Time is of the essence of this Agreement and of the escrow provided for herein.

4.04. Integration. This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter which are not fully expressed herein.

4.05. Additional Documents. From time to time prior to and after conveyance, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

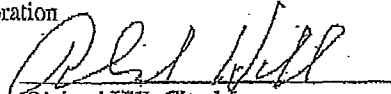
4.06. California Law. This Agreement shall be governed by the laws of the State of California.

4.07. Counterparts. This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one (1) document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

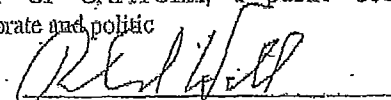
By:


Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic

By:


Richard Hill, Executive Director

"AGENCY"

Exhibit B

PROMISSORY NOTE

\$1,350,000

July 24, 2003
Capitola, California

FOR VALUE RECEIVED, the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency") having an address of 420 Capitola Avenue, Capitola, California 95010, promises to pay the City of Capitola, a municipal corporation ("City") a principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).

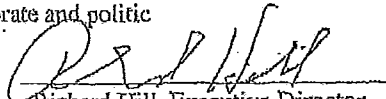
1. This Note is made pursuant to that certain Purchase and Sale Agreement ("Agreement") between the Agency and the City dated July 24, 2003, for the purchase by the Agency of certain real property described therein (the "Property") from the City.
2. The principal sum of this Note shall bear interest, from July 24, 2003, at the rate of five percent (5%) per annum, to be adjusted annually on each June 30 by not more than a percentage of change of an index to be determined by the City Council.
3. Payment of accrued interest shall be made quarterly, not later than September 30, December 31, March 31 and June 30.
4. The outstanding principal sum of this Note shall be due and payable in full on June 24, 2017 (the "Maturity Date"), provided, however, that if the Redevelopment Plan for the Capitola Redevelopment Project is amended to extend the time limit on receipt of tax increment revenues, then the Maturity Date shall automatically be extended until the last date on which the Agency may receive tax increment under the Redevelopment Plan, as amended.
5. Payment shall be made in lawful money of the United States to the City at 420 Capitola Avenue, Capitola, California 95010. The place of payment may be changed from time to time as the City may designate in writing.
6. Principal may be prepaid in whole or in part at any time without penalty.
7. The occurrence of the any of the following shall constitute an event of default under this Note:

- A. There shall be any failure to make the payment of principal or interest which continues for fifteen (15) days after notice that such payment is due; or
 - B. There shall be a failure to comply with any other term, obligation, covenant or condition contained herein, provided, however, that the Agency shall not be in default if the Agency, after the City sends written notice demanding cure of such failure,
 - (1) Cures the default within thirty (30) days, or
 - (2) If the cure requires more than thirty (30) days, immediately commences to cure the failure and thereafter diligently prosecutes such cure to completion within one hundred twenty (120) days after giving notice of default.
8. Upon the occurrence of any event of default, at the option of the City, the entire unpaid principal sum owing on this Note shall become immediately due and payable. This option may be exercised at any time following such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of the City's option. The City's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event of default.
9. At all times following an event of default hereunder by reason of the Agency's failure to pay principal or interest due under this Note, the interest rate on the sums as to which the Agency is in default shall bear interest as of the date such sums were due until repaid at a rate equal to the lower of the highest rate then allowed by law or five percent (5%) over the prime interest rate announced by Wells Fargo Bank, N.A. as of the date such sums were due.
10. The Agency and any endorsers of this Note and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

11. The Agency hereby pledges for repayment of the principal sum and all accrued interest of this Note property taxes allocated and paid to the Agency pursuant to Health and Safety Code Section 33670(b) from the Capitola Redevelopment Project, subject to any bonds or other indebtedness of the Agency outstanding on the date of this Note (including, without limitation, that certain agreement between the Agency and County of Santa Cruz dated November 30, 1984, regarding pass-through of tax increments and that certain Tax Increment Sharing Agreement between the Agency and the Central Fire Protection District dated December 23, 1993) and subject further to any bonds or other indebtedness issued by the Agency after the date of this Note with the consent of the City.
12. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in this Note or at such address as either party may designate by written notice.
13. This Note shall be binding on the Agency, its successors and assigns.
14. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

REDEVELOPMENT AGENCY OF THE
CITY OF CAPITOLA, a public body
corporate and politic

By:


Richard Hill, Executive Director

"AGENCY"

AMENDMENT TO PURCHASE AND SALE AGREEMENT
PERTAINING TO THE RDA ACQUISITION OF THE RISPIN PROPERTY

THIS AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into the 22nd day of June 2006, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

- A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522, which included the Project within a defined Project Area.
- B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985.
- C. On February 20, 2003, by Resolution NO. 03-01 the Planning Commission of the city of Capitola amended the Preliminary Plan for the Project to include the Property within the Project Area.
- D. On July 24, 2003 the City sold to the Agency and the Agency purchased from the City the Property for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).
- E. The payment for the sale of the Property from the City to the Agency was secured by a Promissory Note, attached to the Agreement as Exhibit B, promising the Agency to pay to the City the principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000), which shall bear interest at the rate of 5% per annum.
- F. The Agency acknowledges that the principal sum of \$1,350,000 identified in the Agreement as due to the City represent a significant sum with which the City could retire or defray some of its existing debt obligations.
- G. The City and Agency have determined that it is to the benefit of the public for the Agency and the City amend Appendix B to the Agreement and revise the interest rate.

AMENDMENT TO THE PURCHASE AND SALE AGREEMENT

NOW THEREFORE, for and in consideration of mutual covenants set forth, the City and the Agency agree to amend item 2. of Exhibit B, Promissory Note, of the Agreement to read as follows:

"2. The principal sum of this Note shall bear interest, from the date of this amendment, at a rate that equals the greater of any of the following: a) the interest rate charged by the Public Employees Retirement System for the City's unfunded liability; or, b) the true interest cost of any pension obligation bond sold by the City; or, c) the State of California Local Agency Investment Fund (LAIF); or d) 5%."

IN WITNESS WHEREOF, the parties hereto have caused the Amendment to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

By: Richard Hill
Richard Hill, City Manager
"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF
CAPITOLA, a public body corporate and politic

By: Richard Hill
Richard Hill, Executive Director
"AGENCY"

RESOLUTION NO. ____

Exhibit F

Oversight Board Resolution No. 2012-06

DRAFT

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. 2012-06

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, APPROVING THE TRANSFER OF THE RISPIN PROPERTY FROM THE SUCCESSOR AGENCY TO THE CITY OF CAPITOLA AND THE TERMINATION OF A LOAN AGREEMENT BETWEEN THE CITY AND THE SUCCESSOR AGENCY, AND MAKING RELATED FINDINGS AND DECLARATIONS

WHEREAS, on December 31, 1985, the City of Capitola (the "City") purchased certain property occupied by the Rispin Mansion and located at 2000 Wharf Road in the City of Capitola, County of Santa Cruz, State of California (Assessors' Parcel Numbers 035-371-01 and 035-371-02), as further described on **Exhibit A** and depicted on **Exhibit B** attached hereto and made a part hereof (the "Rispin Property"), for a purchase price of \$1,350,000; and

WHEREAS, the City and the Redevelopment Agency of the City of Capitola (the "Redevelopment Agency") entered into a Purchase and Sale Agreement on July 24, 2003, amended on June 22, 2006 and reentered into on April 26, 2012, and attached hereto as **Exhibit C** (the "Purchase Agreement"), whereby the City agreed to sell the Rispin Property to the Redevelopment Agency for the original purchase price of \$1,350,000 and to loan the Redevelopment Agency \$1,350,000 to be used to acquire the Rispin Property from the City for the benefit of the Redevelopment Project Area and the community, and the Redevelopment Agency agreed to repay the City from available tax increment revenues pursuant to the "Promissory Note" attached as Exhibit B to the Purchase Agreement; and

WHEREAS, on March 8, 2011, the City and the Redevelopment Agency entered into a Property Conveyance Agreement, whereby the Redevelopment Agency agreed to transfer the Rispin Property to the City, and the City agreed to accept the Rispin Property, and grant deeds evidencing the transfer of the Rispin Property to the City were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012; and

WHEREAS, on January 12, 2012, the City Council of the City adopted a resolution accepting for the City the role of Successor Agency to the Redevelopment Agency (the "Successor Agency"); and

WHEREAS, Health & Safety Code Section 34167.5 provides in part that assets transferred from the Redevelopment Agency to the City after January 1, 2011 that are not contractually committed to a third party shall be returned to the Successor Agency; and

WHEREAS, in recognition of Health & Safety Code Section 34167.5, the Successor Agency on March 22, 2012 and the City on April 12, 2012 acknowledged that the Rispin Property was an asset of the Successor Agency; and

WHEREAS, the Dissolution Act created an oversight board to oversee the Successor Agency ("Oversight Board"); and

WHEREAS, Health and Safety Code Section 34181(a) provides that the Oversight Board may direct the Successor Agency to transfer properties used for a governmental purpose to the appropriate public jurisdiction pursuant to any existing agreements related to the use of the property. Health and Safety Code Section 34181(d) provides that the Oversight Board shall direct the Successor Agency to terminate certain agreements if the Oversight Board has found that early termination would be in the best interests of the taxing entities; and

WHEREAS, at its April 30, 2012 meeting, the Oversight Board determined it would be in the best interests of the taxing entities to terminate the Purchase Agreement and transfer the Rispin Property to the City and directed the Successor Agency staff to prepare the documents needed to effectuate the transfer of the Rispin Property to the City and to terminate the Purchase Agreement; and

WHEREAS, as directed by the Oversight Board, on June 14, 2012 the Successor Agency adopted Resolution No. 002, attached hereto as **Exhibit D**, transferring the Rispin Property to the City and terminating the Purchase Agreement, to become effective upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in Health & Safety Code Section 34179(h) and 34181(f); and

WHEREAS, the Capitola City Council will consider adoption of a resolution accepting the Rispin Property and terminating the Purchase Agreement, after approval by the Oversight Board and, following that approval, if the approval becomes effective at the time and in the manner prescribed in Health & Safety Code Section 34181(f); and

**CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06**

WHEREAS, on June 15, 2012, the Oversight Board adopted Resolution No. 2012-03 approving the transfer of the Rispin Property to the City and terminating the Purchase Agreement, to become effective at the time and in the manner prescribed in Health & Safety Code Section 34179(h); and

WHEREAS, on July 9, 2012, the State Department of Finance returned the Oversight Board's action to the Oversight Board for reconsideration, and Oversight Board Resolution No. 2012-03 and Successor Agency Resolution No. 002 did not become effective. The Oversight Board desires to reconsider the transfer of the Rispin Property; and

WHEREAS, in accordance with Health & Safety Code Sections 34179(f), 34180(j), and 34181(f), the Successor Agency has provided public notice of this matter ten (10) days before the Oversight Board meeting, has posted the matter on its web site, and has submitted the proposed resolution to the Santa Cruz County Chief Administrative Officer, the Santa Cruz County Auditor Controller, and the State Department of Finance; and

WHEREAS, the accompanying staff report provides additional supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines as follows:

SECTION 1. The foregoing recitals are true and correct, and, together with information provided in the staff report and at the Oversight Board meeting, form the basis for the approvals, findings, and determinations set forth below.

SECTION 2. Section 34181(a) provides that the Oversight Board may direct the Successor Agency to transfer properties used for a governmental purpose to the appropriate public jurisdiction pursuant to any existing agreements related to the use of the property, and that any compensation to be provided to the Successor Agency for transfer of the asset shall be governed by the agreements relating to the construction or use of the asset. Health & Safety Code Section 34181(d) provides that the Oversight Board shall direct the Successor Agency to terminate certain agreements obligating the payment of debt service obligations if the Oversight Board has found that early termination would be in the best interests of the taxing entities.

SECTION 3. The Oversight Board hereby makes the following findings in relation to Health and Safety Code Section 34181(a):

A. The Rispin Property is currently used for a governmental purpose, in that it has been publicly owned since December 31, 1985, and is used for a public park, for environmentally sensitive habitat, and for preservation of an existing structure listed on the National Register of Historic Places.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

B. The following existing agreements restrict the use of the Rispin Property:

1. The Rispin Historic Garden and other portions of the Rispin Property are reserved for public use by a Public Access Easement, as shown in **Exhibit B**;

2. Pursuant to a Conservation Easement, the majority of the Rispin Property must be retained in its natural state because it is environmentally sensitive habitat, as shown in **Exhibit B**; and

3. The restrictions on the use of the Rispin Property are further enforced by a stipulated judgment in *Save the Habitat v. City of Capitola*, requiring recordation of the Public Access Easement and the Conservation Easement.

4. The Rispin Property is listed on the National Register of Historic Places, restricting the future use and development of the structures on the site.

C. The City is the appropriate public jurisdiction to receive the Rispin Property because the City originally purchased the Rispin Property, and the City is a party to the existing agreements controlling the use of the Rispin Property. Transfer of the Rispin Property to the City will terminate the Purchase Agreement and provide additional revenues to the taxing entities. No other public jurisdiction has expressed an interest in obtaining title to the Rispin Property.

D. The City will provide compensation to the Successor Agency in the amount of \$1,350,000 by cancelling the existing Purchase Agreement, which requires payment to the City of the remaining principal of \$1,350,000 to the City on June 24, 2017 if the Rispin Property remains an asset of the Successor Agency.

SECTION 4. The Oversight Board hereby finds that transfer of the Rispin Property to the City will maximize benefits and be in the best interests of the taxing entities based on the following:

A. The Rispin Mansion has deteriorated to such an extent that it is not safe for human habitation and has been sealed by the City to protect public health and safety. The City has estimated the cost of necessary rehabilitation of the Rispin Mansion to total a minimum of \$1,000,000. Sale of the Rispin Property to a private entity in its present deteriorated condition and subject to existing encumbrances on use would produce no substantial revenue for distribution to taxing entities.

B. Retention of the Rispin Property by the Successor Agency could impose substantial liabilities on the Successor Agency for required maintenance and repairs, requiring the expenditure of revenues from the Redevelopment Property Tax Trust Fund and reducing revenues to the taxing entities.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

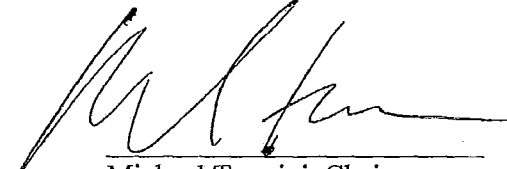
C. Based on the above, termination of the Purchase Agreement and transfer of the Rispin Property to the City will make available additional property tax revenue for distribution to the taxing entities and reduce future Successor Agency liabilities.

SECTION 5. The Oversight Board hereby approves Successor Agency Resolution 002, which Resolution effectuates the transfer of the Rispin Property to the City in accordance with Health & Safety Code Section 34181(a) and terminates the Purchase Agreement in accordance with Health & Safety Code Section 34181(d).

SECTION 6. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34181(f).

ADOPTED on the 29th day of August, 2012 by the Members of the Oversight Board of the Successor Agency for the Redevelopment Agency of the City of Capitola with the following vote, to wit:

AYES: Board Members Pirie, Ortiz, Maxwell, Bane, Reece,
Vice Chairperson Hart, Chairperson Termini
NOES: None
ABSENT: None
ABSTAIN: None



Michael Termini, Chair

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-08

Exhibit A - Legal Description

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 796.32 FEET; THENCE NORTH 28 DEGREES 37' WEST 82.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 87 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 126.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.81 FEET; THENCE SOUTH 31 DEGREES 32' EAST 858.83 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.89 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.86 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 66 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 26, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 486, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX., BY DEED RECORDED SEPTEMBER 22, 1961, IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1996, IN BOOK 5617, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1986 AND RECORDED DECEMBER 31, 1986 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 307, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 26, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 486, SANTA CRUZ COUNTY RECORDS.

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.87 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 85 DEGREES 19' WEST 176.85 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 036-371-01

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3928 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

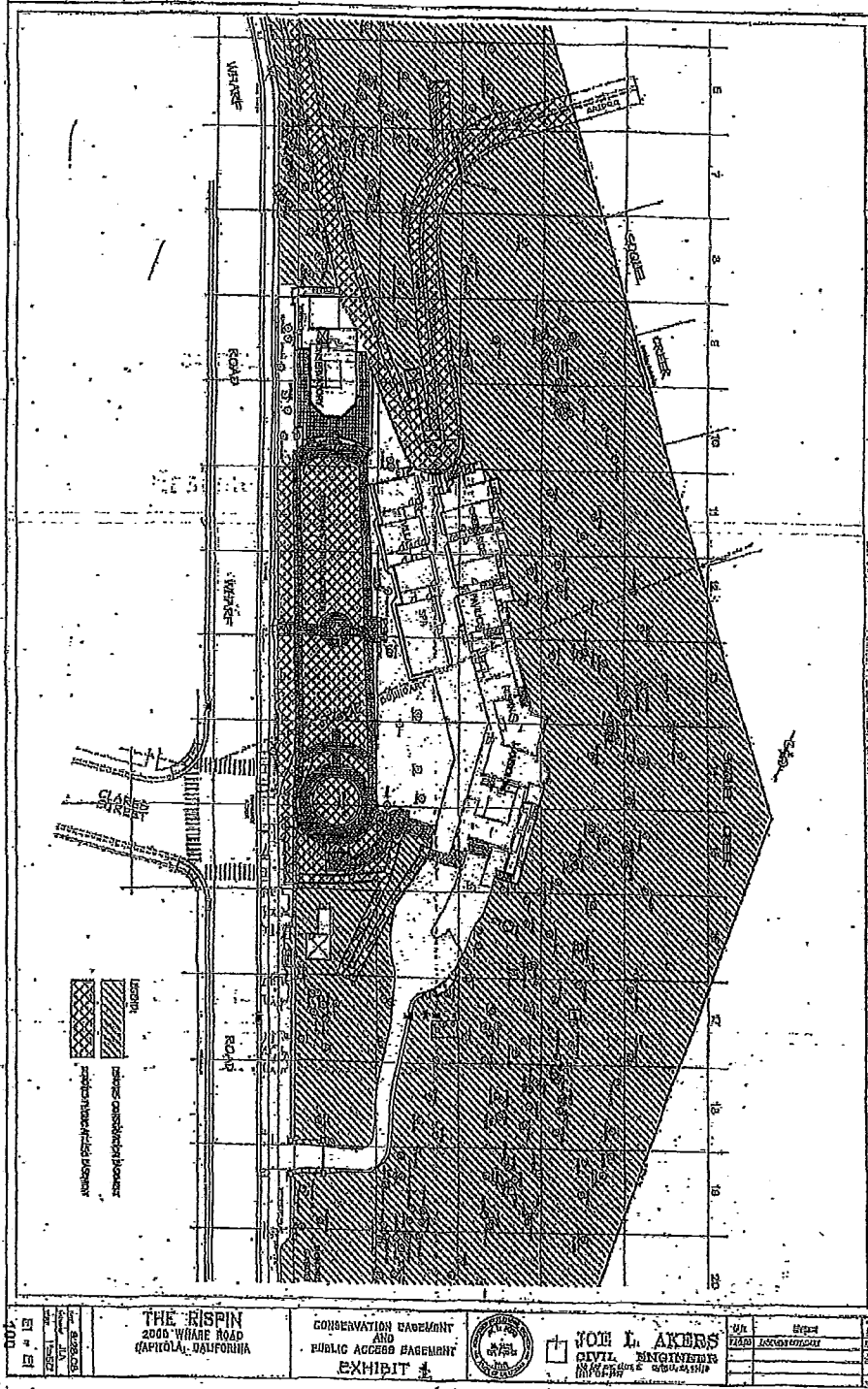
BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-08

Exhibit B
Easements Encumbering Rispin Property



CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

~~EXHIBIT C~~

Purchase Agreement [PP. 129-151]

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is entered into this 24th day of July, 2003, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522.

B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985, for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000) and is currently owned in fee by the City.

C. On August 8, 1999, by Resolution No. 3026, the City Council amended the survey area for the Project to include certain real property, including the Property, within the survey area.

D. On February 20, 2003, by Resolution No. 03-01, the Planning Commission of the City of Capitola amended the Preliminary Plan for the Project to include the Property within the Project area.

E. Health and Safety Code Sections 33391 and 33392 authorize the acquisition of the Property by the Agency.

F. Health and Safety Code Section 33220 provides that, for the purpose of aiding and cooperating in the planning or undertaking of the Project, the City may, upon the terms and with or without consideration as it determines, sell or convey any of its property to the Agency.

G. The City and the Agency have determined that it is in the public interest and in furtherance of the Redevelopment Plan for the City to convey the Property to the Agency in accordance with the terms set forth herein.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Agency agree as follows:

ARTICLE 1. PURCHASE AND SALE

1.01. Purchase and Sale. The City shall sell the Property to the Agency, and the Agency shall purchase the Property from the City, on the terms and conditions specified in this Agreement.

1.02. Purchase Price. The purchase price for the Property shall be ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000.00) (the "Purchase Price").

1.03 Payment. The Agency shall pay the Purchase Price by delivering to the City its promissory note (the "Agency Note") in the amount of the Purchase Price in the form attached hereto as Exhibit B and incorporated herein by this reference.

ARTICLE 2. CONDITIONS TO CONVEYANCE

2.01. General. The provisions of this Article are conditions precedent to the sale described in Article 1 and, unless otherwise provided expressly or by context, are covenants.

2.02. Title. The City shall cause title to the Property to be conveyed to the Agency by grant deed in the form attached hereto as Exhibit C and incorporated herein by reference subject only to exceptions approved by the Agency. Upon recording of the grant deed, the City shall cause a title insurance company selected by the parties (the "Title Company") to issue its CLTA policy of title insurance insuring title to the Property in the Agency with liability in the amount of the Purchase Price. The City shall, upon the signing of this Agreement, order from the Title Company and cause to be delivered to the Agency for its approval a preliminary title report and legible copies of all documents referred to therein covering or relating to the Property. The Agency shall approve or disapprove the condition of title within thirty (30) days of receipt of the preliminary title report. If the Agency disapproves the condition of title it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

2.03. Delivery of Documents. Within five (5) days after the date of this Agreement, the City shall deliver to the Agency, for the Agency's approval, the following:

- A. Copies of all leases that affect the Property;
- B. Copies of all environmental assessments and site characterization reports; and
- C. Copies of all soils reports, geological reports, well reports and any other reports, documents or related information pertaining to the Property.

The Agency shall approve or disapprove the condition of the Property within thirty (30) days of receipt of the foregoing documents. If the Agency disapproves the condition of the Property it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated

2.04. Possession. The City shall deliver exclusive possession of the Property to the Agency upon recording of the grant deed.

2.05 Conveyance. The City shall duly execute, acknowledge and deliver the grant deed to the Title Company and the Agency shall duly execute and deliver the Agency Note to the City not later than sixty (60) days after the date of this Agreement. The City shall cause the Title Company to promptly record the grant deed in the official land records of the County of Santa Cruz.

ARTICLE 3. RECONVEYANCE

If the Redevelopment Plan has not been amended to add the Property to the Project area by December 31, 2005, then the Agency shall re-convey the Property to the City by grant deed approved by the City and the City shall thereupon cancel the Agency Note. There shall be no repayment by the City of any interest payments made by the Agency pursuant to the Agency Note. The terms of this Article 3 shall not be deemed merged and shall survive conveyance of the Property to the Agency.

ARTICLE 4. MISCELLANEOUS

4.01. Assignment. This Agreement shall bind and inure to the benefit of the successors and assigns of both the City and the Agency. The Agency may not assign its rights under this Agreement without the prior written consent of the City.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

4.02. Interpretation. The captions of paragraphs used in this Agreement are for convenience only. The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the City and the Agency.

4.03. Time of Essence. Time is of the essence of this Agreement and of the escrow provided for herein.

4.04. Integration. This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter which are not fully expressed herein.

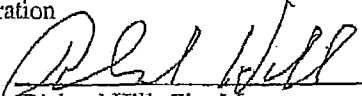
4.05. Additional Documents. From time to time prior to and after conveyance, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

4.06. California Law. This Agreement shall be governed by the laws of the State of California.

4.07. Counterparts. This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one (1) document.

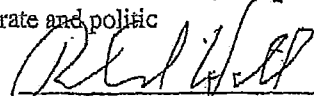
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

By: 
Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic

By: 
Richard Hill, Executive Director

"AGENCY"

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

[To be inserted.]

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**CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06**

Exhibit "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 798.32 FEET; THENCE NORTH 26 DEGREES 37' WEST 62.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 126.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.81 FEET; THENCE SOUTH 31 DEGREES 32' EAST 558.63 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.69 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.66 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 65 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 26, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 186, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX., BY DEED RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1996 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-01

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

EXHIBIT B.

PROMISSORY NOTE

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

PROMISSORY NOTE

\$1,350,000

July 24, 2003
Capitola, California

FOR VALUE RECEIVED, the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency") having an address of 420 Capitola Avenue, Capitola, California 95010, promises to pay the City of Capitola, a municipal corporation ("City") a principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).

1. This Note is made pursuant to that certain Purchase and Sale Agreement ("Agreement") between the Agency and the City dated July 24, 2003, for the purchase by the Agency of certain real property described therein (the "Property") from the City.
2. The principal sum of this Note shall bear interest, from July 24, 2003, at the rate of five percent (5%) per annum, to be adjusted annually on each June 30 by not more than a percentage of change of an index to be determined by the City Council.
3. Payment of accrued interest shall be made quarterly, not later than September 30, December 31, March 31 and June 30.
4. The outstanding principal sum of this Note shall be due and payable in full on June 24, 2017 (the "Maturity Date"), provided, however, that if the Redevelopment Plan for the Capitola Redevelopment Project is amended to extend the time limit on receipt of tax increment revenues, then the Maturity Date shall automatically be extended until the last date on which the Agency may receive tax increment under the Redevelopment Plan, as amended.
5. Payment shall be made in lawful money of the United States to the City at 420 Capitola Avenue, Capitola, California 95010. The place of payment may be changed from time to time as the City may designate in writing.
6. Principal may be prepaid in whole or in part at any time without penalty.
7. The occurrence of the any of the following shall constitute an event of default under this Note:

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

- A. There shall be any failure to make the payment of principal or interest which continues for fifteen (15) days after notice that such payment is due; or
 - B. There shall be a failure to comply with any other term, obligation, covenant or condition contained herein, provided, however, that the Agency shall not be in default if the Agency, after the City sends written notice demanding cure of such failure,
 - (1) Cures the default within thirty (30) days, or
 - (2) If the cure requires more than thirty (30) days, immediately commences to cure the failure and thereafter diligently prosecutes such cure to completion within one hundred twenty (120) days after giving notice of default.
8. Upon the occurrence of any event of default, at the option of the City, the entire unpaid principal sum owing on this Note shall become immediately due and payable. This option may be exercised at any time following such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of the City's option. The City's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event of default.
9. At all times following an event of default hereunder by reason of the Agency's failure to pay principal or interest due under this Note, the interest rate on the sums as to which the Agency is in default shall bear interest as of the date such sums were due until repaid at a rate equal to the lower of the highest rate then allowed by law or five percent (5%) over the prime interest rate announced by Wells Fargo Bank, N.A. as of the date such sums were due.
10. The Agency and any endorsers of this Note and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

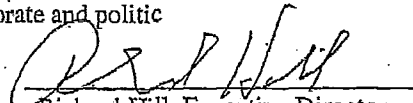
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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

11. The Agency hereby pledges for repayment of the principal sum and all accrued interest of this Note property taxes allocated and paid to the Agency pursuant to Health and Safety Code Section 33670(b) from the Capitola Redevelopment Project, subject to any bonds or other indebtedness of the Agency outstanding on the date of this Note (including, without limitation, that certain agreement between the Agency and County of Santa Cruz dated November 30, 1984, regarding pass-through of tax increments and that certain Tax Increment Sharing Agreement between the Agency and the Central Fire Protection District dated December 23, 1993) and subject further to any bonds or other indebtedness issued by the Agency after the date of this Note with the consent of the City.
12. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in this Note or at such address as either party may designate by written notice.
13. This Note shall be binding on the Agency, its successors and assigns.
14. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

REDEVELOPMENT AGENCY OF THE
CITY OF CAPITOLA, a public body
corporate and politic

By:


Richard Hill, Executive Director

"AGENCY"

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

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EXHIBIT C

GRANT DEED

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

COPY of Document Recorded
05-Aug-2003 2003-0077748 142
Has not been compared with
original
SANTA CRUZ COUNTY RECORDER

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The Redevelopment Agency
of the City of Capitola
420 Capitola Avenue
Capitola, CA 95010

APNS: 035-371-01 and 035-371-02

GRANT DEED

COPY of Document Recorded
05-Aug-2003 2003-0077748 142

Has not been compared with
original

SANTA CRUZ COUNTY RECORDER

For valuable consideration, the receipt of which is hereby acknowledged,

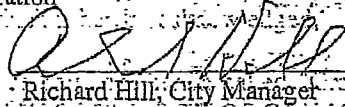
THE CITY OF CAPITOLA, a municipal corporation (herein called "Grantor"), hereby grants to THE REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic, of the State of California (herein called "Grantee"), the real property (the "Site") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference.

The Site is conveyed pursuant to that certain Purchase and Sale Agreement entered into by and between Grantor and Grantee dated July 24, 2003.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this 24th day of July, 2003.

CITY OF CAPITOLA, a municipal corporation

By:



Richard Hill, City Manager

THE CITY OF CAPITOLA, a municipal corporation, hereby grants to THE REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic, of the State of California, the real property (the "Site") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference.

The Site is conveyed pursuant to that certain Purchase and Sale Agreement entered into by and between Grantor and Grantee dated July 24, 2003.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this 24th day of July, 2003.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

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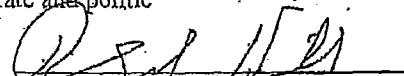
ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated July 24, 2003, from the City of Capitola to The Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency"), is hereby accepted by order of the undersigned officer on behalf of the Agency pursuant to authority conferred by resolution of the Agency adopted on July 24, 2003, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: July 24, 2003.

REDEVELOPMENT AGENCY OF THE
CITY OF CAPITOLA, a public body
corporate and politic

By:


Richard Hill, Executive Director

"GRANTEE"

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 31, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 490.46 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 798.32 FEET; THENCE NORTH 26 DEGREES 37' WEST 62.32 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 98.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 51 DEGREES 56' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 126.74 FEET; THENCE SOUTH 3 DEGREES 31' WEST 81.61 FEET; THENCE SOUTH 31 DEGREES 32' EAST 558.63 FEET; THENCE SOUTH 5 DEGREES 15' WEST 404.69 FEET; THENCE SOUTH 17 DEGREES 57' EAST 575.66 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 65 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 520, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX., BY DEED RECORDED JULY 26, 1957, IN VOLUME 1141, OF OFFICIAL RECORDS, AT PAGE 186, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX., BY DEED RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1996 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

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**CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06**

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1961 AND RECORDED SEPTEMBER 22, 1961 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 15, 1907 IN BOOK 13 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-01

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

EXHIBIT "A"

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1985 IN BOOK 3926 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

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THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 80 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 15' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 65 DEGREES 19' WEST 176.95 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Santa Cruz } ss.

On August 5, 2003, before me, Pamela L. Greeninger, Notary Public
Date Name and Title of Officer (a.g., "Jane Doe, Notary Public")
personally appeared Richard Hill
Name(s) of Signor(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person whose name (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 that by (his) her/their signature(s) on the instrument the person (x), or the entity upon behalf of which the person (x) acted, executed the instrument.

WITNESS my hand and official seal.

Pamela L. Greeninger
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Grant Deed (Rispin Property)

Document Date: July 24, 2003 Number of Pages: 6

Signer(s) Other Than Named Above: _____

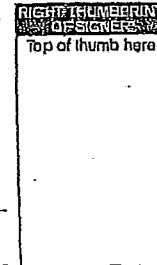
Capacity(ies) Claimed by Signer

Signer's Name: Richard Hill

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: City of Capitola City Manager

Redevelopment Agency of the City of Capitola

Signer is Representing: Executive Director



CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

AMENDMENT TO PURCHASE AND SALE AGREEMENT
PERTAINING TO THE RDA ACQUISITION OF THE RISPIN PROPERTY

THIS AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into the 22nd day of June 2006, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

- A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522, which included the Project within a defined Project Area.
- B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985.
- C. On February 20, 2003, by Resolution NO. 03-01 the Planning Commission of the city of Capitola amended the Preliminary Plan for the Project to include the Property within the Project Area.
- D. On July 24, 2003 the City sold to the Agency and the Agency purchased from the City the Property for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).
- E. The payment for the sale of the Property from the City to the Agency was secured by a Promissory Note, attached to the Agreement as Exhibit B, promising the Agency to pay to the City the principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000), which shall bear interest at the rate of 5% per annum.
- F. The Agency acknowledges that the principal sum of \$1,350,000 identified in the Agreement as due to the City represent a significant sum with which the City could retire or defray some of its existing debt obligations.
- G. The City and Agency have determined that it is to the benefit of the public for the Agency and the City amend Appendix B to the Agreement and revise the interest rate.

AMENDMENT TO THE PURCHASE AND SALE AGREEMENT

NOW THEREFORE, for and in consideration of mutual covenants set forth, the City and the Agency agree to amend item 2. of Exhibit B, Promissory Note, of the Agreement to read as follows:

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

"2. The principal sum of this Note shall bear interest, from the date of this amendment, at a rate that equals the greater of any of the following: a) the interest rate charged by the Public Employees Retirement System for the City's unfunded liability; or, b) the true interest cost of any pension obligation bond sold by the City; or, c) the State of California Local Agency Investment Fund (LAIF); or d) 5%."

IN WITNESS WHEREOF, the parties hereto have caused the Amendment to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

By: Richard Hill
Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF
CAPITOLA, a public body corporate and politic

By: Richard Hill
Richard Hill, Executive Director

"AGENCY"

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

Exhibit D
Successor Agency Resolution No.002

RESOLUTION NO. 002

RESOLUTION OF THE CITY OF CAPITOLA ACTING AS THE SUCCESSOR AGENCY TO
THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA,
TRANSFERRING THE RISPIN PROPERTY TO THE CITY OF CAPITOLA AND
TERMINATING A PURCHASE AGREEMENT

WHEREAS, on December 31, 1985, the City of Capitola (the "City") purchased certain property occupied by the Rispin Mansion and located at 2000 Wharf Road in the City of Capitola, County of Santa Cruz, State of California (Assessors' Parcel Numbers 035-371-01 and 035-371-02), as further described on Exhibit A and depicted on Exhibit B attached hereto and made a part hereof (the "Rispin Property"), for a purchase price of \$1,350,000; and

WHEREAS, the City and the Redevelopment Agency of the City of Capitola (the "Redevelopment Agency") entered into a Purchase and Sale Agreement on July 24, 2003, amended on June 22, 2006 and reentered into on April 26, 2012, and attached hereto as Exhibit C (the "Purchase Agreement"), whereby the City agreed to sell the Rispin Property to the Redevelopment Agency for the original purchase price of \$1,350,000 and to loan the Redevelopment Agency \$1,350,000 to be used to acquire the Rispin Property from the City for the benefit of the Redevelopment Project Area and the community, and the Redevelopment Agency agreed to repay the City from available tax increment revenues pursuant to the Promissory Note attached as Exhibit B to the Purchase Agreement; and

WHEREAS, on March 8, 2011, the City and the Redevelopment Agency entered into a "Property Conveyance Agreement," whereby the Redevelopment Agency agreed to transfer the Rispin Property to the City, and the City agreed to accept the Rispin Property, and grant deeds evidencing the transfer of the Rispin Property to the City were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012; and

WHEREAS, on January 12, 2012, the City Council of the City adopted a resolution accepting for the City the role of Successor Agency to the Redevelopment Agency (the "Successor Agency"); and

WHEREAS, Health & Safety Code Section 34167.5 provides in part that assets transferred from the Redevelopment Agency to the City after January 1, 2011 that are not contractually committed to a third party shall be returned to the Successor Agency; and

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**CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06**

SUCCESSOR AGENCY RESOLUTION NO. 002

WHEREAS, in recognition of Health & Safety Code Section 34167.5, the Successor Agency on March 22, 2012 and the City on April 12, 2012 acknowledged that the Rispin Property was an asset of the Successor Agency; and

WHEREAS, the Dissolution Act created an oversight board to oversee the Successor Agency ("Oversight Board"); and

WHEREAS, while the Dissolution Act generally provides that agreements between the Redevelopment Agency and the City are not enforceable obligations, Health & Safety Code Sections 34178(a) and 34180(h) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements; and

WHEREAS, at its April 12, 2012 meeting the Oversight Board for the Successor Agency by a unanimous vote authorized the Successor Agency to reenter into the Purchase Agreement; and

WHEREAS, the City and the Successor Agency reentered into the Purchase Agreement on April 26, 2012; and

WHEREAS, Health and Safety Code Section 34177(e) requires the Successor Agency to dispose of properties of the Redevelopment Agency as directed by the Oversight Board, and Health and Safety Code Section 34181(d) provides that the Oversight Board shall direct the Successor Agency to terminate certain agreements if the Oversight Board has found that early termination would be in the best interests of the taxing entities; and; and

WHEREAS, at its April 30, 2012 meeting, the Oversight Board determined it would be in the best interests of the taxing entities to terminate the Purchase Agreement and transfer the Rispin Property to the City and directed the Successor Agency staff to prepare the documents needed to effectuate the transfer of the Rispin Property to the City and to terminate the Purchase Agreement; and

WHEREAS, pursuant to Section 15061(b)(3) of the CEQA Guidelines, transfer of the Rispin Property from the Successor Agency to the City is exempt from the requirements of CEQA because it can be seen with certainty that there is no possibility that transfer of the Rispin Property may have a significant effect on the environment, in that the use of the Rispin Property will not change or otherwise be modified following the conveyance by the Successor Agency to the City.

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency as follows:

Section 1. Recitals. The foregoing recitals are true and correct, and are hereby incorporated by reference.

Section 2. Conveyance and Consideration. As directed by the Oversight Board and consistent with Health and Safety Code Section 34177(e), the Successor Agency hereby transfers the Rispin Property to the City in consideration for the City's agreement to terminate the Purchase Agreement.

Section 3. Termination of Purchase Agreement. As directed by the Oversight Board and consistent with Health and Safety Code Section 34181(d), the Successor Agency hereby terminates the Purchase Agreement as shown in Exhibit C.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

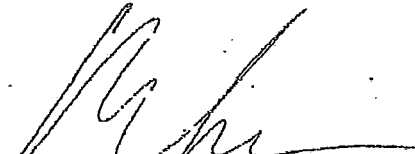
SUCCESSOR AGENCY RESOLUTION NO. 002


Section 4. Method of Conveyance. Grant deeds evidencing the transfer of the Rispin Property to the City were recorded in the Official Records of Santa Cruz County, California on March 10, 2011 as Documents Nos. 2011-0010678 and 2011-0010679.

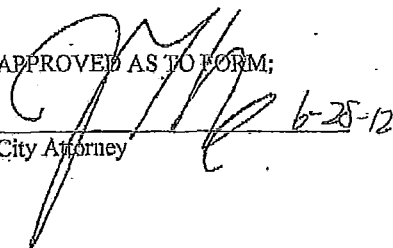
Section 5. Effect of Property Conveyance Agreement. Nothing in this Resolution shall be deemed to invalidate or amend the terms of the Property Conveyance Agreement. The Property Conveyance Agreement shall remain in full force and effect according to its original terms.

Section 6. Effective Date. This Resolution shall take effect upon approval by the Oversight Board and, following that approval, at the time and in the manner prescribed in Health & Safety Code Section 34179(h).

PASSED AND ADOPTED on the 14th day of June, 2012 by the Successor Agency for the Redevelopment Agency of the City of Capitola with the following vote, to wit:


Michael Termini, Chair

ATTEST: 
Susan Sneddon, Secretary

APPROVED AS TO FORM;

City Attorney 6-25-12

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

Exhibit A: Legal Description

The land referred to herein is described as follows:

SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AT THE MOST SOUTHERLY CORNER OF LOT 1 OF BLOCK "P", AS SAID LOT AND BLOCK ARE DELINEATED AND SO DESIGNATED ON THAT CERTAIN MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", ETC., FILED FOR RECORD AUGUST 15, 1907, IN BOOK 13 OF MAPS, AT PAGE 81, SANTA CRUZ COUNTY RECORDS, AND RUNNING THENCE ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, THE FOLLOWING COURSES AND DISTANCES: NORTH 21 DEGREES 27' 30" WEST 400.16 FEET; THENCE NORTH 18 DEGREES 38' WEST 110.86 FEET; THENCE NORTH 15 DEGREES 21' WEST 788.32 FEET; THENCE NORTH 28 DEGREES 37' WEST 82.52 FEET; THENCE NORTH 38 DEGREES 24' WEST 72.50 FEET; THENCE NORTH 57 DEGREES 14' WEST 88.21 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD NORTH 61 DEGREES 58' EAST 303.23 FEET TO THE CENTER OF SOQUEL CREEK; THENCE DOWN THE CENTER OF SAID CREEK THE FOLLOWING COURSES AND DISTANCES, SOUTH 13 DEGREES 10' EAST 128.74 FEET; THENCE SOUTH 3 DEGREES 34' WEST 81.81 FEET; THENCE SOUTH 31 DEGREES 32' EAST 566.09 FEET; THENCE SOUTH 6 DEGREES 13' WEST 404.89 FEET; THENCE SOUTH 17 DEGREES 57' EAST 875.86 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 1 OF BLOCK "P" OF CAPITOLA HEIGHTS; THENCE LEAVING SAID CREEK AND ALONG SAID SOUTHEASTERLY LINE OF SAID LOT 1, SOUTH 66 DEGREES 07' 30" WEST 124.92 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO BRADLEY M. MC DONALD, ET AL, BY DEED RECORDED ON FEBRUARY 1, 1951, IN VOLUME 808, OF OFFICIAL RECORDS, AT PAGE 620, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO CHARLEY ASHTON, ET UX, BY DEED RECORDED JULY 26, 1967, IN VOLUME 1144, OF OFFICIAL RECORDS, AT PAGE 186, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SO MUCH OF THE ABOVE DESCRIBED PARCEL OF LAND AS WAS CONVEYED TO EDWIN G. SPAITH, ET UX, BY DEED RECORDED SEPTEMBER 22, 1951 IN VOLUME 1425, OF OFFICIAL RECORDS, AT PAGE 402, SANTA CRUZ COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTIFICATE OF COMPLIANCE RECORDED OCTOBER 3, 1986 IN BOOK 5917, PAGE 484, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 8, 1985 AND RECORDED DECEMBER 31, 1986 IN BOOK 3928 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1981 AND RECORDED SEPTEMBER 22, 1981 IN VOLUME 1425 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 16, 1907 IN BOOK 18 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 15 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 60 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 16' WEST 280.67 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 86 DEGREES 10' WEST 176.98 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-01

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

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SITUATE IN THE CITY OF CAPITOLA, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

BEING A PORTION OF THE LANDS CONVEYED TO CAPITOLA PUBLIC FACILITIES CORPORATION, A MUNICIPAL CORPORATION BY GRANT DEED DATED DECEMBER 3, 1985 AND RECORDED DECEMBER 31, 1986 IN BOOK 3928 OF OFFICIAL RECORDS AT PAGE 107, SANTA CRUZ COUNTY RECORDS, AND MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE NORTHWESTERN CORNER OF THE LANDS CONVEYED TO EDWIN G. SPAITH AND JUNE M. SPAITH, HIS WIFE, IN JOINT TENANCY, BY GRANT DEED DATED SEPTEMBER 18TH, 1981 AND RECORDED SEPTEMBER 22, 1981 IN VOLUME 1426 OF OFFICIAL RECORDS AT PAGE 402, SANTA CRUZ COUNTY RECORDS IN THE NORTHEAST LINE OF THE COUNTY ROAD LEADING FROM SOQUEL TO SOQUEL WHARF AS SHOWN AND DELINEATED ON THE MAP ENTITLED, "MAP OF CAPITOLA HEIGHTS", FILED FOR RECORD ON AUGUST 18, 1907 IN BOOK 18 OF MAPS AT PAGE 31, SANTA CRUZ COUNTY RECORDS;

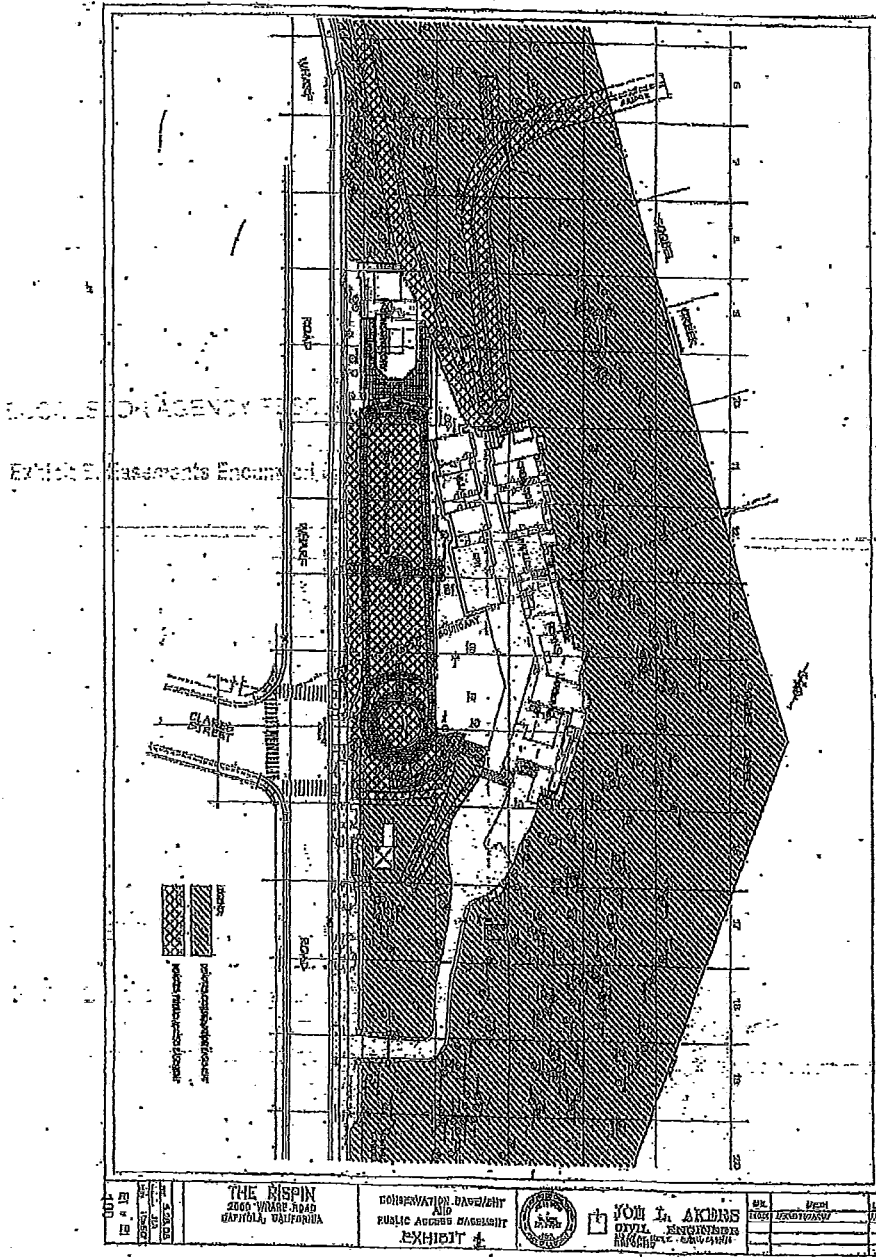
THENCE FROM SAID POINT OF BEGINNING ALONG SAID NORTHEASTERN LINE AND BOUNDARY OF SAID FIRST MENTIONED LANDS CONVEYED TO THE CAPITOLA PUBLIC FACILITIES CORPORATION, BEING THE SOUTHWESTERN BOUNDARY OF BLOCK P AS SHOWN ON THE AFORESAID MAP NORTH 18 DEGREES 21' WEST 334.31 FEET TO AN INTERSECTION WITH THE EASTERLY PROLONGATION OF THE CENTERLINE OF GRACE STREET, 80 FEET WIDE, (SHOWN AS RODEO AVENUE ON THE AFORESAID MAP) THENCE LEAVING SAID LAST MENTIONED LINE OF THE COUNTY ROAD AND BOUNDARY OF THE LANDS OF CAPITOLA PUBLIC FACILITIES CORPORATION AND BLOCK P AND ALONG THE AFORESAID EASTERLY PROLONGATION NORTH 89 DEGREES 47' EAST 272.21 FEET TO THE NORTHEASTERN BOUNDARY OF SAID LANDS CONVEYED TO THE CAPITOLA PUBLIC UTILITIES CORPORATION IN THE CENTER OF SOQUEL CREEK; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE CENTER OF SAID CREEK SOUTH 5 DEGREES 16' WEST 250.57 FEET, A LITTLE MORE OR LESS TO THE NORTHEASTERN CORNER OF THE AFOREMENTIONED LANDS CONVEYED TO SPAITH; THENCE ALONG SAID LAST MENTIONED BOUNDARY SOUTH 86 DEGREES 18' WEST 176.86 FEET, A LITTLE MORE OR LESS TO THE PLACE OF BEGINNING.

APN: 035-371-02

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

Exhibit B: Easements Encumbering Rispin Property



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**CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06**

SUCCESSOR AGENCY RESOLUTION NO. 002

Exhibit C
Purchase Agreement Reentering into Loan Agreement
April 16, 2012 2003 Rispin Purchase Loan

**AGREEMENT REENTERING INTO LOAN AGREEMENT
(2003 Rispin Purchase Loan)**

This Agreement Reentering into Loan Agreement ("Agreement") is entered into this 26 day of April 2012 by and between the City of Capitola, a California municipal corporation ("City") and the City of Capitola acting as the Successor Agency to the former Redevelopment Agency of the City of Capitola ("Successor Agency").

WHEREAS, the City and the Redevelopment Agency of the City of Capitola (the "Redevelopment Agency") entered into a Purchase and Sale Agreement on July 24, 2003, attached hereto as Exhibit A (the "Loan Agreement"), whereby the City agreed to loan the Redevelopment Agency \$1,350,000 to be used for purposes of acquiring the Rispin Mansion property for park and recreational purposes for the benefit of the Redevelopment Project Area and the community, and the Redevelopment Agency agreed to repay the City over time from available tax increment revenues pursuant to the "Promissory Note" attached as Exhibit B to the July 24, 2003 Loan Agreement; and

WHEREAS, the Rispin Mansion property was acquired by the Redevelopment Agency on December 31, 1985 and

WHEREAS, on February 1, 2012, pursuant to AB1x 26 (the "Dissolution Act"), the Redevelopment Agency, along with all redevelopment agencies in the State of California, was dissolved, and all assets and obligations of the Redevelopment Agency were transferred by operation of law to the Successor Agency; and

WHEREAS, the Rispin Mansion property is an asset of the Successor Agency, as recognized by the Capitola City Council at its meeting of April 12, 2012; and

WHEREAS, the Dissolution Act creates an oversight board for each redevelopment agency to oversee the wind down of the Redevelopment Agency ("Oversight Board"); and

WHEREAS, the Dissolution Act requires that the Successor Agency prepare and the Oversight Board approve a Recognized Obligation Payment Schedule setting forth all Enforceable Obligations (as defined in the Dissolution Act) of the Redevelopment Agency. The Dissolution Act generally provides that agreements between the Redevelopment Agency and the City are not Enforceable Obligations but Health & Safety Code Sections 34178(a) and 34180(f) authorize the Successor Agency and the City, with Oversight Board approval, to reenter into such agreements; and

WHEREAS, at its April 12, 2012 meeting the Oversight Board for the Successor Agency by a unanimous vote authorized the Successor Agency to reenter into the Loan Agreement; and

WHEREAS, the City and the Successor Agency have determined that reentering into the Loan Agreement is in the best interests of the City and the Successor Agency.

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The foregoing recitals are true and correct, and are hereby incorporated by reference and made part of this Agreement.
2. The Successor Agency and the City hereby agree to reenter into the Loan Agreement under the terms and conditions set forth in the Loan Agreement, provided, however, all references in the Loan Agreement to the "Redevelopment Agency of the City of Capitola" or "Agency" shall be deemed to refer to the Successor Agency. The City and the Successor Agency agree that notwithstanding anything set forth in the Loan Agreement, with approval of the Oversight Board, the Successor Agency can prepay the full amount owed under the Loan Agreement at any time without penalty.
3. In reentering into the Loan Agreement, the City is acting in its capacity as a municipal corporation, while the Successor Agency is acting in its capacity as the successor to the former Redevelopment Agency; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by Health & Safety Code Sections 34178(a) and 34180(h) authorizing agreements between the City and the Successor Agency. In consequence, the parties to this Agreement are not merged.
4. Except as amended by the foregoing provisions of this Agreement, the Loan Agreement shall remain in full force and effect.
5. This Agreement shall take effect from and after the date of execution of this Agreement by both parties.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereof as of the date first written above.

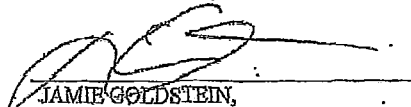
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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

~~SUCCESSOR AGENCY RESOLUTION NO. 002~~

CITY OF CAPITOLA, CALIFORNIA,
a California municipal corporation ("CITY")

APPROVED AS TO FORM:



JAMIE GOLDSTEIN,
City Manager

ATTEST:


Susan Sneddon, City Clerk

CITY OF CAPITOLA, CALIFORNIA,
a California municipal corporation
acting as the Successor Agency to the former City of Capitola Redevelopment Agency
("SUCCESSOR AGENCY")

APPROVED AS TO FORM:


JAMIE GOLDSTEIN,
City Manager

ATTEST:


Susan Sneddon, City Clerk

1098(011) (33984.1
4/16/2012

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

Exhibit A
Loan Agreement

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is entered into this 24th day of July, 2003, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522.

B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985, for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000) and is currently owned in fee by the City.

C. On August 8, 1999, by Resolution No. 3026, the City Council amended the survey area for the Project to include certain real property, including the Property, within the survey area.

D. On February 20, 2003, by Resolution No. 03-01, the Planning Commission of the City of Capitola amended the Preliminary Plan for the Project to include the Property within the Project area.

E. Health and Safety Code Sections 33391 and 33392 authorize the acquisition of the Property by the Agency.

F. Health and Safety Code Section 33220 provides that, for the purpose of aiding and cooperating in the planning or undertaking of the Project, the City may, upon the terms and with or without consideration as it determines, sell or convey any of its property to the Agency.

G. The City and the Agency have determined that it is in the public interest and in furtherance of the Redevelopment Plan for the City to convey the Property to the Agency in accordance with the terms set forth herein.

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Agency agree as follows:

ARTICLE 1. PURCHASE AND SALE

1.01. Purchase and Sale. The City shall sell the Property to the Agency, and the Agency shall purchase the Property from the City, on the terms and conditions specified in this Agreement.

1.02. Purchase Price. The purchase price for the Property shall be ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000.00) (the "Purchase Price").

1.03. Payment. The Agency shall pay the Purchase Price by delivering to the City its promissory note (the "Agency Note") in the amount of the Purchase Price in the form attached hereto as Exhibit B and incorporated herein by this reference.

ARTICLE 2. CONDITIONS TO CONVEYANCE

2.01. General. The provisions of this Article are conditions precedent to the sale described in Article 1 and, unless otherwise provided expressly or by context, are covenants.

2.02. Title. The City shall cause title to the Property to be conveyed to the Agency by grant deed in the form attached hereto as Exhibit C and incorporated herein by reference subject only to exceptions approved by the Agency. Upon recording of the grant deed, the City shall cause a title insurance company selected by the parties (the "Title Company") to issue its CLTA policy of title insurance insuring title to the Property in the Agency with liability in the amount of the Purchase Price. The City shall, upon the signing of this Agreement, order from the Title Company and cause to be delivered to the Agency for its approval a preliminary title report and legible copies of all documents referred to therein covering or relating to the Property. The Agency shall approve or disapprove the condition of title within thirty (30) days of receipt of the preliminary title report. If the Agency disapproves the condition of title it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated.

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 001

2.03. Delivery of Documents. Within five (5) days after the date of this Agreement, the City shall deliver to the Agency, for the Agency's approval, the following:

- A. Copies of all leases that affect the Property;
- B. Copies of all environmental assessments and site characterization reports; and
- C. Copies of all soils reports, geological reports, well reports and any other reports, documents or related information pertaining to the Property.

The Agency shall approve or disapprove the condition of the Property within thirty (30) days of receipt of the foregoing documents. If the Agency disapproves the condition of the Property it shall do so in writing within such thirty (30) day period and, in such event, this Agreement shall be automatically terminated.

2.04. Possession. The City shall deliver exclusive possession of the Property to the Agency upon recording of the grant deed.

2.05. Conveyance. The City shall duly execute, acknowledge and deliver the grant deed to the Title Company and the Agency shall duly execute and deliver the Agency Note to the City not later than sixty (60) days after the date of this Agreement. The City shall cause the Title Company to promptly record the grant deed in the official land records of the County of Santa Cruz.

ARTICLE 3. RECONVEYANCE

If the Redevelopment Plan has not been amended to add the Property to the Project area by December 31, 2005, then the Agency shall re-convey the Property to the City by grant deed approved by the City and the City shall thereupon cancel the Agency Note. There shall be no repayment by the City of any interest payments made by the Agency pursuant to the Agency Note. The terms of this Article 3 shall not be deemed merged and shall survive conveyance of the Property to the Agency.

ARTICLE 4. MISCELLANEOUS

4.01. Assignment. This Agreement shall bind and inure to the benefit of the successors and assigns of both the City and the Agency. The Agency may not assign its rights under this Agreement without the prior written consent of the City.

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

~~SUCCESSOR AGENCY RESOLUTION NO. 002~~

4.02. Interpretation. The captions of paragraphs used in this Agreement are for convenience only. The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the City and the Agency.

4.03. Time of Essence. Time is of the essence of this Agreement and of the escrow provided for herein.

4.04. Integration. This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, relating to the subject matter which are not fully expressed herein.

4.05. Additional Documents. From time to time prior to and after conveyance, each party shall execute and deliver such instruments of transfer and other documents as may be reasonably requested by the other party to carry out the purpose and intent of this Agreement.

4.06. California Law. This Agreement shall be governed by the laws of the State of California.

4.07. Counterparts. This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one (1) document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

By: Richard Hill
Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF CAPITOLA, a public body corporate and politic

By: Richard Hill
Richard Hill, Executive Director

"AGENCY"

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

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SUCCESSOR AGENCY RESOLUTION NO. 012

Exhibit B
Promissory Note

PROMISSORY NOTE

\$1,350,000

July 24, 2003
Capitola, California

FOR VALUE RECEIVED, the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency") having an address of 420 Capitola Avenue, Capitola, California 95010, promises to pay the City of Capitola, a municipal corporation ("City") a principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).

1. This Note is made pursuant to that certain Purchase and Sale Agreement ("Agreement") between the Agency and the City dated July 24, 2003, for the purchase by the Agency of certain real property described therein (the "Property") from the City.
2. The principal sum of this Note shall bear interest, from July 24, 2003, at the rate of five percent (5%) per annum, to be adjusted annually on each June 30 by not more than a percentage of change of an index to be determined by the City Council.
3. Payment of accrued interest shall be made quarterly, not later than September 30, December 31, March 31 and June 30.
4. The outstanding principal sum of this Note shall be due and payable in full on June 24, 2017 (the "Maturity Date"), provided, however, that if the Redevelopment Plan for the Capitola Redevelopment Project is amended to extend the time limit on receipt of tax increment revenues, then the Maturity Date shall automatically be extended until the last date on which the Agency may receive tax increment under the Redevelopment Plan, as amended.
5. Payment shall be made in lawful money of the United States to the City at 420 Capitola Avenue, Capitola, California 95010. The place of payment may be changed from time to time as the City may designate in writing.
6. Principal may be prepaid in whole or in part at any time without penalty.
7. The occurrence of the any of the following shall constitute an event of default under this Note:

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CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

~~SUCCESSOR AGENCY RESOLUTION NO. 002~~

- A. There shall be any failure to make the payment of principal or interest which continues for fifteen (15) days after notice that such payment is due; or
- B. There shall be a failure to comply with any other term, obligation, covenant or condition contained herein, provided, however, that the Agency shall not be in default if the Agency, after the City sends written notice demanding cure of such failure,
- (1) Cures the default within thirty (30) days, or
 - (2) If the cure requires more than thirty (30) days, immediately commences to cure the failure and thereafter diligently prosecutes such cure to completion within one hundred twenty (120) days after giving notice of default.
8. Upon the occurrence of any event of default, at the option of the City, the entire unpaid principal sum owing on this Note shall become immediately due and payable. This option may be exercised at any time following such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of the City's option. The City's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event of default.
9. At all times following an event of default hereunder by reason of the Agency's failure to pay principal or interest due under this Note, the interest rate on the sums as to which the Agency is in default shall bear interest as of the date such sums were due until repaid at a rate equal to the lower of the highest rate then allowed by law or five percent (5%) over the prime interest rate announced by Wells Fargo Bank, N.A. as of the date such sums were due.
10. The Agency and any endorsers of this Note and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.

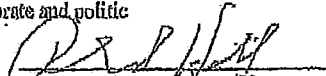
CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

~~SUCCESSOR AGENCY RESOLUTION NO. 009~~

11. The Agency hereby pledges for repayment of the principal sum and all accrued interest of this Note property taxes allocated and paid to the Agency pursuant to Health and Safety Code Section 33670(b) from the Capitola Redevelopment Project, subject to any bonds or other indebtedness of the Agency outstanding on the date of this Note (including, without limitation, that certain agreement between the Agency and County of Santa Cruz dated November 30, 1984, regarding pass-through of tax increments and that certain Tax Increment Sharing Agreement between the Agency and the Central Fire Protection District dated December 23, 1993) and subject further to any bonds or other indebtedness issued by the Agency after the date of this Note with the consent of the City.
12. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested, at the address stated in this Note or at such address as either party may designate by written notice.
13. This Note shall be binding on the Agency, its successors and assigns.
14. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

REDEVELOPMENT AGENCY OF THE
CITY OF CAPITOLA, a public body
corporate and politic

By:


Richard Hill, Executive Director

"AGENCY"

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**CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06**

~~SUCCESSOR AGENCY RESOLUTION NO. 002~~

**AMENDMENT TO PURCHASE AND SALE AGREEMENT
PERTAINING TO THE RDA ACQUISITION OF THE RISPIN PROPERTY**

THIS AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into the 22nd day of June 2006, by and between the City of Capitola, a municipal corporation ("City") and the Redevelopment Agency of the City of Capitola, a public body corporate and politic ("Agency").

RECITALS

- A. The Redevelopment Plan for the Capitola Redevelopment Project ("Project") was adopted by the City on June 24, 1982, by Ordinance No. 522, which included the Project within a defined Project Area.
- B. That certain real property legally described in Exhibit A (the "Property") was acquired by the City on December 31, 1985.
- C. On February 20, 2003, by Resolution NO. 03-01 the Planning Commission of the city of Capitola amended the Preliminary Plan for the Project to include the Property within the Project Area.
- D. On July 24, 2003 the City sold to the Agency and the Agency purchased from the City the Property for a purchase price of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000).
- E. The payment for the sale of the Property from the City to the Agency was secured by a Promissory Note, attached to the Agreement as Exhibit B, promising the Agency to pay to the City the principal sum of ONE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000), which shall bear interest at the rate of 5% per annum.
- F. The Agency acknowledges that the principal sum of \$1,350,000 identified in the Agreement as due to the City represent a significant sum with which the City could retire or defray some of its existing debt obligations.
- G. The City and Agency have determined that it is to the benefit of the public for the Agency and the City amend Appendix B to the Agreement and revise the interest rate.

AMENDMENT TO THE PURCHASE AND SALE AGREEMENT

NOW THEREFORE, for and in consideration of mutual covenants set forth, the City and the Agency agree to amend item 2. of Exhibit B, Promissory Note, of the Agreement to read as follows:

CAPITOLA SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. 2012-06

SUCCESSOR AGENCY RESOLUTION NO. 002

"2. The principal sum of this Note shall bear interest, from the date of this amendment, at a rate that equals the greater of any of the following: a) the interest rate charged by the Public Employees Retirement System for the City's unfunded liability; or, b) the true interest cost of any pension obligation bond sold by the City; or, c) the State of California Local Agency Investment Fund (LAIF); or d) 5%."

IN WITNESS WHEREOF, the parties hereto have caused the Amendment to be executed by their respective representatives thereunto duly authorized as of the date first written above.

CITY OF CAPITOLA, a municipal corporation

By: Richard Hill
Richard Hill, City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY OF
CAPITOLA, a public body corporate and politic

By: Richard Hill
Richard Hill, Executive Director

"AGENCY"



CITY COUNCIL AGENDA REPORT

MEETING OF OCTOBER 10, 2013

FROM: CITY MANAGER DEPARTMENT

SUBJECT: STAFFING ADJUSTMENTS IN THE COMMUNITY DEVELOPMENT, FINANCE,
AND POLICE DEPARTMENTS

RECOMMENDED ACTION: Authorize the City Manager to:

- 1) Amend the "Planner" job classification to "Assistant Planner";
- 2) Recruit and hire a 0.5-time Assistant Planner in the vacant 0.67-time Development Services Technician position;
- 3) Reclassify an existing 0.75-time Account Clerk position to a 0.75-time Account Technician;
- 4) Increase an existing Account Clerk from 0.625-time to 0.75-time; and
- 5) Increase the existing Police Administrative Assistant position from .75-time to .90-time.

BACKGROUND/DISCUSSION: Since the 2008/2009 Fiscal Year, the City of Capitola has implemented a limited hiring freeze, requiring Council permission to fill any vacancy outside of the Police Department. During this time, the City has reduced its workforce and has focused on increased efficiencies to maintain acceptable levels of service delivery. Recent personnel changes and increased workloads have necessitated staffing adjustments in the Community Development, Finance, and Police Departments as described in the paragraphs below:

Community Development

The Planning Division of the Community Development Department (CDD) has historically operated with 4.67 full-time equivalent positions (FTE); however, a reduction in permit applications, coupled with economic challenges and elimination of the Redevelopment Agency (RDA) necessitated staffing reductions over the past several years.

The Planning Division currently has 2.67 FTE in the Fiscal Year 2013/2014 budget, consisting of a CDD Director, a Senior Planner, and a 0.67-time Development Services Technician. The 0.67-time Development Services Technician position was recently vacated when the former incumbent accepted a transfer opportunity to become the Environmental Programs Manager with Public Works. As a result, the Planning Division has been operating with 2 FTE. With the reduced staffing levels, the Department has commissioned contract planners to assist with larger development applications. In addition, the Finance and City Manager Departments have begun providing additional administrative support to CDD.

CDD has an ongoing need for an entry-level planner to assist customers at the service counter, process routine permits, and assist senior staff with more complex projects. In the past the more basic planning work was accomplished by the Development Services Technician and an Associate Planner. The addition of an Assistant Planner, a position midway between the Associate and Technician positions, would enable the Director and Senior Planner to focus on completing updates to the City's General Plan, Zoning Ordinance, Local Coastal Program, and Housing Element while also reducing the CDD's dependence on contract planners.

Item #: 9.D. Staff Report.pdf

AGENDA STAFF REPORT OCTOBER 10, 2013 CITY STAFFING ADJUSTMENTS

Staff requests authorization to reassign the budgeted 0.67-time Development Services Technician position to a 0.5-time Assistant Planner. The Development Services Technician differs from the Assistant Planner classification in that the former represents a paraprofessional position and the latter requires graduation from a four-year university.

The City currently has an approved job description for a "Planner," though the position has not been filled in recent years. The Planner job description, and salary, outlines a relatively entry-level position. Staff recommends the Planner classification be amended to re-title the position "Assistant Planner." The "Planner" title is often used to represent a department head position, whereas an Assistant Planner is typically an entry-level planner position. In addition to the change in title, an updated job description has also been prepared to better define the duties and responsibilities of the position (Attachment 2).

The recruitment would begin within the next two weeks. The position would be offered pro-rated benefits and would be a member of the Association of Capitola Employees Bargaining Unit, who has been consulted regarding the proposed changes to the job description.

Finance

In Fiscal Year 2011/2012, a full-time Accounting Technician position was eliminated from the Finance Department and reclassified as an Administrative Records Analyst in the Police Department. The Accounting Technician was primarily responsible for processing the City's payroll and retirement reporting. During the transition, an Account Clerk assumed these essential responsibilities and received "working out of class" pay when serving in a Technician capacity.

In addition to payroll processing, this position maintains employee accrual records; prepares and submits PERS retirement reports; prorates benefits and adjusts workers compensation payments; produces various payroll related financial and statistical reports; and prepares related journal entries. These processes require more than half of the Account Clerk's time. These responsibilities are anticipated to grow due to the Public Employee Pension Reform Act and affordable healthcare reporting requirements. The Finance Department is requesting that the 0.75 Account Clerk be reclassified to a 0.75 Accounting Technician to recognize this higher level of responsibility, and to reduce the working out of class pay. The net impact is estimated to be less than \$1,800.

Finance staffing levels are currently 1 FTE below the 2007 levels. The Finance Department has also assumed administration of the CDD's housing loan portfolio and accounting support functions that were previously handled by the Development Services Technician and the Housing Manager. When combined with increased State reporting requirements and oversight of the RDA dissolution process, these new functions have significantly impacted the Finance Department staff.

Staff is recommending the addition of 0.125 of an Account Clerk position at a cost of \$7,820, along with \$1,200 in increased budget to allow greater flexibility to complete assignments. When netted against the CDD transition plan, the Finance restructure should have no impact on the General Fund.

AGENDA STAFF REPORT OCTOBER 10, 2013
CITY STAFFING ADJUSTMENTS

Police

The Police Department operates with one Administrative Assistant who is a 13-year veteran employee. At the time of hire, the employee filled a full time position in the Records Division. In 2007, the employee requested a temporary reduction in hours, down to a 0.75 position. In 2009, the employee transferred from a Records Clerk to the Administrative Assistant position and remained at a 0.75 level due to the City's fiscal position.

Due to the current frozen Police Captain position, the Administrative Assistant has been assigned an increased work load and greater responsibility. The Administrative Assistant is responsible for administrative duties to the Chief of Police, Police Captain, Police Sergeants, and the Criminal Investigations Unit.

The duties and responsibilities include, but are not limited to, the following: Oversight of the Neighborhood Watch Program, assists with the VIP and Chaplain programs; administers the training and reimbursement; coordinates hiring and personnel processes; and administers the taxi cab, second hand dealers, firearms, and tow company permits; coordinates administrative destruction of records; coordinates National Night Out and the National Drug Take Back Program; administers the citizen complaint and internal affairs processes; assists with crime analysis duties; and many other day-to-day functions of the Police Department.

Due to increased workload and to maintain efficiency levels, staff recommends this position be increased from a 0.75 position to a 0.90 position.

FISCAL IMPACT: The 0.67-time Development Services Technician is currently funded in the Fiscal Year 2013/2014 Budget for \$53,000. The cost of a 0.5-time Assistant Planner is estimated to be \$41,000, a savings of \$12,000. The estimated cost of the Finance Department changes is \$10,820. The net impact of the proposed CDD/Finance staffing adjustments should not result an increase in General Fund salary expenditures nor an overall increase in total FTE.

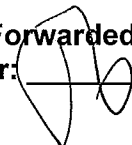
Increasing the Police Department Administrative Assistant position from 0.75 to 0.90 at midyear would cost approximately \$5,700 in Fiscal Year 2013/2014, or \$11,500 for an entire fiscal year.

ATTACHMENTS

1. City Historical Staffing Overview – administration and police
2. Proposed Assistant Planner Job Specifications
3. Budget Amendment

Report Prepared By: Jamie Goldstein
City Manager

**Reviewed and Forwarded
by City Manager:**



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Attachment 1

	CDD- Planning Division	Finance	City Manager	Public Works	Police	Total Positions
<u>2007</u>	<u>4.67 FTE</u>	<u>5.3 FTE</u>	<u>6.75 FTE</u>	<u>2.33 FTE</u>	<u>32.5 FTE</u>	<u>51.55 FTE</u>
	(1) Director (1) Sr. Planner (1) Housing Mgr (1) Assoc. Planner (.67) Dev. Tech	(1) Director (2) Accountants (1.3) Account Clerk (1.0) Account Tech	(1) City Manager (.75) Assist to CM (1) City Clerk (1) Exec Assistant (1) Rec Coordinator (1) Receptionist (1) IT Specialist	(1) Director (1) Asst Direct (.33) Dev Tech	(1) Chief (2) Captains (4) Sergeants (14) Officers (3) CSO's (3) PEO's (1) Records Mgr. (3.5) Records Clerks (1) Admin Assist.	
<u>Current</u>	<u>2.67 FTE</u>	<u>4.38 FTE</u>	<u>6.9 FTE</u>	<u>2.0 FTE</u>	<u>30.5 FTE</u>	<u>46.45 FTE</u>
	(1) Director (1) Senior Planner (.67) Dev. Tech -VAC	(1) Director (2) Accountants (1.38) Account Clerk	(1) CM (1) Admin Svs Dir (.9) City Clerk (1) Exec Assistant (1) Rec Coordinator (1) Receptionist (1) IT Specialist	(1) Director (1) Env. PM	(1) Chief (1) Captain (4) Sergeants (15) Officers (3) CSO's (2) PEO's (1) Records Mgr. (1.75) Rec Clerks (1) Analyst (.75) Admin Assist.	
<u>Proposed</u>	<u>2.5 FTE</u>	<u>4.5 FTE</u>	<u>6.9 FTE</u>	<u>2.0 FTE</u>	<u>30.65 FTE</u>	<u>46.55 FTE</u>
	(1) Director (1) Senior Planner <u>(.5) Assist. Planner</u>	(1) Director (2) Accountants <u>(.75) Account Tech</u>	(1) CM (1) Admin Svs Dir (.9) City Clerk (1) Exec Assistant (1) Rec Coordinator (1) Receptionist (1) IT Specialist	(1) Director (1) Env. PM	(1) Chief (1) Captains (4) Sergeants (15) Officers (3) CSO's (2) PEO's (1) Records Mgr. (1.75) Rec Clerks (1) Analyst <u>(.9) Admin Assist.</u>	
	Finance/Housing Support					
	Administrative Support					

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City of Capitola

ASSISTANT PLANNER

DEFINITION

The Assistant Planner performs activities related to review and processing development applications, including the preparation of written and oral reports and recommendations to the Architectural and Site Review Committee, Planning Commission, and City Council. The Assistant Planner performs site design reviews, interacts with applicants and the public, and coordinates review by other departments and agencies. Under direction, the Assistant Planner also researches, prepares and carries out comprehensive, professional activities related to special studies and area plans, zoning ordinance/map amendments, elements of the General Plan and Local Coastal Program, environmental analysis pursuant to the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), affordable housing programs, code enforcement, historical preservation activities, general research, analysis, data gathering, and performs other related tasks as assigned.

SUPERVISION RECEIVED AND EXERCISED

- Reports to the Senior Planner
- This classification does not supervise other City staff
- Bargaining Unit: Association of Capitola Employees

DISTINGUISHING CHARACTERISTICS

The Assistant Planner is an entry-level classification responsible for carrying out a variety of professional level land use planning and community development activities. The Assistant Planner is distinguished from the Associate Planner in that the latter operates with greater independence and performs journey-level planning and community development assignments characterized by increased complexity and controversy.

ESSENTIAL DUTIES AND RESPONSIBILITIES *(may include, but are not limited to:)*

Assist applicants and the public with interpretation of development regulations and standards and provide information about the development review process.

Review discretionary permit applications for consistency with the General Plan, Zoning Ordinance, Local Coastal Program, and other applicable local, state, and federal regulations.

Prepare staff reports and present community development matters to the Architectural and Site Review Committee, Planning Commission, City Council, and other committees and groups as assigned.

Provide technical advice to other departments and the public on planning, land use and zoning matters.

Coordinate planning activities of the City with other government jurisdictions.

Prepare memos, correspondence, reports, maps, graphic illustrations and public hearing notices.

Enforce policies and procedures of the Zoning Ordinance, Subdivision Ordinance, General Plan, California Environmental Quality Act and Coastal Zone regulations.

Update various planning materials such as the Housing and Noise Elements of the General Plan.

Prepare ordinance, policy, and guideline amendments.

Perform research in and prepares studies of the city population, growth and development patterns.

Item #: 9.D. Attach 2.pdf

Develop, writes and implements various grant applications including the Community Development Block Grant (C.D.B.G.) program.

Assist with the administration of local, state, and federal affordable housing programs.

Maintain budget information and records for grant projects.

Review building permit applications for conformance with the various ordinances and planning regulations.

Perform final inspections of projects to determine conformance with planning requirements.

Perform other related duties as assigned.

KNOWLEDGE AND ABILITIES

Knowledge of:

- Principles and practices of urban planning.
- Environmental analysis procedures under the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA).
- Sources of information related to urban growth and development.
- Laws, codes and ordinances governing general plans, environmental matters, zoning and land use.
- The community, its history and the desires of the citizenry concerning the appearance and environment of the city.
- Office practices, methods and equipment, including using a computer for word processing and spreadsheets.
- Methods of statistical collection and tabulation and research.

Ability to:

- Interpret planning and zoning programs for the public.
- Read and interpret maps, sketches, drawings, specifications and technical manuals.
- Apply land use regulations to development proposals.
- Identify, coordinate and assist in resolving divergent interests in land use policy.
- Work cooperatively with the Community Development Director, City Manager, City policy making bodies, other departments and agencies and the general public.
- Understand design concepts, techniques and methods.
- Adjust standard operating procedures to improve effectiveness and comply with regulatory changes as appropriate.
- Participate in the establishment of section, division, and/or department goals, objectives and methods for evaluating achievement and performance levels.
- Communicate clearly and concisely, both orally and in writing.
- Follow written and oral directions.
- Work independently, as well as in a team context.
- Observe safety principles and work in a safe manner.
- Establish and maintain effective working relationships with representatives of community organizations, private landowners, state, federal, and local agencies and associations, City staff, the general public and other stakeholders.

OTHER REQUIREMENTS

Willingness to work occasional evenings and weekends, as assigned. Willingness to attend off-site meetings and training sessions, as required.

EDUCATION AND EXPERIENCE

Any combination of education and experience that provides the above knowledge, skills, and abilities combined with any required licenses or certificates is qualifying. A typical way to obtain the required qualifications is to possess the equivalent of the following:

1. Bachelor's degree in urban planning, public administration, environmental studies, geography, or a related degree; and
2. Possession and continued maintenance of a valid California class C driver's license and a safe driving record.

ENVIRONMENTAL AND WORKING CONDITIONS

Position requires sitting, standing, walking on level, uneven and slippery surfaces, reaching, twisting, turning, kneeling, bending, stooping, squatting, crouching, grasping and making repetitive hand movements in the performance of daily duties. The position also requires near, far and color vision when collecting and analyzing samples. The need to lift, carry, and push tools, equipment and supplies weighing 25 pounds is also required. The incumbent may be required to occasionally work evenings and weekends. Some of these requirements may be accommodated for otherwise qualified individuals requiring and requesting such accommodations.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

Effective: October 2013

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City of Capitola Budget Adjustment Form



Date 10/10/2013

Requesting Department City Manager

Administrative Council

Item # _____
 Council Date 10/10/2013
 Council Approval _____

Revenues		
Account #	Account Description	Increase/Decrease
Total		-

Expenditures		
Account #	Account Description	Increase/Decrease
1000-00-00-000-4110.005	Salaries - CDD/Finance Transition	(53,000)
1000-40-40-000-4110.010	Wages Permanent - General	41,000
1000-10-17-000-4110.010	Wages Permanent - General	12,000
1000-20-20-000-4110.010	Wages Permanent - General	5,700
Total		5,700

Net Impact (5,700)

Purpose: There is no net impact in relation to the Community Development/ Finance Staffing Plan. The \$5,700 adjustment provides funding to restore the Police Admin. Asst. from .75 FTE to .90 FTE.

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

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