



AGENDA COVER
Regular Joint Meeting of the
**CAPITOLA CITY COUNCIL/
REDEVELOPMENT AGENCY**
MEETING DATE: THURSDAY, NOVEMBER 10, 2011

CITY COUNCIL CHAMBERS: 420 CAPITOLA AVENUE, CAPITOLA

**CLOSED SESSION
REGULAR JOINT MEETING**

**6:00 P.M.
7:00 P.M.**

Elected Officials

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

Jacques Bertrand, City Treasurer

City Staff Members

*Jamie Goldstein, City Manager
John G. Barisone, City Attorney
Pamela Greeninger, City Clerk
Mike Card, Chief of Police
Susan Westman, Interim
Community Development Director
Steven Jesberg, Public Works Director
Lisa Murphy,
Administrative Services Director*

Notice regarding City Council/Redevelopment Agency Meetings: The Capitola City Council and Redevelopment Agency meet jointly on the 2nd and 4th Thursday of each month at 7:00 p.m., in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

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

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

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

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

Televised Meetings: City Council/Redevelopment Agency meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be replayed at 12:00 Noon on the Saturday following the meetings on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings 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.

It is the intent of the City Council to adjourn by 11:30 p.m.



AGENDA

Regular Joint Meeting of the CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY Thursday, November 10, 2011

6:00 P.M. - CLOSED SESSION - CITY MANAGER'S OFFICE

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

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

Bill Newman, et al. (residents of Surf & Sand Mobile Home Park) vs. Surf and Sand, LLC, Ronald Reed, et al. (Surf and Sand, LLC; Ronald Reed, Cross-Complainants vs. City of Capitola) [Superior Court County of Santa Cruz, Unlimited Jurisdiction, Case No. CV 171783]

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:
Two cases: 1) Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park
2) Pacific Cove Mobile Home Park Flooding and Closure

7:00 P.M. - REGULAR JOINT MEETING OF THE CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY

ROLL CALL AND PLEDGE OF ALLEGIANCE

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

*** * * PRESENTATIONS * * ***

Presentation of Certificate of Appreciation to Debbie Johnson
for her Service as Redevelopment Agency Treasurer
from April 23, 2009 through October 31, 2011

Presentation by Rita Flores, Assistant Agency Director
of the Family Service Agency of the Central Coast

1. REPORT ON CLOSED SESSION

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

B. Public Comments

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

C. Staff Comments

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

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

E. Committee Appointments

- 1) Council Member Harlan's appointment to the Finance Advisory Committee.

F. Approval of Check Register Reports

- 1) City: Approval of City Check Register Reports dated October 21 and October 28, 2011.
- 2) RDA: Approval of Redevelopment Agency Check Register Report dated October 21, 2011.

3. CONSENT CALENDAR

All matters listed under "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/Redevelopment Agency request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following "Other Business."

3. CONSENT CALENDAR - Continued

- A. Approve Reading by Title of all Ordinances and Resolutions and declare that said Titles which appear on the Public Agenda shall be determined to have been read by Title and Further Reading Waived.
- B. City/RDA: Approve Minutes of the Regular Joint Meeting of the City Council/Redevelopment Agency of October 13, 2011.
- C. Receive Planning Commission Action Minutes for the Regular Meeting of November 3, 2011.
- D. Receive City Treasurer's Report for Month ended September 30, 2011 (Unaudited).
- E. RDA: Receive Quarterly Redevelopment Agency Treasurer's Report for Quarter ended September 30, 2011 (Unaudited).
- F. 115 San Jose Avenue – Project Application #11-100: Set Public Hearing for Tuesday, November 22, 2011, for Appeal of Planning Commission denial of a Conditional Use Permit for a take-out restaurant with the sale and dispensing of alcohol in the CV (Central Village) Zoning District (APN: 035-221-27). Environmental Determination: Categorical Exemption. Property Owner: Peter Dwares, Owner/filed: 9/15/11.
- G. Consider Capitola Soquel Chamber of Commerce request to suspend parking meter enforcement and increase the parking time limit from 2 to 3 hours in Capitola Village from Thursday, November 24 through Sunday, December 25, 2011. Staff recommendation: approve request.

4. PUBLIC HEARINGS

Public Hearings are intended to provide an opportunity for public discussion of each item listed as a Public Hearing. The following procedure is followed for each Public Hearing listed: 1) Staff Explanation; 2) Public Discussion; 3) Council Comments; 4) Close public portion of the Hearing; 5) City Council discussion; and 6) Decision.

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

4. PUBLIC HEARINGS

- A. Public Hearing to review the Temporary Relocation of the Recycling Facilities for Nob Hill Center located at 809/815/819 Bay Avenue (Project Application #10-038) and consider Amendment to Master Use Permit for the site located in the CC (Community Commercial) Zoning District; APN: 035-021-43. Property Owner: Bay Creek Properties / Filed: 5/18/10. Presentation: Community Development Department.
- B. Public Hearing on CDBG-funded Green Economy and Job Creation Final Report. Presentation: Community Development Department.

5. OTHER BUSINESS

- A. Report from Police Department on Domestic Violence. Staff recommendation: receive report.
- B. Final Report on the Rispin Property Hazard Abatement Project. Staff recommendation: accept Final Report.
- C. RDA: Resignation of Capitola Redevelopment Agency Treasurer. Staff recommendation: accept resignation and appoint the City Manager to serve as Interim RDA Treasurer, until such time as a Finance Director is appointed.

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

6. COUNCIL/RDA DIRECTOR/STAFF COMMUNICATIONS

7. ADJOURNMENT

Adjourn to the next Regular Joint Meeting of the City Council/ Redevelopment Agency to be held on **Tuesday**, November 22, 2011, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

City of Capitola

Certificate of Appreciation

to

DEBBIE JOHNSON

for Service as Treasurer of the

Capitola Redevelopment Agency

from April 23, 2009 through October 31, 2011



Dennis R. Norton, Mayor

Signed and sealed this 10th day of November 2011





CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: FINANCE DEPARTMENT
 DATE: NOVEMBER 3, 2011
 SUBJECT: APPROVAL OF CITY CHECK REGISTER REPORTS

Recommended Action: By motion and roll call vote, that the City Council approve the attached Check Register Reports for October 21 and October 28, 2011.

DISCUSSION

The attached Check Registers for:

Date	Starting Check #	Ending Check #	Total Checks	Amount
10/21/11	67858	67932	95	\$372,919.02
10/28/11	67933	67982	50	\$193,443.62
10/21/11 Payroll				\$164,806.00
Total				\$731,168.64

The check register of October 14, 2011 ended with check #67857.

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

Check	Issued to:	Dept.	Purpose	Amount
67867	Cale Parking Systems	PW	Pay Stations	\$193,269.50
67881	Garden City Construction	PW	Rispin Hazard Elim. Project	\$80,775.62
67924	WestAmerica Bank	PW	Sweeper Payment	\$36,567.12
67933	Atchison, Barisone, et al	CM	Sep2011 Legal Services	\$11,130.00
67941	Design, Community & Environment	CDD	General Plan Update	\$12,769.95
67953	PG&E	PW	Monthly Electric	\$12,605.01
67969	SC Regional 911	PD	Q2 Contract, 911 Service	\$122,962.50

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

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

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

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

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

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

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

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

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

- Triple flip delay of Sales Tax from monthly to December and April (~\$500,000/2x year)
- One quarter of the annual Worker's Compensation premium was paid in July (\$100,000)
- One half of the Self Insurance/Liability annual payment was paid in July (\$32,669)
- One third of the Police Communication JPA annual payment was paid in July (\$146,121)

As of 11/3/11 the total cash available is \$2,002,173. The General Operating Fund has a cash balance of \$220,184. Internal Service Funds (#2210 through #2214) were created for City budget purposes and are reclassified for financial reporting into the General Fund. The Compensated Absences Fund (#2216) has a positive cash balance of \$35,038. The Capital Improvement Projects has a positive cash balance of \$868,874. By Council direction the Emergency Reserves Fund (#1020) may not participate in cash loans; the Emergency Reserves Fund has a fund balance of \$189,649.77.

For cash flow purposes these funds are available to the General Fund. A consolidation of these cash balances results in a cash position of \$2,002,173.

The following table shows the funds that are consolidated:

CASH POSITION - CITY OF CAPITOLA 11/3/11

	<u>Net Balance</u>
General Fund	220,184
Worker's Comp. Ins. Fund	91,704
Self Insurance Liability Fund	87,619
Stores Fund	13,820
Information Technology Fund	51,933
Equipment Replacement	56,683
Compensated Absences Fund	35,038
Contingency Reserve Fund	200,000
Public Employee Retirement - PERS	376,062
Open Space Fund	256
Capital Improvement Projects	868,874
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>2,002,173</u></u>

The Emergency Reserve Fund balance is \$189,649.77 and is not included above.

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

To resolve this cash flow issue, loans in the amount of \$1,384,895.66 were made from the following funds to the general fund:

From Contingency Reserve fund:	\$734,895.66
From Equipment Replacement fund:	\$275,000.00
From Information Technology fund:	\$125,000.00
From Self Insurance Liability fund:	\$150,000.00
From Workers Comp Ins fund:	<u>\$100,000.00</u>
	\$1,384,895.66

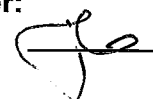
It is anticipated that these loans to General Fund will be repaid by June 30, 2012.

ATTACHMENTS:

Check Registers for October 21 and October 28, 2011.

Report Prepared By: Linda Benko
AP Clerk

Reviewed and Forwarded
by City Manager:



Checks dated 10/21/11 numbered 67858 to 67932 for a total of \$372,919.02 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 10/21/11 the unaudited cash balance is \$1,940,570

CASH POSITION - CITY OF CAPITOLA 10/21/11

	<u>Net Balance</u>
General Fund	68,120
Worker's Comp. Ins. Fund	74,779
Self Insurance Liability Fund	105,519
Stores Fund	7,978
Information Technology Fund	98,010
Equipment Replacement	105,933
Compensated Absences Fund	35,038
Contingency Reserve Fund	200,000
Public Employee Retirement - PERS	376,062
Open Space Fund	256
Capital Improvement Projects	868,874
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>1,940,570</u></u>

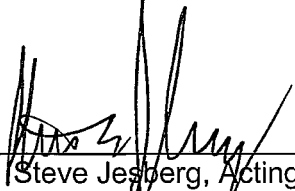
The Emergency Reserve Fund balance is \$83,990.77 and is not included above.

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

To resolve this cash flow issue, loans in the amount of \$1,084,895.66 were made from the following funds to the general fund:


- From Contingency Reserve fund: \$734,895.66
- From Equipment Replacement fund: \$200,000.00
- From Information Technology fund: \$50,000.00
- From Self Insurance Liability fund: \$100,000.00

It is anticipated that these loans to General Fund will be repaid by June 30, 2012.



Steve Jesberg, Acting City Manager

10/21/11
Date



Jacques J.J. Bertrand, City Treasurer

10.21.11
Date

City of Capitola
City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67858	10/21/2011	Open			A TOOL SHED	\$305.33
	Invoice		Date	Description		Amount
	796469-5		10/05/2011	Rental - forklift		\$265.00
	800069-5		10/18/2011	Rental - roto-tiller		\$40.33
67859	10/21/2011	Open			ADAMSON POLICE PRODUCTS	\$3,384.56
	Invoice		Date	Description		Amount
	INV58429		09/26/2011	Ammunition, PD		\$3,384.56
67860	10/21/2011	Open			ADVANCED BLIND AND SHADE	\$70.21
	Invoice		Date	Description		Amount
	Order6580z		10/06/2011	Computer Room Miniblind Fund 1320, PEG		\$70.21
67861	10/21/2011	Open			AFLAC	\$464.50
	Invoice		Date	Description		Amount
	AFLAC10-21-11		10/19/2011	Employee Health Ins deduction, Employee funde		\$464.50
67862	10/21/2011	Open			ALLSAFE LOCK COMPANY	\$333.33
	Invoice		Date	Description		Amount
	42777		10/03/2011	Tractor Keys		\$7.29
	42603		08/24/2011	Key the PD		\$326.04
67863	10/21/2011	Open			AT&T	\$19.12
	Invoice		Date	Description		Amount
	Oct2011		10/01/2011	Oct 2011 Long Distance Service		\$7.81
	Oct2011z		10/01/2011	Oct 2011 Long Distance Service-Fund 2211, IT		\$11.31
67864	10/21/2011	Open			B & B SMALL ENGINE REPAIR	\$72.83
	Invoice		Date	Description		Amount
	251006		09/28/2011	Mower blades & oil mix		\$72.83
67865	10/21/2011	Open			BANK OF AMERICA	\$2,796.71
	Invoice		Date	Description		Amount
	Sep-Oct2011		10/06/2011	Charges to City Credit Card Fund 1000, General Fund=\$818.30 Fund 2211, IT=\$1978.41		\$2,796.71
67866	10/21/2011	Open			BRESLIN-KESSLER, PAUL	\$1,200.00
	Invoice		Date	Description		Amount
	BK-Oct11		10/19/2011	Private Tennis Lesson, LF		\$1,200.00
67867	10/21/2011	Open			CALE PARKING SYSTEMS USA, INC.	\$193,269.50
	Invoice		Date	Description		Amount
	124788		09/30/2011	Pay Stations + custom paint color Fund 1316, Parking Reserve		\$193,269.50
67868	10/21/2011	Open			CAPITOLA PEACE OFFICERS ASSOC.	\$778.08
	Invoice		Date	Description		Amount
	POA10-21-11		10/19/2011	POA Dues, Employee Funded		\$778.08

City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67869	10/21/2011	Open			CASEY PRINTING	\$2,978.71
	Invoice 18729		Date 09/23/2011	Description Late Fall Brochure, 19,200 Copies		Amount \$2,978.71
67870	10/21/2011	Open			CLEAN SOURCE	\$764.26
	Invoice 1044622		Date 09/23/2011	Description Cleaning supplies		Amount \$764.26
67871	10/21/2011	Open			COASTAL WATERSHED COUNCIL	\$3,494.75
	Invoice 1098		Date 09/30/2011	Description Storm Water Education and Outreach Services		Amount \$1,189.38
	1099		09/30/2011	Soquel Creek Monitoring -Water Quality		\$2,305.37
67872	10/21/2011	Open			COMMERCIAL SPEEDOMETER SERVICE	\$210.00
	Invoice 746		Date 09/12/2011	Description PD speedometer certification		Amount \$210.00
67873	10/21/2011	Open			CRYSTAL SPRINGS WATER CO.	\$142.92
	Invoice 60094-Sep11		Date 09/30/2011	Description Sep Drinking Water Service, All sites		Amount \$142.92
67874	10/21/2011	Open			DAVLIN COATINGS, INC.	\$1,926.90
	Invoice 3503		Date 09/27/2011	Description Traffic paint		Amount \$1,655.96
	3509		09/27/2011	Traffic paint		\$270.94
67875	10/21/2011	Open			DOGHERRA'S INC.	\$150.00
	Invoice 307185		Date 10/04/2011	Description Lift ramp-Fund 1311, Wharf Fund		Amount \$150.00
67876	10/21/2011	Open			FERRASCI-HARP, AMY	\$637.50
	Invoice 3		Date 10/01/2011	Description BIA Communications Manager Fund 1321, BIA		Amount \$637.50
67877	10/21/2011	Open			FLYERS ENERGY, LLC	\$3,348.62
	Invoice 11-658625		Date 10/12/2011	Description 55 Gal Oil		Amount \$647.04
	11-658352		10/07/2011	509 Gal Ethanol		\$2,101.95
	11-658353		10/07/2011	150 Gal Diesel		\$599.63
67878	10/21/2011	Open			FOX, HELENA	\$557.70
	Invoice 2012-00000349		Date 10/17/2011	Description EF Instructor Payment		Amount \$557.70
67879	10/21/2011	Open			GALLI UNIFORM COMPANY	\$155.77
	Invoice 17873		Date 09/24/2011	Description Equipment, Gonzalez-PD		Amount \$155.77
67880	10/21/2011	Open			GALLI UNIFORM COMPANY	\$64.90
	Invoice 17871		Date 09/24/2011	Description Uniform Purchase, PD		Amount \$64.90

City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67881	10/21/2011 Invoice G10330-3	Open	Date 09/25/2011	Description Rispin Mansion Hazard Elimination Project Fund 1200, CIP	GARDEN CITY CONSTRUCTION INC.	\$80,775.62
67882	10/21/2011 Invoice Oct2011-1 Oct2011-2	Open	Date 10/17/2011 10/17/2011	Description Mechanic 10/03-10/07/11 Mechanic 10/10-10/14/11	HOWARD, CHARLIE	\$1,440.00
67883	10/21/2011 Invoice ICMA10-21-11	Open	Date 10/19/2011	Description Retirement Plan Contribution, Employee Funded	ICMA RETIREMENT TRUST 457	\$6,254.98
67884	10/21/2011 Invoice 945692-1	Open	Date 09/21/2011	Description Parking violation forms	InnerWorkings	\$954.15
67885	10/21/2011 Invoice 50222195	Open	Date 10/13/2011	Description Car battery	INTERSTATE BATTERY SYS. OF SAN JOSE	\$87.63
67886	10/21/2011 Invoice 101211	Open	Date 10/12/2011	Description Backflow testing	JIM CLARK BACKFLOW	\$109.10
67887	10/21/2011 Invoice 115966	Open	Date 09/21/2011	Description Background Investigation, PD	JOHNSON, ROBERTS, & ASSOCIATES	\$32.50
67888	10/21/2011 Invoice 4580013	Open	Date 08/31/2011	Description Pay station set up assistance thru 8/31/11 Fund 1316, Parking Reserve	KIMLEY-HORN AND ASSOCIATES, INC.	\$938.40
67889	10/21/2011 Invoice 92311	Open	Date 09/23/2011	Description Sept 2011 Uniform Cleaning, PD	KING'S CLEANERS	\$614.25
67890	10/21/2011 Invoice 6251159	Open	Date 09/30/2011	Description FY 11/12 Seasonal Temp Labor	LABOR READY SOUTHWEST INC.	\$920.10
67891	10/21/2011 Invoice 18715 18813	Open	Date 09/21/2011 10/14/2011	Description Remove stone pine on Monterey Avenue Grind tree stump	LEWIS TREE SERVICE INC.	\$660.00
67892	10/21/2011 Invoice PDues10-21-11	Open	Date 10/19/2011	Description Pension Dues, Employee Funded	LIUNA PENSION FUND	\$484.00

City of Capitola
City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67893	10/21/2011	Open			LUICH, JAY	\$99.00
	Invoice		Date	Description		Amount
	2012-00000345		10/13/2011	Officials Oct 8 to 15, 2011		\$99.00
67894	10/21/2011	Open			MARCHESE, HELEN	\$330.11
	Invoice		Date	Description		Amount
	Oct-Petty Cash		10/14/2011	Replenish Petty Cash		\$330.11
67895	10/21/2011	Open			McMENAMIN, GEORGE	\$562.50
	Invoice		Date	Description		Amount
	R8		10/18/2011	Riparian Restoration FY 11/12		\$562.50
67896	10/21/2011	Open			MEGAPATH COVAD COMMUNICATIONS	\$643.86
	Invoice		Date	Description		Amount
	47526827		09/30/2011	Internet Access-Fund 2211, IT		\$643.86
67897	10/21/2011	Open			MID-COUNTY AUTO SUPPLY	\$458.03
	Invoice		Date	Description		Amount
	277464		09/29/2011	Auto Parts, Parks 2001 F-250		\$52.93
	276734		09/22/2011	Auto Parts, Radar Trailer		\$313.37
	277003		09/26/2011	Shop Parts		\$91.73
67898	10/21/2011	Open			MISSION LINEN SUPPLY	\$846.48
	Invoice		Date	Description		Amount
	Sep2011		10/03/2011	Sep 2011 Mat and Uniform Cleaning, All Sites		\$846.48
67899	10/21/2011	Open			MONTEREY BAY AREA SELF INSURANCE	\$4,124.64
	Invoice		Date	Description		Amount
	MBA11-0324c		08/12/2011	Claim Settlement, Drivon et al		\$4,124.64
				Fund 2213, Self-Insurance Liability		
67900	10/21/2011	Open			MUNICIPAL INFORMATION SYSTEMS ASSO	\$160.00
	Invoice		Date	Description		Amount
	2150		07/01/2011	FY11/12 Membership		\$160.00
				Fund 2211, IT		
67901	10/21/2011	Open			NATIONAL RECREATION & PARKS ASSOC.	\$150.00
	Invoice		Date	Description		Amount
	41457-2012		10/03/2011	NRPA membership		\$150.00
67902	10/21/2011	Open			NORTH BAY FORD	\$30.06
	Invoice		Date	Description		Amount
	223388		10/03/2011	Actuator Assembly		\$15.03
	223390		10/04/2011	Actuator Assembly		\$15.03
67903	10/21/2011	Open			OLIVE SPRINGS QUARRY, INC.	\$716.42
	Invoice		Date	Description		Amount
	79857		09/26/2011	CL2 base rock - Rosedale		\$10.37
	79858		09/26/2011	CL2 base rock & asplalt - Wesley		\$344.17
	79859		09/26/2011	Asphalt - Rosedale		\$361.88
				Fund 1310, Gas Tax		

City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67904	10/21/2011	Open			ORCHARD SUPPLY HARDWARE	\$194.76
	Invoice		Date	Description		Amount
	6013-1234596		09/27/2011	Painting supplies		\$30.80
	6014-4797318		09/27/2011	Steel rake & misc.		\$24.88
	6013-9874637		09/28/2011	Rivets		\$12.62
	6008-3522531		09/28/2011	Batteries & rivets		\$24.28
	6014-4787625		09/29/2011	Misc.		\$17.30
	6013-1234951		09/30/2011	Misc.		\$47.00
	6011-3526807		09/30/2011	Broom		\$37.88
67905	10/21/2011	Open			PACIFIC VETERINARY SPECIALISTS INC.	\$1,049.25
	Invoice		Date	Description		Amount
	180347		12/13/2010	Animal Control Expense		\$258.25
	179670		11/29/2011	Animal Control Expense		\$134.50
	175063		09/01/2010	Animal Control Expense		\$271.50
	174514		08/22/2010	Animal Control Expense		\$103.50
	173454		08/04/2010	Animal Control Expense		\$133.00
	173336		08/04/2010	Animal Control Expense		\$148.50
67906	10/21/2011	Open			PALACE ART & OFFICE SUPPLIES	\$1,015.89
	Invoice		Date	Description		Amount
	926207		10/06/2011	Office supplies-PD		\$112.09
	925662		10/04/2011	Paper-PD		\$46.44
	15175		10/13/2011	Patrol room furniture		\$887.11
	C922868		10/12/2011	Returned Office Supplies, City Hall		(\$12.86)
	C924685		10/14/2011	Return Office Supplies		(\$16.89)
67907	10/21/2011	Open			PFX PET SUPPLY, LLC	\$54.69
	Invoice		Date	Description		Amount
	CD11716434		09/22/2011	Dog Food, PD		\$54.69
67908	10/21/2011	Open			RODGERS, PETER, A	\$99.00
	Invoice		Date	Description		Amount
	2012-00000344		10/13/2011	Officials Oct 8 to 15, 2011		\$99.00
67909	10/21/2011	Open			SANTA CRUZ FIRE EQUIPMENT CO.	\$189.76
	Invoice		Date	Description		Amount
	90446		10/11/2011	Annual Extinguisher Maint, Corp Yd		\$189.76
67910	10/21/2011	Open			SANTA CRUZ SENTINEL	\$265.22
	Invoice		Date	Description		Amount
	4135165-090211		09/30/2011	Legal Ad-CDD, Acct 2040516		\$265.22
67911	10/21/2011	Open			SCOTTS VALLEY FIRE PROTECTION DISTR	\$4,496.00
	Invoice		Date	Description		Amount
	1112-1		10/17/2011	FY 2011/12 HazMat Team Contribution		\$4,496.00
67912	10/21/2011	Open			SENTINEL PRINTERS, INC.	\$206.42
	Invoice		Date	Description		Amount
	292708		09/22/2011	Business Cards, Swift		\$107.42
	292753		09/27/2011	Business Cards, Foster Fund 2210, Stores		\$99.00

City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67913	10/21/2011	Open			STEVE WESTEN CONSULTING	\$260.00
	Invoice		Date	Description		Amount
	20110913		09/13/2011	Jan-Sep2011 BIA Consulting Svcs, Brochure Fund 1321, BIA		\$260.00
67914	10/21/2011	Open			SUMMIT UNIFORM CORP	\$431.92
	Invoice		Date	Description		Amount
	43189		09/22/2011	Uniform Purchase, Evans		\$431.92
67915	10/21/2011	Open			THE INTERNET CONNECTION INC. - GOT.NI	\$150.00
	Invoice		Date	Description		Amount
	3917-15579		10/01/2011	Website Hosting, Oct 2011		\$150.00
67916	10/21/2011	Open			THILL, WENDY	\$80.00
	Invoice		Date	Description		Amount
	2012-00000343		10/13/2011	Officials Oct 8 to 15, 2011		\$80.00
67917	10/21/2011	Open			TLC ADMINISTRATORS, INC.	\$2,000.00
	Invoice		Date	Description		Amount
	20111019		10/14/2011	Replenish Flex Cash at TLC, Employee Funded		\$2,000.00
67918	10/21/2011	Open			UNION BANK OF CALIFORNIA	\$277.93
	Invoice		Date	Description		Amount
	PARS10-21-11		10/19/2011	Retirement Plan Contribution, Employee Funded		\$277.93
67919	10/21/2011	Open			UNITED PARCEL SERVICE	\$10.44
	Invoice		Date	Description		Amount
	954791401		10/01/2011	Shipping-PD		\$10.44
67920	10/21/2011	Open			UNITED WAY OF SANTA CRUZ COUNTY	\$40.00
	Invoice		Date	Description		Amount
	UW10-21-11		10/19/2011	United Way Employee Contribution		\$40.00
67921	10/21/2011	Open			UPEC LIUNA LOCAL 792	\$1,687.50
	Invoice		Date	Description		Amount
	UPEC10-21-11		10/19/2011	Union Dues, Employee Funded		\$1,687.50
67922	10/21/2011	Open			VERIZON WIRELESS-ACCT#572015869-000	\$112.08
	Invoice		Date	Description		Amount
	1018232740		10/03/2011	Monthly Access Charges T-1 Line Fund 2211, IT		\$112.08
67923	10/21/2011	Open			WATSONVILLE POLICE DEPT	\$250.00
	Invoice		Date	Description		Amount
	Sept 2011		10/06/2011	Range for Sept 2011		\$250.00
67924	10/21/2011	Open			WESTAMERICA BANK	\$36,567.12
	Invoice		Date	Description		Amount
	Note526-00952		10/06/2011	Sweeper payment (principal & interest) Fund 1310, Gas Tax		\$36,567.12
67925	10/21/2011	Open			WESTERN STATES ARTS FEDERATION	\$450.00
	Invoice		Date	Description		Amount
	11-314		09/27/2011	CaFE Online Application & Jury Fee Fund 1315, Public Art		\$450.00

City Checks Issued 10/21/11

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67926	10/21/2011	Open			WHEELER, MARK, S	\$2,219.01
	Invoice		Date	Description		Amount
	Exam		10/14/2011	Reimb Cert Bldg Official Exam Exp		\$995.00
	Books		10/14/2011	Reimb Bldg Manuals Purchase		\$101.50
	Travel		10/14/2011	Reimb Travel Exp, Bldg Cert Tng Course		\$1,122.51
67927	10/21/2011	Open			WILEY, PRICE & RADULOVICH, LLP	\$320.00
	Invoice		Date	Description		Amount
	20507		08/31/2011	Labor & Employment Advice		\$320.00
67928	10/21/2011	Open			WITMER-TYSON IMPORTS INC.	\$500.00
	Invoice		Date	Description		Amount
	T8805		09/01/2011	K-9 training August 2011		\$500.00
67929	10/21/2011	Open			Alameda County Sheriff's Office	\$282.00
	Invoice		Date	Description		Amount
	2012-00000352		10/14/2011	Internal Affairs class for Dally, POST		\$282.00
67930	10/21/2011	Open			La Quinta Inn & Suites Dublin	\$297.00
	Invoice		Date	Description		Amount
	2012-00000354		10/17/2011	POST lodging		\$297.00
67931	10/21/2011	Open			Third Degree Communications, INC	\$395.00
	Invoice		Date	Description		Amount
	2714		10/09/2011	Interview & Interrogation for Thompson		\$395.00
67932	10/21/2011	Open			Yamagiwa, Joyce	\$500.00
	Invoice		Date	Description		Amount
	11-107		10/13/2011	Tree Removal Deposit #11-107		\$500.00
Check Totals:				Count	95	Total \$372,919.02

Checks dated 10/28/11 numbered 67933 to 67982 for a total of \$193,433.62 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 10/28/11 the unaudited cash balance is \$1,807,096

CASH POSITION - CITY OF CAPITOLA 10/28/11

	<u>Net Balance</u>
General Fund	25,107
Worker's Comp. Ins. Fund	91,704
Self Insurance Liability Fund	87,619
Stores Fund	13,820
Information Technology Fund	51,933
Equipment Replacement	56,683
Compensated Absences Fund	35,038
Contingency Reserve Fund	200,000
Public Employee Retirement - PERS	376,062
Open Space Fund	256
Capital Improvement Projects	868,874
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>1,807,096</u></u>


The Emergency Reserve Fund balance is \$83,990.77 and is not included above.

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

To resolve this cash flow issue, loans in the amount of \$1,384,895.66 were made from the following funds to the general fund:

- From Contingency Reserve fund: \$734,895.66
- From Equipment Replacement fund: \$275,000.00
- From Information Technology fund: \$125,000.00
- From Self Insurance Liability fund: \$150,000.00
- From Worker's Comp Ins Fund: \$100,000.00

It is anticipated that these loans to General Fund will be repaid by June 30, 2012.



 Jamie Goldstein, City Manager

 10/28/11
 Date

 Jacques J.J. Bertrand, City Treasurer

 Date

City Check Issued 10/28/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67933	10/28/2011 Invoice 1040-001Sep11	Open	Date 09/30/2011	Description Sep 2011 Contract Legal Services	ATCHISON, BARISONE, & CONDOTTI	\$11,130.00 \$11,130.00
67934	10/28/2011 Invoice Draw11	Open	Date 10/20/2011	Description Draw down acct to process new request 1370 HOME Re-Use Fund	BAY AVENUE SENIOR HOUSING, LP	\$3,079.00 \$3,079.00
67935	10/28/2011 Invoice FY11/12 Q1	Open	Date 10/20/2011	Description Seismic Mapping Fee	CA DEPARTMENT OF CONSERVATION	\$689.27 \$689.27
67936	10/28/2011 Invoice Sep2011	Open	Date 10/02/2011	Description Animal Control Exp, Sep 2011	CHANTICLEER VET HOSPITAL	\$1,335.55 \$1,335.55
67937	10/28/2011 Invoice Oct-Nov2011	Open	Date 10/11/2011	Description T-1 Line-Fund 2211, Info Technology	Charter Communications	\$131.93 \$131.93
67938	10/28/2011 Invoice 8855	Open	Date 09/30/2011	Description Sep 2011 Cleaning Service	CLEAN BUILDING MAINTENANCE	\$3,542.00 \$3,542.00
67939	10/28/2011 Invoice R211533	Open	Date 09/30/2011	Description 5-Bronze Plaques	CRESTOR INC.	\$861.30 \$861.30
67940	10/28/2011 Invoice 190499	Open	Date 09/30/2011	Description Portable toilets-Sep2011 Fund 1311, Wharf Fund	D & G SANITATION	\$515.79 \$515.79
67941	10/28/2011 Invoice 11350	Open	Date 07/31/2011	Description General Plan Update Professional Service Fund 1313, General Plan=\$7376.51 Fund 1350, CDBG Grant=\$5393.44	DESIGN, COMMUNITY & ENVIRONMEI	\$12,769.95 \$12,769.95
67942	10/28/2011 Invoice 292097	Open	Date 09/29/2011	Description Aug2011 Legal Services	ENDEMAN, LINCOLN, TUREK & HEATE	\$102.03 \$102.03
67943	10/28/2011 Invoice 40324	Open	Date 09/30/2011	Description Indenti calls - PD	ENTERSECT CORP	\$8.95 \$8.95
67944	10/28/2011 Invoice 2522221-Oct2011	Open	Date 10/17/2011	Description storage for evidence	EXTRA SPACE STORAGE OF SC INC -	\$262.00 \$262.00

City Check Issued 10/28/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67945	10/28/2011	Open			GALLI UNIFORM COMPANY	\$257.62
	Invoice		Date	Description		Amount
	17889		09/28/2011	Uniform Purchase, Parking Enforcement		\$257.62
67946	10/28/2011	Open			HOSE SHOP	\$229.22
	Invoice		Date	Description		Amount
	342359		10/06/2011	Sweeper parts Fund 1310, Gas Tax Fund		\$229.22
67947	10/28/2011	Open			LOOMIS	\$1,204.53
	Invoice		Date	Description		Amount
	10943092		09/30/2011	Armored Car Service, Oct 2011		\$1,204.53
67948	10/28/2011	Open			Mainstreet Media dba GOODTIMES	\$200.00
	Invoice		Date	Description		Amount
	64437		09/29/2011	Capitola Village Ad, BIA Funded Fund 1321, BIA		\$200.00
67949	10/28/2011	Open			MID-COUNTY AUTO SUPPLY	\$90.27
	Invoice		Date	Description		Amount
	278012		10/04/2011	Sweeper parts		\$11.86
	278055		10/04/2011	Auto parts, PW 1991 F-150 Pick up		\$17.22
	277891		10/03/2011	Snap Ring Assort., Shop use		\$10.78
	277927		10/03/2011	auto parts, radar trailer		\$50.41
67950	10/28/2011	Open			MONTEREY BAY SYSTEMS	\$591.63
	Invoice		Date	Description		Amount
	118259		09/30/2011	Copier Maint, Savin CLP31DN		\$119.99
	118255		09/30/2011	Jul-Sep11 Copier Contract, PD		\$471.64
67951	10/28/2011	Open			MV TRANSPORT INC.	\$4,900.50
	Invoice		Date	Description		Amount
	35720		10/03/2011	FY 11/12 Beach Shuttle Service, 9/20/11		\$4,900.50
67952	10/28/2011	Open			ORCHARD SUPPLY HARDWARE	\$89.31
	Invoice		Date	Description		Amount
	6013-1235535		10/03/2011	Paint thinner		\$29.22
	6007-3524202		10/05/2011	Gravel		\$17.28
	6007-2434449		10/06/2011	Adj. wrenches - Cary		\$25.96
	6011-4791284		10/19/2011	Padlock for PD		\$10.81
	6007-3526845		10/17/2011	Electrical Supplies, IT		\$6.04
67953	10/28/2011	Open			PACIFIC GAS & ELECTRIC	\$12,605.01
	Invoice		Date	Description		Amount
	2012-00000358		10/20/2011	Monthly Elec Fund 1000, General Fund=\$3671.86 Fund 1300, SLESF=\$197.04 Fund 1310, Gas Tax Fund=\$6859.13 Fund 1311, Wharf Fund=\$1876.98		\$12,605.01

City Check Issued 10/28/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67954	10/28/2011	Open			PACIFIC GAS & ELECTRIC	\$260.72
	Invoice		Date	Description	Amount	
	Sep-OctPCElec		10/20/2011	Pac Cove MHP Elec and Gas	\$260.72	
67955	10/28/2011	Open			PACIFIC GAS & ELECTRIC	\$95.11
	Invoice		Date	Description	Amount	
	Sep-Oct11		10/20/2011	Elec Usage, Rispin	\$95.11	
67956	10/28/2011	Open			PACIFIC PRODUCTS AND SERVICES,	\$441.98
	Invoice		Date	Description	Amount	
	11216		09/30/2011	Anchors	\$441.98	
67957	10/28/2011	Open			PALACE ART & OFFICE SUPPLIES	\$1,266.68
	Invoice		Date	Description	Amount	
	925800		10/05/2011	Office supplies-PD	\$84.40	
	926505		10/10/2011	Office Supplies, City Hall	\$33.38	
	926296		10/07/2011	Office Supplies, City Hall	\$139.32	
	15372		10/10/2011	Cabinet for Captains office	\$926.84	
	926782		10/11/2011	Office Supplies, City hall	\$38.80	
	926885		10/12/2011	Office Supplies, City Hall	\$16.89	
	926980		10/12/2011	Office Supplies, City Hall	\$27.05	
67958	10/28/2011	Open			PHIL ALLEGRI ELECTRIC, INC.	\$1,140.37
	Invoice		Date	Description	Amount	
	16281		10/03/2011	Light repair	\$277.00	
	16282		10/03/2011	Track lighting, Council Chambers	\$863.37	
67959	10/28/2011	Open			PITNEY BOWES INC.	\$660.23
	Invoice		Date	Description	Amount	
	416241		10/03/2011	Jul-Sep Postage Meter Rental, City Hall	\$207.84	
	471286		10/01/2011	Contract Maint, Postage Meter, City Hall	\$452.39	
				Fund 2210, Stores Fund		
67960	10/28/2011	Open			QUENVOLD'S SAFETY SHOEMOBILES	\$135.31
	Invoice		Date	Description	Amount	
	16728		10/14/2011	Safety shoes - Turcotte	\$135.31	
67961	10/28/2011	Open			RED SHIFT INTERNET SERVICES	\$115.11
	Invoice		Date	Description	Amount	
	1473695		10/01/2011	Oct2011 Internet Access	\$49.94	
	1473694		10/01/2011	Oct2011 Internet Access	\$65.17	
67962	10/28/2011	Open			SACRAMENTO MAGAZINES CORP.	\$350.00
	Invoice		Date	Description	Amount	
	560197		02/22/2011	Advertising, BIA Funded	\$350.00	
				Fund 1321, BIA		
67963	10/28/2011	Open			SALDANA, LISA	\$563.11
	Invoice		Date	Description	Amount	
	20111021		10/20/2011	Reimb. Travel Exp	\$563.11	

City Check Issued 10/28/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67964	10/28/2011 Invoice Q1 FY11/12	Open	Date 10/20/2011	Description Qtrly Community Grant Payment	SANTA CRUZ AIDS PROJECT	\$2,287.50
67965	10/28/2011 Invoice 10-11Haz	Open	Date 09/28/2011	Description FY10/11 Haz Waste Collection Prog, final	SANTA CRUZ COUNTY DEPT OF PUBI	\$2,793.00
67966	10/28/2011 Invoice 11-12CMCMC	Open	Date 10/04/2011	Description FY11-12 Contract Mgmt Ctr Maint Costs	SANTA CRUZ COUNTY HUMAN SERVI	\$485.00
67967	10/28/2011 Invoice Oct 2011	Open	Date 10/04/2011	Description Oct 2011 SCAN Charges	SANTA CRUZ COUNTY INFORMATION	\$502.78
67968	10/28/2011 Invoice 373086	Open	Date 09/28/2011	Description Electrical Supplies, IT	SANTA CRUZ ELECTRONICS, INC.	\$3.89
67969	10/28/2011 Invoice Q2 FY11/12 Q2SCRMS Debt11-12	Open	Date 09/01/2011 09/01/2011 09/15/2011	Description Q2 Regional 911 2nd qrt SCRMS 11/12 first half debt service FY11/12	SANTA CRUZ REGIONAL 911	\$122,962.50
67970	10/28/2011 Invoice Q1 FY11/12	Open	Date 10/20/2011	Description Quarterly Comm Grant Payment	SANTA CRUZ TODDLER CARE CENTE	\$308.50
67971	10/28/2011 Invoice Swift-9-30 20111021	Open	Date 09/30/2011 10/21/2011	Description Reimb Home Depot Purch for Museum Reimb Museum Painting Purchase	SWIFT, STEVE	\$154.51
67972	10/28/2011 Invoice 5623772-0	Open	Date 10/14/2011	Description Nov2011 Employee Life and Disability Ins	THE HARTFORD -PRIORITY ACCOUNT	\$1,780.75
67973	10/28/2011 Invoice Oct-3	Open	Date 10/24/2011	Description Volleyball Officials Oct 22 2011	THILL, WENDY	\$40.00
67974	10/28/2011 Invoice CN1N013314	Open	Date 10/01/2011	Description Photocopy Expense, Jun-Sep2011 Fund 2210, Stores Fund	TRI-COUNTY BUSINESS SYSTEMS INK	\$917.90
67975	10/28/2011 Invoice 954791411	Open	Date 10/08/2011	Description Shipping-PD	UNITED PARCEL SERVICE	\$20.74

City Check Issued 10/28/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
67976	10/28/2011 Invoice 188004287	Open	Date 10/08/2011	Description Monthly Lease Payment, PD Copier	US BANCORP EQUIPMENT FINANCE, Amount \$287.57	\$287.57
67977	10/28/2011 Invoice 20609	Open	Date 09/30/2011	Description Labor & Employment Advice	WILEY, PRICE & RADULOVICH, LLP Amount \$509.50	\$509.50
67978	10/28/2011 Invoice T8855	Open	Date 10/01/2011	Description K-9 training Sept 2011	WITMER-TYSON IMPORTS INC. Amount \$500.00	\$500.00
67979	10/28/2011 Invoice 2001133-002	Open	Date 10/25/2011	Description Refunds - Rec	Anderson, Pamela Amount \$85.00	\$85.00
67980	10/28/2011 Invoice 2001124-002	Open	Date 10/25/2011	Description Class refund	Gibson, David Amount \$36.00	\$36.00
67981	10/28/2011 Invoice 2001129-002	Open	Date 10/25/2011	Description Refunds - Rec	Heien, Janet Amount \$96.00	\$96.00
67982	10/28/2011 Invoice 2001125-002	Open	Date 10/25/2011	Description Refunds - Rec	Torres, Belen Amount \$48.00	\$48.00
Check Totals:				Count	50	Total \$193,443.62



CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: FINANCE DEPARTMENT
DATE: NOVEMBER 3, 2011
SUBJECT: APPROVAL OF RDA CHECK REGISTER REPORT

Recommended Action: By motion and roll call vote, that the RDA Board approve the Check Register Report dated October 21, 2011 as submitted.

DISCUSSION

The attached Check Register for the referenced date:

Date	Starting Check #	Ending Check #	Total Checks	Amount
10/21/11	3004	3008	5	\$7,053.62

The prior RDA check register report of October 7, 2011 ended with check number 3003.

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

As of 11/3/11 the unaudited cash balance in the RDA account is \$2,278,687 allocated as follows:

RDA Operating Fund	\$2,296,943
RDA Low/Mod Housing Fund	(\$18,256)

ATTACHMENTS

Check Register Report dated:
October 21, 2011

Report Prepared By: **Linda Benko**
AP Clerk

Reviewed and Forwarded
By Executive Director:

RDA Checks Issed 10/21/11

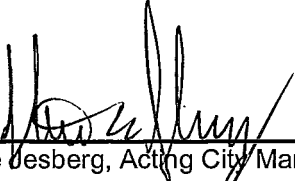
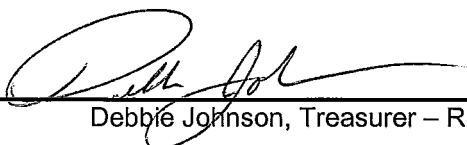
Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
3004	10/21/2011 Invoice 2	Open	Date 10/12/2011	Description Library Project Planning & Architectural De	ANDERSON BRULE ARCHITECTS, INC	\$1,500.00 \$1,500.00
3005	10/21/2011 Invoice 102243 102614	Open	Date 08/16/2011 09/15/2011	Description FY 2011-2012 RDA Legal Services Non-housing counsel re: RDA continuance	GOLDFARB & LIPMAN, LLP	\$2,889.62 \$48.00 \$2,841.62
3006	10/21/2011 Invoice 15109	Open	Date 10/11/2011	Description Clares Street Traffic Calming Project	HARRIS & ASSOCIATES	\$400.00 \$400.00
3007	10/21/2011 Invoice 12-03CTA/CSD	Open	Date 10/04/2011	Description Sept 2011 Tech Assist. & Security Deposit	HOUSING AUTHORITY OF SCC	\$2,075.00 \$2,075.00
3008	10/21/2011 Invoice Ord962	Open	Date 09/28/2011	Description Publication of Ordinance 962	SANTA CRUZ RECORD	\$189.00 \$189.00
Check Totals:				Count	5	Total \$7,053.62

The above listed checks have been printed and released under the RDA Executive Director's approval. Included are checks numbered 3004 through 3008 for \$7,053.62.

These checks has been reviewed and authorized for distribution.

The unaudited cash balance in the RDA account as of 10/21/11 is \$2,278,678.37

RDA Operating Fund \$2,296,936.24
 Low/Mod Housing Fund (\$18,257.87)


 Steve Desberg, Acting City Manager 10/21/11 Date

 Debbie Johnson, Treasurer – RDA 10/21/11 Date



Item #: **3.B.**

CITY COUNCIL/REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: OFFICE OF THE CITY CLERK/REDEVELOPMENT AGENCY SECRETARY

DATE: NOVEMBER 3, 2011

SUBJECT: **CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY MINUTE APPROVAL:**
MINUTES OF THE REGULAR JOINT MEETING OF THE CAPITOLA CITY COUNCIL/
REDEVELOPMENT AGENCY OF OCTOBER 13, 2011

Recommended Action: By motion of the City Council/Redevelopment Agency Directors, approve the subject minutes as submitted.

DISCUSSION

Attached for City Council/Redevelopment Agency review and approval are the Minutes to the Regular Joint Meeting of October 13, 2011.

ATTACHMENTS

October 13, 2011 Minutes

Report Prepared By: Pamela Greeninger, MMC
City Clerk/RDA Secretary

Reviewed and Forwarded by
City Manager/Executive Director: _____

**CITY OF CAPITOLA
CITY COUNCIL/REDEVELOPMENT AGENCY**

October 13, 2011
Capitola, California

MINUTES OF A REGULAR JOINT MEETING

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

At 5:33 p.m. in the City Hall Council Chambers, Mayor/Chairperson Norton noted that all Council Members/Redevelopment Agency Directors were present. Mayor/Chairperson Norton made an announcement regarding the items to be discussed in Closed Session, as follows:

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

Surf and Sand, LLC vs. City of Capitola, et al. (Surf & Sand Mobile Home Park)
[Superior Court of the State of California for County of Santa Cruz, Case #CV 167716]
Surf and Sand, LLC vs. City of Capitola, et al. (Surf & Sand Mobile Home Park)
[U.S. District Court N.D., Case No. C09-05542 RS (Judge Richard Seeborg)]
Bill Newman, et al. (residents of Surf & Sand Mobile Home Park) vs. Surf and Sand, LLC,
Ronald Reed, et al. (Surf and Sand, LLC; Ronald Reed, Cross-Complainants vs. City
of Capitola) [Superior Court County of Santa Cruz, Unlimited Jurisdiction, Case No. CV
171783]

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code §54956.9:
Two Cases: 1) Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park
2) American Alternative Insurance Corporation vs. City of Capitola

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

Property: McGregor Drive, APN 36-341-02 (City of Capitola, Owner)
City Negotiator: City Manager
Negotiating Parties: City and Soquel Creek Water District
Under Negotiation: Real Property Lease/Sale

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957)

Title: City Manager

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Capitola Associates, LLC
Claimant: Mid-Century Insurance Company, subrogee of Blue Water Steakhouse, Inc.
Claimant: Farmers Insurance Exchange, subrogee of Hot Feet, Inc.
Claimant: Farmers Insurance Exchange, subrogee of Raymond Apolskis,
dba Surf N Shack
Claimant: Nubia R. Jordan, dba Capitola Dreams Swimwear
Agency claimed against: City of Capitola

No one from the public was present for the announcement regarding the Closed Session; therefore, the City Council/Redevelopment Agency recessed at 5:34 p.m. to the Closed Session in the City Manager’s Office.

7:00 P.M. – OPEN SESSION**REGULAR JOINT MEETING OF THE CAPITOLA CITY COUNCIL/REDEVELOPMENT AGENCY**

Mayor/Chairperson Norton called the Regular Joint Meeting of the Capitola City Council/Redevelopment Agency to order at 7:04 p.m. on Thursday, October 13, 2011, in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

ROLL CALL AND PLEDGE OF ALLEGIANCE

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

ABSENT: City Treasurer Jacques Bertrand

OTHERS: Redevelopment Agency Treasurer Debbie Johnson

STAFF: City Manager/Executive Director Jamie Goldstein, City Attorney/RDA General Counsel John G. Barisone [*for Closed Session only*], Deputy City Attorney Adair Paterno, Community Development Director/Deputy Executive Director Derek Johnson, Chief of Police Michael Card, Public Works Director Steve Jesberg, Administrative Services Director Lisa Murphy, and City Clerk/Secretary Pamela Greeninger

*** * * PRESENTATIONS * * ***

**Presentation by Dan Haifley, Executive Director of
O'Neill Sea Odyssey [330-30]**

Dan Haifley, Executive Director of O'Neill Sea Odyssey, reported on the progress made by the O'Neill Sea Odyssey over the past 12 to 14 years in providing an ocean education program about the ocean for the youth of our community. Utilizing a PowerPoint Presentation (copy on file), Mr. Haifley discussed highlights of the basic program, the special program for physically challenged youth, awards received for the program, and positive impacts received by participants. He said over 60,000 youth have participated in the program since its inception. Mr. Haifley commented on, and passed out, preliminary information regarding their "Long-term Study," which seeks to examine the effects the O'Neill Sea Odyssey has on long-term environmental knowledge, attitudes and behaviors.

Ed Kramer wished to thank Mr. Haifley for his presentation. Mr. Kramer explained that he is blind and that he had an opportunity to go out on the Monterey Bay with about 100 low-income students from Salinas. He said it was a wonderful experience.

Mayor Norton thanked Mr. Haifley for his presentation.

1. REPORT ON CLOSED SESSION [520-25]

Deputy City Attorney Adair Paterno said all members of the city council were present for the closed session, as were City Attorney John Barisone, herself, and City Manager Jamie Goldstein. The closed session commenced at 5:30 p.m. She reported on the Closed Session as follows:

- Announced there were three matters discussed under existing litigation in Closed Session (as listed on the posted agenda), and that no reportable action was taken by the council on those matters in closed session.
- Reported that the City Council discussed two items of anticipated litigation and took no reportable action in closed session.

1. REPORT ON CLOSED SESSION (Continued)

- With respect to the conference with Real Property Negotiators, Deputy City Attorney Adair Paterno reported that the City Council, by a 5-0 vote, agreed to enter into an option to purchase agreement with the Soquel Creek Water District in concept, whereby the Soquel Creek Water District will have a 9-month option to purchase a portion of the McGregor Drive property to build a pump station.
- The city manager had a public employee performance evaluation, and the City Council took no reportable action in Closed Session.
- There was limited discussion of the liability claims, and those claims will be handled under the consent agenda.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

1) Mayor Norton announced that Public Hearing Item 4.B. pertaining to Mobile Home Park Rent Stabilization would be reordered prior to Public Hearing Item 4.A. pertaining to consideration of a preliminary development plan for a proposed Planned Development rezoning at 1575 38th Avenue.

2) Mayor Norton also said that Other Business Item 5.F. regarding consideration of a resolution supporting termination of the Southern Sea Otter Translocation Program would be reordered following Item 5.C. about single-use plastic and paper carryout bags.

B. Public Comments

The following people addressed the City Council regarding their concerns relating to SmartMeters: Angela Flynn, Ed Kramer, Ms. Tucker, Marilyn Garrett, a woman living on 44th Avenue in Capitola, a woman from Cabrillo Mobile Home Estates, and a resident of Santa Cruz named Jim.

In addition, Tony Kuspa, a resident of Santa Cruz, submitted a written copy of a song, which he sang to the Council, entitled, "Confessions of a Meter-Reader-Depleter-Meter."

C. Staff Comments - NoneD. City Council/RDA Director/Treasurer Comments/Committee Reports

1) Council Member Harlan stated that she missed the AMBAG meeting last night because she attended the City Council's joint special meeting with the Finance Advisory Committee; however, she has received information from AMBAG staff she would like to report.

Council Member Harlan also commented on the blue printing report she had brought to the council's attention at a previous meeting and informed the Council the AMBAG was not going to be able to finish responding to all the comments received on the report due to lack of funding.

Council Member Harlan then reported on action taken at the October 12, 2011, AMBAG meeting, as follows: A motion was made, seconded, and passed unanimously to retain AMBAG in its current form as the Regional Council of Governments and the Metropolitan Planning Organization, and to direct staff to identify and address any and all performance-related issues going forward and to report to the Board at its January 2012 meeting, along with providing a timeline to addressing the issues.

2. D. 1) ORAL COMMUNICATIONS (Continued)

Council Member Harlan said the AMBAG board also directed staff to discuss the MOU between AMBAG and the RTPA (Regional Transportation Planning Agency) in order to appropriately fund the Regional Transportation Demand Model and avoid any duplication of transportation planning efforts.

2) Council Member Harlan reported that she attended the League of California Cities Annual Conference in San Francisco, where she went to several very informative sessions. She said many of the sessions at the conference were predominantly relating to economic development. She said it was good to network with other cities, and she learned that many other cities have more challenging problems than we have in Capitola.

3) Council Member Termini announced there would be a ceremony for the Tile Wall Dedication tomorrow afternoon, October 14, at 3:00 pm, at the wall located at Monterey and Bay Avenues.

4) Mayor Norton noted as much as he appreciates Target coming to our community and filling a large vacancy in our shopping center, he is disappointed that they are using outside labor when our local labor force is in need of work. He would like the city to consider a policy requiring businesses to use a certain percentage of local labor, and to set that matter for a future agenda.

E. Committee Appointments – None

F. Approval of Check Register Reports1) City: Approval of City Check Register Reports dated September 16, 23 and 30, 2011. [300-10]

ACTION: Council Member Harlan moved, seconded by Council Member Termini, to approve the Check Register Reports dated September 16, 23, and 30, 2011, including checks numbered 67547 through 67581 in the amount of \$61,258.82, checks numbered 67582 through 67674 in the amount of \$1,121,591.93, and checks numbered 67675 through 67734 in the amount of \$197,844.95, respectively; and payroll disbursements for the September 23, 2011, payroll in the amount of \$176,187.73, for a Grand Total of \$1,556,883.43, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

2) RDA: Approval of Redevelopment Agency Check Register Report dated September 23, 2011. [760-25]

ACTION: Director Harlan moved, seconded by Director Storey, to approve the Check Register Report dated September 23, 2011, including checks numbered 2996 through 2999 in the amount of \$8,040.00, as submitted. The motion carried on the following vote: AYES: Directors Harlan, Termini, Nicol, Storey and Chairperson Norton. NOES: None. ABSENT: None. ABSTAIN: None.

3. **CONSENT CALENDAR**

Mayor/Chairperson Norton asked if there were any items on the Consent Calendar that members of the public or the City Council/Redevelopment Agency Directors wished to pull for separate discussion.

Mayor/Chairperson Norton said he had a question regarding Item 3.C. pertaining to an Amendment to Design, Community & Environment DCE contract. *[See discussion under that item on Page 12090.]*

3. CONSENT CALENDAR (Continued)

Council Member Termini and Mayor Norton announced that they would recuse themselves from voting on Item 3.E.1), the Liability Claim of Capitola Associates, LLC, due to a conflict of interest.

Council Member Harlan noted that she would be abstaining on Item 3.B., the Minutes to the meeting of September 20, 2011, since she was absent.

CONSENT CALENDAR ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the Consent Calendar, as recommended. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None. *[Note: Council Member Harlan abstained from voting on Item 3.B., Minutes of the September 20, 2011 Special Meeting, since she was absent.]* DISQUALIFIED: Council Member Termini and Mayor Norton *[for Item 3.E.1) Capitola Associates, LLC, only.]*

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

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

B. Approve Minutes of the Special Closed Session Meeting of the City Council of September 20, 2011.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to approve the Minutes of the Special Closed Session Meeting of the City Council of September 20, 2011, as submitted. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: Council Member Harlan.

C. Approve 1st Amendment to the Agreement with The Planning Center|Design, Community & Environment (formerly Design, Community & Environment) in an amount not to exceed \$30,000 for work on the Village Hotel Project. [500-10 A/C: The Planning Center|Design, Community & Environment]

Prior to action on the Consent Calendar, Mayor Norton questioned the original contract with Design, Community & Environment, stating he thought there was a provision in that original contract that addressed a Capitola Village hotel.

Community Development Director Johnson discussed the cooperation agreement entered into a between the City and Barry Swenson Builders to expand the scope of work for hotel planning. There was some amount of planning for a Village hotel called for in the original agreement; however, additional work is recommended to prepare for the EIR. Community Development Director Johnson also stated that the \$30,000 for this additional work was provided by Barry Swenson Builders.

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to authorize the City Manager to execute a contract amendment with The Planning Center|Design, Community & Environment (formerly Design, Community & Environment) in an amount not to exceed \$30,000 for inclusion of the Capitola Village Hotel Facilitation and Design Project, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

3. C. CONSENT CALENDAR (Continued)

D. Accept update report on the Rispin Property Hazard Abatement Project and, by 4/5 vote approval, make the determination that all hazards at the Rispin Property have not been eliminated and there is need to continue action. [275-60]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to accept the update report on the Rispin Property Hazard Abatement Project and made the determination that all hazards at the Rispin Property, as detailed in the March 1, 2011, Notice of Summary Abatement Order to Abate Dangerous Buildings and Grounds, have not been eliminated, and there is a need to continue action. The motion carried on the following vote: AYES: Council Member Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

E. Deny liability claims and forward to the City's liability insurance carrier. [Claims Binder]

- 1) **Capitola Associates, LLC: \$541,724.72 (Continued from 9/22/11) [Note: Council Member Termini and Mayor Norton recused themselves on this claim only.]**
- 2) **Mid-Century Insurance Company; subrogee of Blue Water Steakhouse, Inc.: \$4,784.00**
- 3) **Farmers Insurance Exchange; subrogee of Hot Feet, Inc.: \$13,531.54**
- 4) **Farmers Insurance Exchange; subrogee of Raymond Apolskis, dba Surf N Shack: \$886.00**
- 5) **Nubia R. Jordan, dba Capitola Dreams Swimwear: \$102,320.00**

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to deny the claims of the above-listed claimants and directed staff to forward the claims to the City's liability insurance carrier. The motion carried on the following vote: AYES: Council Members Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: Council Member Harlan. ABSTAIN: None. DISQUALIFIED: Council Member Termini and Mayor Norton *[for Item 3.E.1) Capitola Associates, LLC, only.]*

F. Adopt Resolution providing for the extension of Additional Vehicle Registration Service Fees for the Operation of the City's Vehicle Abatement Program. [490-10/500-10 A/C: Santa Cruz County JPA Abandoned Vehicle Abatement Program]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to adopt **Resolution No. 3892, Resolution Extending the Additional Vehicle Registration Service Fees for Operation of the Vehicle Abatement Program**, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

G. Receive and file the Fourth Quarter and Full Year Sales Tax and Transient Occupancy Tax Status Report for FY2010-2011 (Unaudited) for the City of Capitola. [390-70]

ACTION: Council Member Nicol moved, seconded by Council Member Storey, to receive and file Fourth Quarter and Full Year Sales Tax and Transient Occupancy Tax Status Report for FY2010-2011 (Unaudited) for the City of Capitola, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

4. PUBLIC HEARINGS

B. Public Hearing to consider adoption of an Ordinance Repealing Capitola Municipal Code Chapter 2.18 pertaining to Mobile Home Park Rent Stabilization. [2nd Reading] Presentation: City Attorney. [750-25]

Deputy City Attorney Adair Paterno provided a brief report on the proposed ordinance repealing Mobile Home Park Rent Stabilization and responded to questions of Council Members. Utilizing a PowerPoint Presentation she provided background information on the first reading of the ordinance, notification to interested parties, a Park Summary for Castle, Cabrillo, Surf & Sand and Pacific Cove Mobile Home Parks and current park status for each park. In addition, she commented on the Surf & Sand Mobile Home Park litigation and recommended action.

Mayor Norton asked how many people wished to speak to this item, and he announced that each speaker would be given 2 minutes to address the council.

Mayor Norton opened the public hearing at 7:55 p.m.

The following people spoke against adoption of the proposed ordinance. Several speakers urged the council to postpone this item to the next meeting, as the city would still be within the deadline for adopting the ordinance to repeal rent control.

Nicholas Whitehead, resident of a Santa Cruz County mobile home park

Emily Zimmerman, Worker's Benefit Council, urged the council to do its job and safeguard low-income housing for mobile home park residents.

Rod Quartararo, employee and representative of Bay Federal Credit Union, believes the council needs to put more time into considering the effects of the ordinance and also must support people who need affordable lending.

Marcos Brindall, resident of a mobile home park in Soquel, believes the affect of repealing the city's rent control ordinance will affect the entire state.

Stephanie Johnson, the daughter of a resident at Surf and Sand Mobile Home Park

Mardi Brick, resident of De Anza Mobile Home Park in Santa Cruz

Carol Terrence, member of GSMOL

Melinda Taylor, resident of Surf and Sand Mobile Home Park

Sharon Shelgren, resident of Surf and Sand Mobile Home Park

Margaret Dixon, resident of Surf and Sand Mobile Home

Laurie Beamish, resident of Surf and Sand Mobile Home Park

Mark Saint John asked about a request by Council Member Termini concerning how many people had leases at Surf & Sand Mobile Home Park.

Jack Olson, resident of Surf and Sand Mobile Home Park

Allen Roselle, resident of Santa Cruz

Carol Lerno, Space 56 at Pacific Cove Mobile Home Park, commented on property taxes when a coach sells.

Mayor Norton closed the public hearing at 8:38 p.m.

After comments from each council member, the following action was taken:

ACTION: Council Member Nicol moved, seconded by Mayor Norton, to adopt **Ordinance No. 963, Ordinance Repealing Chapter 2.18 of the Capitola Municipal Code pertaining to Mobile Home Park Rent Stabilization**, as submitted. The motion carried on the following vote: AYES: Council Members Nicol, Storey, and Mayor Norton. NOES: Council Members Harlan and Termini. ABSENT: None. ABSTAIN: None.

The Council took a short break at 8:55 p.m. and reconvened at 9:07 p.m.

Mayor Norton announced that he is reordering Item 5.A. at this time since Supervisors' Ellen Pirie and John Leopold were in attendance.

5. A. Discussion regarding Redistricting of Supervisorial Boundaries. Staff recommendation: receive report. [580-20]

Community Development Director Johnson summarized the written agenda report. The proposed redistricting map was placed on the screen for view during the discussion.

Santa Cruz County Supervisors John Leopold and Ellen Pirie addressed the council and responded to questions regarding the supervisorial boundary redistricting. Supervisor Pirie thanked the council for reordering this agenda item.

Mayor Norton explained his reasons for placing this matter on the agenda. He believes the most logical boundary would be Soquel Creek. Council members responded to the mayor's comments.

Mayor Norton thanked Supervisors Pirie and Leopold for attending tonight's meeting to respond to the council's concerns and questions regarding the redistricting issue.

ACTION: The City Council received the report and comments from Supervisors Pirie and Leopold. No action was taken.

The City Council then considered Public Hearing Item 4.A.

4. PUBLIC HEARINGS

A. Public Hearing to consider Application #11-060, a Preliminary Development Plan for a proposed Planned Development Rezoning to construct a four-story, 67-unit Senior Housing Project in the CN (Neighborhood Commercial) Zoning District, located at 1575 38th Avenue (APN 034-181-17). Property owner: Maureen A. Romac; Representative: Steve Thomas. Presentation: Community Development Department. [730-10]

Senior Planner Bane summarized the written agenda report and, utilizing a PowerPoint Presentation, discussed the proposed planned development project. He first discussed the plans reviewed by the Planning Commission and concerns that were expressed. Six members of the public spoke in opposition to the project at the Planning Commission meeting, expressing concerns regarding the mass, scale, and height of the proposed development.

Senior Planner Bane then discussed revised plans that were submitted after the Planning Commission meeting. Following his presentation, Senior Planner Bane responded to questions of Council Members.

Community Development Director Johnson commented that this site has been identified as an opportunity site. This could be one of the first projects to remake 38th Avenue and set the stage for future development.

At 9:45 p.m. Mayor Norton opened this item to the applicant for presentation.

Ric de la Cruz, representative for the applicants, introduced the applicants, Maureen Romac and Steve Thomas, who addressed the Council.

4. A. PUBLIC HEARINGS (Continued)

Maureen Romac discussed the benefits this project will have for active seniors in their community. This project will benefit commercial businesses adjacent to the site.

Steve Thomas, operator of Capitola Freight and Storage, currently located on the site, discussed the environmental aspects of the proposed building, the new plans resulting from comments from the Planning Commission, the need for this type of housing for seniors in our community, etc.

Mr. de la Cruz reviewed the proposed project utilizing a PowerPoint Presentation. He said their project team is interested in hearing from the council members as to whether he and his team are on the right track for this type of development.

Mayor Norton opened the public hearing at 10:12 p.m.

The following people expressed their **opposition** to and concerns about the impacts the development, as proposed, would have on the single family residences adjacent to the site. There were concerns about not enough green space, inadequate parking, mass and height of the building, density, inadequacy of the site for this type of development, proposed change in the zoning for the site, etc.

Kim Frey, resident on Bulb Avenue (submitted written information entitled, "*Green Space, urbanity, and health: how strong is the relation?*")

Don Mosegaard, resident on Bulb Avenue

Teresa, resident on Bulb Avenue

Bart, the owner of the commercial property adjacent to the site

The following people spoke in **support** of the proposed development:

Terry Westberg, encouraged the City to work with Maureen and Steve to develop this type of project in Capitola. She believes a development of this nature geared for active senior living would benefit the community.

Robert, resident since 1965, offered his support of the proposed development, as there is a need in our community for a project of this type.

Mayor Norton closed the hearing at 10:27 p.m.

Council Members asked staff for a comparison between the current CN Zoning requirements and Planned Development requirements for the site. They expressed concerns about the design, the scale, the zoning change to Planned Development, second-floor side yard setbacks, pedestrian safety along 38th Avenue, adequate parking for customers, residents, and guests, and impacts to the neighboring properties. The Council would hope that the applicant would work with the neighbors to address their concerns and create buffers between the project and the neighbors.

There was considerable council discussion and responses to council members' questions from Mr. de la Cruz, project architect Nancy Huyck, and property owner Steve Thomas.

ACTION: The City Council considered the proposed project in concept and provided comments to the applicant. No action was taken on this item.

At 11:05 p.m., Council Member Storey suggested looking at the agenda to see if there were any items that could be continued. The council decided to continue with the agenda items.

4. PUBLIC HEARINGS (Continued)

B. Public Hearing to consider adoption of an Ordinance Repealing Capitola Municipal Code Chapter 2.18 pertaining to Mobile Home Park Rent Stabilization. [2nd Reading] Presentation: City Attorney.

This item was reordered prior to Item 4.A. *[See Page 12092 for discussion and action.]*

5. OTHER BUSINESS

A. Discussion regarding Redistricting of Supervisorial Boundaries.

This item was reordered for discussion after Item 4.B. *[See Page 12093 for discussion.]*

B. Continued consideration of adoption of an Ordinance Amending Sections 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 and 8.36.070 of the Capitola Municipal Code pertaining to the use of Polystyrene Foam and Biodegradable and Compostable Disposable Food Service Ware [1st Reading]. Staff recommendation: adopt ordinance. [930-30]

Administrative Services Director Murphy discussed the changes that were made based on council's direction at the last meeting and responded to questions of council members.

Community Development Director Johnson commented on the CEQA Notice of Exemption that was prepared for this ordinance.

Mayor Norton asked if anyone from the public wanted to address this item.

Laura Kasa, Save Our Shores, thanked the council for taking up this issue. She discussed her participation in speaking to store managers about removing Styrofoam from their businesses. Ms. Kasa was impressed with the positive responses from the business owners and urged the Council to approve the proposed ordinance tonight.

ACTION: Council Member Harlan moved approval of the ordinance.

Under discussion of the motion, Council Member Nicol commented that the staff report speaks to banning the sale of all Styrofoam products; however, the ordinance talks only about the use, not the sale, of such products. He referred to Section 8.36.035, paragraph T., under Section 1 of the draft ordinance. Council Member Nicol also expressed concern that the council is adopting an unclear ordinance that is unenforceable.

After discussion of Council Member Nicol's concerns and additional council discussion, Administrative Services Director Murphy suggested eliminating the words, "the use of" from the first sentence of paragraph T. under Section 8.36.010, so that the sentence would read, "Restricting polystyrene foam products that are not wholly encapsulated or encased by a more durable material..." Council Member Nicol then suggested that those words also be eliminated from the ordinance title.

Council Member Harlan then moved, seconded by Council Member Termini, to pass the proposed Ordinance Amending Sections 8.36.010, 8.36.020, 8.36.030, 8.36.040, 8.36.050, 8.36.060 and 8.36.070 of, and Adding Section 8.36.035 to, the Capitola Municipal Code pertaining to Polystyrene Foam and Biodegradable and Compostable Disposable Food Service Ware to a second reading, as modified. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

5. OTHER BUSINESS (Continued)

C. Conceptual review of an Ordinance to Reduce Single-Use Plastic and Paper Carryout Bags. Staff recommendation: provide direction to staff. [930-30]

Administrative Services Director Murphy said the draft ordinance is modeled after the ordinance adopted by the County of Santa Cruz and is before the council for conceptual review and direction. She said the ordinance would not apply to low-income residents, and she clarified that single-use plastic carry-out bags are not the plastic bags used to contain produce. Following her presentation, she responded to questions from council members.

Community Development Director Johnson commented on CEQA requirements. He said one approach would be to use a Notice of Exemption (NOE); however, there is potential for a challenge of such an ordinance. Deputy City Attorney Paterno agreed with Community Development Director Johnson that there is a potential the city could be challenged.

Mayor Norton said volunteers from Save our Shores and the Capitola Commission on the Environment would be willing to promote education of the ordinance.

Mayor Norton asked if anyone from the public wanted to address this item.

Laura Kasa, Save our Shores, said these plastic bags are the types of bags found during their Coastal Clean-Ups.

Uriah Langmeyer, member of the Capitola Commission on the Environment, read a letter from the commission supporting adoption of the proposed ordinance.

Community Development Director Johnson responded to questions of council members pertaining to the financial implications, including a cost of \$10,000 for a negative declaration and possible challenge.

ACTION: No action was taken. Staff will return at a future meeting with an ordinance for consideration.

D. Resolution Approving the Submission of an Application to the Santa Cruz County Regional Transportation Commission for Funding under the 2012 State Transportation Improvement Program (STIP) for the Bay Avenue/Capitola Avenue Roundabout and the Park Avenue Sidewalks Transportation Projects in Capitola. Staff recommendation: adopt resolution. [770-05/940-40]

Public Works Director Jesberg summarized the written agenda report and responded to questions of council members. He said the two projects staff is recommending are the Bay Avenue/Capitola Avenue Roundabout and the Park Avenue Sidewalks. He said the city needs to establish a priority, and staff would recommend the Park Avenue sidewalks be the first priority.

Council Member Termini commented that there would not be enough money for a roundabout. Public Works Director Jesberg stated that other funding may be available.

Council Member Storey discussed the proximity of his residence to the Park Avenue Sidewalk Project and said he believes he is within 500 feet of the project and would need to recuse himself from voting on this item.

ACTION: Council Member Nicol moved, seconded by Council Member Harlan, to adopt **Resolution No. 3893, Resolution Approving the Submission of Applications to the Santa Cruz County Regional Transportation Commission (SCCRTC) for Transportation Funding for the Bay Avenue/Capitola Avenue Roundabout and Park Avenue Sidewalks**, as submitted, and prioritizing the Park Avenue Sidewalk Project. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None. DISQUALIFIED: Council Member Storey.

5. OTHER BUSINESS

- E. Consideration of the City of Capitola's participation in the Code for America 2012 City Fellowship Program in the amount of \$2,500. Staff recommendation: Council discretion. [500-10 A/C: Code for America]**

City Manager Goldstein summarized the written agenda report and responded to questions of council members.

Limited discussion was followed by this action:

ACTION: Council Member Harlan moved, seconded by Mayor Norton, to authorize the City Manager to contribute \$2,500 to the City of Santa Cruz for the Code for America 2012 City Fellowship Program. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

- F. Consider adoption of a Resolution Supporting Termination of the Southern Sea Otter Translocation Program. Staff recommendation: Council discretion. [400-10]**
Mayor Norton commented on this item as he asked to have it included on the agenda.

Limited Council discussion was followed by this action:

ACTION: Council Member Termini moved, seconded by Council Member Harlan, to adopt **Resolution No. 3894, Resolution Supporting the Termination of the Southern Sea Otter Translocation Program**, as submitted. The motion carried on the following vote: AYES: Council Members Harlan, Termini, Nicol, Storey, and Mayor Norton. NOES: None. ABSENT: None. ABSTAIN: None.

6. COUNCIL/RDA DIRECTORS/STAFF COMMUNICATIONS

Council Member Harlan asked staff to look at the new palm trees located in front of the new Marriott Fairfield Inn hotel. She said the manager pointed out to her that the trees are growing up to the power lines.

7. ADJOURNMENT

The City Council/Redevelopment Agency adjourned at 11:52 p.m. to its next Regular Joint Meeting to be held on Thursday, October 27, 2011, at 7:00 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Dennis R. Norton, Mayor
Redevelopment Agency Chairperson

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk
Redevelopment Agency Secretary



CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: COMMUNITY DEVELOPMENT DIRECTOR
DATE: NOVEMBER 3, 2011
SUBJECT: PLANNING COMMISSION ACTION MINUTES OF NOVEMBER 3, 2011

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ron Graves, Ed Newman, Linda Smith and
Chairperson Gayle Ortiz
Absent: Commissioner Mick Routh
Staff: Community Development Director Derek Johnson
Interim Community Development Director Susan Westman
Senior Planner Ryan Bane
Minute Clerk Danielle Uharriet

2. ORAL COMMUNICATIONS

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

3. APPROVAL OF MINUTES

- A. October 20, 2011 Regular Planning Commission Meeting

APPROVED 4-0

4. CONSENT CALENDAR

NONE

5. PUBLIC HEARINGS

- A. **2205 & 2265 41st AVENUE** #11-110 **APN: 034-191-03**

Conditional Use Permit for a medical office use in the CC (Community Commercial) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: James Fenton Co. Inc, filed 10/17/11

Representative: Dr. Victor Li

APPROVED 4-0

B. 809 BAY AVENUE

#10-038

APN: 035-021-43

Six month review of an approved amendment to a Master Use Permit (Nob Hill Center) to relocate the recycling facilities on the site located in the CC (Community Commercial) Zoning District.

Property Owner: Bay Creek Properties / Filed 5/18/10

Representative: Craig French

NO ACTION REQUIRED.

C. ZONING AMENDMENTS TO ALLOW SANDWICH BOARD SIGNS IN THE CENTRAL VILLAGE AND NEIGHBORHOOD COMMERCIAL ZONE DISTRICTS

The Planning Commission shall consider an amendment of the Capitola Municipal Code to allow sandwich board signs in the Central Village and Neighborhood Commercial Zone Districts subject to a City permit and certain conditions and standards. The proposed amendment will expire on November 30, 2012 unless extended by Resolution by the City Council.

RECOMMENDED THE ORDINANCE BE DEFERRED UNTIL THE REVIEW OF THE SIGN ORDINANCE IS COMPLETED THROUGH THE GENERAL PLAN PROCESS.

3-1, COMMISSIONER SMITH DISSENTING.

D. REVIEW OF THE 41ST AVENUE/CAPITOLA MALL RE-VISIONING PLAN

The Planning Commission will review, comment, and make recommendations to the City Council on the 41st Avenue/Capitola Mall Re-Visioning Plan.

RECOMMENDED THE CITY COUNCIL REVIEW AND ACCEPT THE REPORT FOR INCLUSION INTO THE GENERAL PLAN.

4-0

6. INFORMATIONAL ITEM

A. GREENHOUSE GAS EMISSIONS REDUCTION PLANNING

Received a briefing on SB 375 and greenhouse gas emissions reduction planning.

NO ACTION REQUIRED.

7. DIRECTOR'S REPORT

8. COMMISSION COMMUNICATIONS

9. ADJOURNMENT

Adjourned to a Regular Meeting of the Planning Commission to be held on Thursday, December 1, 2011 at 6:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: CITY TREASURER

DATE: OCTOBER 27, 2011

SUBJECT: TREASURER'S REPORT FOR THE MONTH ENDED SEPTEMBER 30, 2011
(UNAUDITED)

Recommended Action: By motion, that the City Council accept the September 2011 Treasurer's Report (unaudited) for the City of Capitola.

BACKGROUND

California Government Code Section 41004 requires that the City Treasurer submit to the City Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances. The attachment provides various financial data and analysis for the City of Capitola funds, and the State Treasurer's Office (Local Agency Investment Fund) "LAIF" interest rates.

DISCUSSION - EXECUTIVE SUMMARY AT SEPTEMBER 30, 2011

The City Cash Position at September 30, 2011 totals \$3,345,100. LAIF deposits include \$2,552,300 of City and Assessment District Funds. The LAIF investment return as of September 30, 2011 was .378%.

The General Fund Balance Sheet consists of:

Total Assets	\$2,271,500 (includes Rispin receivable of \$1,350,000)
Total Liabilities	\$2,091,700
Total Fund Balance	\$ 179,800 (includes Rispin receivable of \$1,350,000)

Fund Balance

General Fund	\$ 179,800
Designated Reserves:	929,100
Capital Improv. Projects	955,800
Special Revenues:	1,293,500
Debt Service	(600)
Internal Services:	1,038,000
Total	\$ 4,395,600

FISCAL IMPACT: None.

ATTACHMENTS: 1) September 30, 2011 City Treasurer's Report, and 2) LAIF rates

Report Prepared By:

Reviewed and Forwarded By:

Lisa Saldana
Supervising Accountant

Jacques Bertrand, City Treasurer

cc: cdiac_investments@treasurer.ca.gov (June & December reports only, within 60 calendar days)

R:\Agenda Staff Reports\2011 Agenda Reports\11-10-11\City Treasurers Report for The Month Ended 9-30-11_Report.doc



Treasurer's Report for Month Ended September 30, 2011 (UNAUDITED)

BACKGROUND

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

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

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

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

DISCUSSION

The following information is for the month ended September 30, 2011. Such information is unaudited.

CASH BALANCE BY FUND

As of September 30, 2011, the LAIF deposits include \$2,552,300 of City and Assessment District funds. The LAIF investment return as of September 30, 2011 was .378%. The following summarizes the City's total cash balance of \$3,345,100 at September 30, 2011 amongst the funds:

		September 30, 2011
<u>General Fund</u>		74,900
<u>Special Revenues</u>	S L E S F	9,400
	SCC NARCOTICS ENFORCEMENT TEAM	(4,700)
	GAS TAX	4,600
	WHARF FUND	61,300
	DEVELOPMENT FEES FUND	3,400
	PEG CABLE TV ACCESS FUND	66,600
	CAPITOLA VILLAGE & WHARF BIA	34,400
	GREEN BUILDING	56,900
	PARIING RESERVE FUND	180,300
	TECHNOLOGY FEE FUND	15,000
	CDBG - GRANTS	18,100
	CDBG PROGRAM INCOME	(16,300)
	CDBG PROGRAM INCOME 07-08 RLF	-
	HOUSING PROGRAM LOAN FUND	2,100
	HOME GRANT FUND	5,200
	AFFORDABLE HOUSING TRUST FUND	166,900
	BEGIN GRANT FUND	60,000
	PUBLIC ART FUND	259,900
	OPEN SPACE PURCHASE	300
	GENERAL PLAN UPDATE	336,800
<u>Internal Service</u>	WORKER'S COMPENSATION	74,800
	SELF INSURANCE	110,000
	STORES	8,800
	INFORMATION TECHNOLOGY	101,300
	EQUIPMENT REPLACEMENT	105,900
	PUBLIC EMPLOYEE RETIREMENT	311,700
<u>Reserves</u>	EMERGENCY RESERVES	105,200
	CONTINGENCY RESERVES	200,000
	COMPENSATED ABSENCES	35,000
<u>Capital Projects</u>	VARIOUS CAPITAL PROJECTS	955,500
<u>Debt Service</u>	DEBT SERVICE FUND	1,800
TOTAL ALL FUNDS		<u><u>3,345,100</u></u>
	General Fund	74,900
	Internal Services	712,500
	Reserves	340,200
		<u><u>1,127,600</u></u>

GENERAL FUND SUMMARY BALANCE SHEET

The following is the General Fund summary balance sheet:

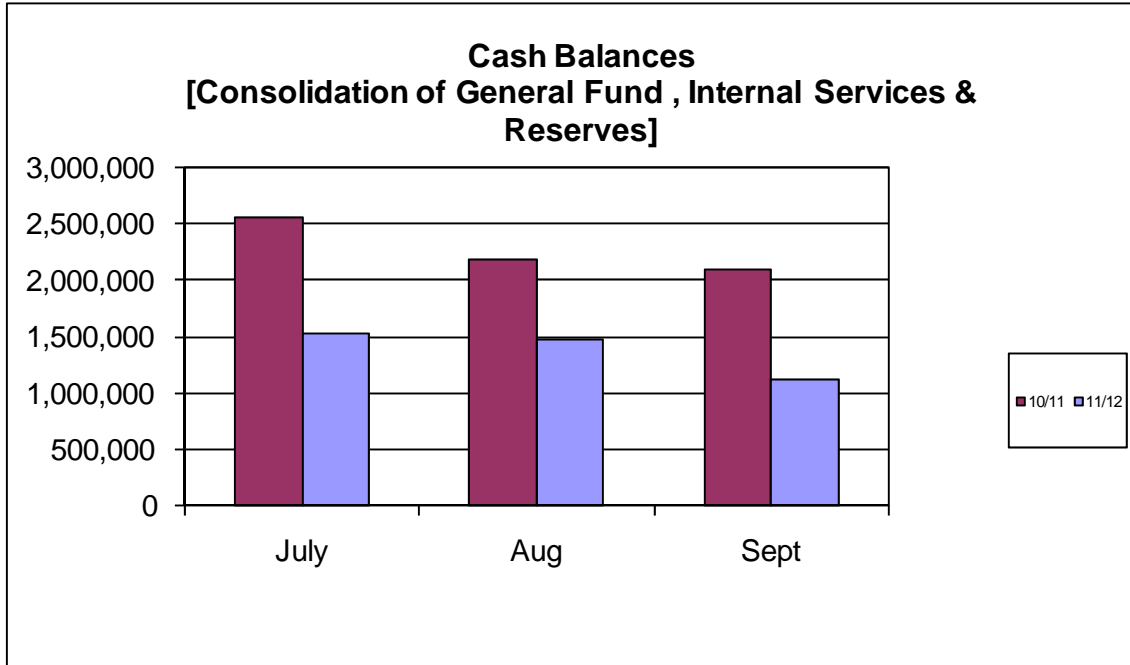
General Fund: Summary Balance Sheet	6/30/2011	Incr/Decr	9/30/2011
Cash	(240,500)	315,400	74,900
Prepaid Expenditures	3,800	(100)	3,700
Accounts Receivable	59,200	(36,800)	22,400
Accounts Receivable - Intergovernmental ¹	1,140,500	(938,000)	202,500
Accounts Receivable - RDA (Rispin)	1,350,000	-	1,350,000
Short Term Loans - RDA	-	-	-
Long Term Loans - RDA	618,000	-	618,000
TOTAL ASSETS	\$ 2,931,000	\$ (659,500)	\$ 2,271,500
Accounts Payable	261,200	(122,800)	138,400
Payroll Related Liabilities	335,800	(389,300)	(53,500)
Other Deposits and Other Liabilities	243,800	(32,600)	211,200
Deferred Revenue -- RDA	618,000	-	618,000
Deferred Revenue	368,700	(146,000)	222,700
Due to Other Funds	-	954,900	954,900
TOTAL LIABILITIES	\$ 1,827,500	\$ 264,200	\$ 2,091,700
FUND BALANCE ²			
Rispin Mansion Transaction	1,350,000	-	1,350,000
Fund Balance Reserves	12,600	-	12,600
Available Fund Balance:			
Prior Year Fund Balance	-	-	(219,900)
Current Year Operating Results	-	(962,900)	(962,900)
Net, Available Fund Balance	\$ (258,700)	\$ (962,900)	\$ (1,182,800)
TOTAL FUND BALANCE	\$ 1,103,500	\$ (962,900)	\$ 179,800

¹ A/R-Intergovernmental is primarily for State Mandated Cost Reimbursements.

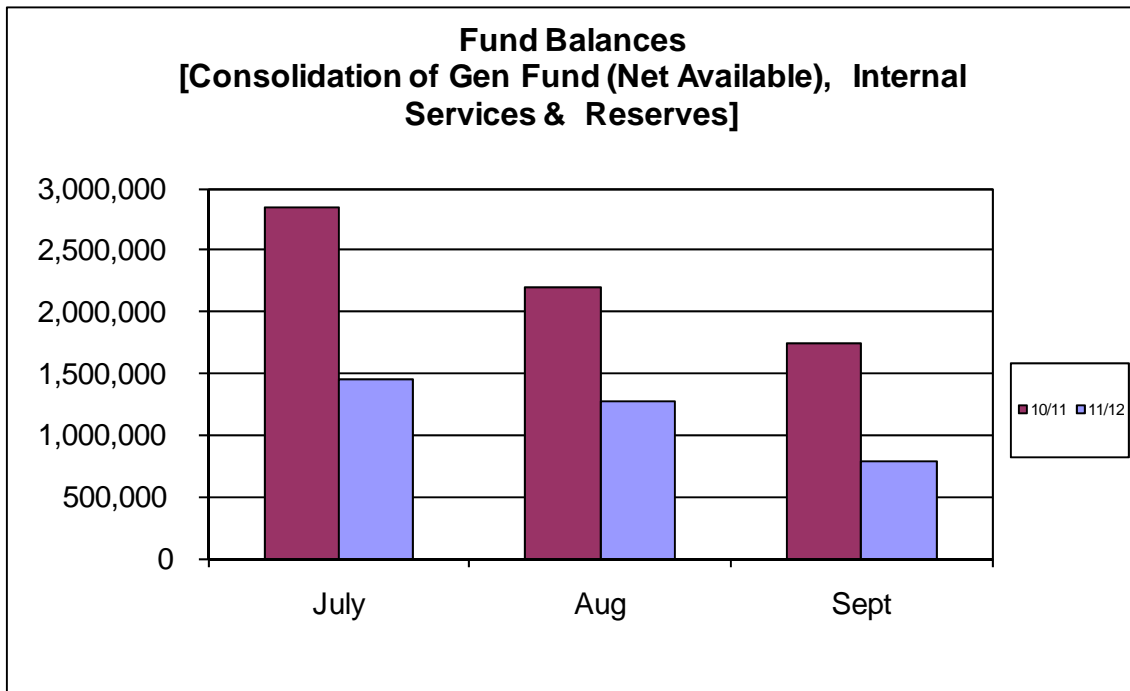
² Fund Balance is segregated for the amounts related to the Rispin Mansion Note Payable to the City and amount available.

CASH BALANCE & FUND BALANCE

The following graphs compare the monthly Cash and Fund Balance totals in the consolidated General Fund, Internal Service Funds, and Reserves for FY 10/11 and FY 11/12.



September 30, 2011 Total= \$1,127,600: Gen Fund= \$74,900, Internal Service= \$712,500, Reserves= \$340,200



September 30, 2011 Total= \$784,300: Gen Fund= (\$1,182,800), Internal Service= \$1,038,000, Reserves= \$929,100

CHANGES IN TOTAL FUND BALANCE

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

	Beginning Fund Balance: 7/01/11	Incr/(Decr) July-Aug	Revenue	Expenditure	Interfund Transfers	Unaudited Fund Balance: 9/30/11
General Fund: Rispin	1,350,000	-		-	-	1,350,000
General Fund: Reserved	12,600	-		-	-	12,600
General Fund: Available	(219,900)	(602,400)	597,100	(957,600)	-	(1,182,800)
Designated Reserves:	-					-
Emergency Reserves @ 5%	134,700	(30,800)	130,000	(144,700)	-	89,200
Compensated Absences	64,700	(28,600)	0	(1,100)	-	35,000
Contingency Reserves @10%	934,900	-	0	(130,000)	-	804,900
	-					-
Capital Improv. Projects:	1,053,900	(74,100)	0	(24,300)	-	955,500
Open Space Purchase	300	-	0	0		300
Special Revenues:	-					-
Gas Tax	-	1,800	23,500	(12,200)	-	13,100
Law Enforcement Grants	9,900	(500)	5,000	(5,300)	-	9,100
PEG Cable TV Access	77,500	(1,300)	0	(9,600)	-	66,600
Capitola & Wharf BIA	5,500	38,400	(800)	(3,100)	-	40,000
Development Fees	2,000	-	0	0	-	2,000
Wharf Fund	46,400	17,000	7,700	(4,800)	-	66,300
Green Building	48,700	8,200	0	0	-	56,900
Parking Reserve Fund	180,700	(400)	0	0	-	180,300
Technology Fee Fund	11,300	2,700	1,000	0	-	15,000
CDBG-Grants (Reimburseme	(4,100)	(700)	34,700	0	-	29,900
CDBG - Program Income	(15,500)	(900)	0	0	-	(16,400)
CDBG - Prog Inc 07-08 RLF	-	-	0	0	-	-
HOME Program Re-Use	5,100	(4,100)	1,000	0	-	2,000
HOME Grant Fund	5,200	-	993,900	(993,900)	-	5,200
Affordable Housing Trust	343,100	(160,000)	0	(16,200)	-	166,900
Begin Grant Fund	60,000	-	0	0	-	60,000
Public Art Program	127,700	130,000	9,100	(7,000)	-	259,800
General Plan Maintenance	303,300	25,500	8,000	0	-	336,800
	-					-
Debt Service:POB	252,900	(304,800)	51,300	0	-	(600)
Internal Services:	-	-				-
Equipment Replacement	305,900	-	0	0	-	305,900
Information Technology	173,200	(17,400)	0	(4,500)	-	151,300
Public Employee Retirement	473,700	(208,000)	165,900	(146,100)	-	285,500
Self-Insurance Liability	277,400	(51,000)	0	(14,600)	-	211,800
Stores	14,300	(4,400)	0	(1,200)	-	8,700
Worker's Compensation	174,800	(100,000)	0	0	-	74,800
	-					-
	-					-
TOTAL CITY	6,210,200	(1,365,800)	2,027,400	(2,476,200)	-	4,395,600

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

General Fund Revenues: For the month ending September 30, 2011, total revenues were \$597,100 which included Sales Tax of \$228,900 (38%), Charges for Services of \$113,700 (19%), Transient Occupancy Tax of \$110,700 (19%), and Fines and Forfeitures of \$40,700 (7%).

General Fund Expenditures: For the month ending September 30, 2011, total expenditures were \$957,600 which includes Staffing for (2) pay periods of \$619,400 (65%), and Contract Services of \$232,100 which includes \$100,700 for 911 JPA payment and \$63,500 for Community Grants, (24%).

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

Internal Services: Internal Service Fund transactions consist of quarterly General Fund transfers and budgeted expenditures. As of September 30, 2011 no transfers have taken place.

ATTACHMENT 2



Bill Lockyer
California State Treasurer

**Pooled Money Investment Account
PMIA Average Monthly Effective Yields**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378			



CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: FINANCE DEPARTMENT

DATE: NOVEMBER 4, 2011

SUBJECT: RDA QUARTERLY TREASURER'S REPORT FOR THE QUARTER ENDED
SEPTEMBER 30, 2011

Recommended Action: By motion, accept the RDA Quarterly Report for the quarter ended September 30, 2011, as submitted.

BACKGROUND

Capitola Redevelopment Agency's cash position and investment portfolio are shown below as of the quarter ended September 30, 2011. This complies with regulations contained in California Government Code Section 53646. The RDA follows the practice of pooling cash and investments for the RDA funds under its control. Interest earned on pooled cash and investments is allocated quarterly to the funds based on the respective fund's average quarterly cash balance. Interest earned is credited directly to each fund. Capitola RDA cash and investments are composed of operating cash and cash invested in Local Agency Investment Fund (LAIF). The LAIF interest rate for quarter ended September 30, 2011 was 0.38%.

DISCUSSION

RDA cash balance at quarter end was:

Total RDA Cash, 09/30/11			
	RDA Operating	Low/Moderate Income Housing	Total RDA Cash
Bank of America	\$ 2,266,848	\$ (17,604)	\$ 2,249,244
Local Agency Investment Fund (LAIF)	\$ 7,138	\$ 1,471	\$ 8,608
Total RDA Cash	\$ 2,273,986	\$ (16,133)	\$ 2,257,852

The negative Low/Moderate Income Housing balance results from payment of pre-existing obligations and California Department of Finance (DOF) direction not to increase or decrease RDA funds until resolution of the current State of California Supreme Court Case No. S194861, *California Redevelopment Association v. Ana Matosantos*. Both RDA Funds will be adequately covered by receipt of the December property tax distribution which is allowed by Court and DOF direction.

Report prepared by: Lonnie Wagner, Accountant II

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



Item #: **3.F.**

CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: NOVEMBER 2, 2011

SUBJECT: **115 SAN JOSE AVENUE APPLICATION #11-100 APN: 035-221-27**
APPEAL OF A PLANNING COMMISSION DENIAL FOR A CONDITIONAL USE PERMIT FOR A TAKE-OUT RESTAURANT WITH THE SALE AND DISPENSING OF ALCOHOL IN THE CV (CENTRAL VILLAGE) ZONING DISTRICT.
ENVIRONMENTAL DETERMINATION: CATEGORICAL EXEMPTION
PROPERTY OWNER: PETER DWARES, OWNER/FILED: 9/15/11

Recommended Action: By motion, direct staff to set a Public Hearing on the appeal of Application #11-100, for the City Council meeting of Tuesday, November 22, 2011.

BACKGROUND

On October 20, 2011, the Planning Commission denied the above project on a 5-0 vote. An appeal of the application was received on October 31, 2011, and Community Development Staff requests the City Council set the Public Hearing for the Council meeting to be held on Tuesday, November 22, 2011.

ATTACHMENTS

Appeal letter from Andrew South of Southstar P.M., Inc.

Report Prepared By: Ryan Bane
Senior Planner

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



SOUTHSTAR P.M., INC.

7831 S.E. Stark St. #103 • Portland, Oregon 97215 • Ph. 503-251-4888 • Fax 503-251-4848

October 31, 2011

City of Capitola
Community Development Department
Capitola, CA

Re: Appeal of Planning Commission denial of application #11-100,

To Whom It May Concern,

This is an appeal of the City of Capitola's Planning Commission's denial of a Conditional Use permit for a take-out Restaurant, to include the sale of alcohol at 115 San Jose Ave., Space "Q".

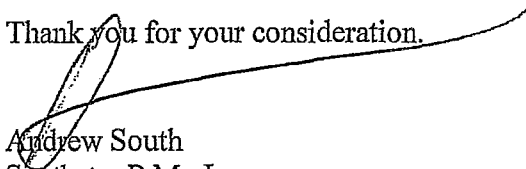
The Planning Commission's denial was based on the fact that they did not know who the tenant was going to be or that they did not know what kind of food would be served at the take-out restaurant. This application was for a Conditional Use Permit, which runs with the property itself so it has nothing to do with the person or persons applying for the permit, or what type of food they serve.

The Conditional Use permit, as regulated by the City stays with the property, not the business or person who applies for that use. If that were not so, why have a Use Permit Process? Our application included hours of operation, type of business, type of service, hours of delivery and all criteria for the granting of a Use Permit. It should be noted that this project provides its own parking on site, as anomaly in the Village.

Our request is an appeal to the City Council of the Planning Commissions decision, in that their decision was based on a determination not in common or allowed practice in the City's Conditional Use Permit process.

It should be noted that this project now has a tenant, "Thirsty Duck Ale House", a Micro Brewery and deli. Description of the Project will follow.

Thank you for your consideration.


Andrew South
Southstar P.M., Inc.
Agent for Owner



CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: POLICE DEPARTMENT

DATE: NOVEMBER 1, 2011

SUBJECT: REQUEST FROM THE CAPITOLA SOQUEL CHAMBER OF COMMERCE TO SUSPEND PARKING METER/PAY STATION ENFORCEMENT AND TO INCREASE THE PARKING LIMIT FROM 2 HOURS TO 3 HOURS IN CAPITOLA VILLAGE FROM THURSDAY, NOVEMBER 24 THROUGH SUNDAY, DECEMBER 25, 2011

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

1. Approve suspending the parking meter/pay station enforcement in the Capitola Village from Thursday, November 24, 2011 through Sunday, December 25, 2011, and
2. Approve increasing the parking time limit from 2 to 3 hours during this time period.

BACKGROUND

The City Council has approved suspending parking meter enforcement during the Holiday Season since 2001, with the exception of 2003. Last year the Council considered and approved a request from the Chamber to increase the parking time limit from 2 to 3 hours during the Holidays.

DISCUSSION

The purpose of the parking meters has always been to encourage parking rotation for the Village business community. Although the late Fall and early Winter season is not as filled with tourists as the early Spring and early Fall season, the need for the parking meters still exists.

The Capitola Soquel Chamber of Commerce has submitted their annual request to the City to bag the parking meters in Capitola Village from Thursday, November 24, 2011 through Sunday, December 25, 2011. This year the City is implementing pay stations in certain areas of the Village. By approving the Chamber's request, the Council would be authorizing bagging of parking meters on Capitola and Monterey Avenues and suspending pay station operation in the Village to encourage holiday shopping in the Village. In addition to suspending meter and pay station operation, the Chamber is requesting a 3-hour limit on the free parking for the Holiday Season.

FISCAL IMPACT

It is estimated that last year's suspension of the parking meters cost the City \$10,000. The FY2011/12 budget takes into account suspending parking meter and pay station enforcement during this time period; therefore, there is no budget impact.

ATTACHMENTS

1. Letter dated October 7, 2011 from the Capitola Soquel Chamber of Commerce
2. Letter dated November 1, 2011 for the Capitola Soquel Chamber of Commerce

Report Prepared By: Denice Pearson
Administrative/Records Analyst

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



716-G Capitola Avenue
Capitola, CA 95010
Phone: (831) 475-6522
Fax: (831) 475-6530

capitola soquel
CHAMBER of COMMERCE

RECEIVED
OCT 11 2011
CITY OF CAPITOLA

October 7, 2011

City of Capitola
Lisa Murphy
420 Capitola Avenue
Capitola, Ca. 95010

Hello Lisa:

The Capitola-Soquel Chamber of Commerce would like to make Our annual request to bag the parking meters in Capitola Village starting Thursday, November 24, 2011 thru Sunday, December 25, 2011. We would like to provide free parking to visitors shopping and dining during the Holiday Season.

I look forward to hearing from the City of Capitola regarding our request.

Sincerely,

Toni Castro
CEO



716-G Capitola Avenue
Capitola, CA 95010
Phone: (831) 475-6522
Fax: (831) 475-6530

capitola soquel
CHAMBER of COMMERCE

November 1, 2011

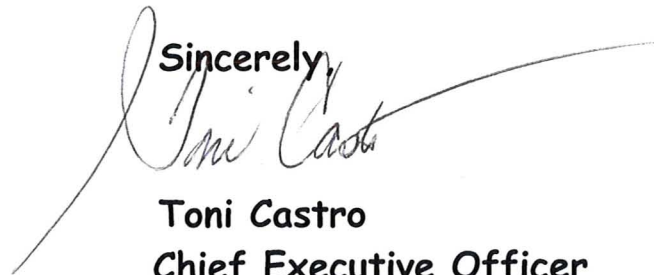
City of Capitola
420 Capitola Avenue
Capitola, Ca. 95010

The Capitola-Soquel Chamber of Commerce would like to request a 3 hour limit on free parking for the Holiday Season starting Thanksgiving, November 24th, 2011 thru Christmas Day, December 25th, 2011.

We had previously sent a Letter requesting Free Parking for that time period.

The merchants in Capitola Village would appreciate your consideration of this request.

Sincerely,



Toni Castro
Chief Executive Officer



Item #: 4.A.

CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: NOVEMBER 1, 2011

SUBJECT: **809/815/819 BAY AVENUE APPLICATION #10-038 APN: 035-021-43**
APPEAL OF A PLANNING COMMISSION DENIAL FOR A PROPOSED AMENDMENT
TO A MASTER USE PERMIT (NOB HILL CENTER) TO RELOCATE THE RECYCLING
FACILITIES ON THE SITE LOCATED IN THE CC (COMMUNITY COMMERCIAL)
ZONING DISTRICT.
PROPERTY OWNER: BAY CREEK PROPERTIES / FILED 5/18/10
REPRESENTATIVE: CRAIG FRENCH

Recommended Action: It is recommended that the City Council consider the noise readings and observations provided by staff and, by motion and voice vote, approve Application #10-038, subject to the attached Conditions and Findings (Attachment 4), including a new condition requiring the installation of additional sound deadening material in the transfer container (condition #2).

BACKGROUND

As part of the Nob Hill Center renovation project (Application #02-082), a Master Use Permit was approved which conditioned the location of the recycling facilities on the site. Condition #19 reads as follows:

19. Recycling facilities and operations shall be located at the site identified behind the carwash. Attended recycling operations shall be restricted to Thursday through Monday between the hours of 11:00AM-6:00PM, except Saturday when hours may be 8:30AM-5:00PM. Businesses themselves shall not conduct noise-generating recycling activities within exterior portions of the shopping center between the hours of 6:00PM-8:00AM, each day of the week.

On May 5, 2010 the City received a complaint that the facilities had been moved from the area next to the carwash to the parking lot area adjacent to the Nob Hill and CVS receiving area. Redtree Properties was contacted by the City and made aware of the above mentioned condition. Redtree quickly responded with an application to gain approval for the relocation.

On June 3, 2010, the Planning Commission considered the relocation of the recycling facilities with several neighbors expressing opposition to the new location due to noise and the volume of customers that it attracts. The Commission denied the proposal on a 5-0 vote, stating that the new location was inappropriate due to the impacts on the residential neighborhood. An appeal from Raleys/Nob Hill (Attachment 3) was received on June 11, 2010.

On September 9, 2010, the City Council heard the appeal. The hearing appeal was continued, with direction to staff and the parties involved to work out alternative locations or other measures to mitigate

the issues raised. Staff was directed to return to the City Council within 60 days.

On September 21, 2010, the Community Development Department staff met with representatives of the Sleep Center, Redtree, Nob Hill, CVS and Nexcycle in an effort to resolve the current appeal pending before City Council. Redtree indicated that the current location is unacceptable and identified an envelope on the south-east side of the property that would be acceptable. The group largely discussed operational changes that Nexcycle could implement to mitigate and address noise concerns raised by surrounding residents. Based on the discussion, staff outlined an approach to follow in order to return to Council with an appropriate location and information in order to render a decision. It was decided that:

- Planning staff would take noise readings to establish a baseline for recycling operations as currently permitted.
- Planning staff would contact residential neighbors to inform them the City will temporarily allow the recycling center to be relocated to the south-east area adjacent to CVS for approximately one week to obtain noise readings.
- Staff would take noise meter readings during the week the recycling center is operating at the new location.
- After a week, the recycling center would return to the approved location near the car wash.
- Nexcycle would submit a new operations plan to address noise issues, including a permanent container with sound proofing to use when transferring recyclables.
- Staff would prepare a staff report for the November 10th Council meeting with noise information gathered under Nexcycle's new operations plan.

Staff took noise readings for several weeks during the month of October, and organized a neighborhood meeting at the site on October 26, 2010. Approximately eight neighbors attended, in addition to a representative of Nexcycle. Staff explained that the City had been taking baseline noise readings and that Nexcycle would be moving their operations to the proposed location for one week so that we could take additional readings. The Nexcycle representative described their proposed procedural changes and the sound proofing container that was being prepped. Staff then listened to neighbor's concerns and suggestions, which included the following:

- Have a sign at the approved location to inform customers of the temporary location of the recycling facilities during the test week.
- Concern with transients loitering at Peery Park and the surrounding area.
- Remove the benches completely from Peery Park.
- Concern with increased traffic and conflicts between pedestrians and vehicles near the proposed location.
- Nexcycle should have after-hours contact information so neighbors have someone to contact.
- Add a condition of approval that limits the crushing of glass.
- If the new location is approved, revisit the use after six months.
- Relocate the facility directly adjacent to the CVS building as opposed to at the base of Peery Park.

After the meeting, Redtree granted Nexcycle permission to temporarily (one week) move the facility adjacent to CVS as suggested by the neighbors. The new soundproof container and standard collection container were moved into place on Friday, October 29th.

On November 10, 2010, the City Council approved the temporary relocation of the recycling facility to a location adjacent to the CVS building for a six month period, subject to conditions of approval, and directed staff to continue to take noise readings and observations at the site. The appeal was to return to Council for consideration after six months of operation.

DISCUSSION

In March of 2010, the recycling center was moved to the new location adjacent to CVS. The facility has been operating Tuesday through Saturday between the hours of 11am and 6pm. No complaints regarding the recycling facility have been received over the 8-month review period. Staff has taken noise readings over the last several months and has compiled the information for the City Council to review.

Noise

Chapter 17.60.030 of the Zoning Code provides considerations for approving Conditional Use Permits. Section 17.60.030(E)(7) specifically addresses noise constraints for small collection facilities sited in a commercial or industrial zone. The section states that small collection facilities "Shall not exceed noise levels of 60 dBA as measured from the property line of residentially zoned or occupied property or otherwise shall not exceed seventy dBA."

The following are the noise readings taken by staff from March through October 2011. The readings were taken at the top of Peery Park at the residential property line with a Quest Technologies sound level meter that was calibrated in November of 2010.

Date	Time	Observations	Lowest dBa	Average dBa	Highest dBa	Cause of Peak dBa
3/17	12:40pm	Freeway noise, loading area activity, no transients	48.2	50	60.4	Loading area, moving of pallets
3/30	4:45pm	Freeway noise, truck delivery, no transients	49.7	52	58.6	Shutting of truck door
4/14	12:20pm	Trucks unloading at dock, freeway noise, residential construction, no transients	48.9	51	57.7	Trucks unloading
4/25	1:30pm	Truck delivery, no transients	44.8	52	60.4	Truck delivery
5/11	11:55am	Windy conditions, several trucks unloading, no transients	45.5	51	72.6	Delivery truck brakes
5/19	12:15pm	Freeway noise, loading dock noise, no transients	47.2	49	60.4	Loading dock equipment
6/9	11:45am	Freeway noise, no transients	48.7	50	70.2	Truck gate coming down
6/16	4:45pm	Freeway noise, windy conditions, truck idling, no transients	49.9	51	58.9	Car driving by in neighborhood
7/14	1:10pm	Freeway noise, windy conditions, no transients	48.5	50	57.7	Loading dock activity
7/27	11:30am	Freeway noise, several delivery trucks, no transients	49.3	51	64.7	Pallet dropping off of truck
8/11	5:00pm	Freeway noise, no transients	50.1	52	56.4	People talking nearby
8/24	11:50am	Freeway noise, no transients, loading dock activity, no transients	47.9	50	62.5	Loading dock activity
9/7	11:10am	Freeway noise, truck deliveries, noticeable line of	46.7	50	72.6	Truck gate release

		customers at recycling center, no transients				
9/21	12:15pm	Freeway noise, no transients	47.2	51	64.8	Truck back-up warning sound
10/20	12:40pm	Freeway noise, loading dock noise, no transients	47.0	51	57.3	Truck unloading
10/28	11:10am	Freeway noise, noticeable line of customers at recycling center, no transients	46.7	50	72.4	Truck unloading

While observing the area, staff found the receiving area for the shopping center to be busy throughout the day, with the majority of noise generated from a variety of trucks backing up and unloading stock. Noise generated from the loading dock had a general range from 53dBa up to 72dBa in the highest cases.

While observing the recycling facility, staff found that in most cases there was little activity occurring. However, when there was activity, the most audible noise was the transferring of glass, which had a general range of 51dBa to 60dBa. There were three instances where the transfer of glass exceeded 60dBa, reaching a level of 64 dBa. The transfer and crushing of plastics and aluminum was barely audible.

Staff recognizes the recycling center is an important use that provides a valuable service to the community and helps the city meet its recycling goals. While the new location is closer to residential properties in comparison to the old site, it still maintains a distance of approximately 140' from the nearest residence. The new location is also close to the loading dock area where there has historically been noise generating operations occurring throughout the day.

Over the last several months of observation, staff has found the recycling facility to fall within the allowable decibel range, however there were three instances when it exceeded the 60dBa limit. In order to address this, staff recommends that additional noise insulation be added to the transfer container. The following condition has been added to the conditions of approval to address the sound proofing:

2. Additional sound deadening material shall be added to the transfer container in order to bring the noise generation of the recycling facility within the allowable 60dBa sound limit. This shall be completed within 2 months of approval and sound tested by city staff when completed.

FISCAL IMPACT - N/A

ATTACHMENTS

- Attachment 1 – November 10, 2010 City Council Minutes
- Attachment 2 – November 10, 2010 City Council Staff Report with attachments
- Attachment 3 – Project Vicinity Map and Photos
- Attachment 4 – Conditions and Findings

Report Prepared By: Ryan Bane
Senior Planner

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

3. CONSENT CALENDAR (Continued)

- D. **Receive and file the withdrawal of appeal of the Planning Commission's approval of Project Application #10-072 granting Conditional Use and Sign Permits for the Capitola Target Store to be Located at 1825 41st Avenue. APN 034-261-51. Property Owner: Target Corporation. Representative: Target Corporation c/o John Dewes. [730-10]**

This item was pulled for separate discussion. (*See discussion and action on page 11809.*)

- E. **Approve proposed Cellular Telephone Use Administrative Policy. [100-10/ Administrative Policies Binder]**

Prior to action on the Consent Calendar, Council Member Nicol questioned Item 3.E. pertaining to the Cellular Telephone Use Policy as it relates to the revision to paragraph 4.h. He asked for the rationale behind that clause. City Manager Goldstein provided an example and said the paragraph clarifies that checking your blackberry at home does not constitute overtime.

ACTION: Council Member Nicol moved, seconded by Council Member Norton, to approve the Cellular Telephone Use Administrative Policy, as submitted. The motion carried on the following vote: AYES: Council Members Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: Council Member Graves.

4. PUBLIC HEARINGS

- A. **Continued Public Hearing on Project Application #10-038, 809/815/819 Bay Avenue, to Consider Appeal of a Planning Commission Denial for a Proposed Amendment to a Master Use Permit (Nob Hill Center) to Relocate the Recycling Facilities on the Site Located in the CC (Community Commercial) Zoning District; APN: 035-021-43; Filed 5/18/10; Property Owner: Bay Creek Properties; Representative: Craig French. [730-10]**

Senior Planner Bane summarized the written agenda report. Utilizing a PowerPoint Presentation, he provided background information regarding this application and discussed the neighborhood meeting between residents, property owner and recycler. He reviewed the neighbors' concerns and suggestions made at the meeting. He clarified that the hours of operation are Tuesday through Saturday from 11 am to 6 pm. As part of this proposal, he said staff has added new conditions 5 through 8 for approval of the project application. Following his report, Senior Planner Bane responded to questions of council members.

Mayor Storey opened the public hearing at 8:04 p.m.

John Henken, 640 Center Street, said he was not notified of the neighborhood meeting. He then discussed decibel readings reported by staff, readings that he recorded, noise reduction and possible solutions. Mr. Henken submitted his statements in writing for the record.

Tammy Tahara, resident of Riverview Drive with her partner Roy Horn, commented on the noise generated by the recycling center, especially the glass transfer process, which is very loud and can be heard in her home with the doors and windows closed. She also commented that a resident from across Soquel Creek on Wharf Road came across the bridge to see what was causing the loud noise in her neighborhood.

Kate Arrieta, Center Street resident, thanked Craig French for moving the recycling structure closer to the CVS building. She suggested making the pedestrian walkway more noticeable and asked if the hours of operation could be during daylight hours only, as it is dark by 5 p.m.

4. A. PUBLIC HEARINGS (Continued)

Mayor Storey closed the public hearing at 8:14 p.m.

Considerable Council discussion was followed by this action:

ACTION: Council Member Norton moved, seconded by Council Member Begun, to approve the recommended action for Project Application #10-038 for a proposed amendment to a Master Use Permit for Nob Hill Center to relocate the recycling facilities on the site, as follows:

1. Approved the temporary relocation of the recycling facility adjacent to the CVS building for a six-month period, subject to the Conditions and Findings of approval (Attachment 4 of the agenda report) with Condition #12 changed to read: "The facility shall operate only during the hours between 11 am and 6 pm on Tuesday through Saturday."
2. Directed staff to continue to take noise readings and observations at the site; and
3. Continued the appeal for consideration by the City Council in six months.

Mayor Storey asked how staff is going to evaluate whether it has been successful in 6 months when this item returns. Senior Planner Bane said the decibel levels and response of the neighborhood would determine its success.

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

5. OTHER BUSINESS

A. Consider Capitola-Soquel Chamber of Commerce request for suspending parking meter enforcement in the Village from Friday, November 26, 2010, through Saturday, December 25, 2010, and request to increase the 2-hour parking limit to 3 hours. [470-30]

Toni Castro, Capitola-Soquel Chamber of Commerce, said she had an additional request from the Capitola Village and Wharf Business Improvement Area to hang banners on Monterey and Capitola Avenues from November 25 to December 25, 2010, informing the public of the Holiday Parking in the Village. Ms. Castro responded to questions of council members regarding the request for 3-hour parking, saying it would give shoppers more time to shop and eat in the Village.

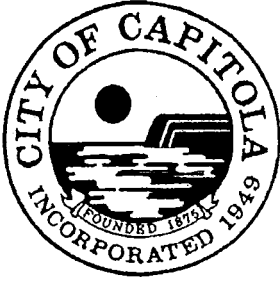
Capitola Village and Wharf Business Improvement Area member Carin Hanna informed the council that the BIA members were informed of this request and agrees to try it out for a month.

Council Member Norton said he would like to see more businesses open during the evenings during the holiday season. Mrs. Hanna explained the difficulty of hiring and training people for a short period of time.

City Manager Goldstein commented on the additional request for banners. Since the city manager has the discretion to approve requests for banners, the city council does not have to deal with that additional request.

Council discussion was followed by this action:

ACTION: Council Member Graves moved, seconded by Council Member Begun, to approve the request by the Capitola Soquel Chamber of Commerce to suspend parking meter enforcement in the Village from Friday, November 26, 2010, through Saturday, December 25, 2010, and approved a 3-hour parking limit in the Village during the Holiday Season, as requested. The motion carried unanimously.



CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2010

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: NOVEMBER 3, 2010

SUBJECT: **809/815/819 BAY AVENUE** **#10-038** **APN: 035-021-43**
 Appeal of a Planning Commission denial for a proposed amendment to a Master Use Permit (Nob Hill Center) to relocate the recycling facilities on the site located in the CC (Community Commercial) Zoning District.
 Property Owner: Bay Creek Properties / Filed 5/18/10
 Representative: Craig French

Recommended Action:

Staff recommends the following for application #10-038:

1. Allow the temporary relocation of the recycling facility adjacent to the CVS building for a six month period, subject to the attached conditions of approval (Attachment 4);
2. Direct staff to continue to take noise readings and observations at the site; and
3. Continue the appeal and have it return to Council for consideration in six months.

BACKGROUND

As part of the Nob Hill Center renovation project (Application #02-082), a Master Use Permit was approved which conditioned the location of the recycling facilities on the site. Condition #19 reads as follows:

19. Recycling facilities and operations shall be located at the site identified behind the carwash. Attended recycling operations shall be restricted to Thursday through Monday between the hours of 11:00AM-6:00PM, except Saturday when hours may be 8:30AM-5:00PM. Businesses themselves shall not conduct noise-generating recycling activities within exterior portions of the shopping center between the hours of 6:00PM-8:00AM, each day of the week.

On May 5, 2010 the City received a complaint that the facilities had been moved from the area next to the carwash to the parking lot area adjacent to the Nob Hill and CVS receiving area. Redtree Properties was contacted by the City and made aware of the above mentioned condition. They quickly responded with an application to gain approval for the relocation.

On June 3, 2010, the Planning Commission considered the relocation of the recycling facilities with several neighbors expressing opposition to the new location due to noise and the volume of customers that it attracts. The Commission denied the proposal on a 5-0 vote, stating that the new location was inappropriate due to the impacts on the residential neighborhood. An appeal from Raleys/Nob Hill (Attachment 3) was received on June 11, 2010.

On September 9, 2010, the City Council heard the appeal. The hearing appeal was continued, with direction to staff and the parties involved to work out alternative locations or other measures to mitigate the issues raised. Staff was directed to return to the City Council within 60 days.

DISCUSSION

On September 21, 2010, the Community Development Department staff met with representatives of the Sleep Center, Redtree, Nob Hill, CVS and Nexcycle in an effort to resolve the current appeal pending before City Council. Redtree indicated that the current location is unacceptable and identified an envelope on the south-east side of the property that would be acceptable. The group largely discussed operational changes that Nexcycle could implement to mitigate and address noise concerns raised by surrounding residents. Based on the discussion, staff outlined an approach to follow in order to return to Council with an appropriate location and information in order to render a decision. It was decided that:

- Planning staff would take noise readings to establish a baseline for recycling operations as currently permitted.
- Planning staff would contact residential neighbors to inform them the City will temporarily allow the recycling center to be relocated to the south-east area adjacent to CVS for approximately one week to obtain noise readings.
- Staff would take noise meter readings during the week the recycling center is operating at the new location.
- After a week, the recycling center would return to the approved location near the car wash.
- Nexcycle would submit a new operations plan to address noise issues, including a permanent container with sound proofing to use when transferring recyclables.
- Staff would prepare a staff report for the November 10th Council meeting with noise information gathered under Nexcycle's new operations plan.

Staff took noise readings for several weeks during the month of October, and organized a neighborhood meeting at the site on October 26, 2010. Approximately eight neighbors attended, in addition to a representative of Nexcycle. Staff explained that the City had been taking baseline noise readings and that Nexcycle would be moving their operations to the proposed location for one week so that we could take additional readings. The Nexcycle representative described their proposed procedural changes and the sound proofing container that was being prepped. Staff then listened to neighbor's concerns and suggestions, which included the following:

- Have a sign at the approved location to inform customers of the temporary location of the recycling facilities during the test week.
- Concern with transients loitering at Peery Park and the surrounding area.
- Remove the benches completely from Peery Park.
- Concern with increased traffic and conflicts between pedestrians and vehicles near the proposed location.
- Nexcycle should have after-hours contact information so neighbors have someone to contact.
- Add a condition of approval that limits the crushing of glass.
- If the new location is approved, revisit the use after six months.
- Relocate the facility directly adjacent to the CVS building as opposed to at the base of Peery Park.

After the meeting, Redtree granted Nexcycle permission to temporarily (one week) move the facility adjacent to CVS as suggested by the neighbors. The new soundproof container and standard collection container were moved into place on Friday, October 29th.

Noise

Chapter 17.60.030 of the Zoning Code provides considerations for approving Conditional Use Permits. Section 17.60.030(E)(7) specifically addresses noise constraints for small collection facilities sited in a commercial or industrial zone. The section states that small collection facilities "Shall not exceed noise levels of 60 dBA as measured from the property line of residentially zoned or occupied property or otherwise shall not exceed seventy dBA."

The following are the noise readings taken by staff during the month of October, prior to moving the recycling facility to the proposed location adjacent to the CVS store. The readings were taken at the top of Peery Park at the residential property line.

Date	Time	Observations	Lowest dBa	Average dBa	Highest dBa	Cause of Peak dBa
10/4	12:40pm	Freeway noise, loading area activity, windy conditions, no transients	51.2	55	57.4	Loading area, moving of pallets
10/4	4:40pm	Windy conditions, residential construction, truck delivery, no transients	51.9	55	59	Residential construction
10/5	9:01am	5 Trucks unloading at dock, freeway noise, residential construction, no transients	47.9	50	54.8	Trucks unloading
10/5	1:12pm	Truck delivery, windy conditions, residential construction, no transients	45.8	46	68.9	Pallet dropping off of truck
10/6	12:50pm	Windy conditions, residential construction, no transients	44.3	46	53	Residential construction
10/14	12:15pm	Freeway noise, loading dock noise, no transients	52.2	47	61.9	Loading dock equipment
10/14	5:30pm	Freeway noise, no transients	50.8	56	62.5	Loading dock activity
10/18	12:42pm	Freeway noise, truck idling, no transients	47.7	50	60.7	Car driving by in neighborhood
10/19	1:13pm	Freeway noise, loading dock noise, no transients	50.6	52	58.7	Loading dock activity

The following are the noise readings taken by staff during the week that the recycling facility was temporarily located at the proposed location adjacent to the CVS store. The readings were taken at the top of Peery Park at the residential property line.

Date	Time	Observations	Lowest dBa	Average dBa	Highest dBa	Cause of Peak dBa
11/2	12:55pm	Large truck idling near loading dock, no customers at Nexcycle, no transients	50	52	57.9	Loading dock forklift
11/2	1:15pm	Freeway noise, no transients	48.2	49	52	Loud noise from inside Nexcycle container
11/2	5:50pm	Freeway noise, Nexcycle customers, no transients	50.3	52	59	Transfer of glass by Nexcycle
11/3	1:32pm	Several customers at Nexcycle, Activity at loading dock, trash disposal, no transients	46.2	50	63	Transfer of glass by Nexcycle
11/3	5:05pm	Freeway noise, Nexcycle customers, no transients	51.4	54	58.3	Transfer of glass by Nexcycle

While observing the recycling facility, staff found that the most audible noise was the transferring of glass, which had a general range of 49dBa to 59dBa. The transfer and crushing of plastics and aluminum was barely audible. The receiving area for the shopping center was found to be busy throughout the day, with activities having a general range between 53dBa to 60dBa.

New Conditions

Four new conditions of approval have been added in response to concerns raised by neighbors at the neighborhood meeting. They are as follows:

5. The transfer of all recyclables shall be done within the collection container.

6. Contact information, including a phone number, shall be conspicuously posted on the recycling structure identifying who to call for questions or complaints.

7. Temporary signage shall be installed for two weeks following the temporary relocation of the recycling facilities. The signage shall direct customers to the new temporary location.

8. Within thirty days of the temporary approval of this permit, Nexcycle shall submit a parking lot restriping plan that addresses potential pedestrian and bicycle conflicts to be approved by the City Public Works Director.

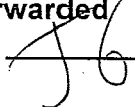
FISCAL IMPACT

N/A

ATTACHMENTS

- Attachment 1 – September 9, 2010 City Council Staff Report (without attachments)
- Attachment 2 – September 9, 2010 City Council Minutes
- Attachment 3 – Project Vicinity Map and Photos
- Attachment 4 – Conditions and Findings
- Attachment 5 – Correspondence

Report Prepared By: Ryan Bane
Senior Planner

Reviewed and Forwarded
By City Manager: 

Item #: 4.A.



CITY COUNCIL AGENDA REPORT

MEETING OF SEPTEMBER 9, 2010

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: AUGUST 26, 2010

SUBJECT: **809/815/819 BAY AVENUE** **#10-038** **APN: 035-021-43**
 Appeal of a Planning Commission denial for a proposed amendment to a Master Use Permit (Nob Hill Center) to relocate the recycling facilities on the site located in the CC (Community Commercial) Zoning District.
 Property Owner: Bay Creek Properties / Filed 5/18/10
 Representative: Craig French

Recommended Action: That the City Council consider the appeal of the Planning Commission's denial of Application #10-038 to relocate the recycling facilities at 809/815/819 Bay Avenue (Nob Hill Center). One of the following actions would be necessary, depending upon the Council's decision:

- 1) Uphold Appeal: Motion and roll call vote to uphold the appeal and approve Application #10-038 to relocate the recycling facilities with the recommended Conditions and Findings provided in Attachment 6; or
- 2) Deny Appeal: Motion and roll call vote to deny the appeal and uphold the Planning Commission's denial of Application #10-038 to relocate the recycling facilities.

BACKGROUND

As part of the Nob Hill Center renovation project (Application #02-082), a Master Use Permit was approved which conditioned the location of the recycling facilities on the site. Condition #19 reads as follows:

19. Recycling facilities and operations shall be located at the site identified behind the carwash. Attended recycling operations shall be restricted to Thursday through Monday between the hours of 11:00AM-6:00PM, except Saturday when hours may be 8:30AM-5:00PM. Businesses themselves shall not conduct noise-generating recycling activities within exterior portions of the shopping center between the hours of 6:00PM-8:00AM, each day of the week.

On May 5, 2010 the city received a complaint that the facilities had been moved from the area next to the carwash to the parking lot area adjacent to the Nob Hill and CVS receiving area. Redtree Properties was contacted by the City and made aware of the above mentioned condition. They quickly responded with an application to gain approval for the relocation.

On June 3, 2010, the Planning Commission considered the relocation of the recycling facilities with several neighbors expressing opposition to the new location due to noise and the volume of customers that it attracts. The Commission denied the proposal on a 5-0 vote, stating that the new location was inappropriate due to the impacts on the residential neighborhood. An appeal from Raleys/Nob Hill (Attachment 3) was received on June 11, 2010. The appeal letter, Planning Commission reports and corresponding minutes from the hearings are attached for your information as Attachments 1 through 5.

PROJECT DESCRIPTION

Redtree Properties, owners of the shopping center, are requesting relocation of the recycling facility, stating that the location behind the car wash is unacceptable to the property owners, has caused complaints from tenants, and that the new location is more appropriate for recycle operations as it is more adjacent to the retailers that sell the CRV beverage containers. In addition, the area already functions as a delivery, receiving area, and supports back-of-the-house operations for those retailers.

The new location near the southwest corner of the site is within the paved parking lot area at the base of Peery Park. The facility consists of a new altered cargo container outfitted to process and store recyclables. Proposed hours of operation are Tuesday-Saturday from 11AM-6PM.

Staff recognizes that the recycling center is an important use that provides a valuable service to the community and helps the city meet its mandated recycling goals. The new location is closer to residential properties in comparison to the old site, but still maintains a distance of approximately 140' from the nearest residence. The new location is also close to the loading dock area where there is noise generating operations occurring throughout the day. While the originally approved location behind the carwash is preferred over the proposed location, it would be disappointing to lose such a valuable asset to the community.

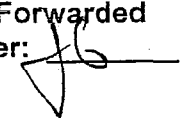
FISCAL IMPACT

N/A

ATTACHMENTS

- Attachment 1 – Email appeal from Will Mitchell, Raleys/Nob Hill, dated June 11, 2010
- Attachment 2 – Appeal letter from Will Mitchell, Raleys/Nob Hill, dated June 25, 2010
- Attachment 3 – Project Vicinity Map and Photos
- Attachment 4 – June 3, 2010 Planning Commission Staff Report
- Attachment 5 – June 3, 2010 Planning Commission Minutes
- Attachment 6 – Conditions and Findings

Report Prepared By: Ryan Bane
Senior Planner

**Reviewed and Forwarded
By City Manager:** 

11757

CAPITOLA CITY COUNCIL – SEPTEMBER 9, 2010

3. F. CONSENT CALENDAR (Continued)

Assistant to the City Manager Murphy said the City does not have \$14,000 to purchase the copier outright at this time. She also said if the City were to purchase the machine, they would have to enter into a maintenance agreement for additional costs.

ACTION: Council Member Norton moved, seconded by Council Member Nicol, to approve a five-year lease agreement with Tri-County Business Systems for a copier lease and maintenance agreement in the amount of \$308.61 per month plus tax, for a total of \$20,229.00 over five years, as submitted. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

G. Adopt Resolution Approving the Final Map for a Six-Unit Condominium Sub-division on Kennedy Drive, Tract No. 1562, John J. McCoy Developer.

This item was pulled for separate discussion. (See discussion and action on Pages 11765 and 11766.)

4. PUBLIC HEARINGS

A. Public Hearing on Project Application #10-038, 809/815/819 Bay Avenue, to Consider Appeal of a Planning Commission Denial for a Proposed Amendment to a Master Use Permit (Nob Hill Center) to Relocate the Recycling Facilities on the Site located in the CC (Community Commercial) Zoning District; APN 035-021-43; Filed 5/18/10; Property Owner: Bay Creek Properties; Representative: Craig French. Presentation: Community Development Department. [730-10]

Senior Planner Ryan Bane summarized the written agenda report and responded to questions of council members.

The Council then heard from the applicant, Craig French of Redtree Properties, as well as Reggie Owen, representing Nob Hill Foods, and Kevin Tippets of NexCycle.

Mayor Storey opened the hearing to the public at 9:33 p.m.

The following people addressed the council regarding their concerns about the recycling facility: Kate Arrieta, Center Street; Joe, Center Street; Tim Reynolds; Damian Alcaraz, Center Street; Tammy Tahara, Riverview Avenue; and Frederick Coquelin, Cabrillo Mobile Home Park.

Mayor Storey closed the public hearing at 9:41 p.m.

Council discussion was followed by this action:

ACTION: Council Member Begun moved, seconded by Council Member Norton, to continue the consideration of the appeal and to direct staff and the parties involved to work out alternative locations or other measures to mitigate the issues at its current location.

Under discussion of the motion, Council Member Norton clarified that the intent is to find a location for recycling in the general vicinity of its current location. He said we need a recycling facility in this town and in the area it currently exists.

Council Member Nicol believes the proposed location is far superior to the current location. He too would like to have the parties find a way to mitigate the noise concerns. He believes the vagrancy issue could be addressed through our law enforcement team.

4. A. PUBLIC HEARINGS (Continued)

Following council member comments on the motion, Mayor Storey asked to have the matter brought back to the Council within 60 days, and then called for the vote. The motion carried on the following vote: AYES: Council Members Graves, Norton, Nicol, Begun, and Mayor Storey. NOES: None. ABSENT: None. ABSTAIN: None.

The City Council took a short break at 9:50 p.m. and reconvened at 9:58 p.m.

B. Public Hearing on the Capitola Road Traffic Calming Project to Review Traffic Safety Improvements between 41st Avenue and 42nd Avenue. Presentation: Public Works Department. [940-40]

Public Works Director Jesberg summarized the written agenda report, and he informed the council that the project is about half-way complete. He commented on the medians that exist on Capitola Road and on 41st Avenue. He feels it will be a much safer section of road once the medians are installed.

Capitola Police Sergeant Matt Eller said traffic problems are solved by engineering, education and enforcement. He discussed the various traffics movements occurring at that location and reported that there have been 6 collisions in that area between December 16 and mid-July. Sergeant Eller also discussed the median on 41st Avenue between Clares Street and Gross Road, and he said collisions have been reduced significantly since the median was installed. He said that people do not like change and it may take some time to adjust to it. The change will come with education and signage. He then responded to questions of council members.

Public Works Director Jesberg said his recommendation would be to complete the project, let it operate, and to come back for review. He then responded to questions of council members.

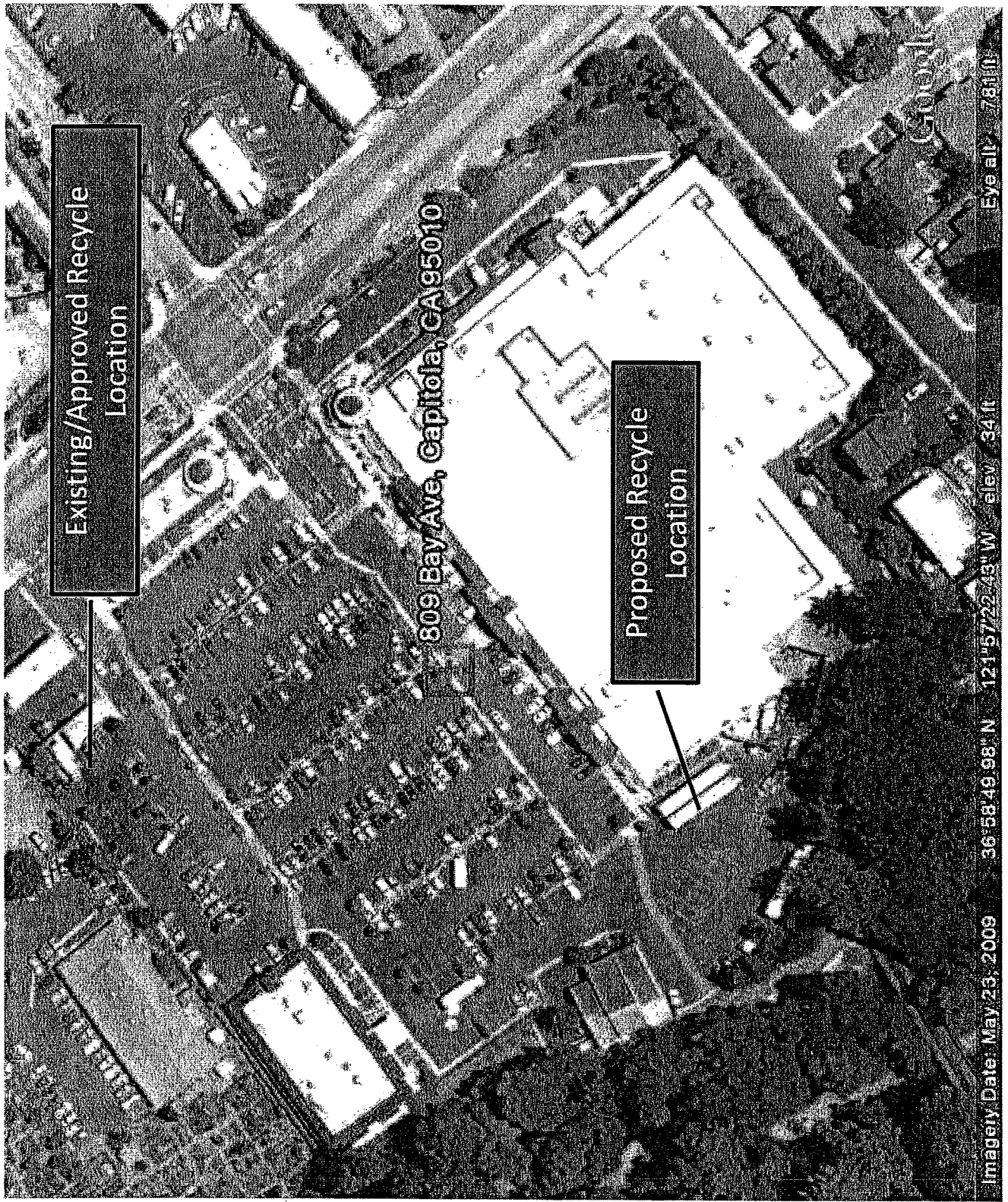
At 10:23 p.m., Mayor Storey opened the public hearing.

The following people expressed their concerns regarding the placement of the medians on Capitola Road:

Greg Tedesco, Magellan Street, discussed his concerns about the new medians and how the cars are now stacking up. He also pointed out that there are 2 left-turn lanes on the other side of 41st Avenue. Mr. Tedesco said, "If it's not broke, don't fix it." People have been making that corridor work for years. He urged the council to remove the medians.

Mick Routh thanked the council for this review of the project, particularly since the project is in process. He expressed concerns regarding the myriad of U-turns this project has created, the impacts to businesses, etc. He suggested creating two left-turn lanes on Capitola Road to southbound 41st Avenue. Mr. Routh then commented on cars exiting the DMV that will not be able to make a left turn, delivery trucks not being able to make U-turns and ingress and egress to the Chevron Station. He feels a lot more problems have been created than existed before, and he would like to see the medians removed. If not removed, he suggested making modifications to address the issues raised.

Sherry Pinkerton, Manager at the Chevron Station, said their business has seen a 20% decline in customers since the new medians have been installed. She also expressed concerns about the traffic and the difficulty for customers entering and exiting the business.



809/815/819 BAY AVENUE - APPLICATION #10-038CONDITIONS

1. The project approval consists of an amendment to an existing Master Use Permit to allow for the relocation of the recycle center from behind the carwash to the area adjacent to CVS building at 809 Bay Avenue (Nob Hill Center).
2. The application shall be reviewed by the Planning Commission upon evidence of non-compliance with conditions of approval or applicable municipal code provisions.
3. The facility shall be no larger than five hundred square feet and shall provide parking for removal of the materials and for customers depositing the materials.
4. The facility shall accept only glass, metal or plastic containers, papers and reusable items. Used motor oil may be accepted with a permit from the Santa Cruz County environmental Health Department and the Hazardous Wastes Commission.
5. The transfer of all recyclables shall be done within the collection container.
6. Contact information, including a phone number, shall be conspicuously posted on the recycling structure identifying who to call for questions or complaints.
7. Temporary signage shall be installed for two weeks following the temporary relocation of the recycling facilities. The signage shall direct customers to the new temporary location.
8. Within thirty days of the temporary approval of this permit, Nexcycle shall submit a parking lot restriping plan that addresses potential pedestrian and bicycle conflicts to be approved by the City Public Works Director.
9. The facility shall use no power-driven processing equipment, except reverse vending machines.
10. The facility shall be maintained free of litter and any other undesirable materials.
11. The facility shall not exceed noise levels of sixty dBA as measured from the property line of residentially zoned or occupied property or otherwise shall not exceed seventy dBA.
12. The facility shall operate only during the hours between 9AM and 7PM.
13. Containers shall be clearly marked to identify the type of materials which may be deposited; the facility shall be clearly marked to identify the name and telephone number of the facility operator and the hours of operation, and display a notice stating that no material shall be left outside the recycling enclosure or containers.
14. The facility may have identification signs with a maximum of ten square feet, in addition to informational signs required by the city.
15. The facility shall not impair the landscaping required by local ordinances for any concurrent use by this title or any permit issued pursuant thereto.

FINDINGS

- A. **The application, subject to the conditions imposed, will secure the purposes of the Zoning Ordinance and General Plan.**

Planning Staff and the Planning Commission have reviewed the application and determined that the new location of the recycling facility meets the requirements of the Zoning Ordinance and General Plan.

- B. **The application will maintain the character and integrity of the neighborhood.**

Planning Department Staff and the Planning Commission have reviewed the application and determined that the new location of the recycling facility will maintain the character and integrity of the neighborhood. Conditions of approval have been included to ensure that the facility operates in such a way that it will not disturb the neighboring residents and will remain a valuable asset to the community.

- C. **This project is categorically exempt under Section 15302 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations.**

The proposed project involves the replacement and relocation of an existing facility on the same site and with the same purpose and capacity as the previous facility. No adverse environmental impacts were discovered during project review by either the Planning Department Staff or the Planning Commission.

Greeninger, Pam

From: Johnson, Derek
Sent: Thursday, November 04, 2010 1:14 PM
To: 'Tammy'
Cc: cardanuy@nexcollect.com; Bane, Ryan; Greeninger, Pam
Subject: RE: Recycler noise levels

Dear Ms Tahara,

We have been to the site five times to take noise readings since it moved behind CVS last week. The item will be going to the City Council on November 10, 2010. The meeting begins at 7:00 pm. City Staff is recommending that the facility be permitted to move behind CVS for six months, and afterwards, reevaluate its location based on continued noise readings and public feedback. Please let me know if you have any questions.

Best,

Derek

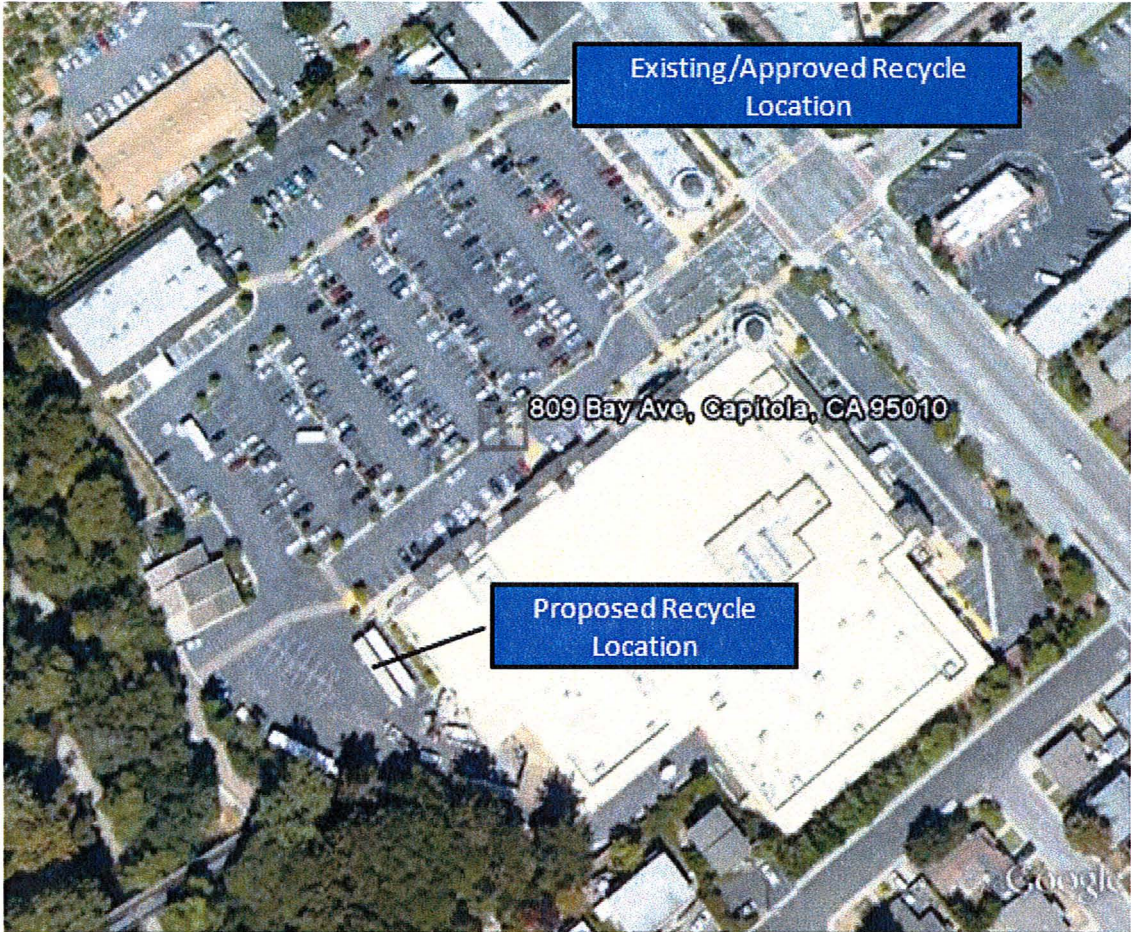
-----Original Message-----

From: Tammy [mailto:tammy_tahara@yahoo.com]
Sent: Thursday, November 04, 2010 12:20 PM
To: Johnson, Derek
Cc: cardanuy@nexcollect.com
Subject: Recycler noise levels

Hi mr Johnson

My partner, Roy Horn, and I live at 803 Riverview Dr. And we are experiencing the noise, smell and commotion the recycler has produced since it was moved behind Nob Hill. I am home most of the time and when glass is being dumped from one container to another I go to the top of the path leading through Peery Park and have yet to see anyone taking noise level readings. I can hear this noise inside my house with the doors and windows shut! Also the noise produced by loading and unloading the recycler itself is so loud that I could not stand on the pathway and speak without shouting to two other neighbors/women who were observing this activity. These women live across the bridge in the Rispon Mansion area and they came over to see what the ruckus was about. When will someone be here to take noise level readings when these two activities are taking place? Readings at other times will not give an accurate account of the noise and commotion generated by having the recycler so close to a residential area.

Thank You,
Tammy Tahara
831 475 6977
Sent from my iPhone



809/815/819 BAY AVENUE - APPLICATION #10-038

CONDITIONS

1. The project approval consists of an amendment to an existing Master Use Permit to allow for the relocation of the recycle center from behind the carwash to the area adjacent to CVS building at 809 Bay Avenue (Nob Hill Center).
2. Additional sound deadening material shall be added to the transfer container in order to bring the noise generation of the recycling facility within the allowable 60dBa sound limit. This shall be completed within 2 months of approval and sound tested by city staff when completed.
3. The application shall be reviewed by the Planning Commission upon evidence of non-compliance with conditions of approval or applicable municipal code provisions.
4. The facility shall be no larger than five hundred square feet and shall provide parking for removal of the materials and for customers depositing the materials.
5. The facility shall accept only glass, metal or plastic containers, papers and reusable items. Used motor oil may be accepted with a permit from the Santa Cruz County environmental Health Department and the Hazardous Wastes Commission.
6. The transfer of all recyclables shall be done within the collection container.
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Item #: 4.B.

CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT
DATE: OCTOBER 28, 2011
SUBJECT: PUBLIC HEARING ON THE CDBG-FUNDED GREEN ECONOMY AND JOB
CREATION FINAL REPORT

RECOMMENDED ACTION: Receive public comments and, by motion, accept the *Capitola Green Economy: Job Creation and a Sustainable Future* Report.

BACKGROUND

In late 2009, the City was awarded a \$35,000 grant from the State of California Community Development Block Grant (CDBG) Program to determine if and how Capitola might take advantage of the emerging Green economy. One of the objectives of the Report was to inform the General Plan Update process, leverage the City's expenditures on the General Plan, and ascertain if land use changes could be made to increase the creation of Green Jobs.

DISCUSSION

The attached report, "*The Capitola Green Economy: Job Creation and a Sustainable Future*," was prepared by the General Plan consulting team. The report defines the green economy, and assesses Capitola's Green Job growth potential. The core of the report is the 21 strategies beginning on page 10. These strategies will be folded into the city's General Plan Update and the Climate Action Plan as appropriate. These strategies are oriented towards Capitola's participation at the regional level to develop economic opportunities and to adapt existing jobs to green jobs where feasible.

Depending upon the level of effort by the City, the study concludes that if all 21 strategies are implemented, Capitola could attract between 150 and 600 jobs over and above what is forecasted for the city through 2035. The report also provides a summary of AMBAG's Capitola's Greenhouse Gas Emissions Inventory.

While this report is not in itself a policy document, grant requirements dictate that the Council review and provide input on the recommended strategies.

ATTACHMENTS - "The Capitola Green Economy: Job Creation and a Sustainable Future"

FISCAL IMPACT - None

Report Prepared By: Carolyn Flynn

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

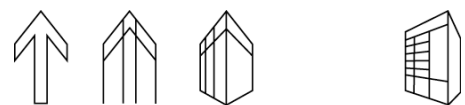
The Capitola Green Economy

Job Creation and a Sustainable Future

October 31, 2011

prepared for:
City of Capitola

Funded by a grant from the Community Development Block
Grant Program of the State of California Department of
Housing and Community Development



STRATEGICECONOMICS

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EXECUTIVE SUMMARY

This report defines the green economy, analyzes international, national, and state trends in green job growth and economic development, and assesses Capitola's green job growth potential in the context of the Santa Cruz region. It then presents a list of strategic actions to grow the green economy in Capitola by leveraging the City's role as a residential, retail, and tourism-based economy within a much larger regional economy.

Trends in Green Businesses and Green-Collar Jobs

The green economy encompasses businesses and occupations which improve environmental quality or reduce energy or resource consumption through development and sale of products, services, and practices. The green economy consists of "core" activities and "adaptive" activities.

The *core* green economy drives job growth through creation and sale of new technologies, products, and services, and is most likely to occur in places with research and development activity, access to investment capital, and production facilities. The *adaptive* green economy consists of businesses, households, and public sector agencies which can adopt efficiency and sustainability improvements, thus generating user demand for the green products and services of the core green economy. Meanwhile, changes in land use and transportation patterns can also improve environmental sustainability by reducing automobile use and consumption of water and electricity, while creating construction jobs to build additional infrastructure, housing, and businesses.

The green economy has been rapidly growing throughout the United States and the world due to increased environmental awareness, funding by venture capitalists, and focused government efforts such as components of the recently proposed \$30 billion American Jobs Act. California features the largest share of the United States' green economy and includes a robust base of research universities, venture capital, and clean energy startup companies. California public policy has created demand for green economic activity, while also increasing energy efficiency and decreasing pollution. While the Santa Cruz region has a relatively small base of green economic activity, the nearby San Francisco Bay Area is a state leader.

The Green Economy in Capitola Today

First, it must be understood that economies function at the regional level, and Capitola is a small part of the Santa Cruz regional economy. Capitola's unique niche within the Santa Cruz regional economy includes services for its residents, regional and local retail, and tourism.

Business-level analysis shows virtually no presence of core green economy activities in Capitola since Capitola lacks a major base of research and development and only two blocks of industrial land. Therefore there are weak opportunities to grow core green economy jobs in Capitola, beyond responding to unique and unexpected opportunities.

However, Capitola's residential, retail, and tourism base provides strong potential to grow the adaptive green economy, such as energy efficiency improvements at hotels, stores, and homes. Examples of the adaptive green economy can already be found in Capitola and nearby cities.

The Public Sector Role in Green Economic Development

In general, the public sector creates demand for green economy jobs by providing targeted incentives and enacting regulations requiring environmental improvements. The public sector helps meet demand for those green jobs by ensuring that workers have access to the needed skills and training. The public sector can also encourage growth of the green economy by leading by example, such as implementing efficiency improvements well ahead of the general population.

Capitola's fiscal constraints and broader post-recession economic conditions demand that green economic development efforts be designed in line with five overarching objectives: 1) stimulate economic activity and improve government efficiency, 2) use and reform existing regulatory and economic development tools to promote growth of the green economy, 3) target and focus new efforts to maximize and leverage limited public sector financial resources, 4) engage and involve the community, and 5) lead by example.

Capitola's economic strengths and role within the region as a small economy focused on retail, tourism, and residential services strongly suggest that the City can achieve the greatest and fastest gains by pursuing strategies which create demand for services which adapt existing businesses, homes, and land use patterns to become more environmentally friendly. The City can also support and advocate for regional efforts to grow the regional green economy. Capitola is an unlikely candidate for growth of core green economy jobs – i.e. jobs at research and development or manufacturing facilities – and should focus its efforts on adaptive strategies.

Strategy Recommendations

The report lists 21 recommended strategies for growing the green economy in Capitola and, through regional cooperation, the Santa Cruz region in general. These strategies fall within five categories: 1) preparing the workforce, 2) public policy regulations, requirements, and incentives, 3) land use and transportation reform, 4) public utilities and procurement reform, and 5) promotion and seeding of community engagement and business participation.

Green Economy Gains and Outcomes

Based on implementation of the strategies contained in this report, it is reasonable to project green economy job growth targets of between 150 and 600 new jobs in Capitola between 2010 and 2035. This translates to 35 to 140 businesses in the City over the same period. These jobs reflect Capitola capturing an increasing share of projected regional job growth; that is, a portion of these jobs will exceed those which would otherwise locate in Capitola due to implementation of the strategies. However, outcomes will vary depending on overall market conditions, robustness of Capitola's implementation of the green economy strategies, and the extent to which Capitola can create an appealing environment for the location green businesses and jobs.

I. INTRODUCTION

This report examines the ways in which Capitola can take advantage of the regional, national, and international movement toward building a “green” economy by encouraging the development of local green businesses and jobs. For the purposes of this report, the green economy consists of activity which improves environmental quality or reduces energy or resource consumption through development and implementation of products, services, and best practices.¹ As a result, the economic development strategies outlined in this report also contribute to the City’s goals and obligations for reducing greenhouse gas emissions, as described in Appendix C.

The findings are the result of discussions with local stakeholders and national experts, unique analysis of conditions in Capitola, and review of current literature and practices. Funding for this effort was provided by a Planning and Technical Assistance Community Development Block Grant from the U.S. Department of Housing and Urban Development Planning. Strategic Economics partnered with The Planning Center / Design, Community & Environment and Paladin Law Group LLP to develop this report.

The report opens with an analytical section which examines major international, national, and regional trends in green businesses and related jobs, followed by analysis of the current state of the green economy in Capitola, and the City’s economic role within the Santa Cruz region. The analytical section closes with a description of economic development approaches appropriate for Capitola given the City’s strengths and context, as well as broader economic conditions.

The report then identifies a detailed list of strategies for promoting growth of the green economy in Capitola while making the City a more livable, appealing, and environmentally sustainable community. The recent recession’s lingering effects have placed significant fiscal constraints on Capitola, so the strategies seek to emphasize low-cost, high impact, partnership-driven options in the short-run. Investment in the green economy will have a long-term payoff for Capitola, but the current priority is ensuring effective delivery of day-to-day services.

Finally, the concluding section of this report provides an overview of the benefits resulting from implementing the strategies, including impacts on business growth and job creation in the region and Capitola.

¹ This definition is derived from that used by Karen Chapple in the 2010 report *Innovating the Green Economy in California Regions*.

II. ANALYSIS

TRENDS IN GREEN BUSINESSES AND GREEN-COLLAR JOBS

This section defines the green economy, explains why green business and jobs have become a focus for economic development efforts around the world, and reviews major trends in the green economy.

Defining the Green Economy

The green economy encompasses all economic activity which improves environmental quality or reduces energy or resource consumption through development and implementation of products, services, and practices.

The “green” economy is a broad term encompassing a wide range of innovations, products, services, and practices connected by their positive impact on environmental quality and energy or resource consumption. As a result, researchers have struggled to define and measure the green economy since its activities are spread across many industries and occupations. For example, General Motors, Toyota, and Tesla Motors (an electric car manufacturer) are all automobile manufacturers, yet only Tesla sells purely electric vehicles, while GM and Toyota’s hybrid and plug-in electric vehicles comprise a small portion of their business.

The green economy can be broken down into two major components: “core” activities and “adaptive” activities.

The research and advocacy organization Next10 – similar to other researchers – breaks down the green economy into “core” activities and “adaptive” activities.² The core green economy consists of the creators, producers, and providers of green technologies, products, and services. In contrast, the “adaptive” green economy consists of households and businesses which create demand for products and services by changing methods of production and operation. For example, a researcher into fuel cell technology or seller of wind turbines are part of the core green economy, whereas a household installing energy-efficient light bulbs is adapting its practices to be more efficient while creating demand for a core green economy product.

The core green economy drives economic expansion through innovation, production, and provision of new technologies, products, and services, but is most likely to occur in places with necessary research and development activity, capital access, and/or production facilities.

Innovation is a key driver of economic expansion beyond gains from production efficiency and simple population growth. The core green economy includes research and development and commercialization activities which generate innovation and grow the economy; for this reason, government and popular media attention is often focused on these core activities. Despite this attention, not all locations can capture a large share of the core green economy since it thrives in locations with access to university or private research and development activity, access to startup capital, and/or industrial production facilities. The combination of these factors provides the economic base for growing core green economy businesses, as academic innovations and entrepreneurial ambitions intersect in locations which support production and further research.

² The definition and further explanation can be found in the report *Many Shades of Green: Regional Distribution and Trends in California’s Green Economy, 2011*, by Next10.

The adaptive green economy consists of businesses, households, and public sector agencies which can adopt efficiency and sustainability improvements, thus generating end user demand for the green products and services of the core green economy.

Businesses, households, and public sector agencies become a part of the green economy by adapting purchasing and operations to become more environmentally friendly. Ultimately these end users of products and services drive demand for the products of the core green economy through their purchasing decisions. When they elect to make greener decisions – such as installing insulation or purchasing environmentally-friendly and high-efficiency products – these households, businesses and public sector agencies become a part of the adaptive green economy. These adaptive green activities will also have the greatest impact on reducing local greenhouse gas emissions.

Changes in land use and transportation patterns also influence environmental quality and energy consumption.

Land use – i.e. density, proximity, and mix of housing and businesses – and transportation patterns also affect resource consumption and the vibrancy and resiliency of ecosystems. A place can become more “location-efficient” by including higher densities, mixes of land uses, ready access to transit, access to small-scale retail, and a street environment that encourages local residents to walk, bike, or take transit instead of driving private (and often single-person) automobiles. The reduced automobile usage conserves fuel and reduces pollution, while the often smaller living spaces and shared public spaces of such developments require fewer resources for heating, air conditioning, and maintenance per person. These “green” changes to land use and transportation patterns can generate jobs through the additional construction of development projects in existing developed cities, and infrastructure upgrades.

The Growing Importance of the Green Economy

Increases in environmental awareness and funding by venture capitalists and governments have resulted in rapid expansion of the green economy.

The public has become increasingly focused on environmental sustainability over the past decade as concerns have grown about dependence on foreign energy supplies, vulnerability to fuel price spikes, and the impacts of greenhouse gas emissions and climate change. Further, the crash of the “dot-com” bubble in 2000 and housing market crash of 2007-2008 left investors searching for new investments with long-term promise. There is no consistent definition for measuring venture capital investments in the green economy, but a report by Pew Charitable Trusts shows that between 1999 and 2008, venture capital investment in clean energy in the United States increased from \$360.3 million to \$5.9 billion³, and other measurements show a similar increase. The industry is not recession-proof, however; literature indicates that investments and demand have declined in recent years, partly because energy efficiency improvement installations are dependent on a strong housing and development market, and hard-pressed consumers are more likely to opt for short-term cost savings in their purchases overall.

The green economy provides innovation which expands the economy, while also creating local jobs.

As previously described, the green economy generates innovations which expand the economy. High-tech and high value innovations are likely to initially be manufactured in the United States to take advantage of the skilled workforce and robust patent enforcement. As innovations become commoditized and prices drop, production will likely move overseas. However, the green economy also creates local jobs which cannot be outsourced, such as installation and maintenance of renewable power sources, and home and business efficiency upgrades.

³ *The Clean Energy Economy: Repowering Jobs, Businesses, and Investments Across America*, June 2009.

The Green Economy in California

California features the largest share of the United States' green economy.

The Pew Charitable Trusts shows that California leads the nation in numbers of clean technology businesses, employment, and venture capital investment.⁴ The size of the state's economy and population alone ensure that it will contain a large amount of green economy activity, but it has further benefitted from its unique combination of assets, policies, and different strengths between regions.

California includes a robust base of research universities, venture capital, and clean energy startup companies.

California includes several major research universities and a high concentration of venture capital. According to the Next10 report *2010 California Green Innovation Index*, 25 percent of 2009 venture capital investments in California were made in clean technology, with over \$11.6 billion in investments since 2006 (representing nearly a quarter of global venture capital investment in the green economy). The share of venture capital invested in clean technology in California has continued to increase even as total venture capital investments have decreased. California is also the top state for green technology patents.

California public policy has created demand for green economic activity, while also increasing energy efficiency and decreasing pollution.

Next10 also reports that California's energy and environmental policies have had a positive impact on reducing greenhouse gas emissions and increasing efficiency. Energy use per person has rapidly declined relative to the United States overall since 1980. California greenhouse gas emissions per person are half that of the United States overall.

The Santa Cruz region has a relatively small base of green economic activity, though the nearby San Francisco Bay Area is a state leader.

The Santa Cruz region is relatively small and has a relatively small base of research and development and manufacturing activity, but it is located adjacent to the high concentrations of the green economy found in the San Francisco Bay Area. The report *Innovating the Green Economy in California Regions* shows that the East Bay and Silicon Valley are among the top four California sub-regions for green economy activity in California.

⁴ *ibid*

THE GREEN ECONOMY IN CAPITOLA TODAY

As described above, the green economy encompasses multiple components and a wide variety of activities. The sector is a global and national focus, and California is a leader within the United States. This section examines the Capitola economy to identify the City’s most promising pathways for growing the local green economy. The analysis includes a detailed examination of the City’s existing business base, commute patterns, and observations of its role within the Santa Cruz regional economy.

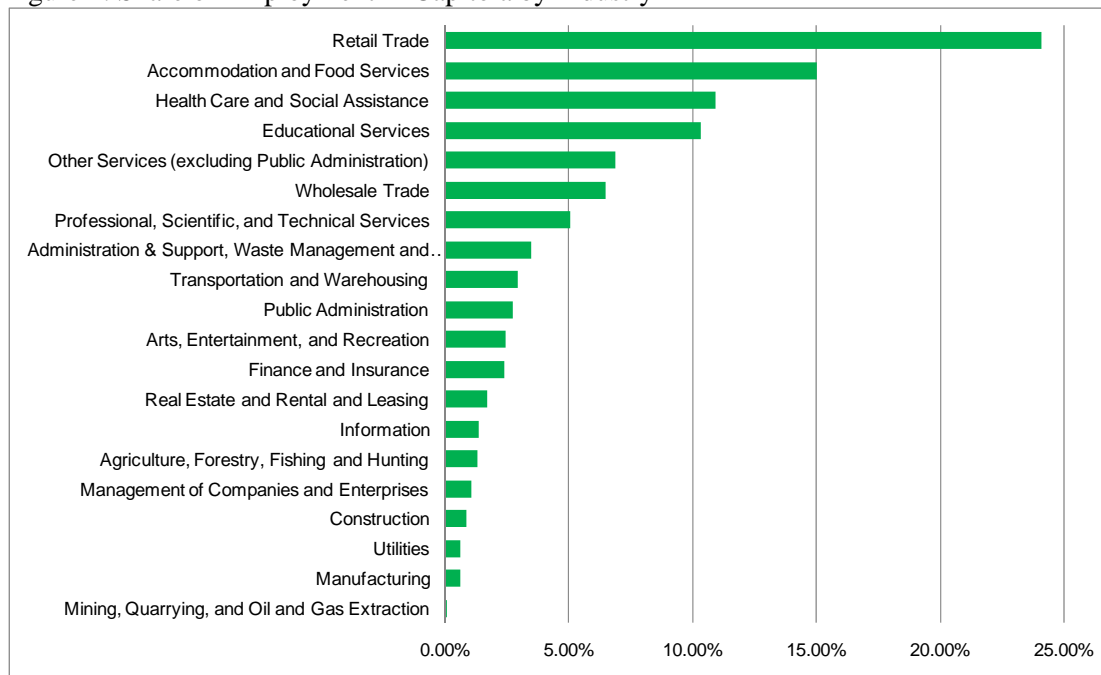
Economies function at the regional level; Capitola is a small part of the Santa Cruz regional economy.

Economic activity is inherently regional, since city boundaries minimally affect the network of business, commute, and human relationships within a region. Workforce development programs generally function at the regional level for this reason. Capitola’s economy is tightly integrated into the wider regional economy encompassing Santa Cruz and Monterey Counties and beyond. Therefore, any strategic approach must first determine Capitola’s role within the regional economy and recognize the diffused impacts that could occur from the local policies of a city of less than 10,000 residents in a county of 262,300.

Capitola’s niche within the Santa Cruz regional economy centers on personal services for its residents, regional and local retail, and tourism.

Strategic Economics previously analyzed the Capitola business market as part of the General Plan “White Paper #2: Economic and Market Conditions.” Research found that Capitola is a largely residential community – which therefore demands related services such as building contractors – with a low concentration of major office or industrial businesses and a heavy concentration of regional retail (41st Avenue), local-serving retail (41st Avenue and Bay Avenue), boutique retail (Capitola Village) and tourism (including hotels and retail supported by tourists). The figure below shows the City’s high concentration of employment in retail, accommodation and food services (hotels and restaurants), and other household-serving industries such as health care and education.

Figure 1: Share of Employment in Capitola by Industry



Source: U.S. Census Longitudinal Employer-Household Dynamics, 2011; Strategic Economics, 2011.

Business-level analysis shows virtually no presence of the core green economy in Capitola; the core green economy is a poor basis for an economic development strategy in Capitola, beyond responding to unique and unexpected opportunities.

Strategic Economics examined Capitola’s base of businesses within the core green economy by applying three different filters to a citywide comprehensive, establishment-level database obtained from data service Dun and Bradstreet. These filters identified businesses and organizations within industries which, based on previous research, have a high likelihood of including core green businesses.⁵ Strategic Economics then individually researched all Capitola businesses and organizations within those industry categories. Ultimately only four Capitola businesses and organizations were found to exist within those core green economy categories: three are building contractors with a green emphasis, and one is a regional governmental entity’s office, not a business.

Capitola’s existing residential, retail, and tourism base provides strong potential to grow the adaptive green economy both within the City and regionally.

While Capitola presently lacks significant opportunity in the core green economy, the City’s base of residential-serving, retail, and tourism businesses opens opportunities to cultivate the City’s adaptive green economy by improving the resource efficiency of residences, retailers, and hotels. Such a strategy, if comprehensively implemented, can also generate marketing buzz that Capitola is an eco-conscious City – potentially increasing visitors and business. Success in the adaptive green economy could, of course, set the foundation for Capitola developing success in the core green economy in the future.

Examples of the adaptive green economy can already be found in Capitola and nearby cities.

Three examples include:

- Capitola Freight & Salvage: This retailer sells new and used building materials which otherwise would have been sent to landfills.
- Pacific Blue Inn: This Santa Cruz hotel was constructed of sustainable materials, designed to be resource-efficient, and provides complimentary bicycles to guests.
- New Leaf Community Market: This local grocery chain emphasizes organic, sustainably and locally-produced products.

Figure 2: Pacific Blue Inn and New Leaf Community Market



Source: pacificblueinn.com, 2011; waymarking.com, 2011.

Capitola’s land use and transportation patterns can also be improved.

Capitola is a small city and contains pockets of areas in which bicycling and walking is easy and comfortable, especially around the Capitola Village. However, much of the City is arranged in a manner making it challenging for residents who walk or bike for errands or work, with poor direct pedestrian connections, intimidating automobile traffic along and near 41st Avenue, and obstructions or indirect road connections between destinations. Currently, for many residents and visitors in Capitola the automobile is the transportation option of choice, but pedestrian and bicycle access improvements in Capitola can

⁵ See Appendix A for detailed information and methodology.

encourage residents and visitors to reduce automobile use for local trips. A major focus of the Capitola General Plan Update is to identify and prioritize land use, pedestrian access and transportation modifications that will improve local sustainability. Notably, 81% of all local jobs projected for Capitola in 2035 by the Association of Monterey Bay Area Governments (see Appendix B, table B-1) will be in the largely lower-wage retail and service industries (though a small portion of service jobs will include professional services). A local commitment to the development and preservation of workforce housing affordable to this income group within residential land use areas will also significantly reduce Capitola's employee commutes.

HOW TO GROW THE GREEN ECONOMY IN CAPITOLA

This section describes how the process of economic development – i.e. the creation or growth of businesses and jobs – functions in the green economy. It then explains how Capitola’s economic niche influences the types of strategies most likely to succeed in the City.

The Public Sector Role in Green Economic Development

*The public sector creates **demand** for green economy jobs through incentives and regulations.*

The public sector is able to create demand for green economy jobs through incentives and regulations which increase the interest or need for households and businesses to invest in resource-efficient technologies, products, and practices. For example, expedited permitting approval for a more efficient new building development is an incentive which can encourage a property developer to save time and money by including sustainable materials and highly-efficient products; this can increase demand for workers with additional skills to design and install such materials. The regulatory version of this example is a green building ordinance, which requires that all building developments meet sustainability and efficiency targets.

*The public sector helps meet demand for green jobs by ensuring that the labor **supply** is well-equipped for those jobs.*

The public sector invests in worker skills through a variety of means, including all levels of public education and the activities of workforce investment boards. The public sector can prepare the workforce to meet demand for green jobs by analyzing career pathways and opportunities and tailoring training and placement activities to match. These activities are typically implemented at higher levels of government (regional and above) since labor is not tied to a specific location. Examples in the Santa Cruz region include the Cabrillo College Green Technology Center for workforce training, and the Green Careers Partnership for aligning resources and placing trainees into green job openings.

The public sector can also encourage growth of the green economy by leading by example.

The public sector can lead by example by following policies requiring resource-efficient purchasing, operations, and facilities development/rehabilitation. In doing so, the public sector creates demand for green products and services while also demonstrating how the green economy can benefit households and businesses.

Green Economic Development Strategy Objectives and Directions for Capitola

Capitola’s fiscal constraints and broader post-recession economic conditions demand that green economic development efforts conform to five overarching objectives.

Capitola has experienced a significant drop in sales tax and other revenues since 2007. Local businesses continue to suffer from on-going consumer caution and should not be burdened by additional requirements that increase the cost of doing business; participation in programs should be voluntary in the short run. While the City must continue to undertake long-term efforts to grow its economy – green or otherwise – the current priority is to maintain city services. Therefore, the green economic development strategies in the following section follow five key objectives:

- Stimulate economic activity and improve government efficiency
- Use and reform existing tools to promote growth of the green economy

- Target and focus new efforts to maximize limited economic resources
- Engage and involve the community
- Lead by example

Under these objectives, the strategies appropriate for Capitola emphasize low-cost and highly cost-effective measures in the next several years, and partnerships with organizations better-positioned to implement some of the strategies. Further, the strategies seek to incentivize economic growth rather than place additional burdens which may slow recovery in the City.

Capitola should focus on building demand within the adaptive green economy and improving land use patterns, while supporting and advocating regional efforts to resolve regional green economy needs.

As stated earlier, Capitola lacks an existing base of research and development and industrial land area to justify focusing on growing businesses within the core green economy. Instead, green economic development strategies for Capitola should focus on the City's strengths: the adaptive green economy (households and businesses), reformation of land use and transportation patterns, and public sector operations. Efforts which are more effectively implemented at the regional level should focus on finding the right partners and City advocacy or assistance, such as partnering with Workforce Investment Board Santa Cruz County and the non-profit organization Ecology Action.

III. STRATEGY RECOMMENDATIONS

This section consists of a matrix showing strategy recommendations for growing the green economy in Capitola and, as a result, improving the City’s environmental sustainability and reducing greenhouse gas emissions.

- Each strategy is followed by a description, recommended implementation actions, and an example of a similar strategy from elsewhere.
- The “Lead Implementing Party” – in most cases Capitola city staff – will be the primary initiator of the strategy. The strategies attempt to maximize implementation efficiency through partnerships and low-cost solutions, but they will inevitably involve an investment and focus of staff time.
- “Partner Organizations” are possible organizations for assistance in carrying out the strategy, since many strategies require resources beyond those available to the City.
- “Timeframe” describes the envisioned time required to implement the strategy. Roughly, “short-term” strategies can be implemented in the next one to three years, “mid-term” strategies in three to six years, and “long-term” strategies in six years or beyond.
- “Priority” is based on the extent to which staff resources should be immediately dedicated to the strategy, since some strategies may require long ongoing effort or higher effort relative to likelihood of success.

Tracking Progress

Strategies within this report will be incorporated into the City's updated General Plan and Climate Action Plan, which will include metrics to monitor their effectiveness over time. Metrics will identify measurable outcomes to help the City evaluate whether the strategies are producing desired results. These metrics will help the City to make any necessary adjustments to the strategies to better help Capitola attract and retain green businesses and jobs.

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
Preparing the Workforce					
1	Promote regional workforce development programs locally	City staff	Short-term	High	Workforce Investment Board Santa Cruz County, Green Careers Partnership, Cabrillo College, Central Coast Energy Services, Ecology Action, Community Action Board
	Description	Since Capitola is part of a regional economy, workforce issues - and funding - function at the regional level. Capitola can support regional workforce development programs related to green jobs through ongoing participation in and promotion of regional workforce organizations.			
	Actions	City staff must actively participate in and be aware of the activities of regional workforce development organizations - such as via the Comprehensive Economic Development Strategy Committee - and determine how best to publicize these efforts locally. Publication outlets include city websites, brochures, including those listed below. Consider or build on existing outreach and regular events to inform business owners and entrepreneurs of available resources.			
	Example	The Green Careers Partnership is a regional collaboration of workforce, educational, and environmental organizations seeking to link workforce development activities with environmental initiatives. Current sponsoring partners include the Santa Cruz and Monterey County Workforce Investment Board, Cabrillo College, Central Coast Energy Services, Ecology Action, and the Community Action Board of Santa Cruz County.			
2	Facilitate small business connections to green economic development and business development programs	City staff	Short-term	High	Central Coast Small Business Development Center (Cabrillo College), Santa Cruz SCORE, Workforce Investment Board Santa Cruz County, Green Careers Partnership, environmental organizations, Capitola Commission on the Environment
	Description	Capitola currently lacks in-house capability to directly assist small businesses with improving their operations, but can instead direct business owners to available resources such as the Central Coast Small Business Development Center. Over time, Capitola can encourage embedding of cost-saving sustainability advice within the programs available to small businesses, and focus on linking green businesses within the City to appropriate resources.			
	Actions	Identify small business assistance programs, especially those with an environmental focus. Publicize availability of this assistance via local partners and the City's own website and other economic development outlets. Consider use of interns to coordinate and promote green programs and pursue grant funding applications.			
	Example	The Central Coast Small Business Development Center at Cabrillo College provides a wide range of services in assisting small businesses with start-up needs, administrative improvements, and connections to loan programs.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
3	Pursue green business incubator opportunities	City staff	Long-term	Low	UC Santa Cruz, Cabrillo College, venture capital organizations, business and environmental non-profit organizations, other educational institutions
	Description	A green business incubator would provide space, support services, and/or advice about pursuing seed funding for new businesses featuring products or services related to the green economy. No such incubator currently exists in the region and Capitola's current options may be limited given the limited existing base of such businesses and lack of a major educational institution, but Capitola can participate in a broader effort to attract such an incubator to the region. Alternately, Capitola could apply the same efforts to a regional incubator effort designed to grow established but small green businesses, or to grow non-core green businesses in a green and sustainable manner.			
	Actions	Monitor interest and availability of resources for creating a green small business incubator. Assess demand for such an incubator via strategy #2 and other efforts by Capitola; participate in any broader efforts to attract an incubator to the region. Advocate for regional resources to be available for such an effort. Develop the technical assistance and finance linkages resulting from strategy #2 to be prepared for capturing opportunities for siting a business incubator in the region. Attract local and regional banks and Small Business Administration representatives to present and mentor at green business development activities and, eventually, the incubator. Develop land use policies that can quickly and easily adapt to demand should a regional center wish to locate in Capitola			
	Examples	The Venture Greenhouse of Dominican University in California (in San Rafael) provides one year of space, funding, administrative mentoring, and financing connections for new "environmentally and socially beneficial ventures." The business incubator operates in partnership with the City of San Rafael and Marin Economic Forum and complements the university's "Green MBA" program. The incubator has existed for less than a year. Other examples include the four-year-old Sonoma Mountain Village in Rohnert Park and the well-established 500 Start-Ups in San Francisco.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
Public Policy Regulations, Requirements, and Incentives					
4	Update the Green Building Ordinance	City staff	Short-term	High	Capitola Planning Commission, Capitola Commission on the Environment
	Description	Capitola currently has a Green Building Ordinance, which needs to be revised in order to meet the new state CALGreen requirements. This strategy proposes making the sustainability standards for new construction or major renovation of buildings in Capitola fully in compliance with state requirements, and strengthening it using an incentive approach to reward exemplary projects which go beyond requirements. The incentive would be public recognition with a new designation, without mandating the additional cost and time burden of LEED Certification. The approach is to style the requirements as LEED-Ready.			
	Actions	Continue Capitola's current revisions to the building code under the requires CALGreen requirements and implementation of an incentive program to reward exemplary projects.			
	Example	The City of Seattle's "Priority Green" program provides incentives for meeting or exceeding sustainability requirements; Seattle also provides assistance in connecting developers of green projects to other sources of low-cost financing for green projects.			
5	Encourage use of grants and loans for efficiency upgrades	City staff	Short-term	High	Environmental organizations
	Description	At any given time there exists a confusing array of grant, loan, and tax incentive options for various resource efficiency upgrades via the government, utility providers, and other sources. The City, in partnership with a local environmental organization, can facilitate connections between residents and businesses with these options.			
	Actions	Partner with a knowledgeable organization to publicize availability of these financing options via the internet, pamphlets, workshops, etc. Work with the county and other regional government entities to ensure that Capitola is included in programs, such as the Property Assessed Clean Energy financing program (PACE).			
	Example	Non-profit organization Ecology Action is leading an element of the Energy Upgrade California program, aimed at coordinating incentives and financing outreach and education of available assistance with resource efficiency improvements.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
6	Require building efficiency improvements upon sale	City staff	Mid-term	Low	Capitola Commission on the Environment, Environmental organizations, Soquel Creek Water District, City of Santa Cruz
	Description	This strategy would require that all commercial and residential buildings be upgraded to meet resource efficiency requirements upon transfer of ownership. Capitola currently has a similar water efficiency requirement for home sales. At a minimum upgrades should include roof insulation, weatherization and heater efficiency upgrades. An expanded program could include whole house efficiency evaluations and solar installations.			
	Actions	Assess the market impact of implementing this requirement. Pass ordinance and set standards for compliance.			
	Example	The City of Berkeley's Residential Energy Conservation Ordinance and Commercial Energy Conservation Ordinance require that energy efficiency improvements are made when structures are sold or significantly renovated; the intent is that the seller pays, but responsibility can be transferred to a buyer (with consent) one time.			
7	Renew the City/Redevelopment Agency's home repair and weatherization program	City staff	Short-term	High	Housing Authority of Santa Cruz County
	Description	Although currently unfunded, Capitola has a housing rehabilitation assistance program that provided assistance through loans and grants to low and moderate-income homeowners. Improvements targeted health and safety, toxic (mold and lead) abatement, handicap access, and energy efficiency. The program helps preserve existing affordable housing and improve residential energy efficiency.			
	Actions	Identify and obtain new funding sources, including the City's Housing Trust Fund and state and federal grants. Expand program to also serve lower-income rental properties.			
	Example	Capitola's existing program has a successful ten year history in collaboration with the Housing Authority. Funding for the program remains the key challenge.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
Land Use and Transportation Reform					
8	Construct safe pedestrian pathways and bikeways	City staff	Long-term	High	Real estate developers
	Description	Safe pedestrian pathways and bikeways will encourage alternatives to automobile use and increase recreational options in Capitola, while also creating construction jobs. Incremental block-by-block improvements to the rail trail could be part of this program with priority given to key lower-cost sections, such as the connection between Jade Street Park and 41st Avenue, and between Bay Avenue and New Brighton State Beach.			
	Actions	Include policies for construction of pedestrian and bicycle improvements in the General Plan, including visions for new pathways connecting destinations and parkland in/near Capitola. Finish complete streets update of the City's Circulation Element and pursue funding from federal, state, and regional sources.			
	Example	The City of Fort Collins, Colorado has increased its bike path mileage by nearly 300% through a clever combination of federal, private sector, and foundation funding.			
9	Encourage adherence to sustainable neighborhood design standards via the General Plan and other policies	City staff	Mid-term	Medium	Capitola Planning Commission, Capitola Commission on the Environment
	Description	The General Plan can present a vision focused on ensuring future projects contribute to sustainable neighborhoods with transportation options, strong linkages between places, and sufficient density to enable concentration of services and retail within convenient distance. Greater density can increase incentives for redevelopment, which can help generate jobs while making Capitola a more sustainably designed city.			
	Actions	Implement the General Plan's sustainable neighborhood design requirements.			
	Example	Background and examples can be found in the document "A Local Government Guide to LEED for Neighborhood Development," available online from the U.S. Green Building Council (usgbc.org).			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
10	Examine economic development opportunities for resolving parking concerns in a sustainable manner	City staff	Mid-term	Medium	Capitola Chamber of Commerce, business/property owners, Capitola Business Improvement Area, Santa Cruz Metropolitan Transit District, Capitola Commission on the Environment
	Description	A parking management program is being prepared for Capitola Village as part of the General Plan process. Based on the analysis, this program may include options for resolving parking concerns while also providing jobs. Examples could include valet parking for off-site lots, circulator shuttles, or improved transit service.			
	Actions	Use the findings of the parking analysis to develop the parking management program with sustainable alternatives.			
	Example	The Santa Barbara Downtown-Waterfront Shuttle is a circulator shuttle which allows visitors to park once and then navigate the entire downtown and waterfront area without a car.			
11	Allow co-working collaborative spaces in Capitola	City staff	Long-term	Low	Capitola Planning Commission, Capitola Commission on the Environment, relevant funders and education partners
	Description	"Co-working" spaces provide shared workstations for the use of clients, ideally providing low-cost office space for entrepreneurs while encouraging creativity through the interactions of the users. Capitola could leverage this concept in the pursuit of green business entrepreneurs by reforming existing permitting and zoning policies to ensure that such spaces are allowed.			
	Actions	Review parking and zoning requirements for shared multi-tenant office space. Reform as needed to allow co-working spaces.			
	Examples	NextSpace and Cruzioworks are two examples of co-working spaces in Santa Cruz. Both offer spaces for members and, more importantly a collaborative and creative environment for networking and exchanges of ideas. Other examples include Hub San Francisco and Hub Berkeley.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
12	Develop a Transportation Demand Management Plan for City and local employees	City staff	Mid-term	Medium	Transportation consultants, Santa Cruz METRO
	Description	A Transportation Demand Management (TDM) Program would offer incentives to encourage the use of alternative modes of transportation by City and local (Village, Bay Ave. & 41st Ave.) employees. Free bus passes, reimbursement for not using a parking space, emergency cab services, etc. will help reduce parking demand and reduce greenhouse gas emissions through reduced commuter traffic.			
	Actions	Obtain funding and hire transportation consultants to complete a TDM study. Implement recommendations of the study.			
	Examples	Warner Center, in the San Fernando Valley of Los Angeles, includes a concentration of office, retail, industrial, and residential uses. The area's Specific Plan has mandated a Transportation Improvement Mitigation Program since the 1990s. The program coordinates shared-ride vans, carpools, and encourages transit use through promotions and subsidies.			
Public Utilities and Procurement Reform					
13	Implement eco-friendly city procurement, construction, and procedure policies	City staff	Mid-term	High	Capitola Commission on the Environment, environmental organizations
	Description	"Eco-friendly procurement policies" require that city purchases, facilities operations, and new facilities all meet resource-efficiency requirements for types of products, materials, construction techniques, etc. Capitola already operates under an "Environmentally Preferred Purchasing Policy" as part of its green business certification, but the extent to which the policy is known and followed is uncertain. Capitola can also include policies regarding use of day-to-day cleaning products and materials (paper, soaps, paint, etc.) used in the maintenance of all City properties; this program could have beneficial results in terms of environmental safety for the City's employees and contracted maintenance staff as well as improved interior air quality in work and meeting spaces.			
	Actions	Implement and ensure adherence to policies requiring that city purchases, procedures, and public facilities meet sustainability and health standards. Renew and maintain Green Business Certification.			
	Example	The City of Portland Sustainable Procurement Policy was passed in 2008 and sets forth guidelines requiring that goods and services purchased by the City "minimize negative environmental impacts, are fair and socially just, and make economic sense."			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
14	Advocate for utility provider requirements and incentives for efficiency improvements	City staff	Mid-term	Low	Santa Cruz County, utility providers, environmental organizations
	Description	Capitola should continue to support the implementation of utility provider requirements and incentives for residential and business energy efficiency upgrades.			
	Actions	Join regional partners in advocating for continuation and expansion of utility provider incentive programs to improve energy efficiency, and advocating for sustainable practices by the providers themselves. Support the County's investigation into implementation of Community Choice Aggregation. Capitola is currently involved with such efforts at the county level.			
	Example	Marin County implemented community choice aggregation, a program in which the county purchases power from its selected sources and the local utility provider handles transmission and billing. The program is estimated to have had millions of dollars in economic impact in the first year alone, as it focused on purchasing power from local renewable sources and encouraging development of more such sources.			
Promotion and Seeding of Community Engagement and Business Participation					
15	Establish a one-stop web resource for available green economic development programs	City staff	Mid-term	High	Environmental organizations; Chamber of Commerce; Capitola Business Improvement Area
	Description	Navigating myriad economic development and incentive programs can be extremely difficult; a one-stop web resource will allow homeowners and business owners an easy way to survey the available options, and can be an outlet for publicizing green efforts in Capitola. Any regular outreach events can also be used to facilitate these connections.			
	Actions	Work with a local environmental organization to establish a one-stop web resource for connecting businesses and citizens to green programs available. Several of the other listed strategies can be supported via this resource. Capitola may also collaborate with other cities to develop a regional resource.			
	Examples	The City of Santa Monica Office of Sustainability and the Environment maintains a website with similar information, as does the City of Cupertino "Cupertino Green Resources" site.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
16	Promote local business use of the Monterey Bay Area Green Business Program	City staff	Mid-term	High	Environmental organizations, Chamber of Commerce, Capitola Business Improvement Area, business and property owners, Monterey Bay Area Green Business Program Task Force
	Description	Businesses certified under a rigorous green certification program have proven that they incorporate sustainable practices into their operations, purchasing, and other actions. A large collection of certified businesses can reflect positively on the local community and is likely to increase business from customers interested in environmental sustainability.			
	Actions	Promote the Monterey Bay Area Green Business Program and publicize businesses in Capitola which have been certified. Over time, consider whether it will be advantageous to develop a program specific to Capitola. Consider whether to support the program via contributions to technical assistance and marketing.			
	Example	The Monterey Bay Area Green Business Program is promoted on the website of the City of Santa Cruz; the program itself is promoted on its own website and the statewide website www.greenbusinessca.org .			
17	Attract a farmers market to Capitola	City staff	Short-term	High	Business organizations, environmental organizations, community supported agriculture, farmers market organizers
	Description	Farmers markets are a visible commitment and personal connection to locally-grown produce, while also helping to create additional demand and jobs for local producers. A farmers market would be a major signal that Capitola is interested in sustainable, organic sourcing of food and provide a means of publicizing other green efforts.			
	Actions	Persist in ongoing efforts to attract a regular farmers market to Capitola. Consider partnering directly with local community supported agriculture (CSA) or regional CSA accelerators like Farm Connection.			
	Example	Santa Cruz Farmers Market organizes and manages five different farmers markets in the Santa Cruz region.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
18	Support green consumer education programs at local events	City staff	Short-term	Medium	Chamber of Commerce, Capitola Business Improvement Area, environmental organizations, Cabrillo College, University of California Santa Cruz
	Description	Green consumer education outreach can create demand for additional services, but must be accessible to be effective. This strategy proposes that Capitola support the addition of green consumer education programs at local events, possibly in conjunction with interested business and environmental organizations.			
	Actions	Communicate to business and non-profit organizations that the City is interested in participating in outreach at major events, including possible appearances/mentions by elected officials and staff.			
	Example	The Capitola Water Festival and other environmentally-focused events exist in Capitola and the Santa Cruz region, but larger events such as the Art and Wine Festival are an opportunity to promote green consumer programs to a much larger and possibly less-aware audience.			
19	Seed citizen engagement through green jobs micro-grant campaigns	City staff	Mid-term	Medium	Environmental organizations, business organizations
	Description	Provide a high-visibility green jobs micro-grant program to solicit and fund new citizen and organization ideas for growing green jobs in Capitola, possibly as part of a high-visibility contest. The most promising applicants would receive a modest grant to launch the ideas.			
	Actions	Include funding for this program in the budget for the existing community grants program. Establish rules and goals for selecting recipients and use and monitoring of grants. Publicize and implement the contest and micro-grants.			
	Example	Minneapolis Climate Change Grants were funded through the American Recovery and Reinvestment Act. Beginning in 2007, Minneapolis awarded grants between \$7,500 and \$10,000 to organizations of all kinds to fund ideas for improving environmental sustainability.			

	Strategy				
#	Actions/Example	Lead Implementing Party	Timeframe	Priority	Partner Organizations
20	Promote recreational activities that engage with Capitola's natural resources	Business organizations	Mid-term	Medium	Chamber of Commerce, Santa Cruz County Conference and Visitors Council, Capitola Recreation Department
	Description	Recreational activities which take advantage of Capitola's scenic beauty can help grow the City's green reputation overall.			
	Actions	Explore options for the beach, Soquel Creek, connections to New Brighton State Beach, and the wharf for the General Plan. Allow recreational uses for high-potential areas under the General Plan.			
	Example	The San Francisco Bay Trail is an effort to create a 500-mile network of bicycling and hiking trails encircling the waterways of the region; numerous gaps still exist in the extensive trail, but efforts have been ongoing since inception in 1987. The Bay Trail provides a connection and recreational traffic to numerous recreational areas, opening new opportunities for businesses offering kayaking, bike rental, and other offerings.			
21	Develop a local business coupon program for transit users and cyclists	Business organizations	Mid-term	Low	City staff, environmental organizations
	Description	Persons arriving to select areas of the City via bicycle or transit are provided discounts or gift certificates to local businesses.			
	Actions	Gauge the support of local business organizations. Partner with those organizations to implement a coupon program.			
	Example	Santa Barbara COOL Car Free discounts are offered to persons with an Amtrak ticket, bus ticket, or bicycle. The discounts are offered by a wide range of businesses in Santa Barbara. The program is run by a consortium led by the Santa Barbara County Air Pollution Control District in conjunction with over 100 business and community partners.			

IV. GREEN ECONOMY GAINS AND OUTCOMES

This document has walked through the green economy’s definition, broad trends in the green economy, analysis of its current positioning within the Capitola economy, green economic development opportunities and approaches in Capitola, and strategies for growing the City’s green economy while also improving environmental quality. Per grant requirements, Strategic Economics has estimated a range of business growth and job creation outcomes from the listed strategies, including openings for Targeted Income Group workers.

Based on implementation of the strategies contained in this report, it is reasonable to project green economy job growth targets of between 150 and 600 new jobs in Capitola between 2010 and 2035. Based on current numbers of employees per business, this translates to 35 to 140 businesses in the City over the same period. These jobs and businesses will be a mix of employment growth already expected to occur in the City, and additional regional jobs captured in Capitola beyond projections for the City due to the City’s increasingly attractive location for green economy jobs.

The table below shows low, medium, and high scenarios for green economy job growth target projections. The outcomes vary depending on overall market conditions, robustness of Capitola’s implementation of the green economy strategies, and uncertainty regarding whether businesses and jobs serving Capitola’s green economy choose to locate in Capitola or another nearby location.

The green economy job growth target projections assume that Capitola’s green economy strategies will result in the City attracting an increased share of green job growth relative to Santa Cruz County by 2035; countywide projections were based on those created by the Association of Monterey Bay Area Governments. Countywide job growth was held constant since the projections are calibrated to capture all growth in the regional economy; AMBAG projections assumed growth in the green economy as part of larger macro-economic trends. The strategies in the Green Economy Report are an important way to help make sure that the region achieves this potential, and to enable Capitola to attract its share of these jobs. Detailed methodology notes, Targeted Income Group benefits, and additional information are included in Appendix B.

Table 1: Green Economy Job and Business Growth Target Projections, 2010 to 2035

Industry	Low		Medium		High	
	Jobs	Businesses	Jobs	Businesses	Jobs	Businesses
Retail	0	0	14	1	42	4
Service	96	26	192	51	288	77
Industrial	7	1	25	3	39	5
Public	26	2	51	4	102	9
Construction	24	9	73	28	122	46
Agriculture	0	0	0	0	0	0
Total	152	38	355	88	593	141

Source: Association of Monterey Bay Area Governments, 2008. Strategic Economics, 2011.

Conclusion

The green economy can prosper in Capitola if the City builds on the strengths of its economy, continues to develop a culture focused on environmental sustainability, and engages in collaborations and partnerships. The strategies in this report emphasize this approach. Their implementation will result in green job and business growth in Capitola by cultivating the adaptive possibilities presented by Capitola’s

healthy base of households and businesses, and allowing Capitola to support and share in countywide green economic growth.

APPENDIX A: CAPITOLA CORE GREEN ECONOMY

ESTABLISHMENT ANALYSIS

This appendix describes Strategic Economics’ method for measuring the existing base of core green economy jobs and businesses in Capitola, as described on page 6 of this report. Classifying and quantifying the extent of the green economy has proven challenging since “green” activities occur within nearly every industry and occupation classification. Nevertheless, several published studies have examined the industry sectors in which green activities are most likely to be found.

Strategic Economics examined the core green economy in Capitola by using the findings of three oft-cited studies. Only the *core* green economy was examined, as opposed to the *adaptive* green economy. Despite the greater promise of the latter in Capitola, statewide and national surveys by the California Employment Development Department and United States Bureau of Labor Statistics are of limited applicability to Capitola since they used a very broad definition of green economic activity and produced varying results. Application of their results to Capitola’s local economy would involve unreasonable presumptions.

Each study of the core green economy produced findings of industry sectors – classified as standardized NAICS or SIC industry codes – which contain the greatest concentrations of green economic activity. These industry codes were used to filter Capitola establishment-level data purchased from data service Dun & Bradstreet. The resulting establishments were then individually vetted through internet research to determine whether they were primarily green businesses.

The source studies and differences between them are described below:

1. **Method One:** *Innovating the Green Economy in California Regions*, 2010, by Karen Chapple and Malo Hutson, The Center for Community Innovation at University of California, Berkeley. Upon review of 25 other studies, the authors selected a narrow definition of the green economy focused on energy, environmental services, green building, manufacturing, transportation, and recycling and remediation.
2. **Method Two:** *The Clean Energy Economy: Repowering Jobs, Businesses, and Investments Across America*, 2009, by The Pew Charitable Trusts in conjunction with Collaborative Economics. Collaborative Economics has spent several years defining and researching the green economy. The authors used a stringent definition of the clean energy economy for their national analysis, focused on core green economy sectors categorized under clean energy, energy efficiency, environmentally friendly production, conservation and pollution mitigation, and training and support.
3. **Method Three:** *Jobs in L.A.’s Green Technology Sector*, 2006, by Patrick Burns and Daniel Flaming, Economic Roundtable. This older report used a broader definition of green technology focused on clean energy, green construction, manufacturing and distribution, utilities, and waste disposal. This broad definition produced many more results in Capitola, requiring careful review to determine if businesses were significantly a part of the green economy.

Results

Method One

Two establishments were identified:

1. Santa Cruz County Resource Conservation District (public agency)
2. Bonjardim & Associates

Method Two

Zero establishments were identified.

Method Three

Forty-nine establishments were identified; of these, three appeared to have green credentials:

1. Santa Cruz County Resource Conservation District (public agency)
2. Friday Construction
3. Earth Works Paving

Conclusion

The results indicate the lack of core green economic activity in Capitola, which is unsurprising given the City's minimal supply of industrial land and primary role as a residential, retail, service, and tourism-focused economy. However, these filters do not identify adaptive green economic activity, as focused on in this report.

APPENDIX B: GREEN ECONOMY JOB GROWTH TARGET PROJECTION METHODOLOGY, AND TARGETED INCOME GROUP BENEFIT

Strategic Economics developed green economy job growth target projections and quantified Targeted Income Group Benefit in accordance with grant funding requirements. As described on page 22, the outcomes will vary depending on overall market conditions, the robustness of Capitola’s implementation of the green economy strategies, and uncertainty regarding whether businesses and jobs serving demand for green products and services from Capitola’s residents will choose to locate in Capitola or another nearby location. Given these uncertainties, Strategic Economics developed low, medium, and high scenarios based on assumptions of greater or lesser capture of job growth in Santa Cruz County from 2010-2035. The scenarios assume that implementation of this report’s strategies will help grow the regional economy and also increase the likelihood that green businesses and jobs will be located in Capitola. This section describes the methodology for determining green economy job growth target projections, and an explanation and methodology for determining opportunity for Targeted Income Group Benefit.

1. Job growth projections for Capitola and Santa Cruz County were obtained from the Association of Monterey Bay Area Governments (AMBAG). These are the authoritative projections for the region reviewed by the state; Capitola’s economic growth was examined in the context of Santa Cruz County because it is most closely tied to this regional economy, although linkages also exist to San Benito and Monterey Counties. The projections are grouped by large industry categories.

Table B-1: AMBAG Capitola and Santa Cruz County Employment Projections, 2010-2035

Geography	Industry	2010	2015	2020	2025	2030	2035
Capitola							
	Retail	2,060	2,205	2,249	2,292	2,336	2,383
	Service	4,340	4,669	4,987	5,331	5,699	6,096
	Industrial	154	159	163	168	174	179
	Public	1,148	1,185	1,241	1,299	1,362	1,427
	Construction	340	353	368	383	399	415
	Agriculture	0	0	0	0	0	0
	TOTAL	8,042	8,571	9,008	9,473	9,970	10,500
Santa Cruz County							
	Retail	14,060	14,570	15,110	15,670	16,250	16,850
	Service	47,390	50,980	54,450	58,210	62,220	66,560
	Industrial	16,070	16,540	17,040	17,570	18,110	18,680
	Public	21,100	21,770	22,800	23,880	25,020	26,220
	Construction	10,930	11,380	11,850	12,340	12,840	13,370
	Agriculture	5,520	5,560	5,620	5,680	5,720	5,780
	TOTAL	115,070	120,800	126,870	133,350	140,160	147,460

Note: “Public” includes employees of all levels of government, including education.
Source: AMBAG, 2008; Strategic Economics, 2011.

2. The AMBAG projections were used to determine baseline employment growth by comparing projected growth in Capitola to growth in Santa Cruz County.

Table B-2: AMBAG Projected Share of Santa Cruz County Employment Growth in Capitola

	2010-2035 Job Growth		Capitola Share of Growth
	Capitola	Santa Cruz County	
Retail	323	2,790	11.6%
Service	1,756	19,170	9.2%
Industrial	25	2,610	1.0%
Public	279	5,120	5.4%
Construction	75	2,440	3.1%
Agriculture	0	260	0.0%
TOTAL	2,458	32,390	7.6%

Source: AMBAG, 2008; Strategic Economics, 2011.

3. Based on projected shares and possible outcomes for green jobs growth based on Capitola's implementation of green jobs strategies and growth of green jobs in Santa Cruz County in general, Strategic Economics created assumptions of percentages of new jobs in the County which would be green and attracted to Capitola under three growth target scenarios. These shares differed based on the likelihood that jobs in a particular industry sector could be green. For example, construction jobs are far more likely to grow as part of the green economy, whereas retail jobs will only have a small adaptive component to job growth. Shares were checked against total County growth for reasonableness. By capturing higher shares of job growth in Capitola, the City will expand its employment base beyond that which would otherwise occur, as projected by AMBAG. By starting from the total countywide job growth, this study assumes regional job growth is already accurately projected, but city projections fail to account for future green economic development policies which make Capitola more competitive.

Table B-3: Capitola Green Economy Job Growth Assumptions by Scenario: Capitola Share of Total Job Growth in Santa Cruz County

Industry	AMBAG Total Growth Share Projection	Capitola Green Job Share of Total Growth		
		Low	Medium	High
Retail	11.58%	0.0%	0.5%	1.5%
Service	9.16%	0.5%	1.0%	1.5%
Industrial	0.96%	0.3%	1.0%	1.5%
Public	5.45%	0.5%	1.0%	2.0%
Construction	3.07%	1.0%	3.0%	5.0%
Agriculture	0.00%	0.0%	0.0%	0.0%

Source: AMBAG, 2008; Strategic Economics, 2011.

- The shares of growth were multiplied by projected employment growth in Santa Cruz County to determine the number of new green jobs under the scenarios. These were translated to numbers of businesses by dividing by the average business size by industry category, based on current average sizes found in the Dun & Bradstreet establishment data for Capitola.

Table B-4: Average Business Size by Industry in Capitola

Industry	Employees	Businesses	Average Firm Size
Retail	2,837	266	10.7
Service	2,069	554	3.7
Industrial	579	75	7.7
Public	239	21	11.4
Construction	194	73	2.7
Agriculture	5	3	1.7
TOTAL	5,923	992	6.0

Note: Does not include 65 employees at 42 unclassified establishments.
Source: Dun & Bradstreet, 2011; Strategic Economics, 2011.

Table B-5: Capitola Green Economy Job and Business Growth Projection Scenario Outcomes

Industry	Low		Medium		High	
	Jobs	Businesses	Jobs	Businesses	Jobs	Businesses
Retail	0	0	14	1	42	4
Service	96	26	192	51	288	77
Industrial	7	1	25	3	39	5
Public	26	2	51	4	102	9
Construction	24	9	73	28	122	46
Agriculture	0	0	0	0	0	0
Total	152	38	355	88	593	141

Source: Strategic Economics, 2011.

TARGETED INCOME GROUP BENEFIT

Per funder requirements, this study meets the national objective of primarily benefiting “Targeted Income Group” (TIG) persons, and the “public benefit” is job creation. TIG is defined as “families, households, and individuals whose incomes do not exceed 80 percent of the county median income.” The Capitola green economy strategies enhance these opportunities with their focus on regional workforce advocacy, land use, development, construction, and energy efficiency installations.

Strategic Economics collected 2010 Santa Cruz County wage data by industry from the California Employment Development Department’s Quarterly Census of Employment and Wages (QCEW) and created a weighted average annual wage for the broad industry categories created for the projections. The 2011 HUD Low Income limit for a family of four in Santa Cruz County is **\$80,650**. As shown in the table below, all of the average industry wages fall below this limit, suggesting that the majority of jobs generated under the green economy projection targets will easily fall within TIG requirements. Retail, Public Sector, Construction, and Mining average annual wages also fall below the **\$56,500** low-income limit for a single-person household.

Table B-6: Weighted Average Annual Wages by Industry in Santa Cruz County, 2010

Industry	Average Annual Wage
Retail	\$21,800
Service	\$69,900
Industrial	\$60,300
Public	\$34,600
Construction	\$48,400
Agriculture	\$25,000

Source: California Employment Development Department, 2011; Strategic Economics, 2011.

Based on the wage data shown above and previous findings for Capitola by consulting firm Applied Development Economics showing that 76 percent of industrial jobs, 57 percent of office jobs, and 90 percent of retail jobs qualify for TIG benefit in Capitola, resulting job growth of the medium scenario is likely to result in 67 percent of jobs providing benefits to TIG workers, or 238 TIG jobs out of 355 total.

As shown, the described jobs will serve as employment opportunities for lower-income households. These jobs can also be linked to providing "decent housing and a suitable living environment". Within the construction industry the City can continue to participate in the development and preservation of affordable housing that will serve lower-income households through land use planning and financial investments. Affordable housing developers and local weatherization/rehabilitation programs can lead the way in terms of green-related construction and can target the housing needs of lower-income households.

APPENDIX C: CAPITOLA GREENHOUSE GAS EMISSIONS INVENTORY SUMMARY

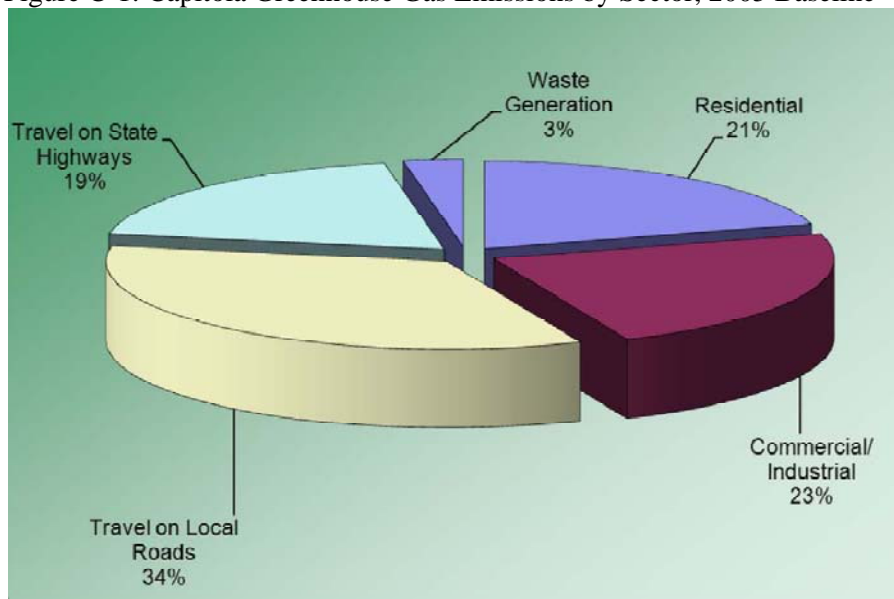
This appendix briefly summarizes the findings of the *City of Capitola Greenhouse Gas Emissions Inventory 2005 Baseline Report*, completed in 2011 by the Association of Monterey Bay Area Governments (AMBAG) under its Energy Watch program. The inventory was completed to inform the development of Capitola’s Climate Action Plan (CAP), which will assist in meeting greenhouse gas emission reduction target requirements under AB 32 and SB 375. Inclusion of this summary is required by grant funder guidelines.

The strategies included within the preceding report will contribute to reductions in greenhouse gas emissions by increasing energy efficiency through environmental awareness, increased demand for energy efficient products and services, growth of environmentally-friendly power sources, and increased shares of trips made via foot and bicycle rather than automobile. The Climate Action Plan, when completed in 2012, will include concrete strategies for meeting greenhouse gas reduction targets. This section includes descriptions of how various strategies described in this report will also help the City to reduce its greenhouse gas emissions.

Community Emissions Inventory Findings

The figure and table below summarize 2005 baseline greenhouse gas emissions attributable to residential, commercial/industrial, transportation, and waste sources in Capitola. Note that “waste generation” quantifies future greenhouse gas emissions resulting from the decomposition of Capitola refuse sent to landfills in 2005. The largest contributor to greenhouse gas emissions is transportation/travel, which is addressed by the strategies categorized as Land Use and Transportation Reform. Commercial/Industrial, Residential, and Waste Generation Emissions can be reduced as businesses and households embrace efficiency improvements and become a part of the adaptive green economy.

Figure C-1: Capitola Greenhouse Gas Emissions by Sector, 2005 Baseline



Source: AMBAG Energy Watch, 2011.

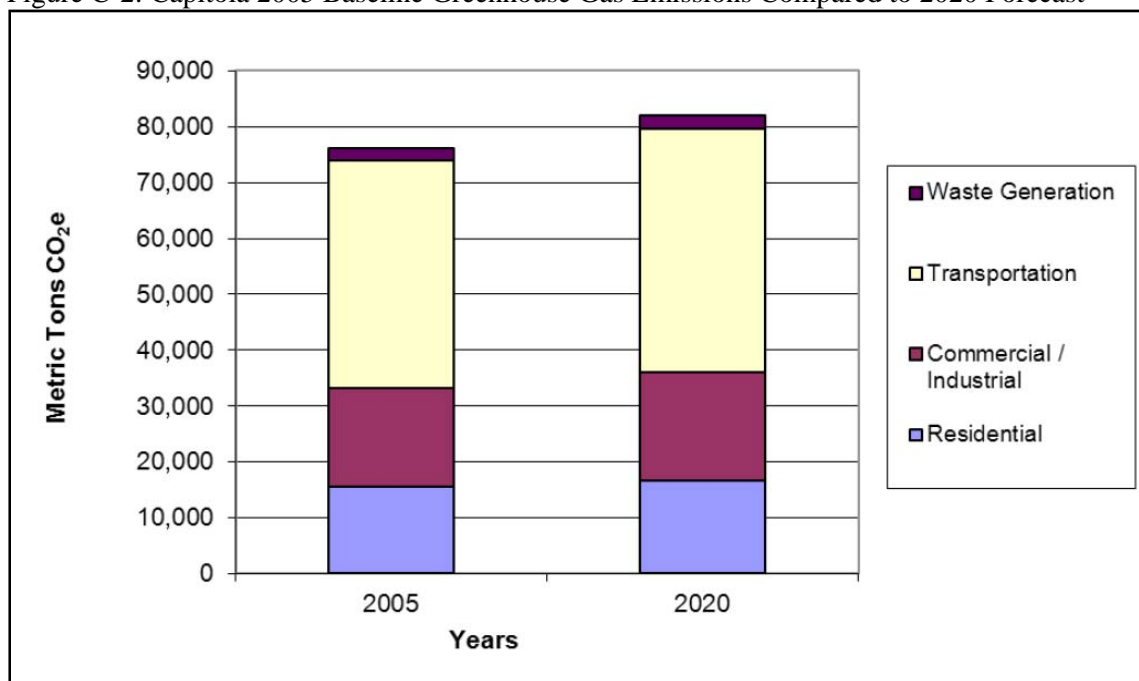
Table C-1: Capitola Greenhouse Gas Emissions by Sector, 2005 Baseline (metric tons of CO2 emitted)

2005 Community Emissions by Sector	Residential	Commercial/ Industrial	Travel on Local Roads	Travel on State Highways	Waste Generation	TOTAL
CO2e (metric tons)	15,590	17,564	26,011	14,705	2,150	76,020
% of Total CO2e	21%	23%	34%	19%	3%	100%

Source: AMBAG Energy Watch, 2011.

The figure and table below compare the Capitola 2005 greenhouse gas emissions baseline against a 2020 “business as usual” scenario based on AMBAG growth projections.

Figure C-2: Capitola 2005 Baseline Greenhouse Gas Emissions Compared to 2020 Forecast



Source: AMBAG Energy Watch, 2011.

Table C-2: Capitola 2005 Baseline Greenhouse Gas Emissions Compared to 2020 Forecast (metric tons of CO2 emitted)

2005 Community Emissions Growth Forecast by Sector	2005	2020	Annual Growth Rate	Percent Change from 2005 to 2020
Residential	15,590	16,678	0.0045	7%
Commercial / Industrial	17,564	19,466	0.0069	11%
Transportation	40,716	43,558	0.0045	7%
Waste Generation	2,150	2,318	0.0050	8%
TOTAL	76,020	82,020	--	8%

Source: AMBAG Energy Watch, 2011.

The following list shows how selected strategies from this report will help reduce the community-generated greenhouse gas emissions from the identified sources.

Table C-3: Community Strategies and Greenhouse Gas Emission (GHG) Reductions

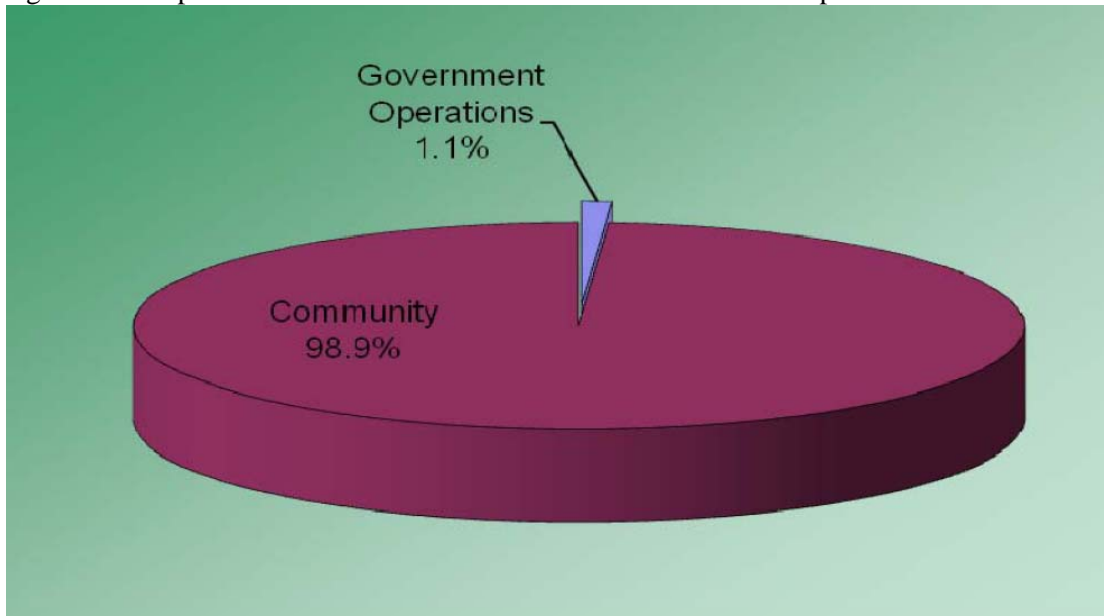
Strategy Number and Name		GHG Sources Affected	Means of Achieving GHG Reduction
1	Promote regional workforce development programs locally	Residential, Commercial/Industrial	Increased emphasis on and knowledge of efficiency techniques/products among workers performing installations and services
2	Facilitate small business connections to green economic development and business development programs	Commercial/Industrial	Increased emphasis on and knowledge of efficiency techniques/products among workers performing installations and services
4	Strengthen the Green Building Ordinance	Residential, Commercial/Industrial	Energy-efficient buildings demand less power, resulting in lower emissions
5	Encourage use of grants and loans for efficiency upgrades	Residential, Commercial/Industrial	Energy-efficient buildings demand less power, resulting in lower emissions
6	Require building efficiency improvements upon sale	Residential, Commercial/Industrial	Energy-efficient buildings demand less power, resulting in lower emissions
7	Renew the City/Redevelopment Agency's home repair and weatherization program	Residential	Energy-efficient buildings demand less power, resulting in lower emissions
8	Construct safe pedestrian pathways and bikeways	Travel on Local Roads	Increased walking and bicycling trips generate lower emissions than automobile use
9	Encourage adherence to sustainable neighborhood design standards via the General Plan and other policies	Travel on Local Roads, Travel on State Highways	Increased walking, bicycling, and transit trips generate lower emissions than automobile use
10	Examine economic development opportunities for resolving parking concerns in a sustainable manner	Travel on Local Roads	Increased walking, bicycling, and transit trips generate lower emissions than automobile use
12	Develop a Transportation Demand Management Plan for City and local employees	Travel on Local Roads, Travel on State Highways	Increased walking, bicycling, and transit trips generate lower emissions than automobile use
14	Advocate for utility provider requirements and incentives for efficiency improvements	Residential, Commercial/Industrial	Energy-efficient buildings demand less energy, resulting in lower emissions
15	Establish a one-stop web resource for available green economic development programs	Residential, Commercial/Industrial	Increased awareness and use of funding for efficiency improvements reduce energy demands, lowering emissions
16	Promote local business use of the Monterey Bay Area Green Business Program	Commercial/Industrial	Growth of energy-efficient practices reduce demand for energy, resulting in lower emissions
18	Support green consumer education programs at local events	Residential	Increased awareness and use of funding for efficiency improvements reduce energy demands, lowering emissions
21	Develop a local business coupon program for transit users and cyclists	Travel on Local Roads, Travel on State Highways	Increased bicycling and transit trips generate lower emissions than automobile use

Government Operations Emissions Inventory Findings

The emissions inventory deals with government operations separately from other sources. These emissions will be particularly influenced by strategy recommendation number 11, “implement eco-friendly city procurement and construction policies.” Capitola has direct and immediate control over the environmental implications of City decisions regarding construction of facilities, purchasing, and operations management.

As shown below, nearly 99 percent of Capitola’s greenhouse gas emissions are generated by non-government sources. However, Capitola can lead by example in attempting to shrink its share of emissions.

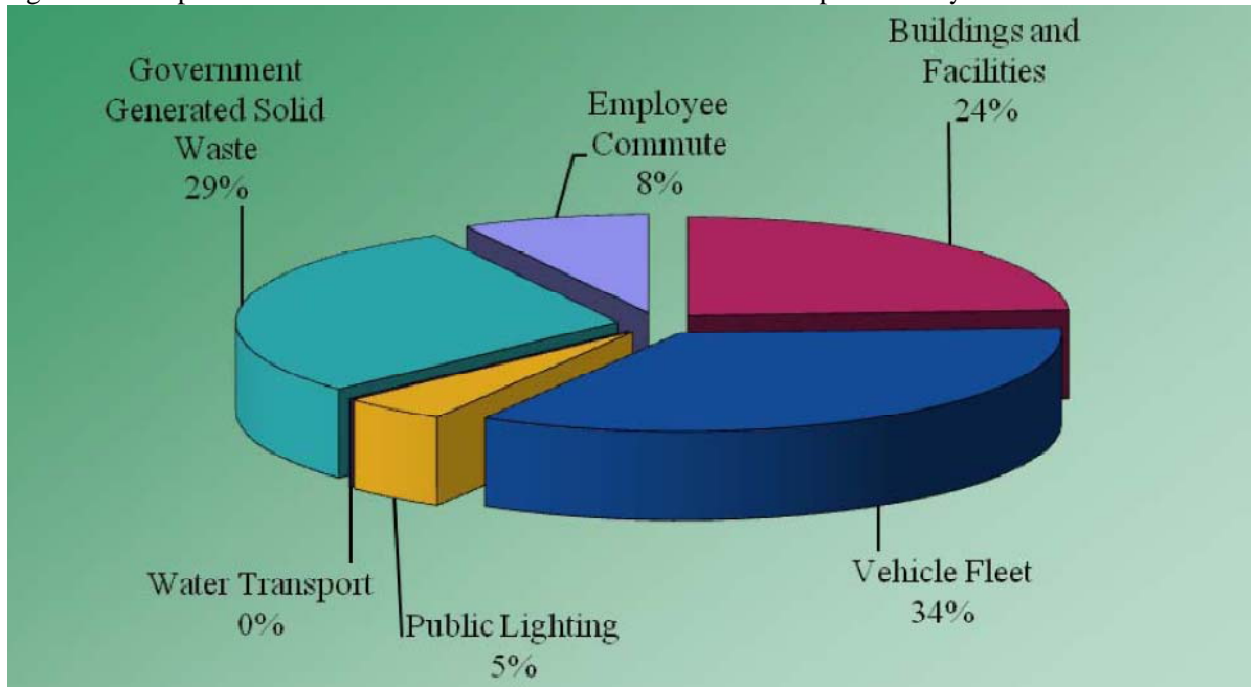
Figure C-3: Capitola Greenhouse Gas Emissions from Government Operations versus the Community



Source: AMBAG Energy Watch, 2011.

The following figure and table show that the greatest contributors to government-generated greenhouse gas emissions are the vehicle fleet, solid waste, and buildings and facilities.

Figure C-4: Capitola Greenhouse Gas Emissions from Government Operations by Sector



Source: AMBAG Energy Watch, 2011.

Table C-4: Capitola Greenhouse Gas Emissions from Government Operations by Sector (metric tons of CO₂ emitted)

Sector	Greenhouse Gas Emissions (metric tons CO ₂ e)
Buildings and Facilities	202
Vehicle Fleet	288
Public Lighting	37
Water Transport	0.10
Government Generated Solid Waste	244
Employee Commute	66
TOTAL	838

Source: AMBAG Energy Watch, 2011.

Table C-5: Government Operations Strategies and Greenhouse Gas Emission Reductions

Strategy Number and Name	GHG Sources Affected	Means of Achieving GHG Reduction
12 Develop a Transportation Demand Management Plan for City and local employees	Employee Commute	Increased walking, bicycling, and transit trips generate lower emissions than automobile use
13 Implement eco-friendly city procurement, construction, and procedure policies	Buildings and Facilities, Vehicle Fleet, Public Lighting, Government Generated Solid Waste	Energy efficiency and emissions reductions can be achieved through energy efficient buildings, energy efficient vehicle fleets, energy efficient public lighting, and policies dictating diversion of waste from landfills where gases are emitted
16 Promote local business use of the Monterey Bay Area Green Business Program	Building and Facilities, Government Generated Solid Waste	Presumably the City would maintain its own certification, requiring certain efficiency practices

Appendix C Conclusion

The greenhouse gas emissions inventory sets forth a useful understanding of the primary contributors to greenhouse gases in Capitola and a “business-as-usual” future growth scenario. The results are useful for understanding how the strategies in this report can address greenhouse gas emission reduction in conjunction with the Climate Action Plan.



CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: POLICE DEPARTMENT
DATE: NOVEMBER 4, 2011
SUBJECT: DOMESTIC VIOLENCE REPORT STATISTICS

Recommended Action: By motion, that the City Council receive this report regarding domestic violence crime statistics.

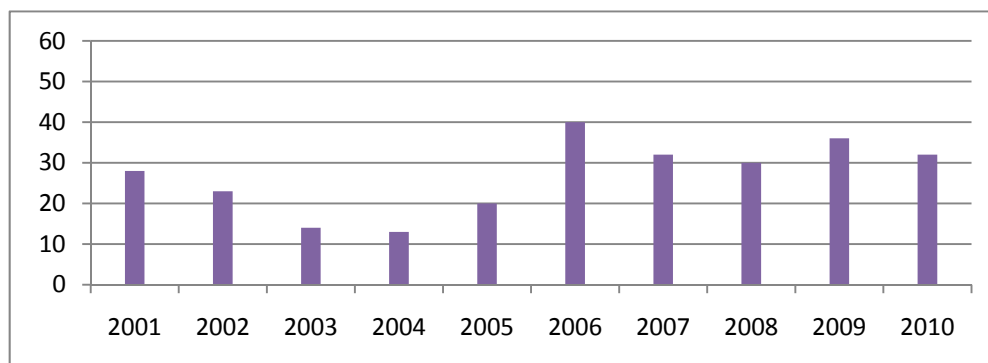
BACKGROUND

On October 27, 2011, the City Council heard a presentation from the Executive Director of Women's Crisis Support, Laura Segura, regarding Domestic Violence within Santa Cruz County, and more specifically, in Capitola. The statistics presented that evening showed Capitola had an increase from 20 reports of Domestic Violence in 2005 to 47 reports in 2009, a total increase of 126%. During the same time, other agencies in the County had a decrease in Domestic Violence reports, between 3% and 36%. Council directed the Police Department to conduct a more thorough audit to try to determine the reason for such an increase.

DISCUSSION

Staff has reviewed the 2009 and 2010 Domestic Violence reports and discovered that numerous reports had been miscategorized as Domestic Violence reports when in fact they were not. The error in reporting was caused by officers marking a box in a window of the report that should only have been completed if the report was concerning Domestic Violence. By marking the box on that particular window those reports were automatically listed as Domestic Violence reports. The errors found only occurred in 2009 and 2010.

An audit was completed for the last ten years and the following chart shows the total number of Domestic Violence Reports in Capitola.



It was discovered the increase from 2005 to 2009 was 16 reports not 27 as originally reported. The increase from 2001 to 2010 was four reports. The average number of reports for the entire ten year period was 27. Because we share the same Records Management System with the other Police Departments in the County, we were able to determine Capitola had less Domestic Violence reports than the other Police Agencies in 2009. In 2010, Scotts Valley and Capitola reduced their Domestic Violence reports to 29 and 32 respectively; and Watsonville and Santa Cruz had an increase in their reports.

There are many reasons why Domestic Violence reports can increase or decrease over time. The reasons can be related to the economy, cultural background, fear of retaliation, embarrassment, education, family dysfunction, and substance abuse. Staff analyzed the data, closely comparing the data in the lowest year (2004) to the highest year (2006), but found no underlying cause for the increase or decrease of reported Domestic Violence.

According to Ms. Segura, Domestic Violence is highly under reported; sometimes up to half of all Domestic Violence incidents go unreported. On average it takes eight separate incidents of Domestic Violence before a victim makes a report. As was stated by Ms. Segura, Domestic Violence is becoming more violent and more serious. The positive is that education and prevention in Santa Cruz County has increased significantly and there are more resources available.

FISCAL IMPACT

None.

ATTACHMENTS

None.

Report Prepared By: Tom Held
Police Captain

**Reviewed and Forwarded
By City Manager:**



CITY COUNCIL AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: DEPARTMENT OF PUBLIC WORKS
DATE: NOVEMBER 4, 2011
SUBJECT: FINAL REPORT ON THE RISPIN PROPERTY HAZARD ABATEMENT

Recommended Action: Accept this Final Report on the hazard abatement work at the Rispin Mansion and direct staff to return with a timeline to complete a park project on the site once a final determination has been made on the Redevelopment Agency funds budget for this project.

BACKGROUND

On March 10, 2011, the City Council adopted Resolution No. 3859 declaring that an emergency condition exists as a result of the receipt of an Order to Abate Hazardous Conditions at the Rispin Mansion Property. Working under this declared emergency, the City issued several contracts and immediately began addressing these conditions. This work is now complete and the hazards associated with the building and immediately adjacent grounds have been repaired.

DISCUSSION

The abatement work on the mansion building has included the following at a cost of \$650,000.

1. Clean up of vegetation and debris from site
2. All miscellaneous pieces of historical property we collected and stored in the garage.
3. Structural stabilization of the exterior walls by rebuilding fire damaged main floor and bracing upper levels.
4. In fill of doorways, windows, vents with vandal proof structural systems and heavy duty security doors.
5. Reconstruction of the roof including replacement of fire damaged roof trusses.
6. Installation of security fencing and guardrails around the mansion.
7. Abandonment of the pre-existing well.
8. Stabilization of the well house, including security fencing around entire structure.
9. Painting both the mansion and well house.

This work stabilized the property to prevent further deterioration of the building. A second phase of work, funded with \$375,000 of Redevelopment Agency Funds is anticipated that will open the site to public access. This second phase will include a full park design and environmental review encompassing the following tasks:

1. Reconstruction of the main exterior stairway
2. Construction of ADA pathways tying the differing levels of the site together, including access from the Rispin/Peery pathway.
3. Lighting throughout the property
4. Wharf Road Wall improvements

The following elements of the final park design estimated to cost \$180,000 are currently beyond the available funding:

1. Landscaping
2. Fountain Restoration
3. Driveway regrading
4. Rispin/Peery Pathway lighting

FISCAL IMPACT

Contracts in the amount of \$650,000 have been issued. As of October 18, 2011, there has been \$408,588 in invoices paid. These payments do not include the new roof and painting work that was the last to be completed. Staff estimates that the entire budget for the first phase of the project will be expended by the time all the invoices have been paid.

\$375,000 is currently budgeted in the Redevelopment Agency for the Rispin project. A ruling by the State Supreme Court is expected in January on the proposed changes to the State's Redevelopment Agencies. The City has adopted the necessary ordinances to allow the agency to continue. However, until the Supreme Court rules, the agency is not allowed to enter into new contracts.

ATTACHMENTS – None

Report Prepared By: Steven Jesberg
Public Works Director

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



Item #: **5.C.**

CAPITOLA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING OF NOVEMBER 10, 2011

FROM: FINANCE DEPARTMENT
DATE: NOVEMBER 4, 2011
SUBJECT: RESIGNATION OF CAPITOLA REDEVELOPMENT AGENCY TREASURER

Recommended Action: By motion:

1. Accept the resignation of Redevelopment Agency (RDA) Treasurer Debbie Johnson effective November 1, 2011.
 2. Establish the practice used by many other redevelopment agencies throughout the State and appoint the City's Finance Director as the RDA Treasurer.
 3. In the interim, appoint the City Manager serve as the RDA Treasurer.
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BACKGROUND

On April 9, 2009, the Redevelopment Agency (RDA) Directors appointed Debbie Johnson to serve as the Treasurer of the RDA. Ms. Johnson has served in that capacity for the past two and one-half years.

Capitola Redevelopment Agency bylaws, Section 2.06 identify that the "Treasurer shall be appointed by and shall serve at the pleasure of the Board of Directors of the Agency....The Treasurer shall be the Agency's 'Chief Financial Officer' as that term is used in Health and Safety Code 33675 for the 1989-99 and succeeding Statements of Indebtedness." Pursuant to Section 2.09 of the Bylaws, the RDA Treasurer receives \$30 per meeting of the Redevelopment Agency, not to exceed four (4) payments for any calendar month. This compensation was added to the Agency Bylaws on April 12, 2007, by adoption of Redevelopment Agency Resolution No. 2007-4.

State law, through Health and Safety Code 33126, allows that "An agency may select, appoint, and employ such permanent and temporary officers, agents, counsel, and employees as it requires, and determine their qualifications, duties, benefits, and compensation, subject only to the conditions and restrictions imposed by the legislative body on the expenditure or encumbrance of the budgetary funds appropriated to the community redevelopment agency administrative fund."

DISCUSSION

On October 25, 2011, Debbie Johnson submitted her resignation as RDA Treasurer, effective November 1, 2011. A Certificate of Appreciation will be presented to Ms. Johnson at the beginning of November 10 City Council meeting.

In filling this vacancy, staff recommends the Capitola RDA follow the practice of many other agencies throughout the State, which have established the policy of appointing the City's Finance Director to serve as the RDA Treasurer. Lauren Lai served as both Finance Director and RDA Treasurer from February, 2005 through February, 2007. This approach meets the RDA bylaws requirements and state law parameters. However, the RDA by-laws should be amended to eliminate the compensation of \$30 per meeting, since this will be filled by a regular staff member, and as such, added compensation is not needed, nor appropriate.

This results in simpler administration of the RDA's fiscal affairs and more effective integration of the RDA's financial operations with the overall organization. Additionally, since an RDA's treasurer is often viewed as the agency's chief financial officer, this will avoid confusion, be more transparent and enhance accountability.

When Finance Director vacancies occur, it is also common practice for the city manager to serve as the RDA Treasurer in the interim. Accordingly, until the Finance Director position is filled, staff further recommends that the Board appoint the City Manager to serve as Interim RDA Treasurer.

FISCAL IMPACT

There will be modest cost savings (\$720 annually, assuming attendance at 24 meetings annually) in appointing a staff member to serve as the RDA Treasurer.

ATTACHMENTS

RDA Treasurer Resignation

Report Prepared By: Bill Statler, Interim Finance Director

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

From: Johnson, Debbie (FAC Email) [mailto:djbmwgal@aol.com]
Sent: Tuesday, October 25, 2011 11:58 AM
To: pgreening@ci.capitola.ca.us
Cc: Norton, Dennis; Begun, Robert
Subject: Resignation Letter

To: City of Capitola
420 Capitola Ave
Capitola, Ca. 95010

From: Debbie Johnson
RDA City Treasurer of Capitola

Attention: City Clerk

Dear Pam,

I am writing this letter to inform you that this Thursday 10/27/2011 will be my last City Council Meeting. As of November 1, 2011 I resign my appointed position as The City of Capitola's RDA Treasurer due to personal reasons.

I would like to thank The City Council for appointing and trusting me with this position.

I would like to also thank you for all your kindness.

I would also like to acknowledge and thank the financing staff for making my job so easy, especially Mrs Lonnie Wagner.

Mrs.Wagner worked with me, prepared and explained everything to me in such a professional and detailed manner.

She is such an asset to the City of Capitola.

Again, I am so grateful for this opportunity that i was appointed to and hopefully down the road I will be able to help the City of Capitola.

If I may obtain my Name Plaque for remembrance.It would surely be appreciated.

Please respond that you have received my resignation letter.

Sincerely,

Debbie Johnson
RDA City Treasurer of Capitola