



AGENDA COVER
Regular Joint Meeting of the
**CAPITOLA CITY COUNCIL/
REDEVELOPMENT AGENCY**
MEETING DATE: THURSDAY, DECEMBER 8, 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, December 8, 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:
Three cases: 1) Noble Gulch Storm Drain Failure in Pacific Cove Mobile Home Park
2) Pacific Cove Mobile Home Park Flooding and Closure

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code §54957)

Title: City Manager

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

ROLL CALL AND PLEDGE OF ALLEGIANCE

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

*** * * PRESENTATIONS * * ***

Presentation of Mayor's Proclamations
to Retiring Employees

Ed Morrison, Maintenance Superintendent
37 Years of Service

Pamela Greeninger, City Clerk
32 Years of Service

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) City Council Appointments/Reappointments to the Art and Cultural Commission. Staff recommendation: Appointment/Reappointment of (1) Arts Professional Member, (1) Artist or Arts Organization Representative, and (3) At Large Members.

F. Approval of Check Register Reports

- 1) City: Approval of City Check Register Report dated November 18, 2011.
- 2) RDA: None.

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 – None.
- C. Receive Planning Commission Action Minutes for the Regular Meeting of December 1, 2011.
- D. Adopt Resolution Setting the Interest Rate for Tenant Security Deposits for 2012 at Zero Percent (0.00%).
- E. Approve Addendum No. 2 to the Professional Services Agreement with R.L. Hastings and Associates, LLC, in an amount not to exceed \$25,000 for Tenant Relocation Services for the Bay Avenue Senior Apartments Project.
- F. Adopt Resolution Approving a Rate Schedule for Residential and Commercial Garbage Collection and Recycling in Capitola Effective January 1, 2012, superceding Resolution No. 3850.
- G. Adopt Ordinance Adding Chapter 17.70 to the Capitola Municipal Code providing a Procedure for Reasonable Accommodation in the City's Land Use and Zoning and Building Regulations [2nd Reading], and Adopt Resolution Authorizing submittal of the Amendments to the Local Coastal Program contained in the new Chapter 17.70 to the California Coastal Commission for Certification.
- H. Declaration of three pieces of property currently stored at the Corporation Yard, including a 2000 Johnson Street Sweeper, 2001 Mower trailer, and 2001 Toro riding mower, as surplus property, and direct the Public Works Department to sell or dispose of the property.
- I. Approve Contract with Bob Murray and Associates for Chief of Police Recruitment, and Adopt Resolution Amending the FY2011-12 General Fund Budget by \$19,500 to fund an Executive Recruiter Contract.

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.

- A. Public Hearing on Project Application #11-114, 426 Capitola Avenue, APN 035-141-33, to consider an application regarding a Coastal Development Permit, Relocation Impact Report (RIR), and Relocation Plan for the closure of Pacific Cove Mobile Home Park. Environmental Determination: Categorical Exemption. Property Owner: City of Capitola, Owner/filed 10/27/11. Presentation: Community Development Department.
[NOTE: This item to be continued to a Special Meeting of the City Council on Thursday, December 15, 2011, at 7:00 p.m.]
- B. Public Hearing to consider the 41st Avenue/Capitola Mall Re-Visioning Plan dated October 26, 2011, prepared by The Planning Center|DC&E (formerly Design Community & Environment), which was funded by Community Development Block Grant (CDBG) Funds. Presentation: Community Development Department.

5. OTHER BUSINESS

- A. City Council Consideration of Reorganization - Selection of a New Mayor and Vice Mayor. Staff recommendation: City Council determination.
- B. Presentation to Outgoing Mayor Dennis Norton
- C. Comments from Outgoing Mayor Norton
- D. Comments from New Mayor

5. OTHER BUSINESS - Continued

- E. Review of Council Member Representation on City and County/ Multi-County Boards, Commissions, and Committees. Staff recommendation: Council determination regarding representation on the Finance Advisory Committee, and review of representation on County/Multi-County Boards, Commissions and Committees.

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

6. COUNCIL/RDA DIRECTOR/STAFF COMMUNICATIONS**7. ADJOURNMENT**

The City Council to adjourn to a Special Meeting pertaining to Pacific Cove Mobile Home Park Closure to be held on Thursday, December 15, 2011, at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California, and then to the next Regular Joint Meeting of the City Council/Redevelopment Agency to be held on Thursday, January 12, 2012, at 7:00 p.m.

Happy Holidays 



Item #: 2.E.1)

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: CITY CLERK'S OFFICE

DATE: DECEMBER 2, 2011

SUBJECT: APPOINTMENTS/REAPPOINTMENTS TO THE CAPITOLA ART AND CULTURAL COMMISSION

Recommended Action: Motion and voice vote to appoint/reappoint members to the Capitola Art and Cultural Commission for two-year terms ending December 31, 2013, for the following categories: (1) Artist or Arts Organization Representative, (1) Arts Professional Member, and (3) At Large Members. The Art & Cultural Commission recommends appointment of Kim Hogan as an At Large member, and reappointment of the current members as follows:

Roy Johnson, Arts Professional
Karen Nevis, Artist
Nathan Cross, At Large
James Wallace, At Large

BACKGROUND

The terms of the Artist or Arts Organization Representative, Arts Professional Member, and three (3) At Large Members on the Art & Cultural Commission expire on December 31, 2011. A notice regarding reappointment/appointment for specific member categories was posted September 20, 2011, with a deadline of October 28, 2011, for submitting applications and/or communications from current members requesting reappointment. A copy of the notice is attached.

DISCUSSION

In response to the Notice for Applications for Appointment to the Capitola Art & Cultural Commission, the city received communications requesting reappointment from the following current members on the commission:

Roy Johnson, Arts Professional
Karen Nevis, Artist
Nathan Cross, At Large
James Wallace, At Large

At Large Member Debbie Hale chose not to request reappointment at this time. A Certificate of Appreciation will be presented to Debbie during Presentations at the City Council's meeting to be held on January 12, 2012.

In addition to current members requesting reappointment, applications were received from the following individuals:

Kim Hogan, 4160 Jade Street, Capitola – At-Large Member
Linda Wadley, 102 Cherry Avenue, Capitola – At-Large Member
Crystal Rae, 919 Capitola Avenue – At-Large Member

At its meeting held on Tuesday, November 8, 2011, the Art & Cultural Commission interviewed new applicants and considered reappointment of current Commissioners Roy Johnson, Karen Nevis, Nathan Cross, and James Wallace.

A memo from Kelly Barreto informing staff of the Commission's recommendations for appointments is attached. They are recommending reappointment of current Commissioners Roy Johnson, Karen Nevis, Nathan Cross, and James Wallace, and appointment of Kim Hogan as a new At-Large Member on the Art & Cultural Commission. Pursuant to Municipal Code Section 2.56.030, the terms of office for all appointments will be for two years and will expire December 31, 2013.

FISCAL IMPACT

None

ATTACHMENTS

- 1) Vacancy Notice dated September 20, 2011
- 2) Memo from Kelly Barreto
- 3) Applications from Kim Hogan, Linda Wadley, and Crystal Rae
- 4) Current Art & Cultural Commission Roster

Report Prepared By: Pamela Greeninger, MMC
City Clerk

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



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

**APPLICATIONS FOR APPOINTMENT TO:
Capitola Art & Cultural Commission**

NOTICE IS HEREBY GIVEN that three (3) At-Large Member seats, one (1) Arts Professional Member seat, and one (1) Artist or Arts Organization Representative Member seat on the Art & Cultural Commission will expire in December 2011. The current commission members may submit a letter of intent to continue to serve, and others interested in applying to serve may do so at this time. Appointments will be for two (2) year terms ending December 2013.

The Capitola City Council is seeking applications from persons who are 18 years of age or older, preferably Capitola residents, and are interested in guiding, encouraging and promoting cultural activities in the City. A copy of Municipal Code Chapter 2.56 regarding the Art & Cultural Commission is attached. The Commission meets monthly at Capitola City Hall on the second Tuesday of each month at 6:30 p.m. Specific questions regarding commissioner duties or other information regarding the Art & Cultural Commission can be directed to Kelly Barreto, Administrative Assistant to the Art & Cultural Commission, at (831) 475-7300, Ext. 297, or by email at kbarreto@ci.capitola.ca.us.

Pursuant to the Art & Cultural Commission Bylaws, applications will be forwarded to the Chairperson of the Commission and applicants are required to attend the regular meeting of the Commission on Tuesday, November 8, 2011, where they will confer with the Commissioners. The Chairperson will then forward the Commission's recommendations to the City Clerk/Mayor. The appointments will be made by a majority vote of the City Council at their regular meeting to be held on Thursday, December 8, 2011.

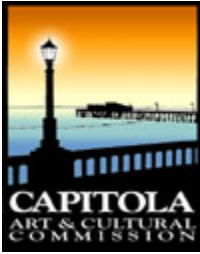
Application Deadline: Friday, October 28, 2011

Applications may be obtained from the Receptionist at Capitola City Hall, 420 Capitola Avenue, or by calling (831) 475-7300 and requesting an application be sent to you. In addition, a notice with an application form is available in the foyer at City Hall, at the Capitola Branch Library, 2005 Wharf Road, and on the City's Website (for printing) by clicking on [current vacancies](http://www.ci.capitola.ca.us/capcity.nsf/CtyCnclComm.html) at <http://www.ci.capitola.ca.us/capcity.nsf/CtyCnclComm.html>

I, Michele Deiter, Records Coordinator of the City of Capitola, California, hereby certify that the above Notice was posted on September 20, 2011.

Dated: September 20, 2011

Michele Deiter
Records Coordinator



Capitola Art & Cultural Commission

420 Capitola Avenue
Capitola, CA 95010
831-475-7300 Ext. 297

To: Pam Greeninger, City Clerk

From: Kelly Barreto, Administrative Assistant
Art & Cultural Commission

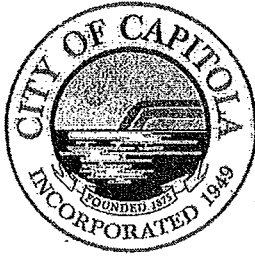
Date: November 16, 2011

RE: Art & Cultural Commission Applicant Recommendation

At the November 8, 2011, Art and Cultural Commission meeting the Commissioners took action to unanimously recommend reappointment of James Wallace and Nathan Cross, and a new appointment of Kim Hogan to the At-Large Member seats on the Art & Cultural Commission that are expiring in December. The Commission also unanimously recommended reappointment of Karin Nevis as the Artist member, and Roy Johnson as the Arts Professional member.

Thank you for your consideration of the Commission's recommendations.

Kelly Barreto
Arts & Cultural Commission Staff



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OCT 18 2011

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

CITY OF CAPITOLA

APPLICATION FOR SERVICE ON THE

Capitola Art & Cultural Commission

- At-Large Member Arts Professional Member
- Artist or Arts Organization Representative Member

PLEASE TYPE OR PRINT

NAME OF APPLICANT: Kim Hogan

RESIDENCE ADDRESS: 4160 Jade Street, Spc. 103
Capitola, CA 95010

MAILING ADDRESS: _____
(If Different)

EMAIL ADDRESS: kim@scbuild.com or kimberlyannhogan@att.net

TELEPHONE NO.: (H) none (C) 831-566-3655 (W) 831-476-3407

EMPLOYMENT: Santa Cruz County Builders Exchange

DESCRIBE YOUR QUALIFICATIONS AND INTEREST IN SERVING ON THE ART & CULTURAL COMMISSION: *(Use additional page if necessary)*

Being a fairly new artist and devoted resident of Capitola, I have been interested in the Art & Cultural Commission for some time. I have already been volunteering my time for the past few years to help out at Wednesday night concerts in any capacity needed, have folded numerous tee-shirts, have been indirectly involved with music selection, and have attended public meetings for art projects. I would very much like to be an Official Member of the Art & Cultural Commission.

DATE: 10/13/11

Khogan
(Signature of Applicant)

Mail or Deliver Application to:
Capitola City Hall, Attn: City Clerk
420 Capitola Avenue, Capitola, CA 95010

A vacancy notice with an application form can also be obtained on the Web (for printing) by clicking on current vacancies at: <http://www.ci.capitola.ca.us/capacity.nsf/Cty/CnclComm.html>

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OCT 28 2011



CITY OF CAPITOLA

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

APPLICATION FOR SERVICE ON THE

Capitola Art & Cultural Commission

- At-Large Member
- Arts Professional Member
- Artist or Arts Organization Representative Member

PLEASE TYPE OR PRINT

NAME OF APPLICANT: Linda Wadley

RESIDENCE ADDRESS: 102 Cherry Avenue

Capitola, CA 95010

MAILING ADDRESS: _____
(If Different)

EMAIL ADDRESS: tim.linda.123@gmail.com

TELEPHONE NO.: (H) _____ (C) ⁽⁴¹⁵⁾ 516-4619 (W) _____

EMPLOYMENT: Home maker

DESCRIBE YOUR QUALIFICATIONS AND INTEREST IN SERVING ON THE ART & CULTURAL COMMISSION: (Use additional page if necessary)

Please see attached

DATE: 10/27/11

Linda P. Wadley
(Signature of Applicant)

Mail or Deliver Application to:
Capitola City Hall, Attn: City Clerk
420 Capitola Avenue, Capitola, CA 95010

A vacancy notice with an application form can also be obtained on the Web (for printing) by clicking on current vacancies at: <http://www.ci.capitola.ca.us/capacity.nsf/Cty/CncIComm.html>

Qualifications and Interest in Serving:

This charming village became our home when my husband and I moved here about 10 months ago. We had visited here often and had always been enchanted with the special jewel that is Capitola-By-The-Sea.

I am very interested in becoming involved in the workings of the community and have already joined the CVRA (Capitola Village Residents Association) and enjoy participating in their activities.

I hope via my professional background, experience and skill sets I may have the opportunity to be of service to the Capitola Art and Cultural Commission. Preserving the cultural integrity of the village as well as contributing to the expansion of its programs would be my goal as a commission member.

In one of my previous positions I was marketing and promotions director for a company called " Architects Abroad". The premise of this business was to take architects and designers to various places around the globe to study architecture, design and art while at the same time earning their continuing education credits. In this capacity I traveled to many cities large and small in Italy, Spain, Japan, China and Cuba. I had the opportunity to not only witness great art but to also meet local artists and designers. Additionally, I had the opportunity to observe and participate in local festivals. These experiences enhanced my appreciation for local color and preservation of the unique characteristics a special place like Capitola has to offer.

Before moving to Capitola, I worked for one of the largest florist and greenhouses in the San Francisco Bay Area. My love for flowers and plants together with my design skills allowed me another outlet to express my creativity and artistic side.

I feel my passion for the village of Capitola combined with my passion for art, cultural activities and the quality of life we enjoy in this unique place, will aid me in being a responsible and enthusiastic member of the Art and Cultural Commission.

I hope you will consider me for this wonderful opportunity.

Sincerely,
Linda Wadley

415-516-4619
tim.linda.123@gmail.com



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OCT 28 2011

CITY OF CAPITOLA

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

APPLICATION FOR SERVICE ON THE
Capitola Art & Cultural Commission

- At-Large Member
- Arts Professional Member
- Artist or Arts Organization Representative Member

PLEASE TYPE OR PRINT

NAME OF APPLICANT: Crystal Rae

RESIDENCE ADDRESS: 919 Capitola Ave. #42
Capitola CA 95010

MAILING ADDRESS: _____
(If Different)

EMAIL ADDRESS: crystalrae10@gmail.com

TELEPHONE NO.: (H) _____ (C) ⁶⁰³⁻²⁶⁵ 0748 (W) _____

EMPLOYMENT: Santa Clara County OFFICE
of Education

DESCRIBE YOUR QUALIFICATIONS AND INTEREST IN SERVING ON THE ART & CULTURAL COMMISSION: (Use additional page if necessary)
Previously emailed to Karen Barreto
in an attachment (separate document).

DATE: 10/28/11 Crystal Rae
(Signature of Applicant)

Mail or Deliver Application to:
Capitola City Hall, Attn: City Clerk
420 Capitola Avenue, Capitola, CA 95010

A vacancy notice with an application form can also be obtained on the Web (for printing) by clicking on current vacancies at: <http://www.ci.capitola.ca.us/capacity.nsf/Cty/CnclComm.html>

To Whom It May Concern,

October 28, 2011

I am writing for consideration in my application for the at large position on the Capitola Art and Cultural Commission.

My interest in the position is based on my passion and value of the arts and the role culture of communities. I believe the arts have very powerful value role communities as well as the live of individuals. As an educator I have worked with young children for over 10 years. It's very exciting to me the initiatives Capitola Art and Cultural Commission is taking in regards to youth involvement and programs for youth.

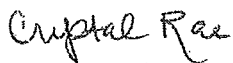
Since, moving to Capitola a year ago I am impressed with the Commission's community involvement in particular the Sea Wall tiles.

My professional skills as an educator provide me with a strong professional skills set in the areas of verbal and written communications as well as planning and organizational. Presently, I am employed by the Santa Clara County Office of Education as a mentor coach for Head Start Preschool Teachers. My comprehensive professional experience includes teaching elementary school for 10 years. In addition, I am a member of the Museum of Arts and History in Santa Cruz. These experiences and my strong interest in the arts provide me with a skills set I believe would be a value to the commission.

I'm excited for the possibility of serving on the Art and Cultural Commission of Capitola. Please don't hesitate to contact me if any further information is needed.

Thank you for your time and consideration.

Regards,



Crystal Rae

919 Capitola Avenue #42

Capitola California 95010

(603)265-0748

crystalrae10@gmail.com



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

CAPITOLA ART & CULTURAL COMMISSION CURRENT MEMBERS

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES</u>
Cross, Nathan [At Large Member]	620 Gilroy Drive Capitola, CA 95010 (H) 462-4137 (C) 212-9388 Email: 4xcross@gmail.com	6/23/11	12/11
Hale, Debbie [At Large Member]	1858 43 rd Avenue Capitola, CA 95010 (H) 462-6653 (W) 831-775-4410 Email: debnandy@sbcglobal.net	3/23/06 1/18/07 12/13/07 12/10/09	12/11
Johnson, Roy [Arts Professional] Vice-Chair	1055 17 th Avenue Santa Cruz, CA 95062 (H) 476-1773 (W) 464-0567 Email: roy@johnsonartstudio.com	3/10/05 1/12/06 12/13/07 12/10/09	12/11
Murphy, Joyce [At Large Member]	540 Riverview Drive Capitola, CA 95010 (H) 475-2950 (W) 476-3855 Email: pacificgallery@sbcglobal.net	1/18/07 12/11/08 12/09/10	12/12
Nevis, Karen [Artist]	4320 Clares Street, #G Capitola, CA 95010 (H) 479-0787 Email: karen@karennevis.com	7/24/03 1/12/06 12/13/07 12/10/09	12/11
Shelton, Jenny [At Large Member]	5408 Baffy Court Soquel, CA 95073 (W & H) 479-0796 (C) 247-9489 Email: jenny@sheltondesign.com	4/22/10 12/09/10	12/12
Smith, Linda [Planning Com Rep]	1587 Prospect Avenue Capitola, CA 95010 (H) 475-6494 (C) 818-3049 Email: capitolalinda2@gmail.com	1/20/11	12/12

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES</u>
Termini, Michael [City Council Representative]	503 Oak Drive Capitola, CA 95010 (W) 476-6206 Email: michael@triadelectric.com	7/27/03	
		12/09/04	
		1/18/07	
		12/11/08 (<i>Plan Com Rep</i>)	
		12/09/10	12/12
Wallace, James [At Large Member]	608 Gilroy Drive Capitola, CA 95010 (H) 476-1396 (W) 419-3507 Email: jocamo49@yahoo.com	12/13/07	
		12/10/09	12/11

STAFF REPRESENTATIVE:

Kelly Barreto (831) 475-7300, Ext. 297

Email: kbarreto@ci.capitola.ca.us

[Revised: 7/11 md]



CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: FINANCE DEPARTMENT
 DATE: DECEMBER 2, 2011
 SUBJECT: APPROVAL OF CITY CHECK REGISTER REPORT

Recommended Action: By motion and roll call vote, that the City Council approve the attached Check Register Report for November 18, 2011.

DISCUSSION:

The attached Check Registers for:

Date	Starting Check #	Ending Check #	Total Checks	Amount
11/18/11	68109	68183	75	\$73,142.25
11/18/11 Payroll				\$161,993.37
Total				\$235,135.62

The check register of November 10, 2011 ended with check #68108.

No checks were issued the week of November 25, 2011.

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

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 11/30/11 the total cash available is \$1,956,497. The General Operating Fund has a cash balance of \$280,979. 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 \$32,104. The Capital Improvement Projects has a positive cash balance of \$897,512. By Council direction the Emergency Reserves Fund (#1020) may not participate in cash loans; the Emergency Reserves Fund has a fund balance of \$77,828.29.

For cash flow purposes these funds are available to the General Fund. A consolidation of these cash balances results in a cash position of \$1,956,497.

The following table shows the funds that are consolidated:

CASH POSITION - CITY OF CAPITOLA 11/30/11

	<u>Net Balance</u>
General Fund	280,979
Worker's Comp. Ins. Fund	91,704
Self Insurance Liability Fund	35,878
Stores Fund	9,903
Information Technology Fund	44,482
Equipment Replacement	61,683
Compensated Absences Fund	32,104
Contingency Reserve Fund	100,000
Public Employee Retirement - PERS	401,997
Open Space Fund	256
Capital Improvement Projects	897,512
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>1,956,497</u></u>

The Emergency Reserve Fund balance is \$77,828.29 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 \$1,304,895.66 were made from the following funds to the general fund:

Loans Between funds:	
Contingency Reserve	\$604,895.66
Equipment Replacement	\$275,000.00
Information Technology	\$125,000.00
Self Insurance Liability	\$200,000.00
Worker's Comp. Ins. Fund	\$100,000.00
Total Loans	<u>\$1,304,895.66</u>

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

ATTACHMENTS:

Check Register for November 18, 2011.

Report Prepared By: Linda Benko
AP Clerk

Reviewed and Forwarded
by City Manager:

Checks dated 11/18/11 numbered 68109 to 68183 for a total of \$73,142.25 have been reviewed and authorized for distribution by the City Manager and City Treasurer.

As of 11/18/11 the unaudited cash balance is \$1,716,050

CASH POSITION - CITY OF CAPITOLA 11/18/11

	<u>Net Balance</u>
General Fund	53,578
Worker's Comp. Ins. Fund	91,704
Self Insurance Liability Fund	35,878
Stores Fund	9,871
Information Technology Fund	44,482
Equipment Replacement	61,683
Compensated Absences Fund	32,104
Contingency Reserve Fund	100,000
Public Employee Retirement - PERS	388,984
Open Space Fund	256
Capital Improvement Projects	897,512
TOTAL GENERAL FUND & COUNCIL DESIGNATED FUNDS	<u><u>1,716,050</u></u>

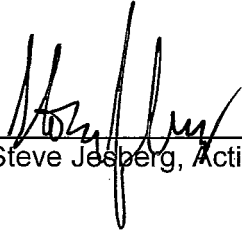
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Worker's Comp. Ins. Fund	\$100,000.00
Total Loans	<u>\$1,304,895.66</u>

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



 Steve Jesberg, Acting City Manager

11/18/11

 Date

 Jacques J.J. Bertrand, City Treasurer

 Date

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68109	11/18/2011 Invoice 1011-01	Open	Date 10/22/2011	Description Soquel Creek Monitoring-Fish Contract Ye	ALLEY, DONALD	\$4,492.22
68110	11/18/2011 Invoice 2209-Nov11 2421-Nov11	Open	Date 11/01/2011 11/01/2011	Description Phone Service, Nov 11 Phone Service, Nov 11	AT&T	\$19.15
68111	11/18/2011 Invoice 252407 252409 252579	Open	Date 10/24/2011 10/24/2011 10/26/2011	Description Hedger Chainsaw repair New hedger	B & B SMALL ENGINE REPAIR	\$667.58
68112	11/18/2011 Invoice Oct-Nov2011	Open	Date 11/07/2011	Description Oct-Nov 2011 Credit Card Charges Fund 1000, General Fund=\$852.74 Fund 1313, General Plan=\$123.36 Fund 1320, PEG=\$1487.00 Fund 2211, IT=\$1813.08	BANK OF AMERICA	\$4,276.18
68113	11/18/2011 Invoice 0275749-in	Open	Date 10/20/2011	Description Traffic cones	BAY AREA BARRICADE SERVICE, INC	\$900.40
68114	11/18/2011 Invoice 2105305 2118714	Open	Date 10/20/2011 10/27/2011	Description Photo for the dispatch center Photo Mounting, Museum Display Expense	BAY PHOTO LAB	\$247.09
68115	11/18/2011 Invoice 2960835 2960926 2961039	Open	Date 10/26/2011 10/27/2011 10/28/2011	Description Concrete - Cliff fence Cliff Dr fence Cliff Dr. fence	BIG CREEK LUMBER	\$751.92
68116	11/18/2011 Invoice 79452	Open	Date 10/31/2011	Description Parking permits	BORDEN DECAL	\$1,212.03
68117	11/18/2011 Invoice 2012-00000391	Open	Date 11/14/2011	Description Private Tennis Lesson	BRESLIN-KESSLER, PAUL	\$1,087.50
68118	11/18/2011 Invoice POA11-18-11	Open	Date 11/16/2011	Description POA Dues, Employee Funded	CAPITOLA PEACE OFFICERS ASSOC.	\$821.08
68119	11/18/2011 Invoice 231	Open	Date 11/01/2011	Description Background Investigation, New Hire	CAPITOLA PHYSICAL THERAPY	\$60.00

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68120	11/18/2011 Invoice 14340-Oct2011	Open	Date 11/01/2011	Description Animal Control Exp, PD	CHANTICLEER VET HOSPITAL	\$692.80
68121	11/18/2011 Invoice 8967	Open	Date 10/31/2011	Description Oct Cleaning Services, All Sites Fund 1311, Wharf=\$145.00	CLEAN BUILDING MAINTENANCE	\$3,542.00
68122	11/18/2011 Invoice 1075194	Open	Date 10/21/2011	Description Cleaning supplies	CLEAN SOURCE	\$1,019.65
68123	11/18/2011 Invoice 5012011	Open	Date 10/28/2011	Description Request for dismissal forms-PD	COMMUNITY PRINTERS	\$239.35
68124	11/18/2011 Invoice 1619	Open	Date 09/30/2011	Description PEG Revenue Fees, Q1 FY11/12	COMMUNITY TELEVISION OF SCC	\$4,698.24
68125	11/18/2011 Invoice 28750-26	Open	Date 11/02/2011	Description webhosting 11/23/11-12/22/11 Fund 1313, General Plan	CRUZIO THE INTERNET STORE INC.	\$39.95
68126	11/18/2011 Invoice Oct2011	Open	Date 10/31/2011	Description Oct 2011 Drinking Water, All Sites	CRYSTAL SPRINGS WATER CO.	\$102.00
68127	11/18/2011 Invoice ABA2301-11	Open	Date 10/03/2011	Description Duplicate Certificate of Title	DEPT OF HOUSING AND COMM DEV	\$25.00
68128	11/18/2011 Invoice 106291	Open	Date 10/31/2011	Description Pesticide Appl. License Renewal, Nakamo	DEPT OF PESTICIDE REGULATION	\$60.00
68129	11/18/2011 Invoice 40359 40593	Open	Date 10/31/2011 10/31/2011	Description Annual contract 10/26/11 to 10/26/12-PD 9 each EPO Live Search-PD	ENTERSECT CORP	\$1,095.90
68130	11/18/2011 Invoice 485618	Open	Date 11/15/2011	Description Monitor Burglary Alarm, Jade Street	FIRST ALARM	\$195.00
68131	11/18/2011 Invoice 11-665999 11-665998	Open	Date 10/27/2011 10/27/2011	Description 130 Gal Diesel 512 Gal Ethanol	FLYERS ENERGY, LLC	\$2,540.88

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68132	11/18/2011 Invoice 49	Open	Date 10/31/2011	Description Uniform Expense, Eller-PD	GALLI UNIFORM COMPANY	\$108.24
68133	11/18/2011 Invoice 6642	Open	Date 10/19/2011	Description Plants	GARDEN HAVEN NURSERY	\$18.47
68134	11/18/2011 Invoice 342968	Open	Date 10/31/2011	Description Sweeper Parts	HOSE SHOP	\$167.62
68135	11/18/2011 Invoice Nov11-Wk1 Nov11-Wk2	Open	Date 11/14/2011 11/14/2011	Description Weekly Mechanic Exp, Corp Yd Weekly Mechanic Exp, Corp Yd	HOWARD, CHARLIE	\$1,410.00
68136	11/18/2011 Invoice ICMA11-18-11	Open	Date 11/16/2011	Description Retirement Plan Contribution, Employee F	ICMA RETIREMENT TRUST 457	\$5,547.94
68137	11/18/2011 Invoice s100800118.001	Open	Date 10/25/2011	Description street light pole, Esplanade Fund 1310, Gas Tax	INDEPENDENT ELECTRIC SUPPLY INC	\$2,939.63
68138	11/18/2011 Invoice 116208	Open	Date 11/01/2011	Description Background Investigation, New Hire	JOHNSON, ROBERTS, & ASSOCIATES	\$17.00
68139	11/18/2011 Invoice A149104	Open	Date 10/31/2011	Description Red curb paint	KING'S PAINT AND PAPER, INC.	\$125.24
68140	11/18/2011 Invoice LIUNA-Nov11	Open	Date 11/16/2011	Description Pension Dues, Nov11, Employee Funded	LIUNA PENSION FUND	\$484.00
68141	11/18/2011 Invoice 10958554	Open	Date 11/07/2011	Description Oct 2011 Armored Car Service	LOOMIS	\$1,198.97
68142	11/18/2011 Invoice 00064935	Open	Date 10/13/2011	Description Good Times Late Fall Ad-Rec	Mainstreet Media dba GOODTIMES	\$255.00
68143	11/18/2011 Invoice 10R-1 10R-2	Open	Date 11/09/2011 11/09/2011	Description Riparian Restoration FY 11/12 Riparian Restoration	McMENAMIN, GEORGE	\$591.42
68144	11/18/2011 Invoice 47588884	Open	Date 10/28/2011	Description Internet Access, Nov 2011	MEGAPATH COVAD COMMUNICATION	\$643.86

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68145	11/18/2011	Open			MID-COUNTY AUTO SUPPLY	\$946.26
	Invoice		Date	Description		Amount
	279579		10/25/2011	Auto parts-PD031		\$5.36
	279779		10/19/2011	Auto Parts, PW F-150		\$21.55
	280484		10/25/2011	Auto Parts, PD 031		\$43.07
	280342		10/24/2011	Auto Parts, PD 031		\$31.38
	280343		10/24/2011	Auto Parts, PD 031		\$6.27
	280028		10/21/2011	Auto Parts, PD 081		\$53.40
	279976		10/20/2011	Auto parts, PD 081		\$553.24
	281248		11/01/2011	Auto Parts, John Deere Mower		\$50.89
	281251		11/01/2011	Auto parts, PD Units		\$181.10
68146	11/18/2011	Open			MILLER'S TRANSFER & STORAGE CO	\$149.80
	Invoice		Date	Description		Amount
	82653		11/03/2011	Records Mgmt, Nov Storage, Oct handling		\$149.80
68147	11/18/2011	Open			MISSION LINEN SUPPLY	\$747.64
	Invoice		Date	Description		Amount
	Mission-Oct2011		11/01/2011	Oct 2011 Mat & Uniform Cleaning		\$747.64
68148	11/18/2011	Open			MISSION PRINTERS	\$298.58
	Invoice		Date	Description		Amount
	42261		10/28/2011	Business Cards		\$62.70
	42226		10/28/2011	Stop Work Labels, Building Dept		\$235.88
68149	11/18/2011	Open			MONTEREY BAY AREA SELF INS AUTI	\$1,095.54
	Invoice		Date	Description		Amount
	Cholden		10/24/2011	Claim Payment, Cholden		\$1,095.54
				Fund 2213, Self Insurance Liability		
68150	11/18/2011	Open			MUNISERVICES, LLC	\$2,099.89
	Invoice		Date	Description		Amount
	26131		10/28/2011	Sales Tax Audit Services, Q2 CY2011		\$942.20
	26132		10/28/2011	Sales Tax Audit, District Tax, Q2 CY2011		\$48.00
	26212		10/28/2011	STARS Service, Q2 CY2011		\$1,109.69
68151	11/18/2011	Open			NORTH BAY FORD	\$332.13
	Invoice		Date	Description		Amount
	223870		10/24/2011	Auto parts		\$308.55
	224056		11/02/2011	Auto parts		\$23.58
68152	11/18/2011	Open			ORCHARD SUPPLY HARDWARE	\$444.88
	Invoice		Date	Description		Amount
	6007-3529338		10/31/2011	Sweeper parts		\$7.96
	6007-3529263		10/31/2011	Sweeper parts		\$15.92
	6011-4792688		10/24/2011	Auto parts		\$10.33
	6011-4792594		10/24/2011	Auto parts		\$22.21
	6013-9879672		10/31/2011	Misc.		\$9.29
	6012-786878		10/31/2011	Tools/pay stations/pad locks		\$156.78
	6012-9287062		11/01/2011	Sledge hammer/ Cary		\$21.62
	6013-1230036		11/02/2011	Misc. tools/pay stations/Matt		\$30.25
	6007-2439753		11/03/2011	Misc.		\$61.58
	6007-2439780		11/03/2011	Stencils/pay stations		\$13.20
	6010-1338914		11/03/2011	Misc Supplies, Corp Yd		\$41.48

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68152	11/18/2011	Open		(continued)	ORCHARD SUPPLY HARDWARE	
	6011-4794972		11/03/2011	Misc Supplies, Corp Yd		\$39.12
	6013-1130362		11/04/2011	Misc Supplies, Corp Yd		\$15.14
68153	11/18/2011	Open			PACIFIC PUBLISHING	\$737.80
	Invoice		Date	Description		Amount
	00024155		10/31/2011	Pay Station Brochures		\$455.70
	00024154		10/31/2011	Pay Station Brochures		\$282.10
68154	11/18/2011	Open			PALACE ART & OFFICE SUPPLIES	\$512.65
	Invoice		Date	Description		Amount
	929391		10/27/2011	Office supplies		\$18.58
	929707		10/28/2011	Paper-PD		\$46.44
	929721		10/31/2011	Office Supplies, City Hall		\$158.01
	929848		10/31/2011	Office Supplies, City Hall		\$191.10
	930757		11/07/2011	Office Supplies, City Hall		\$56.27
	C929245		11/07/2011	Return Office Supplies, PD		(\$18.58)
	931498		11/10/2011	CC supplies-PD		\$60.83
				Fund 1000, General Fund=\$107.27		
				Fund 2210, Stores=\$405.38		
68155	11/18/2011	Open			PFX PET SUPPLY, LLC	\$54.69
	Invoice		Date	Description		Amount
	CD11730504		10/20/2011	K-9 supplies		\$54.69
68156	11/18/2011	Open			PITNEY BOWES INC.	\$51.99
	Invoice		Date	Description		Amount
	111411		11/15/2011	Postage Meter Supplies, Rec		\$51.99
68157	11/18/2011	Open			PRAXAIR DISTRIBUTION INC.	\$116.14
	Invoice		Date	Description		Amount
	41018382		10/20/2011	Gases, Corp Yd		\$56.63
	40742792		09/20/2011	Gases, Corp Yd		\$59.51
68158	11/18/2011	Open			PREMIUM MARKETING GROUP	\$1,141.79
	Invoice		Date	Description		Amount
	13990		11/01/2011	Pins		\$1,141.79
				Fund 2210, Stores		
68159	11/18/2011	Open			RED SHIFT INTERNET SERVICES	\$115.11
	Invoice		Date	Description		Amount
	1479300		11/01/2011	Nov 2011 Internet Access-Fund 2211, IT		\$65.17
	1479301		11/01/2011	Nov 2011 Internet Access, PD		\$49.94
68160	11/18/2011	Open			ROBERT SEELEY & ASSOCIATES	\$70.00
	Invoice		Date	Description		Amount
	20111104		11/04/2011	July, Aug, Sept 2011 Admin Hearings-PD		\$70.00
68161	11/18/2011	Open			SCC INFORMATION SERVICES	\$704.99
	Invoice		Date	Description		Amount
	Q1-FY11-12		10/28/2011	Q1 FY11/12 Radio Maint Contract		\$704.99

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68162	11/18/2011 Invoice 374701	Open	Date 10/31/2011	Description IT Supplies-Fund 2211, IT	SANTA CRUZ ELECTRONICS, INC.	\$38.77
68163	11/18/2011 Invoice 2012	Open	Date 11/03/2011	Description Subscription Renewal for 2012-PD	SANTA CRUZ SENTINEL	\$210.60
68164	11/18/2011 Invoice Oct11 Statement	Open	Date 10/31/2011	Description Oct Advertising Fund 1000, General Fund=\$940.19 Fund 1350, CDBG=\$122.45	SANTA CRUZ SENTINEL	\$1,062.65
68165	11/18/2011 Invoice 18503	Open	Date 11/09/2011	Description K-9 Katie, Officer Zamora's dog	SOQUEL CREEK ANIMAL HOSPITAL	\$656.25
68166	11/18/2011 Invoice 3978 3984 3993	Open	Date 10/24/2011 10/26/2011 11/02/2011	Description T-shirt awards Uniform Expense, Public Words Uniform Exp, Corp Yard	SPORT ABOUT	\$563.83
68167	11/18/2011 Invoice 2009772001 2149612001 2619328001	Open	Date 11/01/2011 10/05/2011 10/19/2011	Description Computer Supplies, IT Computer Supplies, IT Computer Supplies, IT Fund 2211, IT	STAPLES	\$843.42
68168	11/18/2011 Invoice 43342	Open	Date 10/10/2011	Description Body armor Weagle-Grant Funded	SUMMIT UNIFORM CORP	\$745.84
68169	11/18/2011 Invoice 2012-00000392	Open	Date 11/15/2011	Description Volleyball Officials Oct 19 to Nov 19 2011	THILL, WENDY	\$160.00
68170	11/18/2011 Invoice PARS11-18-11	Open	Date 11/16/2011	Description PARS contribution, Employee Funded	UNION BANK OF CALIFORNIA	\$301.10
68171	11/18/2011 Invoice 6269	Open	Date 11/08/2011	Description Postage for Winter 2012 brochure	UNITED STATES POSTAL SERVICE	\$5,300.00
68172	11/18/2011 Invoice Nov11	Open	Date 11/16/2011	Description Employee Contributions, Nov11	UNITED WAY OF SCC	\$40.00
68173	11/18/2011 Invoice UPEC-Nov11	Open	Date 11/16/2011	Description Union Dues, Employee Funded	UPEC LIUNA LOCAL 792	\$1,752.25

City of Capitola
City Check Issued 11/18/2011

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
68174	11/18/2011 Invoice 190153817	Open	Date 11/07/2011	Description Monthly Lease payment, PD Copier	US BANCORP EQUIPMENT FINANCE	\$250.06 \$250.06
68175	11/18/2011 Invoice 20111118x	Open	Date 11/14/2011	Description PERS pymt for D VanDenHueval in adv of	Van Den Heuvel, Dana	\$1,815.49 \$1,815.49
68176	11/18/2011 Invoice 1027133668	Open	Date 11/03/2011	Description Monthly Access Charges Fund 2211, IT	VERIZON WIRELESS-ACCT#57201586	\$112.08 \$112.08
68177	11/18/2011 Invoice 219207A 219207	Open	Date 08/31/2011 08/31/2011	Description Cable Television Equipment Cable television broadcast equipment Fund 1020, Emergency Res=\$5082.48 Fund 1320, PEG=\$689.40	VMI INC.	\$5,771.88 \$689.40 \$5,082.48
68178	11/18/2011 Invoice 31425	Open	Date 10/27/2011	Description Building Plans Reproduction, Target	WATSONVILLE BLUEPRINT	\$748.87 \$748.87
68179	11/18/2011 Invoice 134147	Open	Date 10/25/2011	Description Taxi/Parking Signs	ZUMAR INDUSTRIES INC.	\$129.77 \$129.77
68180	11/18/2011 Invoice 2001160.002	Open	Date 11/15/2011	Description Class refund	Howell, Sarah	\$75.60 \$75.60
68181	11/18/2011 Invoice 2001144.002	Open	Date 11/15/2011	Description Class refund	La Fantasie, Michelle	\$65.00 \$65.00
68182	11/18/2011 Invoice 12131528	Open	Date 11/08/2011	Description Refund cite 121528	Marinucci, Claire	\$510.00 \$510.00
68183	11/18/2011 Invoice 2001159-002	Open	Date 11/07/2011	Description Class refund	Tremblay, James	\$75.60 \$75.60

Check Totals: Count 75 Total \$73,142.25



CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: COMMUNITY DEVELOPMENT DIRECTOR
DATE: DECEMBER 2, 2011
SUBJECT: PLANNING COMMISSION ACTION MINUTES OF DECEMBER 1, 2011

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ron Graves, Ed Newman, Mick Routh, Linda Smith and
Chairperson Gayle Ortiz
Staff: Interim Community Development Director Susan Westman
City Attorney John Barisone
Administrative Services Director Lisa Murphy
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. November 3, 2011 Regular Planning Commission Meeting

APPROVED 4-0, COMMISSIONER ROUTH ABSTAINED.

4. CONSENT CALENDAR

- A. **904 SIR FRANCIS AVENUE** #06-061 APN: 036-222-07

One-year extension of a previously approved Coastal Permit and Architectural and Site Review Permit for the remodel of an existing single-family residence and construction of a second story in the R-1 (Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Justin & Lisa Maffia, filed: 11/7/11

APPROVED 5-0

5. PUBLIC HEARINGS

A. 426 CAPITOLA AVENUE

#11-114

APN: 035-141-33

Consider an application regarding a Coastal Development Permit and Relocation Impact Report (RIR) for the closure of the Pacific Cove Mobile Home Park including the removal of all coaches, gas, electrical and cable utilities. The proposed project retains the public restroom on-site. No grading or earthwork is proposed. This project requires a Coastal Permit which is not appealable to the California Coastal Commission.

Environmental Determination: Categorical Exemption

Property Owner: City of Capitola, owner/filed: 10/27/11

A MOTION WAS MADE BY COMMISSIONER ROUTH AND SECONDED BY COMMISSIONER SMITH FOR THE FOLLOWING ACTION:

- 1. FIND THE PROJECT IS EXEMPT FROM CEQA AS IT DOES NOT INVOLVE AN INCREASE IN THE INTENSITY OF USE OR NEW DEVELOPMENT (CEQA GUIDELINES 15301 EXISTING FACILITIES).**

THE MOTION CARRIED ON THE FOLLOWING VOTE: AYES: COMMISSIONERS ROUTH, SMITH, AND VICE CHAIRPERSON GRAVES. NOES: NONE. ABSENT: NONE. ABSTAIN: NEWMAN AND CHAIRPERSON ORTIZ.

A MOTION WAS MADE BY COMMISSIONER ROUTH AND SECONDED BY COMMISSIONER SMITH FOR THE FOLLOWING ACTION:

- 2. ADOPT THE PROPOSED RESOLUTION RECOMMENDING APPROVAL OF THE COASTAL DEVELOPMENT PERMIT FOR THE CLOSURE OF PACIFIC COVE MOBILE HOME PARK, SUBJECT TO SPECIFIC FINDINGS AND CONDITIONS.**

THE MOTION CARRIED ON THE FOLLOWING VOTE: AYES: COMMISSIONERS ROUTH, SMITH, AND VICE CHAIRPERSON GRAVES. NOES: NONE. ABSENT: NONE. ABSTAIN: NEWMAN AND CHAIRPERSON ORTIZ.

A MOTION WAS MADE BY COMMISSIONER ROUTH AND SECONDED BY COMMISSIONER SMITH FOR THE FOLLOWING ACTION:

- 3. ADOPT THE PROPOSED RESOLUTION WITH CONDITIONS RECOMMENDING THAT CITY COUNCIL FINDS THE RIR IS SUFFICIENT PENDING THE APPLICATION OF MEASURES NOT EXCEEDING THE REASONABLE COSTS OF RELOCATION TO MITIGATE THE ADVERSE IMPACTS OF THE CHANGE OF USE ON ELIGIBLE MOBILE HOME RESIDENTS.**

THE MOTION CARRIED ON THE FOLLOWING VOTE: AYES: COMMISSIONERS ROUTH AND SMITH. NOES: VICE CHAIRPERSON GRAVES. ABSENT: NONE. ABSTAIN: NEWMAN AND CHAIRPERSON ORTIZ.

B. 403 LOMA AVENUE

#11-105

APN: 036-092-17

Conditional Certificate of Compliance to re-establish a previously existing lot line, including partial demolition of a single-family residence and construction of a new single-car garage and parking in the R-1 (Single-Family Residence) Zoning District.

Environmental Determination: Categorical Exemption

Property Owner: Gayle Clemson, filed 10/5/11

Representative: Richard Emigh

APPROVED 4-0 WITH AN ADDITIONAL CONDITIONS.

9. All new development proposed for the subject properties shall meet the zoning development standards in place at that time.
10. The two uncovered off-street parking spaces shall be located in front of the house, accessed off of Loma Avenue (Alternative C of submitted plans). The driveway shall be made up of two side by side standard size spaces (9' x 18'), and may extend approximately 3'-6" into the side yard beyond the southern wall of the house.

C. 115 SAN JOSE AVENUE

#11-100

APN: 035-221-27

Reconsideration of a Planning Commission denial for 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

Representative: Dennis Norton Designs

CONTINUED TO THE JANUARY 19, 2012 REGULAR PLANNING COMMISSION MEETING, 4-0.

6. **DIRECTOR'S REPORT**
7. **COMMISSION COMMUNICATIONS**
8. **ADJOURNMENT**

Adjourned to a Regular Meeting of the Planning Commission to be held on Thursday, January 19, 2012 at 7:00 p.m., in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: CITY CLERK'S OFFICE

DATE: DECEMBER 2, 2011

SUBJECT: RESOLUTION SETTING INTEREST RATE FOR TENANT'S SECURITY DEPOSITS FOR 2012

Recommended Action: By motion and roll call vote, that the City Council adopt a Resolution Setting the Interest Rate for Tenant's Security Deposits for 2012 at Zero Percent (0%), as was set for 2011.

BACKGROUND

The City Council adopted Ordinance No. 804 on February 12, 1998, adding Chapter 5.48 to the Municipal Code requiring interest on security deposits for residential rental properties. Resolution No. 2948 set the interest rate for 1998 at 2%, which became effective March 14, 1998. Pursuant to the first sentence of Municipal Code Section 5.48.025, "*On or before December 31 of each year, the City Council shall set the minimum interest rate (for tenant security deposits) for the next calendar year,*" the City Council reviews the interest rate and adopts a resolution setting the rate for the next year. It has been the City Council's practice to set its interest rate for tenant security deposits consistent with the amount set by the Board of Supervisors of Santa Cruz County; however, last year the interest rate was set at zero percent (0%) by Resolution No. 3849. A history of interest rates since adoption of the implementing ordinance is also attached for your information.

DISCUSSION

The City has received information from the County Administrative Office regarding the Board's consideration of this matter. A copy of the Board of Supervisors Agenda Report, including the Board's Resolution No. 341-2011 adopted on November 15, 2011, and the "Survey of Annual Simple Interest on Passbook Savings," is attached. The County Treasurer-Tax Collector's survey resulted in the average rate of annual simple interest on passbook savings being 0.04%, which is the rate adopted by the Board.

When considering the rate of 0.06% set by the County last year, the City Council chose to make the rate zero percent in Capitola. Council Member Nicol pulled this item from the consent calendar for separate discussion because he had received a number of emails about the rate. Council Member Nicol expressed concerns about the rate being burdensome to property owners, and he recommended the rate be set at zero percent (0%). The council members agreed and adopted Resolution No. 3849, which set the rate for Tenant Security Deposits in Capitola at zero percent for 2011.

The interest rate approved by the County has dropped even lower, to 0.04% for 2012. Based on the Council's action taken last year, staff has prepared a resolution setting the rate at zero percent.

Notices will be mailed and/or emailed to all interested parties on Friday, December 2, 2011, along with the agenda report. A copy of the notice is attached.

FISCAL IMPACT – None

ATTACHMENTS

1. Draft Resolution
2. County Board of Supervisors Agenda Report, Resolution and Survey
3. History of Interest Rate for Tenant's Interest on Security Deposits
4. Notice

Report Prepared By: Pamela Greeninger, MMC
City Clerk

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

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING INTEREST RATE FOR TENANT SECURITY DEPOSITS FOR 2012
AT ZERO PERCENT (0.00 %) IN THE CITY OF CAPITOLA**

WHEREAS, Municipal Code Section 5.48.025 contemplates the City Council setting the minimum interest rate for tenant security deposits; and

WHEREAS, the current rate of interest for residential rental security deposits is Zero Percent (0.0%); and

WHEREAS, the County of Santa Cruz Board of Supervisors, at its meeting held on November 15, 2011, adopted Resolution No. 341-2011 setting the interest rate for tenant security deposits for the year 2012 at 0.04 percent, which is the average current rate for savings passbook accounts; and

WHEREAS, although it has been the practice of the Capitola City Council to set its interest rate for tenant security deposits consistent with other jurisdictions within the County of Santa Cruz, the Council finds the rate of 0.04% to be burdensome to property owners in the City of Capitola.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the rate of simple interest payable annually on residential rental security deposits by landlords shall be zero percent (0.00%) effective January 1, 2012.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 8th day of December, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DISQUALIFIED:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk



County of Santa Cruz

0085

TREASURER-TAX COLLECTOR

701 Ocean Street, Room 150

P.O. Box 1817

Santa Cruz, California 95061

Treasury: (831) 454-2450

FAX: (831) 454-2257

Fred Keeley
Treasurer-Tax Collector

November 2, 2011

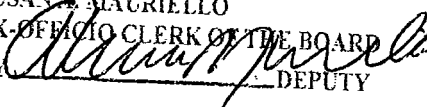
BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

APPROVED AND FILED
BOARD OF SUPERVISORS

DATE: 11/15/11
COUNTY OF SANTA CRUZ

SUSAN MAURIELLO

EX-OFFICIO CLERK OF THE BOARD

BY:  DEPUTY

Agenda: November 15, 2011

TENANT'S INTEREST ON SECURITY DEPOSITS FOR RESIDENTIAL RENTAL PROPERTY

Dear Members of the Board:

Section 8.42 of the County Code sets forth the County's procedure to annually set the rate for tenant's interest on security deposits. As provided in the Code, the Treasurer-Tax Collector contacts a minimum of three major banking or savings and loan institutions in November of each year to determine the interest rate currently paid on savings passbook accounts. The Treasurer-Tax Collector then computes the average of these rates as the recommended interest rate to be paid on security deposits in the following calendar year. The recommendation is transmitted to your Board with a proposed resolution for adoption, specifying the recommended interest rate.

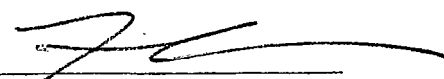
The survey for this year provided a range of interest rates from 0.01% to 0.05% with the average rate being 0.04%.

A rental agreement may provide for a tenant's interest at a percentage rate greater than that established by the Board resolution in effect; however, under no circumstances shall a rental agreement provide for a tenant's interest at a percentage rate less than the rate established by your Board's action. Your Board has historically requested the District Attorney's Consumer Affairs Division to include the new rate information along with a history of prior rates in the material distributed by their office to consumers throughout the County.

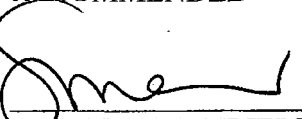
It is therefore RECOMMENDED that your Board:

1. Adopt the attached resolution to establish a 0.04% per annum simple interest rate on tenant's rental security deposits effective January 1, 2012; and
2. Request the District Attorney's Consumer Affairs Division to include information concerning current and prior interest rates on tenant security deposits in the materials distributed by their office.

Sincerely,


FRED KEELEY
Treasurer - Tax Collector

RECOMMENDED


SUSAN A. MAURIELLO
County Administrative Officer

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

0086

Resolution No. 341-2011

On the motion of Supervisor Leopold
duly Seconded by Supervisor Coonerty
the following resolution is adopted:

RESOLUTION SETTING INTEREST RATE FOR TENANT'S SECURITY DEPOSITS

WHEREAS, Santa Cruz County Code Section 8.42 requires the Board of Supervisors to establish the rate of simple interest payable by landlords to tenants on residential rental security deposits; and,

WHEREAS, the current rate of interest for residential rental security deposits is 0.06%; and,

WHEREAS, the County's Treasurer has conducted a survey in November 2011 of annual simple interest rates paid on savings passbook accounts, and the survey recorded a range of 0.01% to 0.05%, with an average of 0.04%.

NOW, THEREFORE BE IT RESOLVED that the rate of simple interest payable annually on residential rental security deposits by landlords shall be 0.04% effective January 1, 2012.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 15th day of November 2011, by the following vote:

AYES:	SUPERVISORS	Leopold, Pirie, Coonerty, Caput and Stone
NOES:	SUPERVISORS	None
ABSENT:	SUPERVISORS	None
ABSTAIN:	SUPERVISORS	None

MARK W. STONE

Chairperson, Board of Supervisors

ATTEST:

TESS FITZGERALD

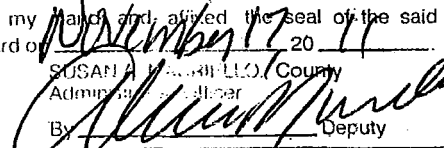
Clerk of the Board

APPROVED AS TO FORM:


Office of the County Counsel

Distribution: Auditor-Controller, District Attorney Consumer Affairs, Clerk of the Board, Each City Clerk,
Watsonville and Santa Cruz Boards of Realtors

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) ss
I, SUSAN A. MAURIELLO, County Administrative Officer and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of the resolution passed and adopted by and entered in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of the said Board of Supervisors this 17th day of November 2011.

SUSAN A. MAURIELLO, County Administrative Officer
By  Deputy

Survey of Annual Simple Interest on Passbook Savings
Tenant's Interest on Security Deposits
Subsection B of Section 842.010

Rate Quote Date : 11/01/11	Regular Passbook
Bank of the West	0.05
JP Morgan Chase	0.01
Bank of America	0.05
Wells Fargo	0.05
Union Bank	0.01
Comerica	0.05
AVERAGE:	0.04

Regular Passbook based on Savings Accounts less than \$5000

djz / 11/01/11

Added Union Bank in 2009



ATTACHMENT 3

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

HISTORY INFORMATION REGARDING TENANT'S INTEREST ON SECURITY DEPOSITS FOR RESIDENTIAL RENTAL PROPERTIES

ORDINANCES ADOPTED

Ordinance No. 804, Ordinance Adding Chapter 5.48 to the Municipal Code Requiring Interest on Security Deposits for Residential Rental Properties, adopted February 12, 1998, effective March 14, 1998

Ordinance No. 813, Ordinance Amending Section 5.48.040 of the Municipal Code regarding Payment of Tenant's Interest, adopted December 19, 1999, effective January 18, 2000

RESOLUTIONS ADOPTED

Resolution No. 2948	Two Percent (2.00%)	Effective March 14, 1998
Resolution No. 3007	Two Percent (2.00%)	January 1, 1999
Resolution No. 3067	Two Percent (2.00%)	January 1, 2000
Resolution No. 3107	Two Percent (2.00%)	January 1, 2001
Resolution No. 3180	One Percent (1.00%)	January 1, 2002
Resolution No. 3258	.58 Percent (0.58%)	January 1, 2003
Resolution No. 3322	.32 Percent (0.32%)	January 1, 2004
Resolution No. 3416	.32 Percent (0.32%)	January 1, 2005
Resolution No. 3510	.43 Percent (0.43%)	January 1, 2006
Resolution No. 3594	.34 Percent (0.34%)	January 1, 2007
Resolution No. 3671	.31 Percent (0.31%)	January 1, 2008
Resolution No. 3731	.23 Percent (0.23%)	January 1, 2009
Resolution No. 3791	.10 Percent (0.10%)	January 1, 2010
Resolution No. 3849	Zero Percent (0.00%)	January 1, 2011

Revised 12/10 pam



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

December 2, 2011

RE: NOTICE OF CAPITOLA CITY COUNCIL CONSIDERATION OF A RESOLUTION
SETTING INTEREST RATE FOR TENANT SECURITY DEPOSITS IN 2012

Interested Parties:

This is to inform you that on Thursday, December 8, 2011, the Capitola City Council will consider a Resolution Setting the Interest Rate for Tenant Security Deposits in 2012. Attached is a copy of the agenda report. The Santa Cruz County Board of Supervisors, at its meeting held November 15, 2011, set the rate at 0.04%. Based on the Council's action to set the interest rate a Zero percent (0.00%) last year when the rate was 0.06%, staff has recommended setting the interest rate at Zero percent for 2012. The item is on the City Council's Consent Calendar; however, it could be pulled for separate discussion.

Please confirm that you still want to be informed of this information and that the name and mailing address on the envelope is correct. A certified copy of the council's resolution will be sent to you once it has been adopted.

In an effort to go "green," the City would prefer sending this information to interested parties by email. If you received this in the mail and have an email address where this information can be sent, please contact our Records Coordinator, Michele Deiter, at 831-475-7300, Ext. 220, or provide your email address to Michele at: mdeiter@ci.capitola.ca.us

Should you have questions regarding this information, please feel free to contact me.

Sincerely,

CITY OF CAPITOLA

Pamela Greeninger, MMC
City Clerk

Enclosure



Item #: **3.E.**

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: DECEMBER 2, 2011

SUBJECT: ADDENDUM NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH R.L. HASTINGS AND ASSOCIATES, LLC, IN AN AMOUNT NOT TO EXCEED \$25,000 FOR TENANT RELOCATION SERVICES PAID FOR THROUGH THE HOME GRANT PROGRAM

Recommended Action: By motion and roll call vote, that the City Council authorize the City Manager to execute the letter Addendum No. 2 amending the Professional Services Agreement with R.L. Hastings and Associates, LLC, an amount not to exceed \$25,000 for tenant relocation services for the Bay Avenue Senior Apartments Project, as submitted.

BACKGROUND

The City Council approved a sole source Professional Services Agreement with R.L. Hastings and Associates on April 30, 2008, to provide Administrative Subcontractor services for the Bay Avenue Senior Apartments Project. A first amendment to the Contract was subsequently approved on December 3, 2008, for \$68,500 for Federal and State Labor Standards Monitoring for the Bay Avenue Senior Apartments construction work. All work completed under this contract has been paid for through the HOME grant received for the Bay Avenue Senior Apartments Project and through payments made by the project developer, First Community Housing.

On May 26, 2011, the Council approved the receipt of an additional \$1,200,000 in HOME grant funds to cover unanticipated additional costs related to the Bay Avenue Senior Apartments project. A portion of these funds were to help pay for relocation costs for the project and to cover the relocation consultant costs of R.L. Hastings & Associates. The total cost of the relocation assistance is \$25,000 proposed as a 2nd Amendment to the existing contract. The attached letter Contract Addendum No. 2, including services to be provided, has been reviewed and approved by the City Attorney's Office.

R.L. Hastings and Associates, LLC, has served as the City's Administrative Subcontractor and Wage Monitor for the Bay Avenue Senior Apartments project since 2008. Roy Hastings has extensive knowledge of the project's financing and relocation program and maintains a close working relationship with the HOME program which is funding the project's relocation activities. Mr. Hastings' past work on the project has provided him with the required experience that no other consultant can would have without first spending a significant amount of time to be brought up to speed.

FISCAL IMPACT

Addendum No. 2 to the Professional Services Agreement with R.L. Hastings and Associates, LLC, is for an amount not to exceed \$25,000 for relocation work with the Bay Avenue Senior Apartments Project. All of the costs of this proposed contract amendment will be covered with funding provided through an existing HOME grant from the Department of Housing and Community Development. There

is no impact on the General Fund.

ATTACHMENTS

1. Letter Addendum No. 2 dated October 25, 2011
2. Sole Source Purchases Determination

Report Prepared By: David Foster
Housing and Redevelopment Manager

Approved by: Susan Westman, Interim
Community Development Director

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

R.L. Hastings & Associates, LLC

Sacramento Office • 916.359.0626

Glendale Office • 818.396.5680

October 25, 2011

David Foster
 Housing & Redevelopment Project Manager
 City of Capitola
 420 Capitola Avenue
 Capitola, CA 95010

**Administrative
 Subcontractor
 Services**

**NEPA
 Environmental
 Assessments**

**Federal & State
 Prevailing Wage
 Monitoring**

**Grant & Loan
 Applications**

**Relocation Plans/
 Implementation**

**HUD Noise
 Assessments
 (NAG)**

**Long-Term
 Monitoring**

ADMINISTRATIVE SUBCONTRACTOR CONTRACT**ADDENDUM No. 2****TENANT RELOCATION SERVICES****Service to be Provided:**

- Locate former tenants of Bay Avenue Senior Apartments, formerly know as Silvercrest, who moved out after the Initiation of Negotiations
- Determine each Households' eligibility for Relocation Benefits under the URA and HOME Program rules
- Calculate Relocation Benefits due to each eligible Household
- Prepare HUD Relocation forms for each eligible Household
- Submit forms and calculations to HOME for approval
- Send forms to eligible Households for signature and collect signed forms
- Prepare drawdown requests for submission to HOME
- Coordinate delivery of Relocation Benefit checks
- Prepare disencumberment letter for any remaining Relocation funds
- Prepare final Project Completion Report incorporating Relocation funds disbursed and disencumbered upon completion of Relocation services
- Prepare final Relocation report if requested by the HOME Program

Fee For Services

The fee for these services, to be paid by the City of Capitola from HOME funds allocated for Tenant Relocation Services, is \$25,000 to be invoiced at completion of all required tenant relocation services.

Please sign below and return to the address above. Please call me if you have any questions.

Sincerely,

City of Capitola

Roy Hastings

Roy Hastings
 R.L. Hastings & Associates, LLC

Main Office
 1610 El Nido Way
 Sacramento CA 95864
 Fax • 916.359.0676
 affordablehousing@rlhastings.com
 rlhastingsassoc@att.net



CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: CITY MANAGER'S DEPARTMENT

DATE: DECEMBER 2, 2011

SUBJECT: ADOPT RESOLUTION AUTHORIZING AN INCREASE IN THE RESIDENTIAL AND COMMERCIAL GARBAGE COLLECTION AND RECYCLING RATES FOR 2012

Recommended Action: By motion and roll call vote, that the City Council adopt the proposed Resolution Approving a Rate Schedule for Residential & Commercial Garbage Collection and Recycling in Capitola Effective January 1, 2012, superseding Resolution No. 3850, as authorized in the Franchise Agreement dated April 24, 2008.

BACKGROUND

The City of Capitola has a franchise agreement with GreenWaste Recovery, Inc., to collect the city's commercial and residential refuse, recycling, yard waste and food waste. GreenWaste Recovery's franchise agreement allows for an annual customer rate increase of 100% of the San Francisco – Oakland – San Jose Bay Area Consumer Price Index (CPI). The Franchise Agreement was renewed in April 2008, with an effective date of September 1, 2008 through December 31, 2018.

DISCUSSION

To determine the new customer rates, the Agreement allows GWR to increase the rates by 100% of the San Francisco – Oakland – San Jose Bay Area Consumer Price Index for the period ending October 2011, which was 3.2%. The CPI increase may only be applied to that portion (91.83%) of the revenue that excludes the tipping fee revenue; therefore the CPI increase applicable to the non-tipping fee will be 2.98%.

Residential	Current Rates	New Rates
<u>Carts</u>	<u>Monthly</u>	<u>Monthly</u>
35 Gallon	\$ 13.95	\$ 14.35
64 Gallon	\$ 23.73	\$ 24.42

Customers will be notified of the new rates on their bills, refuse containers, city newsletter and our website.

FISCAL IMPACT

The increase of 2.98% results in the average residential customer increase of \$0.69 cents per/month.

ATTACHMENTS

Draft Resolution

Report Prepared By: Lisa G. Murphy
Administrative Services Director

Reviewed and Forwarded
by City Manager: _____

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
APPROVING A RATE SCHEDULE FOR RESIDENTIAL AND COMMERCIAL
GARBAGE COLLECTION AND RECYCLING IN CAPITOLA EFFECTIVE JANUARY 1, 2012
SUPERCEDING RESOLUTION NO. 3850**

WHEREAS, the City of Capitola has a franchise agreement with GreenWaste Recovery, Inc., for refuse, recycling, yard and food waste collection; and

WHEREAS, the franchise agreement allows for GreenWaste Recovery to increase the rates annually by 100% of the Consumer Price Index for San Francisco-Oakland-San Jose area which was 3.2% for the period ending October 2011 and that equates to a 2.98% increase based on a formula that excludes the tipping fee revenue; and

WHEREAS, the tipping fee charged by the Monterey Regional Waste Management District (Marina Landfill) did not change, therefore no increase on that portion of that fee will not be passed on to the consumer; and

WHEREAS, the City Council adopted Resolution No. 3850 on January 13, 2011, which adopted a rate schedule effective January 1, 2011; and

WHEREAS, the total fee increase for both commercial and residential will increase by 2.98%, as per the Franchise Agreement dated April 24, 2008, effective January 1, 2012; and

WHEREAS, the City Council considered the garbage rate increase at a public meeting where members of the public had the opportunity to address the council on the proposed increase.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Capitola approves the Rate Schedule for Residential and Commercial Refuse, Recycling and Yard Waste in Capitola as shown on the "Schedule of Rates" attached to this resolution (Exhibit A-1, Residential Rates; Exhibit A-2 Commercial Rates) effective January 1, 2012.

BE IT FURTHER RESOLVED that this resolution supercedes Resolution No. 3850.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 8th day of December, 2012, by the following vote:

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

Dennis Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

EXHIBIT A-1

**City of Capitola Residential Rate Structure
Contract Year Beginning January 1, 2012**

Residential	<u># of</u> <u>Carts</u>	CPI Adj <u>Monthly</u>
1) <u>Carts</u>		
10 Gallon	1	\$ 10.64
20 Gallon	1	\$ 12.67
35 Gallon	1	\$ 14.35
35 Gallon	2	\$ 28.70
35 Gallon	3	\$ 44.19
35 Gallon	4	\$ 59.10
35 Gallon	5	\$ 73.67
35 Gallon	6	\$ 88.41
35 Gallon	7	\$ 103.18
35 Gallon	8	\$ 114.94
64 Gallon	1	\$ 24.42
64 Gallon	2	\$ 48.82
64 Gallon	3	\$ 195.33
96 Gallon	1	\$ 34.60
96 Gallon	2	\$ 69.17
96 Gallon	3	\$ 103.76
96 Gallon	4	\$ 134.45
96 Gallon	5	\$ 172.93

Items 2 through 6 will not be changed during Franchise Term, i.e., will not receive the COLA adjustment as set forth in section 7.1c

2) Special pick-up for service not on a regular schedule

\$25.00 plus \$2.50 per bag, \$2.75 per 32 gallon can. For other means of bundling or containing, \$2.75 for each equivalent in volume to a 32 gallon can.

3) Special Service for walk-in by driver

\$5.00 per can or bag plus the monthly rate. Except as provided in Section 4.1.B(4).

4) Extra containers picked up at time of regular service shall be billed as in #2 above, but without the \$25.00 charge.

5) Bulky Goods Items Pricing

- Furniture
- Non-CFC Appliance
- Carpet

6) Service Re-Start

EXHIBIT A-2

# of bins	Commercial Bins		Increase	# of bins	Commercial Bins		Increase
	Bin Size	Frequency	2.908%		Bin Size	Frequency	0.000%
1	1 cu yd	1	\$ 145.78	3	2 cu yd	1	\$ 518.62
1	1 cu yd	2	\$ 220.34	3	2 cu yd	2	\$ 966.03
1	1 cu yd	3	\$ 294.77	3	2 cu yd	3	\$1,413.46
1	1 cu yd	4	\$ 369.49	3	2 cu yd	4	\$1,860.89
1	1 cu yd	5	\$ 444.06	3	2 cu yd	5	\$2,308.29
1	1 cu yd	6	\$ 518.62	3	2 cu yd	6	
2	1 cu yd	1	\$ 220.34	1	3 cu yd	1	\$ 294.90
2	1 cu yd	2	\$ 369.49	1	3 cu yd	2	\$ 517.13
2	1 cu yd	3	\$ 518.62	1	3 cu yd	3	\$ 742.33
2	1 cu yd	4	\$ 667.77	1	3 cu yd	4	\$ 966.03
2	1 cu yd	5	\$ 816.89	1	3 cu yd	5	\$1,189.76
2	1 cu yd	6	\$ 966.02	1	3 cu yd	6	\$1,413.46
3	1 cu yd	1	\$ 294.91	2	3 cu yd	1	\$ 518.62
3	1 cu yd	2	\$ 518.63	2	3 cu yd	2	\$ 966.03
3	1 cu yd	3	\$ 742.47	2	3 cu yd	3	\$1,413.46
3	1 cu yd	4	\$ 966.04	2	3 cu yd	4	\$1,860.89
3	1 cu yd	5	\$ 1,189.74	2	3 cu yd	5	\$2,308.29
3	1 cu yd	6	\$ 1,413.42	2	3 cu yd	6	\$2,755.72
4	1 cu yd	1	\$ 369.49	3	3 cu yd	1	\$ 742.32
4	1 cu yd	2	\$ 667.77	3	3 cu yd	2	\$1,413.46
4	1 cu yd	3	\$ 966.33	3	3 cu yd	3	\$2,084.59
4	1 cu yd	4	\$ 1,264.33	3	3 cu yd	4	\$2,755.72
4	1 cu yd	5	\$ 1,562.60	3	3 cu yd	5	\$3,426.85
4	1 cu yd	6	\$ 1,860.83	3	3 cu yd	6	\$4,097.97
1	2 cu yd	1	\$ 220.38	4	3 cu yd	1	\$ 966.03
1	2 cu yd	2	\$ 369.49	4	3 cu yd	2	\$1,860.89
1	2 cu yd	3	\$ 518.62	4	3 cu yd	3	\$2,755.72
1	2 cu yd	4	\$ 667.77	4	3 cu yd	4	\$3,650.55
1	2 cu yd	5	\$ 816.89	4	3 cu yd	5	\$4,545.41
1	2 cu yd	6	\$ 966.02	4	3 cu yd	6	\$5,440.21
2	2 cu yd	1	\$ 369.49	1	4 cu yd	1	\$ 369.49
2	2 cu yd	2	\$ 667.77	1	4 cu yd	2	\$ 667.77
2	2 cu yd	3	\$ 966.03	1	4 cu yd	3	\$ 966.03
2	2 cu yd	4	\$ 1,264.32	1	4 cu yd	4	\$1,264.32
2	2 cu yd	5	\$ 1,562.61	1	4 cu yd	5	\$1,562.61
2	2 cu yd	6	\$ 1,860.89	1	4 cu yd	6	\$1,860.89
2	4 cu yd	1	\$ 667.77	1	6 cu yd	1	\$ 518.62
2	4 cu yd	2	\$ 1,264.32	1	6 cu yd	2	\$ 966.03
2	4 cu yd	3	\$ 1,860.89	1	6 cu yd	3	\$1,413.46
2	4 cu yd	4	\$ 2,528.20	1	6 cu yd	4	\$1,860.89
2	4 cu yd	5	\$ 3,053.98	1	6 cu yd	5	\$2,308.29
2	4 cu yd	6	\$ 3,650.55	1	6 cu yd	6	\$2,755.72

3	4 cu yd	1	\$ 965.55	2	6 cu yd	1	\$ 966.03
3	4 cu yd	2	\$ 1,860.89	2	6 cu yd	2	\$1,860.89
3	4 cu yd	3	\$ 2,755.72	2	6 cu yd	3	\$2,755.72
3	4 cu yd	4	\$ 3,650.55	2	6 cu yd	4	\$3,650.52
3	4 cu yd	5	\$ 4,545.41	2	6 cu yd	5	\$4,545.40
3	4 cu yd	6	\$ 5,440.21	2	6 cu yd	6	\$5,440.23
4	4 cu yd	1	\$ 1,264.32	1	8 cu yd	1	\$ 667.77
4	4 cu yd	2	\$ 2,457.44	1	8 cu yd	2	\$1,264.32
4	4 cu yd	3	\$ 3,650.56	1	8 cu yd	3	\$1,860.89
4	4 cu yd	4	\$ 4,843.65	1	8 cu yd	4	\$2,457.43
4	4 cu yd	5	\$ 6,036.84	1	8 cu yd	5	\$3,054.00
4	4 cu yd	6	\$ 7,229.87	1	8 cu yd	6	\$3,650.52

5	4 cu yd	1	\$ 1,607.58
5	4 cu yd	2	\$ 3,053.99
5	4 cu yd	3	\$ 4,545.40
5	4 cu yd	4	\$ 6,036.77
5	4 cu yd	5	\$ 7,528.25
5	4 cu yd	6	\$ 9,019.55

Drop Box Rates

1	15 Yard	\$ 413.09
1	20 Yard	\$ 496.34
1	30 Yard	\$ 664.76
1	40 Yard	\$ 886.09
1	Compactor	\$ 315.97
	per pull plus disposal fees	

**Commercial
Carts**

1	35G	\$ 19.11
1	64G	\$ 38.63
1	96G	\$ 57.48

**Commercial
Cans**

1	32G	\$ 14.60
2	32G	\$ 29.21
3	32G	\$ 43.82



CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: DECEMBER 2, 2011

SUBJECT: ADOPT ORDINANCE AMENDING TITLE 17 OF THE CAPITOLA MUNICIPAL CODE BY ADDING CHAPTER 17.70 TO PROVIDE A PROCEDURE FOR REASONABLE ACCOMMODATION [2ND READING], AND ADOPT RESOLUTION SUBMITTING THE ORDINANCE TO THE CALIFORNIA COASTAL COMMISSION FOR CERTIFICATION

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

1. Adopt the proposed Ordinance Adding Chapter 17.70 to the Capitola Municipal Code to provide a Procedure for Reasonable Accommodation in the City's Land Use and Zoning and Building Regulations; and
 2. Adopt the proposed resolution authorizing submittal of the approved ordinance to the California Coastal Commission for review and certification, as submitted.
-

BACKGROUND

On February 11, 2010, the City Council adopted Resolution No. 3803 approving the 2007-2014 Housing Element. The Housing Element contained six action items to be completed within one year of adoption. The proposed Reasonable Accommodation Ordinance was one of the ordinances required to be acted upon. The City Council considered a draft ordinance on October 27, 2011, and directed modifications to the ordinance. Modifications were made and, at its meeting held on November 22, 2011, the City Council passed the first reading of the Reasonable Accommodation Ordinance.

DISCUSSION

On November 22, 2011, the City Council received a report from Housing and Redevelopment Project Manager Foster pertaining to the proposed ordinance which would add Chapter 17.70 to the Municipal Code providing a procedure for reasonable accommodation. No members of the public spoke to this item. After limited discussion, the City Council took the following action with respect to the proposed ordinance:

ACTION: Council Member Nicol moved, seconded by Council Member Termini, to pass the proposed Ordinance Adding Chapter 17.70 to the Capitola Municipal Code providing a Procedure for Reasonable Accommodation in the City's Land Use and Zoning and Building Regulations to a second reading, 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.

The proposed ordinance is before the City Council for its second reading and final adoption. If adopted, the ordinance will need to be submitted to the California Coastal Commission for certification. Once approved by the Coastal Commission, the ordinance will be in full force and take effect.

A draft resolution authorizing submittal of the ordinance to the California Coastal Commission is also attached for City Council adoption.

FISCAL IMPACT

There are no costs involved in the adoption of the proposed ordinance revisions other than the cost of staff time involved in preparing the documents. The staff time involved will be paid for through the City's General Plan Maintenance Fund.

ATTACHMENTS

- 1. Draft Ordinance
- 2. Draft Resolution

Report Prepared By: David Foster, Housing and Redevelopment Project Manager
Pam Greeninger, City Clerk

Approved by: Susan Westman, Interim
Community Development Director

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

ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADDING CHAPTER 17.70 TO THE CAPITOLA MUNICIPAL CODE PROVIDING A
PROCEDURE FOR REASONABLE ACCOMMODATION IN THE CITY’S LAND USE
AND ZONING AND BUILDING REGULATIONS**

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

Section 1. Chapter 17.70 is hereby added to the Capitola Municipal Code to read as follows:

“CHAPTER 17.70

PROCEDURE FOR REASONABLE ACCOMMODATION

- 17.70.010 Purpose
- 17.70.020 Applicability
- 17.70.030 Notice to the Public of Availability of Accommodation Process
- 17.70.040 Application Requirements
- 17.70.050 Review Authority
- 17.70.060 Review Procedure
- 17.07.070 Findings and Decision
- 17.07.080 Appeal of Determination
- 17.07.090 Severability

17.70.010 Purpose

This Chapter provides a procedure to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Federal Fair Housing Act and the California Fair Employment and Housing Act (the Acts) in the application of zoning laws and other land use regulations, policies and procedures.

17.70.020 Applicability

A. A request for reasonable accommodation may be made by any person with a disability, their representative or any entity, when the application of a zoning law or other land use regulation, policy or practice acts as a barrier to fair housing opportunities. A person with a disability is a person who has a physical or mental impairment that limits or substantially limits one or more major life activities, anyone who is regarded as having such impairment or anyone who has a record of such impairment. This Chapter is intended to apply to those persons who are defined as disabled under the Acts.

B. A request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing-related facilities that would eliminate regulatory barriers and provide a person with a disability equal opportunity to housing of their choice. A request for reasonable accommodation shall comply with Section 17.70.040 (Application Requirements).

17.70.030 Notice to the Public of Availability of Accommodation Process

Notice of the availability of reasonable accommodation shall be prominently displayed at public information counters in the planning, zoning and building departments, advising the public of the availability of the procedure for eligible individuals. Forms for requesting reasonable accommodation shall be available to the public in the Planning and Building and Safety departments.

17.70.040 Application Requirements

A. Application. A request for reasonable accommodation shall be submitted on an application form provided by the Department, or in the form of a letter, to the Community Development Department, and shall contain the following information:

1. The applicant's name, address and telephone number.
2. The name and address of the property owner.
3. The address of the property for which the request is being made.
3. The current actual use of the property.
4. The basis for the claim that the individual is considered disabled under the Acts;
5. Description of the requested accommodation and the regulation(s), policy or procedure for which accommodation is sought.
6. Why the reasonable accommodation is necessary to make the specific property accessible to the individual.

B. Review with other land use applications. If the project for which the request for reasonable accommodation is being made also requires some other discretionary approval (including Conditional Use Permit, Design Review, General Plan Amendment, Zone Change, Annexation, etc.), then the applicant shall file the information required by Subsection A together for concurrent review with the application for discretionary approval.

C. A request for reasonable accommodation in regulations, policies, practices and procedures may be filed at any time that the accommodation may be necessary to ensure equal access to housing. A reasonable accommodation does not affect an individual's obligation to comply with other applicable regulations not at issue in the requested accommodation.

D. If an individual needs assistance in making the request for reasonable accommodation, the jurisdiction will provide assistance to ensure that the process is accessible.

17.70.050 Review Authority

A. Community Development Director. A request for reasonable accommodation shall be reviewed by the Community Development Director (Director) if no approval is sought other than the request for reasonable accommodation.

B. Other review authority. A request for reasonable accommodation submitted for concurrent review with another discretionary land use application shall be reviewed by the authority reviewing the discretionary land use application.

17.70.060 Review Procedure.

A. Director Review. The Director, or his or her designee, shall make a written determination within 45 days and either grant, grant with modifications, or deny a request for reasonable accommodation in compliance with Section 17.07.070 (Findings and Decision).

If necessary to reach a determination on the request for reasonable accommodation, the reviewing authority may request further information from the applicant consistent with fair housing laws, specifying in detail the information that is required. In the event that a request for additional information is made, the 45 day period to issue a decision is stayed until the applicant responds to the request.

B. Other review authority. The written determination on whether to grant or deny the request for reasonable accommodation shall be made by the authority responsible for reviewing the discretionary land use application in compliance with the applicable review procedure for the discretionary review. The written determination to grant or deny the request for reasonable accommodation shall be made in compliance with Section 17.07.070 (Findings and Decision).

17.07.070 Findings and Decision.

A. Findings. The written decision to grant or deny a request for reasonable accommodation will be consistent with the Acts and shall be based on consideration of the following factors:

1. Whether the housing, which is the subject of the request, will be used by an individual disabled under the Acts;
2. Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability under the Acts;
3. Whether the requested reasonable accommodation would impose an undue financial or administrative burden on the City;
4. Whether the requested reasonable accommodation would require a fundamental alteration in the nature of a City program or law, including but not limited to land use and zoning;
5. Potential impact on surrounding uses;
6. Physical attributes of the property and structures; and
7. Other reasonable accommodations that may provide an equivalent level of benefit.

B. Conditions of approval. In granting a request for reasonable accommodation, the reviewing authority may impose any conditions of approval deemed reasonable and necessary to ensure that the reasonable accommodation would comply with the findings required by Subsection A.

17.07.080 Appeal of Determination

A determination by the reviewing authority to grant or deny a request for reasonable accommodation may be appealed to the Planning Commission. All appeals must be made within ten (10) working days of the reviewing authority's decision and must be in writing. All appeals shall contain a statement of the grounds of the appeal.

If an individual needs assistance in filing an appeal on an adverse decision, the jurisdiction will provide assistance to ensure that the appeals process is accessible.

17.07.090 Severability

If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance."

Section 2 This ordinance shall take effect and be in full force after its final adoption by the City Council and after an amendment to Capitola's Local Coastal Plan is approved by the California Coastal Commission.

This ordinance was introduced on the 22nd day of November, 2011, and was passed and adopted by the City Council of the City of Capitola on the 8th day of December, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DISQUALIFIED:

APPROVED:

Dennis R. Norton, Mayor

ATTEST:

Pamela Greeninger, City Clerk, MMC

RESOLUTION NO. ____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AUTHORIZING SUBMITTAL TO THE CALIFORNIA COASTAL COMMISSION FOR THE
CERTIFICATION OF AN AMENDMENT TO THE LOCAL COASTAL PROGRAM
ADDING CHAPTER 17.70 TO THE CAPITOLA MUNICIPAL CODE
PROVIDING A PROCEDURE FOR REASONABLE ACCOMMODATION IN THE
CITY'S LAND USE AND ZONING AND BUILDING REGULATIONS**

WHEREAS, the City of Capitola's Local Coastal Program (LCP) was certified by the California Coastal Commission in December of 1981 and has since been amended from time to time; and

WHEREAS, the City of Capitola's General Plan was adopted on September 29, 1989, and has been amended from time to time; and

WHEREAS, the City of Capitola reviews land use designations and zoning in order to regulate appropriate use of land and to protect the public health, safety, and welfare; and

WHEREAS, on December 18, 2009, in accordance with the California Environmental Quality Act (CEQA), a draft Initial Study and Negative Declaration were prepared for the City's Housing Element; and

WHEREAS, from December 18, 2009, through January 21, 2010, a 30-day review period was advertised in the paper and the draft report was available for review and no comments or questions were received during the review period; and

WHEREAS, on January 21, 2010, the Planning Commission reviewed the Initial Study and Negative Declaration for the Housing Element and recommended its adoption by the City Council, and the Negative Declaration concludes that no significant environmental impacts are associated with the project; and

WHEREAS, on February 3, 2010, the City Council adopted the Housing Element 2007-2014 which anticipated the adoption of a reasonable accommodation Ordinance; and

WHEREAS, the Planning Commission reviewed the draft Reasonable Accommodation Ordinance on November 20, 2011; and

WHEREAS, the City Council reviewed the Reasonable Accommodation Ordinance at its meeting held October 27, 2011, and directed modifications be made to the draft ordinance; and

WHEREAS, at its regular meeting held on November 22, 2011, the Reasonable Accommodation Ordinance was passed to a second reading and was finally adopted by the City Council on December 8, 2011.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Capitola hereby finds, as follows:

1. The City of Capitola intends to carry out this amendment to its Local Coastal Program in a manner fully consistent with the California Coastal Act.
2. This Local Coastal Program Amendment is consistent with the Local Coastal Land Use Plan and the Coastal Act.
3. The Local Coastal Program Amendment contained in Ordinance No. _____, Ordinance Adding Chapter 17.70 to the Capitola Municipal Code providing a Procedure for Reasonable Accommodation in the City's Land Use and Zoning and Building Regulations, to require Consistency with the Local Coastal Program and Coastal Act, are hereby found to be in full conformance with the City of Capitola General Plan, the City of Capitola Local Coastal Program, and the provisions of the California Coastal Act and will secure the purposes of the Zoning Ordinance, the General Plan, and the Local Coastal Program, and is hereby authorized for submittal to the California Coastal Commission for certification.
4. This LCP Amendment will take effect automatically upon Coastal Commission approval; however, if the Coastal Commission modifies the amendment, modifications will require formal action by the City of Capitola.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 8th day of December, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk



Item #: **3.H.**

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: DEPARTMENT OF PUBLIC WORKS
DATE: DECEMBER 2, 2011
SUBJECT: DECLARATION OF SURPLUS PROPERTY

Recommended Action: By motion and a roll call vote, declare three pieces of property currently stored at the Corporation Yard as surplus property and direct the Public Works Department to sell or dispose of the property.

BACKGROUND

Over the years various pieces of equipment have been replaced and are no longer used by City personnel, or have been stored for other reasons at the Corporation Yard. In order to sell or dispose of this property, City Council authorization is required.

DISCUSSION

The equipment recommended for surplus this year includes the following:

1. 2000 Johnson Street Sweeper: This is the City's old street sweeper which is poor condition. This sweeper is powered by a diesel engine and in order to use it under current air quality regulations it will require \$10,000 in retrofits which exceed the value of the machine. Local contractor Earthworks has expressed interest in acquiring this sweeper with plans to rehabilitate it and use it on construction jobs. In exchange for the sweeper Earthworks has agreed to provide periodic equipment to the City on an as needed basis. (Estimated value \$0)
2. 2001 Mower trailer: Small trailer used to move equipment. Was replaced in 2007 and is no longer in use. (Estimated value \$1,500)
3. 2001 Toro riding mower: Parks mower which was replaced in 2007 and is no longer in use. (Estimated value \$1,500)

Public Works plans to advertise and accept bids for this equipment and other surplus equipment in a local paper.

FISCAL IMPACT

The surplus of this property could generate approximately \$3,000 in revenue. It is recommended that this funding be placed in the Equipment Replacement fund to go toward future equipment purchases.

ATTACHMENTS - None

Report Prepared By: Steven Jesberg
Public Works Director

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



Item #: 3.I.

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: CITY MANAGER'S DEPARTMENT

DATE: DECEMBER 2, 2011

SUBJECT: APPROVE CONTRACT WITH BOB MURRAY AND ASSOCIATES FOR CHIEF OF POLICE RECRUITMENT AND AUTHORIZE BUDGET AMENDMENT

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

- 1) Adopt proposed Resolution Amending the FY2011-12 General Fund Budget by transferring \$19,500 from Police Department Salary & Benefits Account to the Police Department Contract Services Account to fund the Executive Recruiter Contract; and
- 2) Authorize the City Manager to execute a contract with Bob Murray and Associates in an amount not to exceed \$19,500 for the recruitment of a Chief of Police.

BACKGROUND

Recently Chief of Police Mike Card announced his retirement from the City of Capitola. Chief Card will be leaving the City at the end of March 2012. In order to complete a thorough and transparent recruitment process, staff issued a Request for Proposals to professional recruiting firms. Five proposals were received.

Staff is recommending the City enter into a contract with Bob Murray and Associates, based on:

1. Experience: Murray and Associates has completed more than 150 public recruitments for police chiefs, and 23 in the past 3 years.
2. Previous experience with the City: Murray and Associates managed the City's recruitment of Chief Ehle.
3. Cost: Murray and Associates costs were similar to other proposals the City received.
4. Transparent public process: Murray and Associates has a history of conducting open recruitments that focus on community involvement throughout the process.

DISCUSSION

A police chief is one of the most critical positions in a local government organization. Therefore it is imperative that the recruitment for a police chief be conducted through a transparent and thorough process. In order to ensure that process, staff is recommending a contract with Bob Murray & Associates.

This contract does not include funding for extensive outreach and recruiting. Based on local interest in the position, staff suggests that extensive efforts to seek applicants from outside the region may not be necessary. In addition, staff will directly place advertisements in relevant publications to reduce overall costs.

The contract does include a comprehensive analysis of the community and the organization to determine the desired traits and characteristics that will be needed from the next Chief. This will include working with staff, City Council, and the Police Department to learn about the organization. A forum will be developed for community involvement to further complete an assessment of the ideal candidate.

Next, a public recruitment will be conducted and an initial screening of candidates based on the established criteria and testing will be completed. Candidates who are successful in the initial screening will be interviewed by the Murray and Associates for further analysis, than a limited number of those candidates will be recommended for the interview process. The interviews will consist of multiple panels composed of business leaders, community members, staff, and council members.

Based on the interviews, community input, and an exhaustive background check the final candidate will be selected by the City Manager. It is anticipated that this process will take up to 90 days to complete and a new Chief in place by the beginning of April 2012.

FISCAL IMPACT

The cost for the recruitment will be \$15,500 plus expenses up to \$4,000. The cost will be paid for from the salary savings that has occurred in the Police Department due to the lapse of time between the vacancy and the hiring of new police officers.

ATTACHMENT

1. Draft Budget Resolution
2. Contract

Report Prepared By: Lisa Murphy, Administrative Services Director

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

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE FY2011-2012 GENERAL FUND BUDGET BY TRANSFERRING \$19,500
FROM THE POLICE DEPARTMENT SALARY & BENEFITS ACCOUNT TO THE
POLICE DEPARTMENT CONTRACT SERVICES ACCOUNT TO FUND THE
EXECUTIVE RECRUITER CONTRACT TO FILL THE CHIEF OF POLICE POSITION**

WHEREAS, the Chief of Police has announced his retirement to become effective April 1, 2012; and

WHEREAS, the City has determined that utilizing a professional recruiting firm to conduct a comprehensive analysis of the community and the organization to determine the desired traits and characteristics that will be needed from the next Chief is in the best interest of the community; and

WHEREAS, the Consultant will assist the City staff to conduct the recruiting and initial screening process and recommend candidates for the interview process; and

WHEREAS, the Consultant will also assist the City in developing a thorough interview and selection process, which will include city staff, police department staff, council members, and members of the community.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the FY2011-2012 General Fund Budget shall be amended to transfer \$19,500 from the Police Department Salary & Benefits Account to the Police Department Contract Services Account for the Executive Recruiter contract.

BE IT FURTHER RESOLVED that the Finance Director is directed to record these changes into the City's accounting records in accordance with appropriate accounting practices.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 8th day of December, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dennis R. Norton, Mayor

ATTEST:

_____, MMC
Pamela Greeninger, City Clerk

**CITY OF CAPITOLA
PROFESSIONAL SERVICES AGREEMENT
FOR THE RECRUITMENT OF A POLICE CHIEF
WITH BOB MURRAY AND ASSOCIATES**

THIS AGREEMENT is entered into on _____, 2011, by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and Bob Murray and Associates, hereinafter called "Consultant".

WHEREAS, City desires certain services described in Appendix One and Consultant is capable of providing and desires to provide these services;

NOW, THEREFORE, City and Consultant for the consideration and upon the terms and conditions hereinafter specified agree as follows:

**SECTION 1
Scope of Services**

The services to be performed under this Agreement are for the recruitment for a Police Chief and further detailed in Appendix One.

**SECTION 2
Duties of Consultant**

All work performed by Consultant, or under its direction, shall be sufficient to satisfy the City's objectives for entering into this Agreement and shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession.

Consultant shall not undertake any work beyond the scope of work set forth in Appendix One unless such additional work is approved in advance and in writing by City. The cost of such additional work shall be reimbursed to Consultant by City on the same basis as provided for in Section 4.

If, in the prosecution of the work, it is necessary to conduct field operations, security and safety of the job site will be the Consultant's responsibility excluding, nevertheless, the security and safety of any facility of City within the job site which is not under the Consultant's control.

Consultant shall meet with Director of Lisa Murphy, called "Director," or other City personnel, or third parties as necessary, on all matters connected with carrying out of Consultant's services described in Appendix One. Such meetings shall be held at the request of either party hereto. Review and City approval of completed work shall be obtained monthly, or at such intervals as may be mutually agreed upon, during the course of this work.

**SECTION 3
Duties of the City**

City shall make available to Consultant all data and information in the City's possession which City deems necessary to the preparation and execution of the work, and City shall actively aid and assist Consultant in obtaining such information from other agencies and individuals as necessary.

The Director may authorize a staff person to serve as his or her representative for conferring with Consultant relative to Consultant's services. The work in progress hereunder shall be reviewed from time

to time by City at the discretion of City or upon the request of Consultant. If the work is satisfactory, it will be approved. If the work is not satisfactory, City will inform Consultant of the changes or revisions necessary to secure approval.

SECTION 4 Fees and Payment

Payment for the Consultant's services shall be made upon a schedule and within the limit, or limits shown, upon Appendix Two. Such payment shall be considered the full compensation for all personnel, materials, supplies, and equipment used by Consultant in carrying out the work. If Consultant is compensated on an hourly basis, Consultant shall track the number of hours Consultant, and each of Consultant's employees, has worked under this Agreement during each fiscal year (July 1 through June 30) and Consultant shall immediately notify City when the number of hours worked during any fiscal year by any of Consultant's employees reaches 900 hours. In addition each invoice submitted by Consultant to City shall specify the number of hours to date Consultant, and each of Consultant's employees, has worked under this Agreement during the current fiscal year.

SECTION 5 Changes in Work

City may order major changes in scope or character of the work, either decreasing or increasing the scope of Consultant's services. No changes in the Scope of Work as described in Appendix One shall be made without the City's written approval. Any change requiring compensation in excess of the sum specified in Appendix Two shall be approved in advance in writing by the City.

SECTION 6 Time of Beginning and Schedule for Completion

This Agreement will become effective when signed by both parties and will terminate on the earlier of:

- The date Consultant completes the services required by this Agreement, as agreed by the City; or
- The date either party terminates the Agreement as provided below.

Work shall begin on or about December 12, 2011.

In the event that major changes are ordered or Consultant is delayed in performance of its services by circumstances beyond its control, the City will grant Consultant a reasonable adjustment in the schedule for completion provided that to do so would not frustrate the City's objective for entering into this Agreement. Consultant must submit all claims for adjustments to City within thirty calendar days of the time of occurrence of circumstances necessitating the adjustment.

SECTION 7 Termination

City shall have the right to terminate this Agreement at any time upon giving ten days written notice to Consultant. Consultant may terminate this Agreement upon written notice to City should the City fail to fulfill its duties as set forth in this Agreement. In the event of termination, City shall pay the Consultant for all services performed and accepted under this Agreement up to the date of termination.

SECTION 8
Insurance

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial Liability coverage (Occurrence Form CG 0001).
2. Insurance Services office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California.
4. Errors and Omissions Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage shall include contractual liability.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- | | |
|--|--|
| 1. General Liability:
(including operations,
products and completed
operations) | \$1,000,000 per occurrence and \$2,000,000 in
aggregate (including operations, for bodily injury,
personal and property damage. |
| 2. Automobile Liability: | \$1,000,000 per accident for bodily injury and
property damage. |
| 3. Errors and Omissions
Liability:
Limits | \$1,000,000 per claim and in the aggregate. |

Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City of Capitola, its officers, officials, employees and volunteers are to be covered as additional insured's as respects: liability arising out of work or operations performed by or on behalf of the Consultant or automobiles owned, leased, hired or borrowed by the Consultant.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, returned receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

SECTION 9 Indemnification

Consultant agrees to indemnify, defend, and hold harmless the City, its officers, agents and employees, from and against any and all claims, demands, actions, damages, or judgments, including associated costs of investigation and defense arising in any manner from consultant's negligence, recklessness, or willful misconduct in the performance of this agreement.

SECTION 10 Civil Rights Compliance/Equal Opportunity Assurance

Every supplier of materials and services and all consultants doing business with the City of Capitola shall be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990, and shall be an equal opportunity employer as defined by Title VII of the Civil Rights Act of 1964 and including the California Fair Employment and Housing Act of 1980. As such, consultant shall not discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, age or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. Consultant agrees to abide by all of the foregoing statutes and regulations.

SECTION 11 Legal Action/Attorneys' Fees

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he or she may be entitled. The laws of the State of California shall govern all matters relating to the validity, interpretation, and effect of this Agreement and any authorized or alleged changes, the performance of any of its terms, as well as the rights and obligations of Consultant and the City.

SECTION 12 Assignment

This Agreement shall not be assigned without first obtaining the express written consent of the Director after approval of the City Council.

SECTION 13 Amendments

This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this particular Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the City and Consultant. Consultant acknowledges that no such amendment shall be effective until approved and authorized by the City Council, or an officer of the City when the City Council may from time to time empower an officer of the City to approve and authorize such amendments. No representative of the City is authorized to obligate the City to pay the cost or value of services beyond the scope of services set forth in Appendix Two. Such authority is retained solely by the City Council. Unless expressly authorized by the City Council, Consultant's compensation shall be limited to that set forth in Appendix Two.

SECTION 14 Miscellaneous Provisions

1. *Project Manager.* Director reserves the right to approve the project manager assigned by Consultant to said work. No change in assignment may occur without prior written approval of the City.
2. *Consultant Service.* Consultant is employed to render professional services only and any payments made to Consultant are compensation solely for such professional services.
3. *Licensure.* Consultant warrants that he or she has complied with any and all applicable governmental licensing requirements.
4. *Other Agreements.* This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter, and no other agreement, statement or promise related to the subject matter of this Agreement which is not contained in this Agreement shall be valid or binding.
5. *City Property.* Upon payment for the work performed, or portion thereof, all drawings, specifications, records, or other documents generated by Consultant pursuant to this Agreement are, and shall remain, the property of the City whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information and reference in connection with the City's use and/or occupancy of the project. The drawings, specifications, records, documents, and Consultant's other work product shall not be used by the Consultant on other projects, except by agreement in writing and with appropriate compensation to the City.

6. *Consultant's Records.* Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred for this project. Such records and documentation shall be kept available at Consultant's office during the period of this Agreement, and after the term of this Agreement for a period of three years from the date of the final City payment for Consultant's services.

7. *Independent Contractor.* In the performance of its work, it is expressly understood that Consultant, including Consultant's agents, servants, employees, and subcontractors, is an independent contractor solely responsible for its acts and omissions, and Consultant shall not be considered an employee of the City for any purpose.

8. *Conflicts of Interest.* Consultant stipulates that corporately or individually, its firm, its employees and subcontractors have no financial interest in either the success or failure of any project which is, or may be, dependent on the results of the Consultant's work product prepared pursuant to this Agreement.

9. *Notices.* All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given and fully received when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed to the respective parties as follows:

CITY
CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010
831-475-7300

CONSULTANT
Bob Murray & Associates
1677 Eureka Rd., Suite 202
Roseville Ca 95661

By: _____
Benjamin Goldstein, City Manager

By: _____

Dated: _____

Dated: _____

Approved as to Form:

John G. Barisone, City Counsel

APPENDIX ONE
Scope of Services

Attached

APPENDIX TWO Fees and Payments

For the services preformed, City will pay consultant on a time-charge plus expense basis, monthly as charges accrue, the sum of consultant's salary expenses and non-salary expenses.

Salary expenses include the actual direct pay of personnel assigned to the project (except for routine secretarial and account services) plus payroll taxes, insurance, sick leave, holidays, vacation, and other fringe benefits. The percentage of compensation attributable to salary expenses includes all of Consultant's indirect overhead costs and fees. For purposes of this Agreement, Consultant's salary expenses and non-salary expenses will be compensated at the rates set forth in the fee schedule attached to this appendix and in accordance with the terms set forth therein. Non-salary expenses include travel, meals and lodging while traveling, materials other than normal office supplies, reproduction and printing costs, equipment rental, computer services, service of subconsultants or subcontractors, and other identifiable job expenses. The use of Consultant's vehicles for travel shall be paid at the current Internal Revenue Service published mileage rate.

Salary payment for personnel time will be made at the rates set forth in the attached fee schedule for all time charged to the project. Normal payroll rates are for 40 hours per week. Consultant shall not charge the City for personnel overtime salary at rates higher than those set forth in the attached fee schedule without the City's prior written authorization.

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$19,500 (Nineteen Thousand & Five Hundred Dollars and Zero Cents), without specific, written advance authorization from the City.

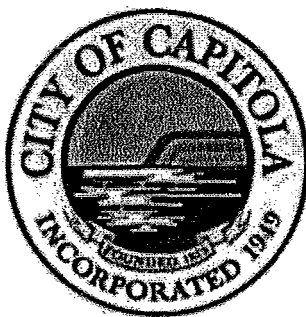
Payments shall be made monthly by the City, based on itemized invoices from the Consultant which list actual costs and expenses. Such payments shall be for the invoice amount. The monthly statements shall contain the following affidavit signed by a principal of the Consultant's firm:

"I hereby certify as principal of the firm of Bob Murray & Associates, that the charge of \$19,500 as summarized above and shown in detail on the attachments is fair and reasonable, is in accordance with the terms of the Agreement dated _____, __, and has not been previously paid."

APPENDIX ONE
Scope of Services



A PROPOSAL TO CONDUCT AN EXECUTIVE
RECRUITMENT FOR A
Police Chief
ON BEHALF OF THE
City of Capitola



1677 Eureka Road, Suite 202
Roseville, CA 95661
(916) 784-9080
(916) 784-1985 fax
apply@bobmurrayassoc.com

November 29, 2011

Mr. Jamie Goldstein, City Manager
City of Capitola
420 Capitola Avenue
Capitola, CA 95010

By email to: Lisa Murphy, Administrative Services Director, lmurphy@ci.capitola.ca.us

Dear Mr. Goldstein:

Thank you for inviting Bob Murray & Associates to submit a proposal to conduct the Police Chief recruitment for the City of Capitola. The following proposal details our qualifications and describes our process of identifying, recruiting and screening outstanding candidates on your behalf. It also includes a proposed budget, timeline, and sample recruitment brochure.

At Bob Murray & Associates, we pride ourselves on providing quality service to local governments. We have created a recruitment process that combines our ability to help you to determine the direction of the search and the types of candidates you seek with our experience recruiting outstanding candidates who are not necessarily looking for a job. Our proven expertise ensures that the candidates we present for your consideration will match the criteria you have established and will be outstanding in their field.

With respect to the Police Chief recruitment, Bob Murray & Associates offers the following expertise:

- ▶ With a national network of contacts and unparalleled experience conducting successful Police Chief recruitments, Bob Murray & Associates is the West's premier executive search firm. With over 25 years of experience, we have placed over 800 local government and special district executives and have conducted over 150 Police Chief searches. We have conducted recruitments for cities with populations as small as 2,000 and as large as 3 million. We are currently conducting Police Chief recruitments on behalf of the cities of Corona, CA and Walla Walla, WA, as well as on behalf of California State University, Sacramento; we recently completed the Police Chief recruitment on behalf of the City of San Bernardino, CA; the Director of Public Safety recruitment for Sunnyvale, CA; and a Police Lieutenant recruitment on behalf of the University of California, Merced. In the last three years we have conducted Police Chief recruitments for the California cities of Burbank, Concord, El Cerrito, Folsom, Fullerton, Livingston, Los Banos, Manhattan Beach, Maywood, Menlo Park, Montebello, Morgan Hill, Palm Springs, Pismo Beach, Redlands, Roseville, San Bernardino, Sausalito, Signal Hill, Palo Alto, Pasadena, Salinas, San Francisco, and South Gate. Other recent California clients include Bay Area Rapid Transit, Orange County, and San Jose State University; for a complete list of our Police Chief placements, please see the attached "Client List Since 2000."

- Bob Murray & Associates is familiar with the City of Capitola, having placed your previous Police Chief Richard Ehle. We have also conducted a number of executive searches for other coastal communities including Carlsbad, Carmel-by-the-Sea, Half Moon Bay, Huntington Beach, Monterey, Oceanside, Pismo Beach, and Santa Cruz. Our knowledge of outstanding candidates, our extensive network of contacts throughout California and the West, and our understanding of the unique character of coastal communities will ensure that the City of Capitola has an outstanding group of finalists from which to select the new Police Chief.
- We understand that the manner in which a Police Chief search is conducted is often of great importance. In the past, we have assisted our clients in designing a process that provides a forum for the participation of members of the City Council; Police Department (POA, mid-management and senior management); department heads, and interested citizens in developing the profile of the ideal candidate. We have also advised our clients and designed interview strategies to include these groups while ensuring that the City Manager is able to make the final selection.

A significant portion of our process focuses on conducting thorough and confidential background investigations of the top 2-3 candidates to ensure that nothing about them is left undiscovered. We have candid discussions with references who have insight into the candidate's experience, style and ethics; conduct a search of newspaper articles; and run credit, criminal and civil records reports. This ensures that the chosen candidate will not only be an excellent fit with the City of Capitola, but also that the selected candidate will reflect positively upon your organization.

To learn first-hand of the quality of our service and our recruitment successes, we invite you to contact the references listed on page 9 of the attached proposal.

We look forward to your favorable consideration of our qualifications. Please do not hesitate to contact us at (916) 784-9080 should you have any questions.

Sincerely,



Bob Murray
President
Bob Murray & Associates

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THE RECRUITMENT PROCESS

Bob Murray & Associates' unique and client oriented approach to executive search will ensure that the City of Capitola has quality candidates from which to select the new Police Chief. Outlined below are the key steps in our recruitment process.

STEP 1 DEVELOPING THE CANDIDATE PROFILE

Our understanding of the City of Capitola's needs will be key to a successful search. We will work with the City Manager, the City Council, members of the Police Department, and City department heads, as appropriate, to learn as much as possible about the organization's expectations for a new Police Chief. We will develop with the City a forum for community involvement; in the past, we have used tools such as open houses, community meetings, and surveys to solicit input from interested citizens. We want to learn the values and culture of the organization, as well as understand the current issues, challenges and opportunities that face the City of Capitola. We also want to know the City Manager's expectations regarding the knowledge, skills and abilities sought in the ideal candidate and will work with the City to identify expectations regarding education and experience. Additionally, we want to discuss expectations regarding compensation and other items necessary to complete the successful appointment of the ideal candidate. The profile we develop together at this stage will drive subsequent recruitment efforts.

STEP 2 ADVERTISING CAMPAIGN AND RECRUITMENT BROCHURE

After gaining an understanding of the City of Capitola's needs, we will serve as a resource for City staff in the development of an appropriate advertising campaign for the Police Chief recruitment. We will also assist City staff, if desired, in the development of a recruitment brochure that will discuss the community, organization, position and compensation in detail.

STEP 3 RECRUITING CANDIDATES

We will assist City staff as necessary in the identification and recruitment of candidates; we will cross-reference the City's needs with our extensive network of candidates and contacts in order to identify potential candidates, as desired.

STEP 4 SCREENING CANDIDATES

Following the closing date for the recruitment, we will screen the resumes we have received. We will use the criteria established in our initial meetings as a basis upon which to narrow the field of candidates.

STEP 5 PERSONAL INTERVIEWS

We will conduct personal interviews with the top 10 to 12 candidates with the goal of determining which candidates have the greatest potential to succeed in your organization. During the interviews we will explore each candidate's background and experience as it relates to the Police Chief position. In addition, we will discuss the candidate's motivation for applying for the position and make an assessment of his/her knowledge, skills and abilities. We will devote specific attention to establishing the likelihood of the candidate's acceptance of the position if an offer of employment is made.

STEP 6 PUBLIC RECORD SEARCH

Following the interviews, we will conduct a review of published articles for each candidate. Various sources will be consulted including Lexis-Nexis™, a newspaper/magazine search engine, Google, and local papers for the communities in which the candidates have worked. This alerts us to any further detailed inquiries we may need to make at this time.

STEP 7 RECOMMENDATION

Based on the information gathered through meetings with your organization and personal interviews with candidates, we will recommend a limited number of candidates for your further consideration. We will prepare a detailed written report on each candidate that focuses on the results of our interviews and public record searches. We will make specific recommendations, but the final determination of those to be considered will be up to you.

STEP 8 FINAL INTERVIEWS

Our years of experience will be invaluable as we help you develop an interview process that objectively assesses the qualifications of each candidate. We will adopt an approach that fits your needs, whether it is a traditional interview panel or multiple-panel interview process. We can design an interview process to include the City Council, City staff, citizens, and community stakeholders in the process, as desired by the City Manager, while ensuring that the final selection remains with the City Manager. We will provide you with suggested interview questions and rating forms and will be present at the interview center to facilitate the process. Our expertise lies in facilitating the discussion that can bring about a consensus regarding the final candidates.

We will work closely with your staff to coordinate and schedule interviews and candidate travel. Our goal is to ensure that each candidate has a very positive experience, as the manner in which the entire process is conducted will have an effect on the candidates' perception of your organization.

STEP 9 BACKGROUND CHECKS /DETAILED REFERENCE CHECKS

Based on final interviews we will conduct credit, criminal, civil litigation and motor vehicle record checks for the top one to three candidates. In addition, those candidates will be the subjects of detailed, confidential reference checks. In order to gain an accurate and honest appraisal of the candidates' strengths and weaknesses, we will talk candidly with people who have direct knowledge of their work and management style. We will ask candidates to forward the names of their supervisors, subordinates and peers for the past several years. Additionally, we make a point of speaking confidentially to individuals who we know have insight into a candidate's abilities, but who may not be on their preferred list of contacts. At this stage in the recruitment we will also verify candidates' degrees.

STEP 10 NEGOTIATIONS

We recognize the critical importance of successful negotiations and can serve as your representative during this process. We know what other organizations have done to put deals together with great candidates and will be available to advise you regarding current approaches to difficult issues such as housing and relocation. We will represent your interests and advise you regarding salary, benefits and employment agreements with the goal of putting together a deal that results in the appointment of your chosen candidate. Most often we can turn a very difficult aspect of the recruitment into one that is viewed positively by both you and the candidate.

STEP 11 COMPLETE ADMINISTRATIVE ASSISTANCE

Throughout the recruitment we will provide the City Manager and others as appropriate with updates on the status of the search. We will also take care of all administrative details on your behalf. Candidates will receive personal letters advising them of their status at each critical point in the recruitment. In addition, we will respond to inquiries about the status of their candidacy within twenty-four hours. Every administrative detail will receive our attention. Often, candidates judge our clients based on how well these details are handled.

BUDGET AND TIMING

PROFESSIONAL FEE AND EXPENSES

The consulting fee for conducting the Police Chief recruitment on behalf of the City of Capitola is \$15,500 plus expenses. Services provided for the fee consist of all steps outlined in this proposal including three (3) days of meetings on site. The City of Capitola will be responsible for reimbursing expenses Bob Murray & Associates incurs on your behalf. We estimate expenses for this project to be \$5,500; this estimate assumes that brochure printing and distribution are handled by the City. Reimbursable expenses include such items as the cost of travel, clerical support, placement of ads, credit, criminal and civil checks, and education verification, as well as newspaper searches. In addition, postage, printing, photocopying, and telephone charges will be allocated. Should the City wish to assume responsibility for the placement of ads, expenses would be reduced to \$4,000.

TIMING

We are prepared to start work on this assignment immediately and anticipate that we will be prepared to make our recommendation regarding finalists within seventy five to ninety days from the start of the search.

PROFESSIONAL QUALIFICATIONS

BOB MURRAY, PRESIDENT

Mr. Murray brings over 25 years experience as a recruiter. Mr. Murray is recognized as one of the nation's leading recruiters. He has conducted hundreds of searches for cities, counties, and special districts. He has been called on to conduct searches for some of the largest most complex organizations in the country and some of the smallest. Mr. Murray has conducted searches for chief executives, department heads, professional and technical positions. Mr. Murray has taken the lead on the firm's most difficult assignments with great success. His clients have retained him again and again given the quality of his work and success in finding candidates for difficult to fill positions.

Prior to creating Bob Murray & Associates, Mr. Murray directed the search practice for the largest search practice serving local government in the country. Mr. Murray has worked in local government and benefits from the knowledge of having led an organization. Prior to his career in executive search he served as the City Manager for the City of Olympia, Washington. He has also served as an Assistant City Manager and held positions in law enforcement.

Mr. Murray received his bachelor's degree in Criminology from the University of California at Berkeley with graduate studies in Public Administration at California State University at Hayward.

REGAN WILLIAMS, VICE PRESIDENT

Mr. Williams brings 30 years of local government experience to Bob Murray & Associates. Most recently, he worked as a private consultant with Deloitte and Touche on various public sector assignments. Prior to that, he served as Director of Public Safety with the City of Sunnyvale, CA.

Mr. Williams was involved in the development of some of Sunnyvale's most innovative programs and has a national reputation for excellence in law enforcement. He has been responsible for numerous recruitments throughout his career. Clients find his insight and expertise in recruitment and selection a valuable asset.

Mr. Williams received his bachelor's degree in Administration of Justice from San Jose State University. He is also a graduate of the FBI National Academy.

WESLEY HERMAN, VICE PRESIDENT

Mr. Herman brings over 10 years of management and recruitment experience to Bob Murray & Associates. Most recently, he worked as a Regional Manager for an investment firm directing the recruitment, development and management of a team of associates located throughout the West Coast. Mr. Herman served as the lead contributor to conduct all candidate interviews, engage in negotiations and make recommendations to the firm's principals regarding associate employment for his division. In addition, Mr. Herman has acted in various public sector capacities including as a law enforcement officer and as a legislative advocate for a state industry association.

Mr. Herman's local government and private industry experience have afforded him a unique insight into the specialized needs of each selection process and the ability to identify the ideal group of candidates for an open position. Bob Murray & Associates values his strength in communicating and identifying quality candidates.

Mr. Herman received his Bachelor of Science degree in Economics and Business Administration from Saint Mary's College of California. He has had further studies in both Public Administration and the Administration of Justice.

S. RENEE NARLOCH, VICE PRESIDENT

S. Renee Narloch is the Director of our East Coast Office located in Tallahassee, Florida. Ms. Narloch has extensive experience in public sector recruitments nationwide. She was formerly employed by a large, national search firm as a Senior Recruiter with sole responsibility for the firm's executive search practice in the Southeastern, Mid-Atlantic and Mid-Western states.

Ms. Narloch has 15 years of experience in Executive Recruitment and has been involved in over 400 national searches. Prior to her recruitment career, she was a Senior Consultant for a national search firm's cost plan and revenue enhancement divisions, serving public sector clients nationwide. She also worked for three Fortune 500 companies in their sales, marketing and financial accounting divisions. Ms. Narloch is responsible for all facets of recruitment including serving as lead consultant with project management responsibilities, recruiting candidates, conducting preliminary interviews and detailed reference inquires, and assisting clients in final interviews and negotiations. As Director of the East Coast Office, Ms. Narloch provides expertise in public sector recruitment, enabling us to better serve clients nationwide.

Ms. Narloch received her Bachelor of Arts degree in Information Studies, summa cum laude, at the Florida State University, Tallahassee, Florida.

AMANDA URRUTIA-SANDERS, PRINCIPAL CONSULTANT

As a Principal Consultant with Bob Murray & Associates, Ms. Urrutia-Sanders is responsible for research, candidate recruitment and screening, as well as reference checks and background verifications. She focuses on client communication and works closely with clients to coordinate candidate outreach and ensure a successful search.

Ms. Urrutia-Sanders brings several years of industry experience as she worked for one of the nation's largest recruitment firms. Her insight into the recruitment process is a valuable asset to Bob Murray & Associates.

Ms. Urrutia-Sanders received her Bachelor of Arts degree in Communications from the University of Wyoming.

SARAH KENNEY, SENIOR CONSULTANT

As a Senior Consultant with Bob Murray & Associates, Ms. Kenney is responsible for candidate recruitment and screening, research, reference checks, and background verifications. Her focus is client service, and she works closely with clients to coordinate candidate outreach and ensure successful searches.

Ms. Kenney brings over a decade of customer service and management experience to Bob Murray & Associates. She has been on both sides of the hiring process and uses her experience to ensure all parties involved are satisfied with every step of recruitment at our firm.

Ms. Kenney received her Bachelor of Arts degree in Psychology from the University of California at Davis.

ROSA GOMEZ, ADMINISTRATIVE MANAGER

Ms. Rosa Gomez is the Administrative Manager at Bob Murray & Associates. Ms. Gomez is the first point of contact at Bob Murray & Associates and has extensive administrative experience.

Ms. Gomez is known for her personal approach as she works closely with clients and candidates alike to ensure a successful search. As the first point of contact for Bob Murray & Associates Ms. Gomez's professional approach is of the highest caliber.

REFERENCES

Clients and candidates are the best testament to our ability to conduct quality searches. Clients for whom Bob Murray & Associates has recently conducted searches are listed below.

CLIENT: City of Sunnyvale, CA
POSITION: Director of Public Safety
REFERENCE: Mr. John Howe, Councilmember, (480) 730-7473

CLIENT: City of Morgan Hill, CA
POSITION: Police Chief
REFERENCE: Mr. Edward Tewes, City Manager, (408) 779-7271; or Mayor Steve Tate, (408) 779-7259

CLIENT: City of Salinas, CA
POSITION: Police Chief
REFERENCE: Mr. Dennis Donohue, Mayor, and Ms. Janet Barnes, Councilmember, (831) 758-7201 or Mr. David Mora, former City Manager for the City of Salinas, (831) 758-5155 or (831) 758-7412

CLIENT: City of Monterey, CA
POSITION: Police Chief
REFERENCE: Mr. Fred Muerer, City Manager, (831) 646-3760



Item #: 4.A.

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: DECEMBER 2, 2011

SUBJECT: PUBLIC HEARING ON PROJECT APPLICATION #11-114, 426 CAPITOLA AVENUE, APN 035-141-33, TO CONSIDER AN APPLICATION REGARDING A COASTAL DEVELOPMENT PERMIT, RELOCATION IMPACT REPORT (RIR), AND RELOCATION PLAN FOR THE CLOSURE OF PACIFIC COVE MOBILE HOME PARK.
ENVIRONMENTAL DETERMINATION: CATEGORICAL EXEMPTION.
PROPERTY OWNER: CITY OF CAPITOLA, OWNER/FILED 10/27/11.

Recommended Action: By motion and voice vote, schedule a Special Meeting of the City Council on Thursday, December 15, 2011, at 7:00 p.m. to conduct the Public Hearing on Project Application #11-114, to consider an application regarding a Coastal Development Permit, Relocation Impact Report, and Relocation Plan for the Closure of Pacific Cove Mobile Home Park located at 426 Capitola Avenue, APN 035-141-33.

DISCUSSION

Due to noticing requirements, the Public Hearing on the Pacific Cove Mobile Home Park Closure will not be heard as scheduled on December 8, 2011. Staff recommends setting a special meeting on Thursday, December 15, 2011, at 7:00 p.m. to hear the item.

Report Prepared By: Ryan Bane
Senior Planner

**Reviewed and Forwarded
By City Manager _____**



Item #: 4.B.

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

DATE: DECEMBER 2, 2011

SUBJECT: PUBLIC HEARING TO CONSIDER THE 41ST AVENUE/CAPITOLA MALL
RE-VISIONING PLAN

Recommended Action: That the City Council conduct a Public Hearing to review and consider acceptance of the 41st Avenue/Capitola Mall Re-Visioning Plan dated October 26, 2011, prepared by The Planning Center|DC&E. By motion, that the City Council accept the plan with the proposed modification to the language on page 33 suggested by staff in the Agenda Report, for consideration of inclusion in the General Plan Update.

BACKGROUND

In November 2010, the City Council entered into a General Plan Update consultation contract with The Planning Center|DC&E (formerly Design Community & Environment). As a part of the larger General Plan Update, the consultant worked with City staff to prepare special area studies for the Bay Avenue area, the Capitola Village and the 41st Avenue/Capitola Mall area. Funding for the 41st Avenue/Capitola Mall Re-Visioning Plan is provided through the City's General Plan Maintenance fund, a Community Development Block Grant (CDBG) grant and a grant from the Strategic Growth Council (Prop 84). Development of the Draft 41st Avenue/Capitola Mall Re-Visioning Plan has included community participation. Individual interviews and an initial stakeholders meeting were held with key 41st Avenue area property and business owners in January and February of 2011. The General Plan Advisory Committee (GPAC) then reviewed an early version of the plan at its meeting on June 22, 2011. A Community Workshop was held on Wednesday evening on July 20, with about 25 community members in attendance. A final draft that incorporated the ideas from the workshop was then reviewed by the GPAC on September 21, 2011 and the Planning Commission on November 3, 2011. Ultimately, the contents of the Re-Visioning Plan will serve as the basis for the General Plan's policies and actions regarding the 41st Area. The City's updated General Plan is scheduled for completion in 2013.

DISCUSSION

The Re-Visioning plan looks at existing conditions, outline potential goals that we would like to achieve for the area, provides a graphic illustration of the proposed long-term land use, urban design and circulation vision for the area, identifies a phasing plan for the development process and ends with a set of Policies and Actions for incorporation into the a draft General Plan.

The Policies and Actions found in Chapter VI are the heart of the Re-Visioning Plan. They fall into the three main categories of economics, land use and design, and circulation. The Policies are broad statements of what the City desires for the area. Once adopted in the General Plan, the policies will guide the City's decision-making on future investments and on how the City will respond to project development applications as they come forward. The Actions identify specific things that the City will do to help implement and encourage the Re-Visioning Plan.

At the Planning Commission meeting on November 3, 2011, Chuck Davis, representative from Macerich Corporation, identified several concerns about the report. Mr. Davis stated the projections for this area do not indicate any additional retail growth. He also stated that the language on page 33 which states, "However, it is also important to ensure that short term improvements do not conflict with the long-term vision for the corridor," creates a very challenging climate to make capital investment in the mall property. He requested the city consider less specific language.

Staff is in agreement that we do not want to have a general plan that is going to discourage property owners from making short-term improvements or changes to their property because it does not perfectly fit into some of the long-term, big picture goals established. We want a mall which is well maintained and has the opportunity to make some modifications. Staff would suggest that the language in the document be changed to say, "However, it is important to encourage short-term improvements which are in agreement with the long-term vision for the corridor."

Again, the 41st Avenue/Capitola Mall Re-Visioning Plan is not being adopted by the City Council, but the document is being accepted at this time. This means that as we go through the General Plan process we will refer to this document, but it will not necessarily be adopted as written.

FISCAL IMPACT

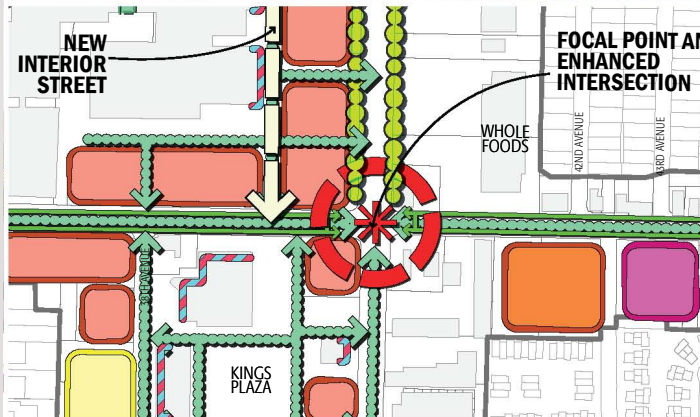
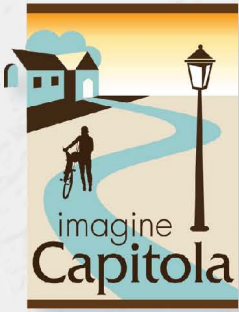
Unknown

ATTACHMENTS

1. 41st Avenue/Capitola Mall Re-Visioning Plan
2. Letter from Capitola Soquel Chamber of Commerce

Report Prepared By: Susan Westman, Interim
Community Development Manager

**Reviewed and Forwarded
By City Manager _____**



41ST AVENUE/CAPITOLA MALL RE-VISIONING PLAN

OCTOBER 26, 2011

Public Review Draft

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EXECUTIVE SUMMARY

The 41st Avenue corridor is a critical area in Capitola, serving as a regional retail center and an important source of sales tax revenue for the City. To help ensure the long-term economic success of the corridor, the City has prepared the 41st Avenue/Capitola Mall Re-Visioning Plan as part of the General Plan Update. This Re-Visioning Plan establishes a long-term vision for the corridor to guide future public and private investment in a way that is consistent with community values and the needs of property owners.

The Re-Visioning Plan envisions that change within the corridor will occur incrementally over the next 20 years. On the Capitola Mall property, the Plan envisions new development on existing surface parking to transform the mall into a more inviting destination for shoppers and residents. 38th Avenue south of Capitola Road is activated with new pedestrian-oriented residential and commercial uses. Capitola Road is enhanced with new sidewalk-oriented commercial uses west of 41st Avenue and a mixture of high-quality commercial, residential, and hotel uses east of 41st Avenue. Pedestrian and bicycle connections are enhanced within the Plan area, and connections to surrounding areas, particularly Capitola Village, are strengthened.

Overall, the Plan aims to update and modernize Capitola Mall and other properties in order to maintain the corridor as the region's primary retail destination. To achieve this, the corridor will need to become a destination with urban amenities such as quality restaurants, public gathering places, pedestrian amenities, and high quality architecture. As a more pedestrian-friendly destination, the corridor will support alternative forms of transportation and promote a more sustainable way-of-life within Capitola.

I. INTRODUCTION

A. *Re-Visioning Plan Purpose and Process*

The 41st Avenue corridor is a critical area for Capitola both physically and economically. The corridor is home to a variety of retail and service establishments that serve Capitola residents and the larger region. Businesses within the corridor contribute significant tax revenue to the City which fund valued City programs and services.

Within recent years, sales tax revenues within the corridor have declined significantly, creating concerns about the long-term viability of the area as a regional commercial center. These declines predated the 2007-2009 recession and were more severe than elsewhere in the county and state, suggesting systemic challenges with the corridor. To address these concerns, Capitola has prepared the Capitola Mall/41st Avenue Re-Visioning Plan as part of the City's comprehensive General Plan Update. This Re-Visioning Plan establishes a long-term vision for land use, urban design, and transportation in this important area. This Re-Visioning Plan will help guide future public and private investment along the corridor in a manner that reflects the community's values, respects the needs of property and business owners, and reflects the type of development that is economically feasible over the short-, medium-, and long-term.

Preparation of the Re-Visioning Plan has been an inclusive process with numerous opportunities for public participation. Key public meetings and workshops have included the following:

- ◆ City staff met with property owners, developers, brokers, and other stakeholders familiar with the Plan area on February 23, 2011 to receive input on key issues and opportunities within the corridor.
- ◆ The General Plan Advisory Committee (GPAC) met on June 22, 2011 to provide feedback to City staff and consultants on preliminary ideas relating to land use, urban design, and transportation alternatives within the Plan area.
- ◆ The City hosted a community workshop on Wednesday, July 20, 2011 to receive public input on land use, urban design, and circulation alternatives for the Plan area.

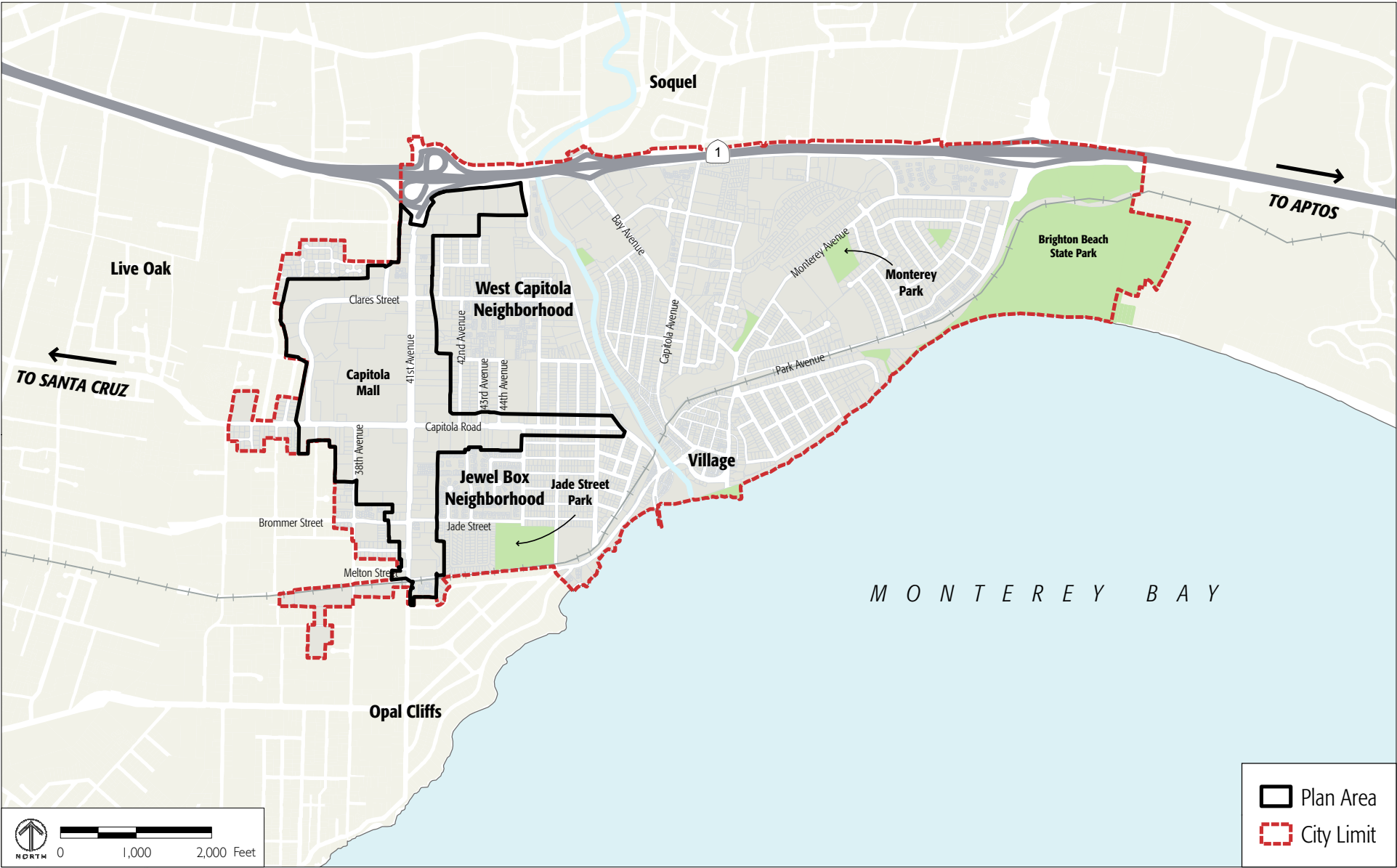
- ◆ The GPAC met again on September 21, 2011 to provide input on draft concept plan, phasing plan, and policies and actions for the Re-Visioning Plan.

In October and November the City of Capitola Planning Commission and City Council will review and provide feedback on the draft Re-Visioning Plan. Additional graphics illustrating urban design concepts for the Plan area will be prepared. Ultimately, the contents of the Re-Visioning Plan will be incorporated into the City's updated General Plan, scheduled for completion in 2013.

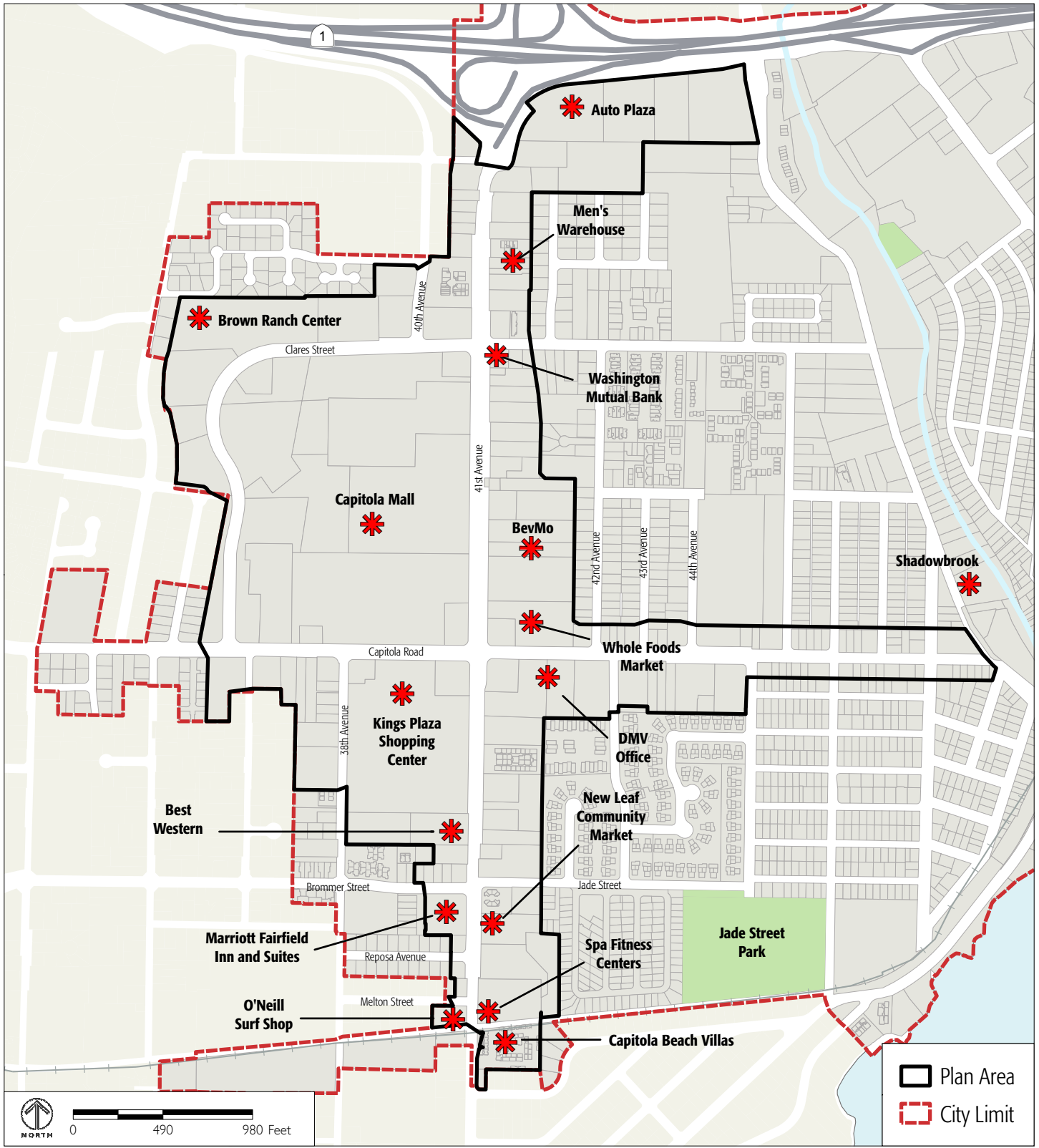
B. Re-Visioning Plan Location

As shown in Figure 1, the 41st Avenue/Capitola Mall Re-Visioning Plan area is located on the eastern side of Capitola along 41st Avenue from Highway 1 to the southern City limit. The Plan area is approximately 150 acres in size. To the east of the Plan area is Capitola Village and the Jewel Box and West Capitola residential neighborhoods. To the west are residential neighborhoods in unincorporated Santa Cruz County. To the north, across from Highway 1, are unincorporated county commercial areas, including the Home Depot and Safeway shopping center. To the south, commercial uses continue along 41st Avenue into the Opal Cliffs neighborhood of unincorporated Santa Cruz County.

Figure 2 shows greater detail of the Plan area boundary and some of the land uses within the area. At the heart of the Plan area is the enclosed Capitola Mall, which occupies nearly 50 acres fronting 41st Avenue, Capitola Road, and Clares Street. The Kings Plaza Shopping Center, directly south of Capitola Mall, is another major shopping center in the Plan area, occupying over 11 acres. Other destinations within the Plan area shown in Figure 2 include the Auto Plaza at the northern end of the corridor, the Whole Foods Market at 41st Avenue and Capitola Road, the New Leaf Community Market just south of Jade Street, and the Spa Fitness Center at the southern end of the Plan area.



Source: City of Capitola, 2011.



Source: City of Capitola, 2011.

FIGURE 2

RE-VISIONING PLAN AREA BOUNDARY

C. Report Overview

The Re-Visioning Plan is divided into the following chapters in addition to this Introduction:

- ◆ **Chapter 2: Existing Conditions** summarizes current physical and economic conditions within the Plan area that frame opportunities for improvement within the corridor.
- ◆ **Chapter 3: Re-Visioning Plan Goals** presents the fundamental principles guiding the Plan and the primary outcomes that the Plan is aiming to achieve.
- ◆ **Chapter 4: Concept Plan** graphically illustrates the long term land use, urban design, and circulation vision for the Plan area.
- ◆ **Chapter 5: Phasing Plan** identifies how the long-term vision for the corridor could be gradually implemented over time.
- ◆ **Chapter 6: Policies and Actions** establishes the regulatory framework that the City will use to achieve the goals of the Plan and the actions that the City will take to implement the Plan in the years to come.

II. EXISTING CONDITIONS

A key step in the preparation of the Re-Visioning Plan was an analysis of existing conditions within the Plan area. This chapter summarizes these conditions as described in the Baseline Analysis Report completed in June of 2011. Existing conditions relating to land use, urban design, circulation, and economics are described below.

A. Land Use

Approximately 92 percent (137 acres) of the Re-Visioning Plan area is occupied by commercial land uses. These commercial uses include over 92 acres of retail and personal services uses, many of which are located in the Capitola Mall and other shopping centers such as Kings Plaza and the Brown Ranch Center. Table 1 shows the amount of land occupied by different land uses within the Plan area, and Figure 3 shows the location of these land uses.

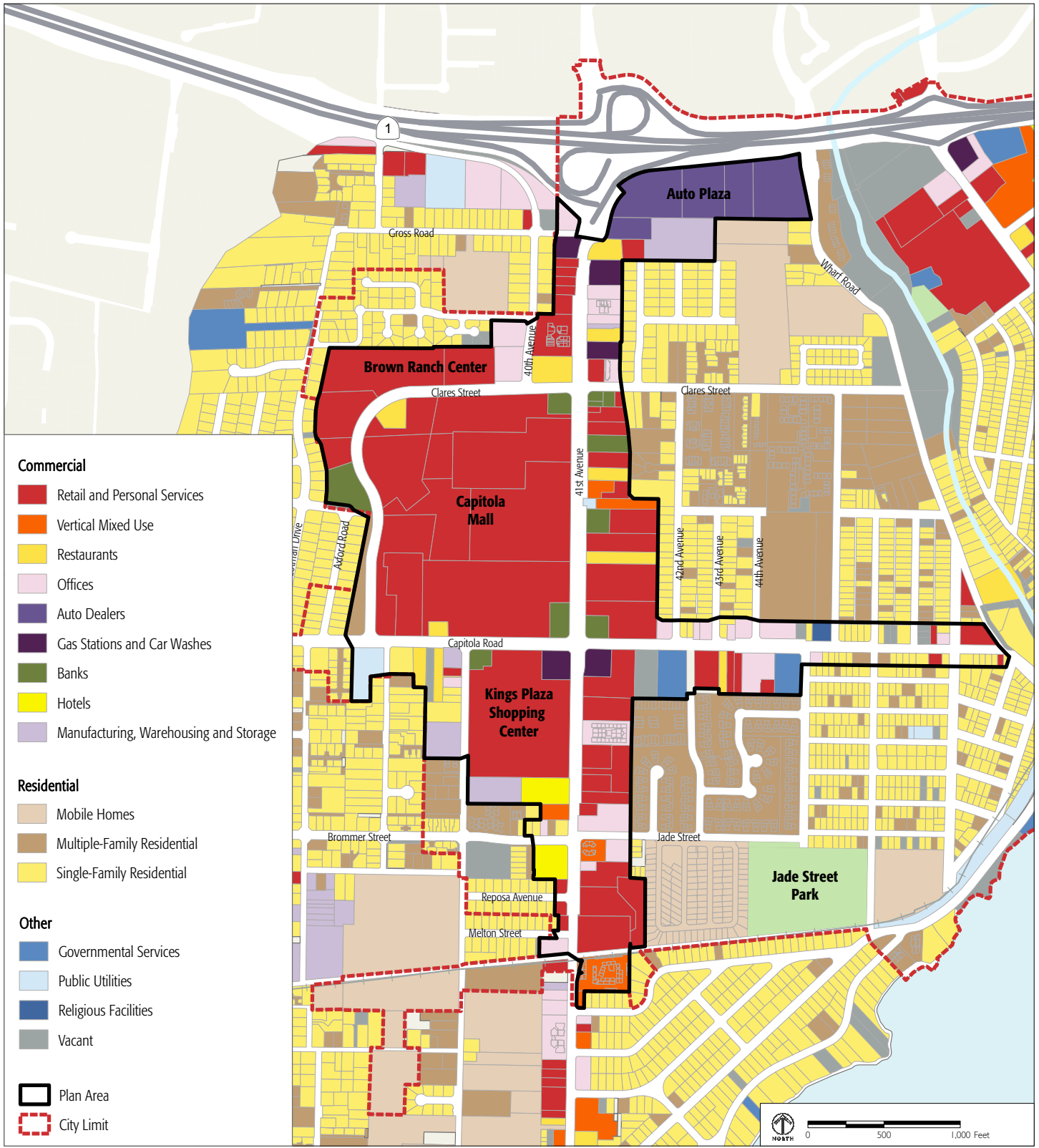
There are several areas within the corridor with a unique mixture or concentration of land uses. The Auto Plaza at the north end of the Plan area is a 10-acre area occupied by a number of automobile dealerships. The east end of Capitola Road area contains a concentration of offices and governmental uses. Several light industrial and service commercial uses, including the Freight and Salvage, are located on 38th Avenue south of Capitola Road.

Few residential uses are found within the Plan area. Several single-family homes are located near the intersection of Capitola Road and 38th Avenue and on Brommer Street west of 41st Avenue. The Capitola Beach Villas mixed use development on 41st Avenue south of the railroad track contains a total of 55 small apartment units. There is also only 1.5 acres of vacant land in the Plan area, none of which is located along 41st Avenue.

Approximately 24 acres (13 percent) of the Plan area is occupied by public roads. This is greater than Capitola Village, where approximately 7 percent of the area is occupied by public roads.



Existing land use within the Plan area is dominated by the Capitola Mall (top) and shopping centers such as Kings Plaza (middle) and the Brown Ranch Center (bottom).



Source: City of Capitola, 2011.

FIGURE 3
EXISTING LAND USES

TABLE I EXISTING LAND USE

Land Use	Acres	Percentage
Commercial Uses		
Retail and Personal Services	92.6	62.0
Offices	11.4	7.6
Auto Dealers	10.7	7.2
Manufacturing, Warehousing , and Storage	6.0	4.0
Restaurants	5.8	3.9
Banks	5.2	3.5
Gas Stations and Car Washes	3.4	2.3
Hotels	2.4	1.6
<i>Subtotal</i>	<i>137.5</i>	<i>92.1%</i>
Residential and Mixed Uses		
Single-Family Residential	2.5	1.7
Multiple-Family Residential	0.2	0.1
Vertical Mixed Use	4.8	3.2
<i>Subtotal</i>	<i>7.5</i>	<i>5.0%</i>
Other Uses		
Governmental Services	2.5	1.6
Vacant	1.5	1.0
Public Utilities	0.1	0.1
<i>Subtotal</i>	<i>4.1</i>	<i>2.7%</i>
Grand Total	149.3*	100%

* Excludes public roadways, which occupy approximately 24 acres (13 percent) of the Plan area.

B. Urban Design

1. Building Blocks

The design character of an urban area is influenced by the area’s street network, gateways and connections to surrounding areas, important destinations, and the unique characteristics of subareas. Figure 4 graphically illus

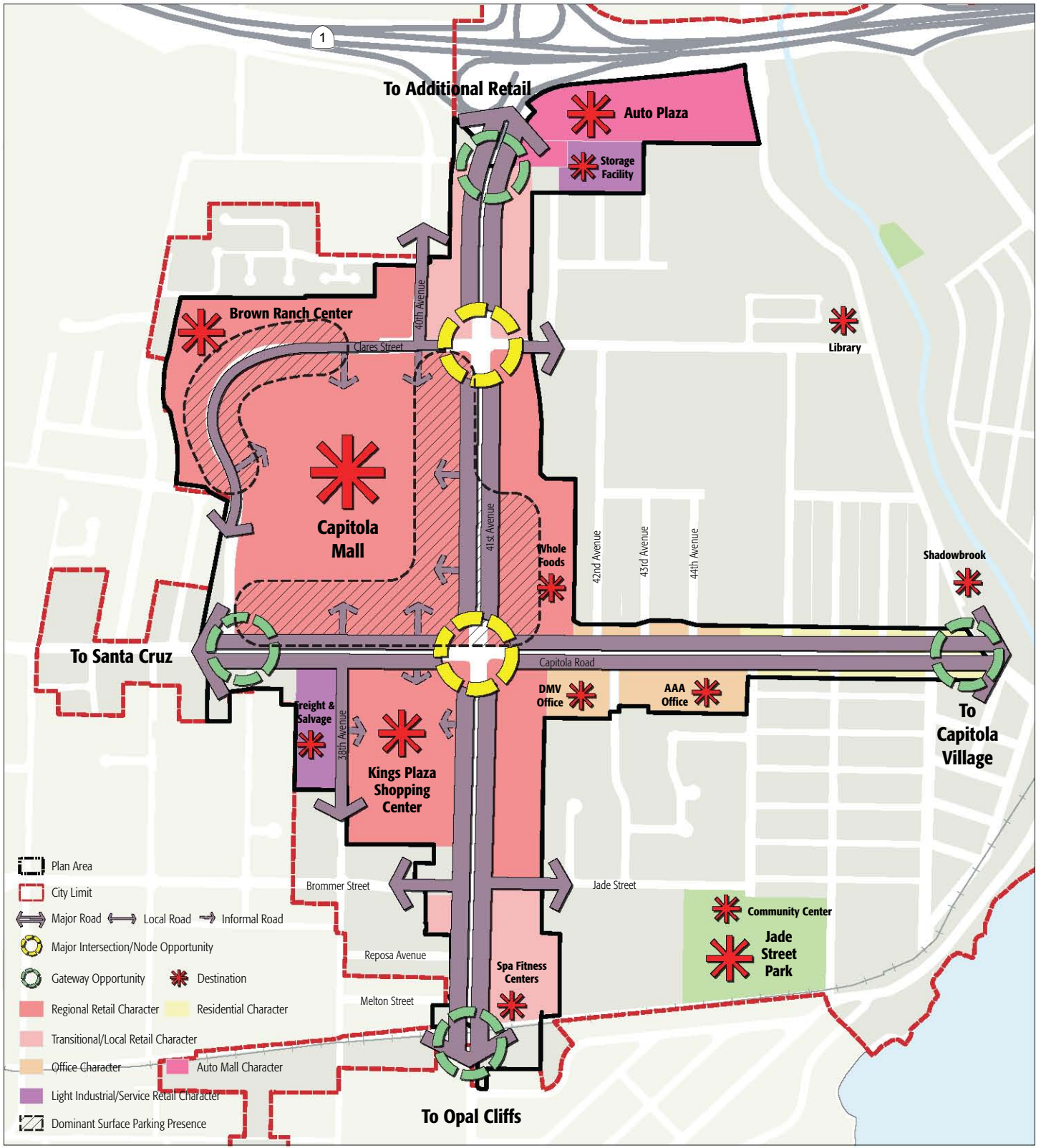


FIGURE 4
 EXISTING COMMUNITY CHARACTER FRAMEWORK

trates some of these key building blocks of community character within the Plan area and provides a general framework to understand the overall form of the Plan area.

2. Block Size and Intersection Density

Block size and intersection density play an important role in defining the overall design character of an urban area. Generally speaking, smaller blocks and higher intersection densities support a more intimate, pedestrian-friendly design character within greater variation and interest in urban form. Figure 5 compares the block size and intersection density of the 41st Avenue corridor and Capitola Village. The 41st Avenue corridor is defined by large block size and low intersection density. By contrast, Capitola Village is characterized by relatively small block size and high intersection density.

3. Building Placement

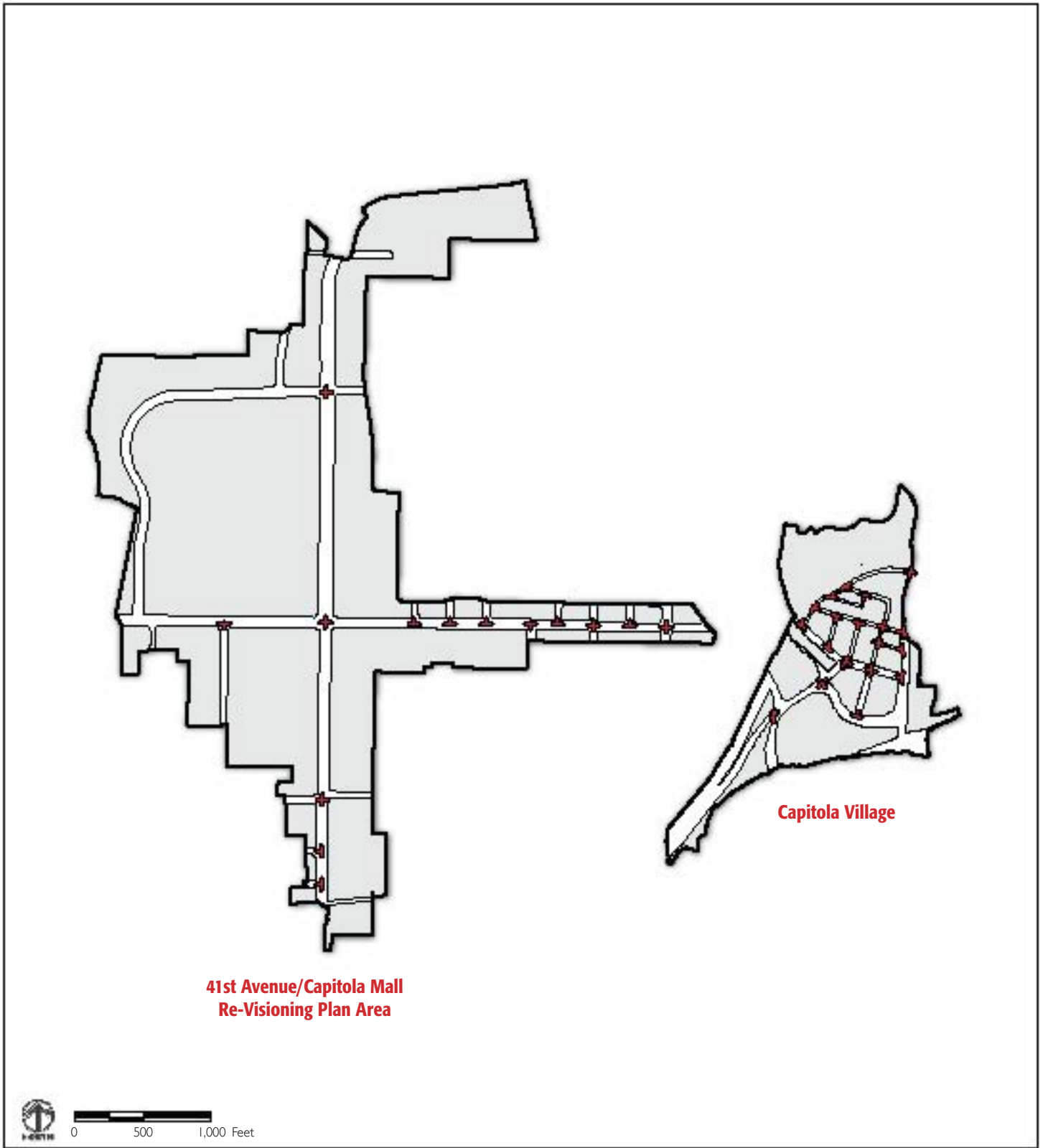
The location of buildings on their lots also defines the design character of an urban area. Figure 6 shows the pattern of building placement on lots relative to property lines and streets. This figure shows an irregular pattern of building placement, with larger buildings typically set back a considerable distance from the front street and smaller buildings generally located closer to front property lines. Some buildings within the Plan area are primarily oriented towards an interior parking lot as opposed to a public street, as is the case with King Plaza and other shopping centers within the Plan area. Figure 6 also shows the extent to which surface parking lots are a dominant visual presence within the Plan area. Approximately 89 acres, or 60 percent, of private property within the Plan area is occupied by surface parking.

4. Building Mass and Design

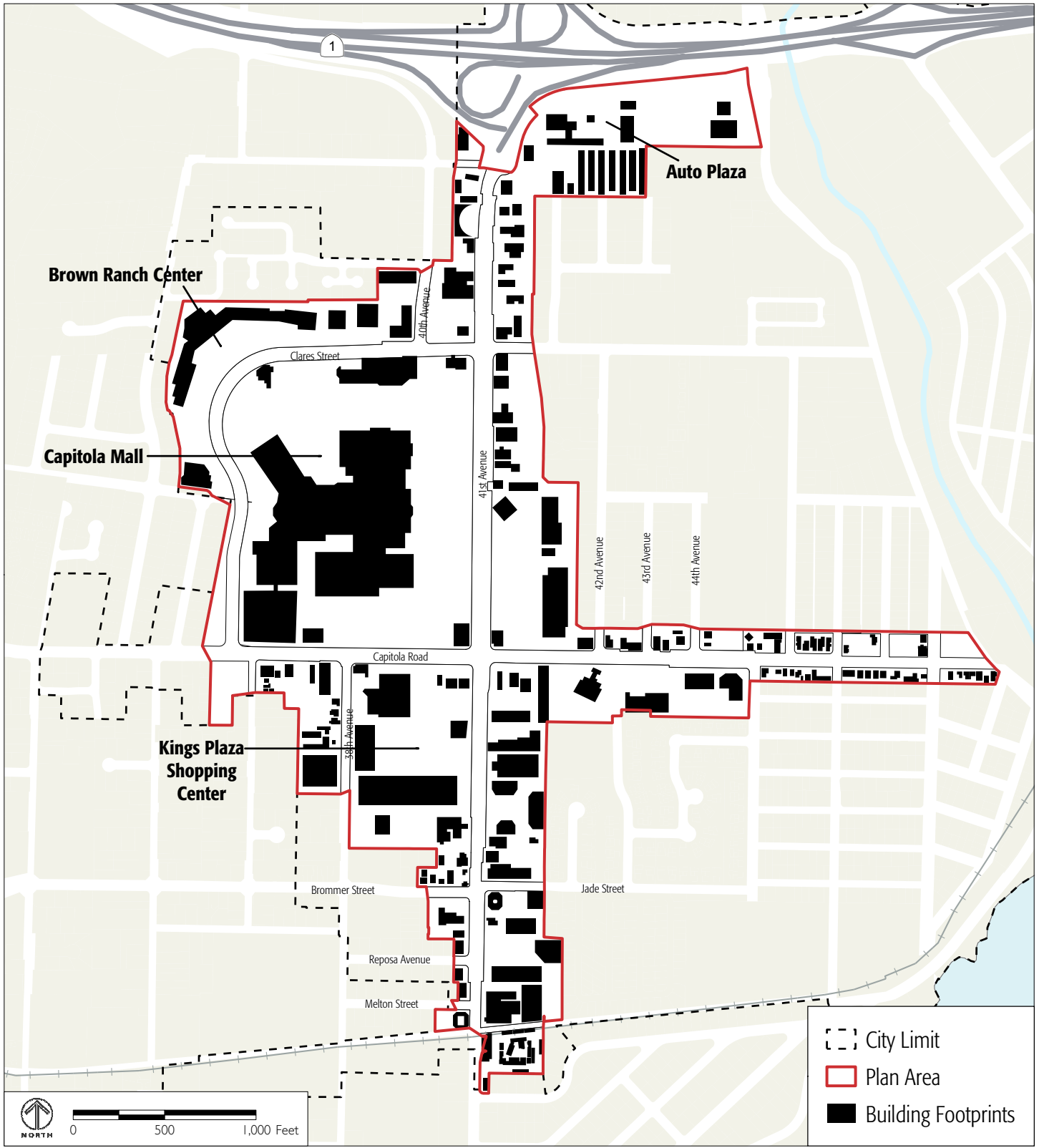
Typical building volume, height, and architectural style also contribute to the design character of the Plan area. Within the 41st Avenue corridor, one- and two-story buildings typically occupy less than 50 percent of the parcel area on which they are located. The remaining area of the parcel is typically occupied entirely by surface parking.



Variation in building setbacks (top and bottom) contribute to a lack of design coherence within the Plan area. Large parking lots fronting the street (bottom) contribute to the impression that the corridor is dominated by the automobile.



Source: City of Capitola, 2011.



Source: City of Capitola, 2011.

FIGURE 6
FIGURE-95 FOUND

5. Civic Gathering Places

Another key design issue facing the corridor is the absence of civic gathering places where visitors, employees, and residents can meet and gather in a public setting. There are no public/civic institutions located within the corridor, and no public spaces such as parks, plazas, or town squares.

6. Street Sections

Finally, the design of streets within the Plan area plays an important role in defining the character of the corridor. Figure 7 compares the width of 41st Avenue at Capitola Road and at Portola Drive south of the City limit.

C. Circulation

1. Roadway System

41st Avenue is characterized by high traffic volumes and congested intersections, particularly north of Capitola Road. As shown in Figure 8, traffic counts conducted in 2008 found that 41st Avenue north of Clares Street carries over 40,000 vehicles per day. This volume of vehicle traffic is the highest in Capitola, and among the highest among primary arterials in Santa Cruz County. Traffic volumes along 41st Avenue drop significantly south of Clares Street and then decline further still south of Capitola Road.



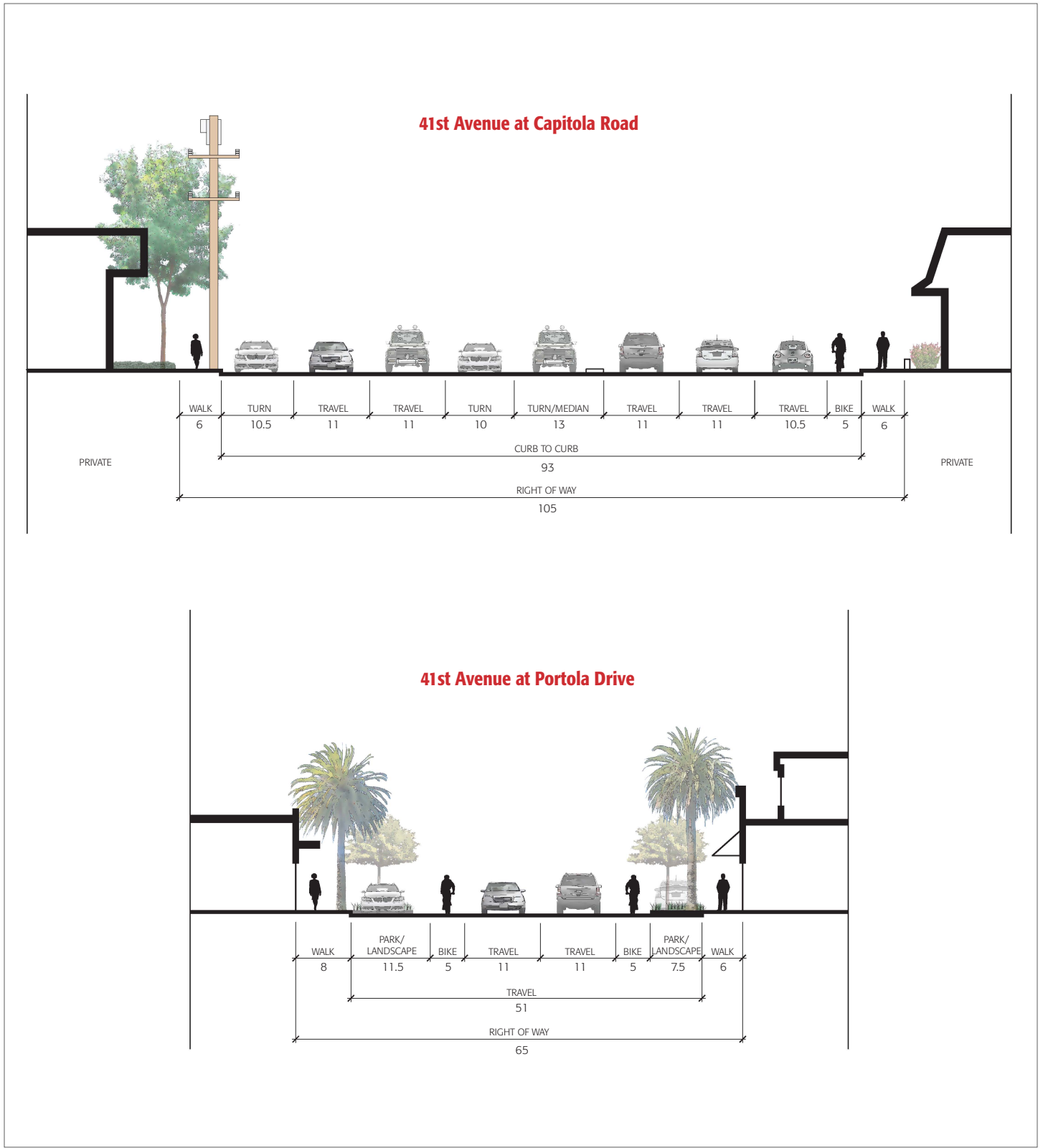
Santa Cruz Metro Buses (top) utilize the Capitola Mall Transit Center (bottom) as a key mid-County transfer point.

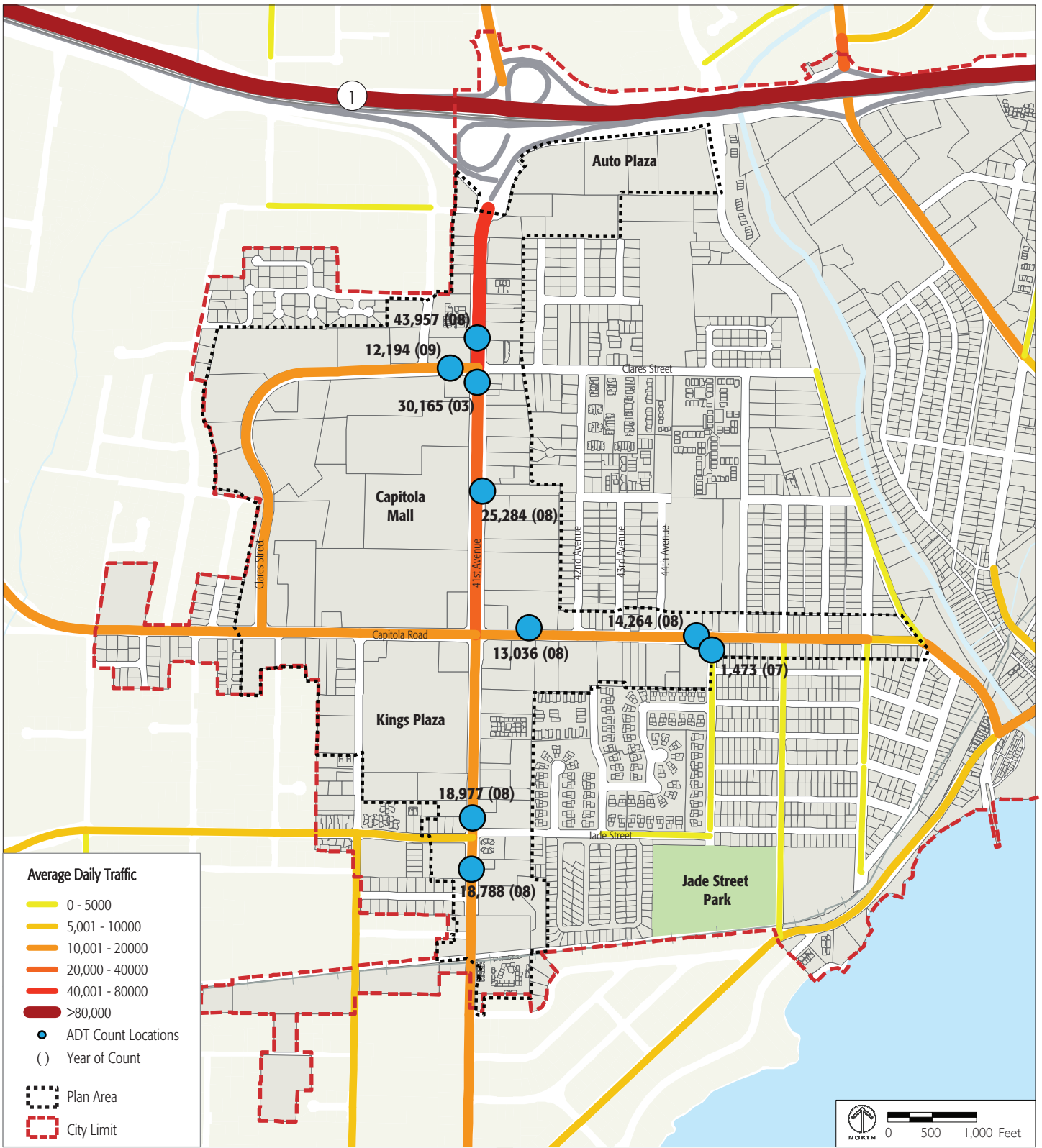
2. Parking

Many properties within the corridor appear to be “over-parked,” meaning that there are more parking spaces provided than needed by customers, even during the busiest shopping periods. Other shopping centers, however, appear to be either “under-parked” or provide about just the right amount of parking to accommodate customers. The Capitola Mall is an example of a property that appears to be over-parked. Shopping centers that appear to provide either just enough parking or to be under-parked include Kings Plaza, Brown Ranch Center, and the Whole Foods/CVS shopping center.

3. Transit

Bus transit service within the Plan area is provided by Santa Cruz Metropolitan Transit (Metro). As shown in Figure 9, there are nine Metro transit lines that serve the Plan area, all of which stop at the Capitola Mall.





Source: City of Capitola, 2011.

FIGURE 8

Located within the mall is the Capitola Mall Transit Center, which serves as the primary mid-county transit hub. Metro does not collect data on specific numbers of passengers using the Transit Center, but Metro staff estimates that thousands of passengers utilize the Transit Center every day, including weekends. The Transit Center is one of Metro's busiest transit stops in the county. It is used by Mall employees, students travelling to Cabrillo College, and passengers transferring buses to reach destinations throughout the county.

4. Pedestrian and Bicycle Facilities

Figure 10 identifies existing and proposed bicycle facilities within the Plan area. These facilities include Class II bike lanes, proposed Class III sharrows, and air, water, service, and bicycle parking locations. Currently, there are existing bicycle paths on all the arterials within the Plan area, except for 38th Avenue and Clares Street west of 41st Avenue. Class III sharrows have recently been added to Clares Street, and Capitola's recently adopted Bicycle Transportation Plan calls for a Class II Bike Lane on 38th Avenue. The City is currently adding bike lanes to both sides of 38th Avenue, expected to be completed in late 2011.

As shown in Figure 11, sidewalks are present on both sides of most major streets in the Plan area, including along 41st Avenue, Capitola Road, and Clares Street. All streets from Capitola Road to the northern Plan area boundary include sidewalks. There are more sidewalk gaps south of Capitola Road, particularly on local streets that intersect 41st Avenue. Many of the neighborhood streets adjacent to the Plan area also either lack sidewalks, have sidewalks on only one side of the street, or have segments with missing sidewalks.

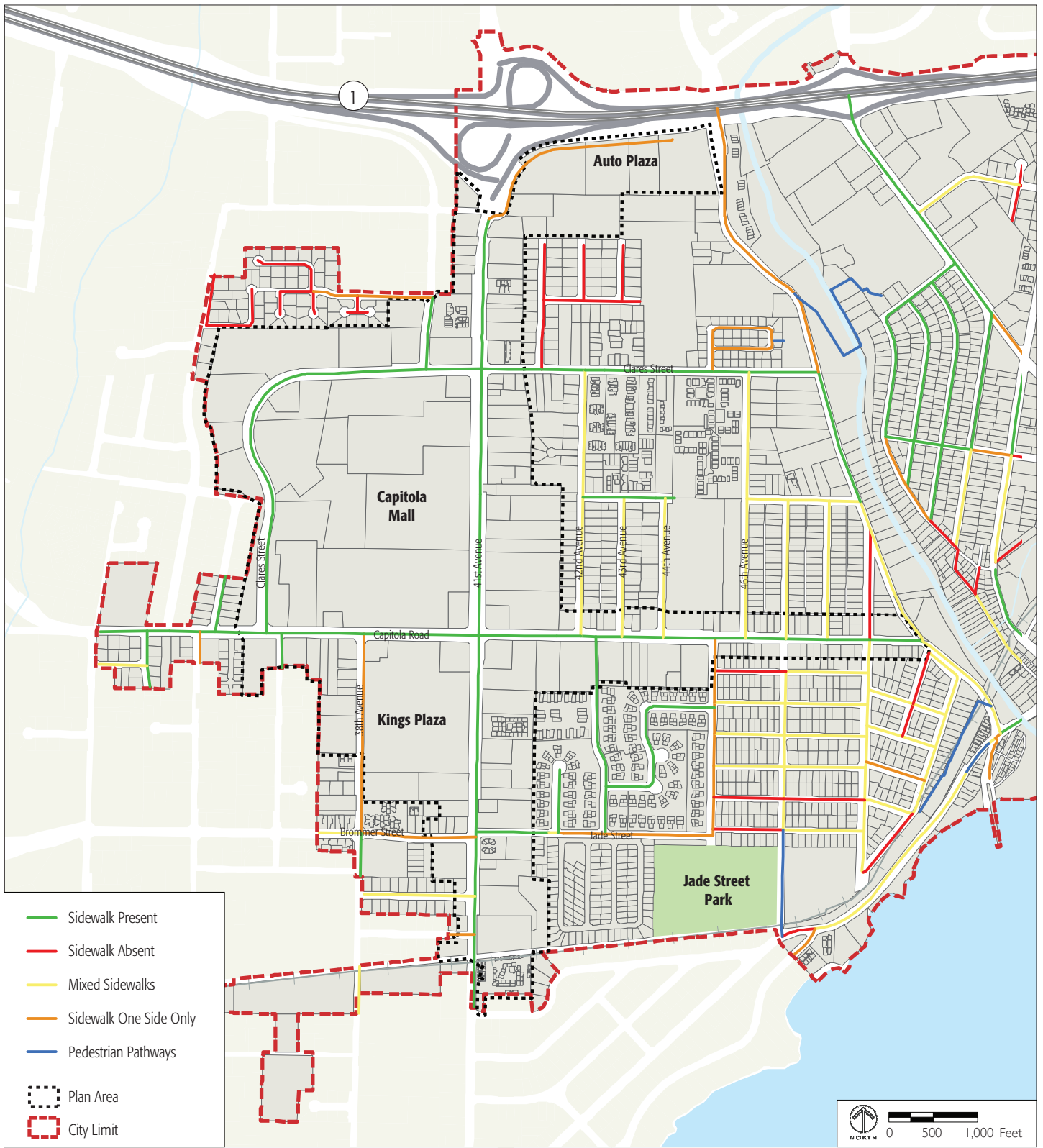
D. Economics

To establish a basic understanding of the economic conditions within the Plan area, consultants prepared a Baseline Economic Analysis Memorandum for the Re-Visioning Plan, which is incorporated into this Plan as Appendix A. This memorandum summarizes existing economic conditions within the corridor relating to retail, mixed use, residential, office, and hotel uses, and



Source: City of Capitola and RBF Consulting, 2011.

FIGURE 10



Source: City of Capitola and RBF Consulting, 2011.

FIGURE 11

SIDEWALKS AND PEDESTRIAN PATHWAYS

identifies the market outlook for these uses over time. The memorandum also presents recommendations for how the Re-Visioning Plan can best respond to these market conditions. Key observations and recommendations from the Baseline Economic Analysis memorandum for the Re-Visioning Plan include the following:

Retail Uses

- ◆ **Decline of Retail Sales.** Retail sales within the Plan area declined by 42 percent over the past decade, with the majority of this decline occurring during the 2007 to 2009 recession. Declines in the Plan area during the recession were more severe than the sales declines at the county or state level during this same period.
- ◆ **Shift to Local-Serving Retailers.** With the closing of the Gottschalks department store and opening of new grocery stores and general merchandisers, 41st Avenue has experienced a shift from region-serving to more local-serving retailers. One of the impacts of this shift has been an increase in vehicle trips within Capitola.
- ◆ **Lifestyle Center Trend.** A nation-wide retail trend has been the development of lifestyle centers, which feature external orientation, outdoor and pedestrian amenities, design attention, and a larger share of restaurants and non-retail uses. These centers are designed to encourage customers to spend more time and money on longer shopping excursions. The Re-Visioning Plan should consider incorporating characteristics of lifestyle centers into the corridor to create retail experiences that are compelling for shoppers.
- ◆ **Constraints on New Investment.** The Capitola Mall and shopping centers within the Plan area are leased and owned by multiple parties. The Mall, in particular, is subject to reciprocal easement agreements (REAs) that govern parking, access, encroachment, utility line easements, operation of common areas, and building design. REAs often make significant redevelopment of commercial centers difficult.
- ◆ **Concentration of Retail.** Retail uses are dispersed throughout the 41st corridor, rather than concentrated in core locations. This can disorient consumers, necessitate multiple vehicle trips during a single visit, and limit synergies between stores. The Re-Visioning Plan should focus and



The Plan area has experienced a recent shift from regional serving department stores to local serving retailers such as Whole Foods, BevMo, and Trader Joe's.



The Cinelux Theatre in King's Plaza (top) is one of the few entertainment uses in the Plan area. Restaurants in the Plan area (middle and bottom) tend to emphasize cost and convenience over creating a memorable experience.

consolidate retail over time. This could be achieved through the redevelopment of parking lots, or creating a new two-sided shopping street off of 41st Avenue.

- ◆ **Restaurants and Entertainment Uses.** The Plan area is currently lacking in sit-down restaurants and entertainment uses. The Re-Visioning Plan should consider attracting additional restaurant and entertainment uses to broaden the corridor's appeal, lengthen shoppers' visits, and create more night-time activity.

Attached Residential and Mixed Use

- ◆ **Urban Amenities.** The 41st Avenue corridor area lacks many of the urban amenities attractive to residential and mixed-use. The Re-Visioning Plan can help stimulate the medium- and long-term demand for attached residential and mixed uses providing urban amenities such as outdoor eating and gathering places, public spaces, entertainment uses, more sit-down restaurants, and improved pedestrian and bicycle facilities.
- ◆ **Phasing of Residential Infill.** Due to the weak housing market, retail infill will become economically feasible before residential and mixed use infill. The untested nature of attached residential and mixed use in the corridor will also inhibit investments in these development types. Single use attached residential may be feasible, in the mid-term, at the edges of the corridor adjacent to existing residential uses.
- ◆ **Design and Location of Mixed Use.** The poor performance of the Capitola Beach villas project speaks to the importance of well designed and properly located mixed use projects. To be successful, vertical mixed use should be located within proximity to other street edge-oriented retail and urban amenities. The relationship between uses on the site and the overall project design needs to contribute to an active and pedestrian-friendly public realm. As previously discussed in this report, mixed use should be encouraged as part of a larger vision in non-core areas that seeks to create a critical mass of focused activity within specific areas of the corridor.

Office Uses

- ◆ **Future Demand.** The market is not expected to support additional new office development in the Plan area in the near-term. Over the mid- and long-term, there may be demand for a small amount of new office space, particularly in areas north of the Capitola Mall.

Hotels

- ◆ **Future Demand.** New demand for hotels will be in mid-term, at least five years out due to the opening of the Fairfield Inn & Suites on 41st Avenue and plans for the Capitola Village Hotel.
- ◆ **Type of Hotel.** 41st Avenue is a strong location for larger, mainstream, mid- to high-range hotels, as opposed to luxury or boutique hotels.
- ◆ **Location.** Location with convenient access to the beach and Capitola Village is important for new hotels. Under-developed parcels on Capitola Road and Wharf Road could be a promising location for one or more boutique hotels. A new hotel within the Plan area could also help support and benefit from focused activity nodes with quality urban amenities.



There are two hotels in the Plan area: the Best Western (top) and the Fairfield Inn & Suites (bottom), which opened in July 2011.

III. RE-VISIONING PLAN GOALS

This chapter presents key goals for the 41st Avenue corridor. These goals describe the desired future for the 41st Avenue corridor and the primary ways that the area should change and be improved over time. The goals function as the “compass” that provides direction for all other components of the Plan, such as the Concept Plan in Chapter 4 and the policies and actions in Chapter 6. Goals for the Re-Visioning Plan are grouped into three categories: economics, land use and design, and circulation.

Economics

- 1) Ensure that the corridor provides a stable source of sales tax revenue for the City.
- 2) Attract a diversity of retailers that meet the shopping needs of Capitola residents.
- 3) Maintain the corridor as a region-serving shopping destination that also serves the needs of residents.
- 4) Establish a vision for the corridor that is economically feasible and realistic.

Land Use and Design

- 5) Provide for a high-quality design environment with a unique and memorable brand identity.
- 6) Create a more environmentally sustainable development pattern within the Plan area.
- 7) Provide public and semi-public places for people to meet and gather.
- 8) Establish 41st Avenue as a destination with activities for people of all ages occurring throughout the day and night.
- 9) Minimize negative impacts, including noise and traffic, on single-family neighborhoods adjacent to the corridor.

Circulation

- 10) Increase pedestrian activity and provide for a more attractive and vibrant public realm.

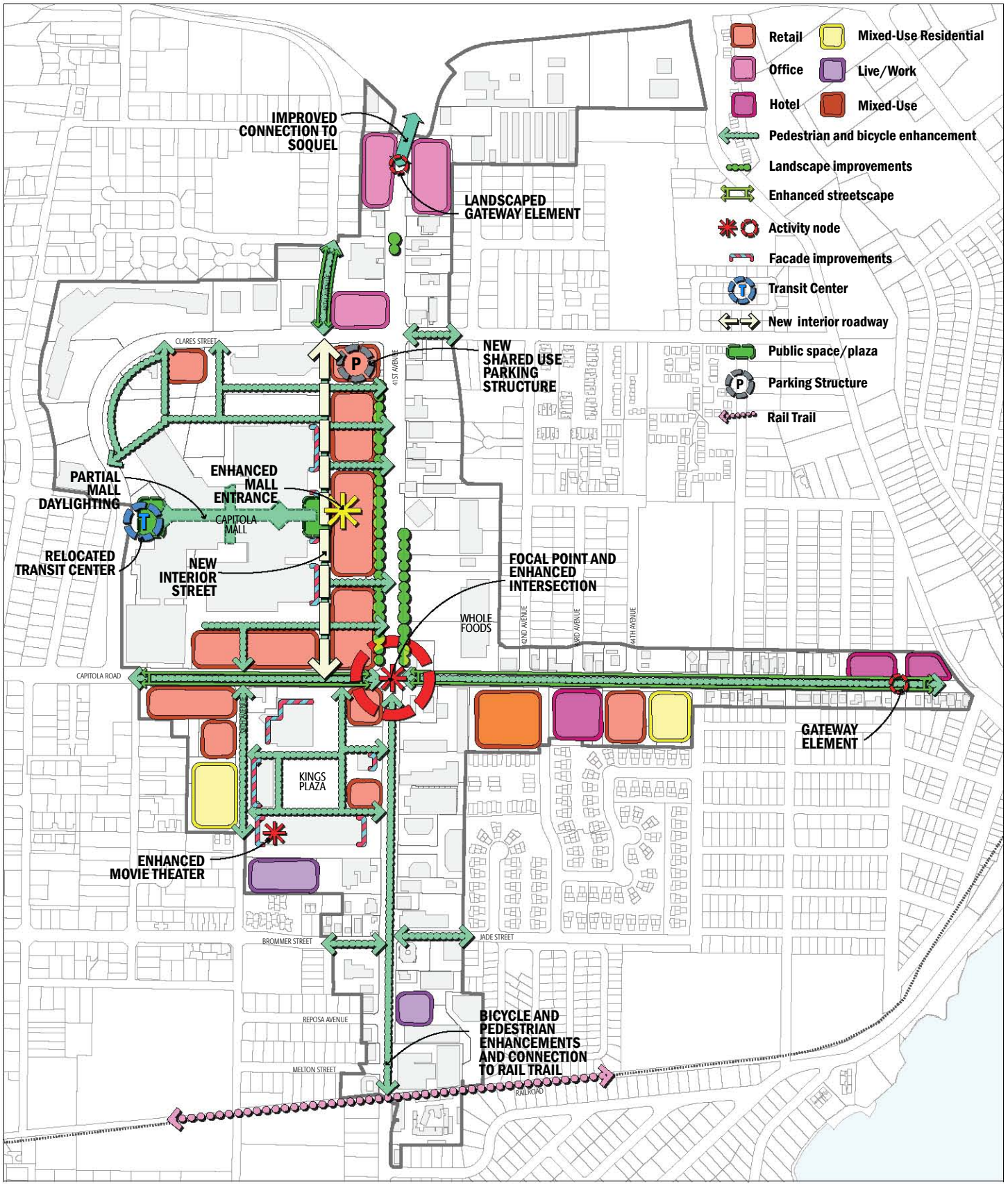
- 11) Continue to accommodate the needs of drivers while encouraging alternative modes of transportation.
- 12) Improve bicycle and pedestrian circulation within the Plan area.
- 13) Enhance the appearance and functionality of the Capitola Mall Transit Center.
- 14) Improve connections between the Plan area and other locations within the community.

IV. CONCEPT PLAN

Figure 12 presents an illustrative concept plan for the 41st Avenue corridor. This concept plan graphically illustrates a vision for the desired future of the corridor, and relates to the economic, land use, urban design, and circulation goals presented in Chapter 3. The concept plan reflects GPAC and public input received throughout the process, particularly at the second community workshop at which residents provided input on three alternatives for the 41st Avenue corridor. This concept represents the long-term vision for the corridor 20 years in the future. Shorter-term changes envisioned for the corridor are described in Chapter 5.

Highlights of the draft concept plan are as follows:

- ◆ **Capitola Mall.** Capitola Mall is updated and modernized with new retail pads fronting 41st Avenue and Capitola Road, an improved mall façade and entrance, improved pedestrian facilities and landscaping, a new interior street lined with sidewalk-oriented retail, daylighting of some of the mall roof, and new public plazas. The transit center is relocated away from the front entrance to an area near the food court on Clares Street. This concept envisions the most dramatic change within the corridor occurring on the Mall property.
- ◆ **41st Avenue Roadway.** There are no changes to the 41st Avenue roadway configuration that would limit vehicle capacity or interfere for left turn movements. The streetscape character of the roadway north of Capitola Road would change as surface parking lots fronting the street are redeveloped with new commercial pads. Limited new landscaping is envisioned that would not alter roadway configuration or prevent left turns. Development of a landmark building at the intersection of 41st Avenue and Capitola Road would be encouraged. Together with the limited landscaping improvements, this new landmark building would enhance the intersection, emphasizing it as a focal point of the corridor.



- ◆ **Capitola Road.** West of 41st Avenue new sidewalk-oriented commercial uses will provide a two-sided pedestrian-friendly commercial area visible from 41st Avenue. East of 41st Avenue a new hotel will be flanked by pedestrian-oriented horizontal and vertical mixed use development. New boutique hotels will also be located on Capitola Road near the Wharf Road intersection. Hotels and pedestrian-oriented uses east of 41st Avenue will help to improve connections between the 41st Avenue corridor and the Village.
- ◆ **38th Avenue.** 38th Avenue is activated with new multiple-family residential and mixed-use residential on the west side of 38th Avenue and sidewalk-oriented commercial uses on 38th Avenue and Capitola Road. The appearance of King's Plaza buildings fronting 38th Avenue is improved. Streetscape and infrastructure improvements enhance the appeal of 38th Avenue for pedestrians and bicycles.
- ◆ **Pedestrian and Bicycle Facilities.** Residents of neighborhoods adjacent to the corridor can more easily walk to 41st Avenue on improved sidewalks. Improved walkways and paths within properties make it easier for pedestrians and bicyclists to access stores from the sidewalk. Enhanced pedestrian facilities are focused on the three primary activity centers within the corridor: Capitola Mall, Capitola Road, and 38th Avenue. Connections to the planned Rail Trail will also be enhanced.

V. PHASING PLAN

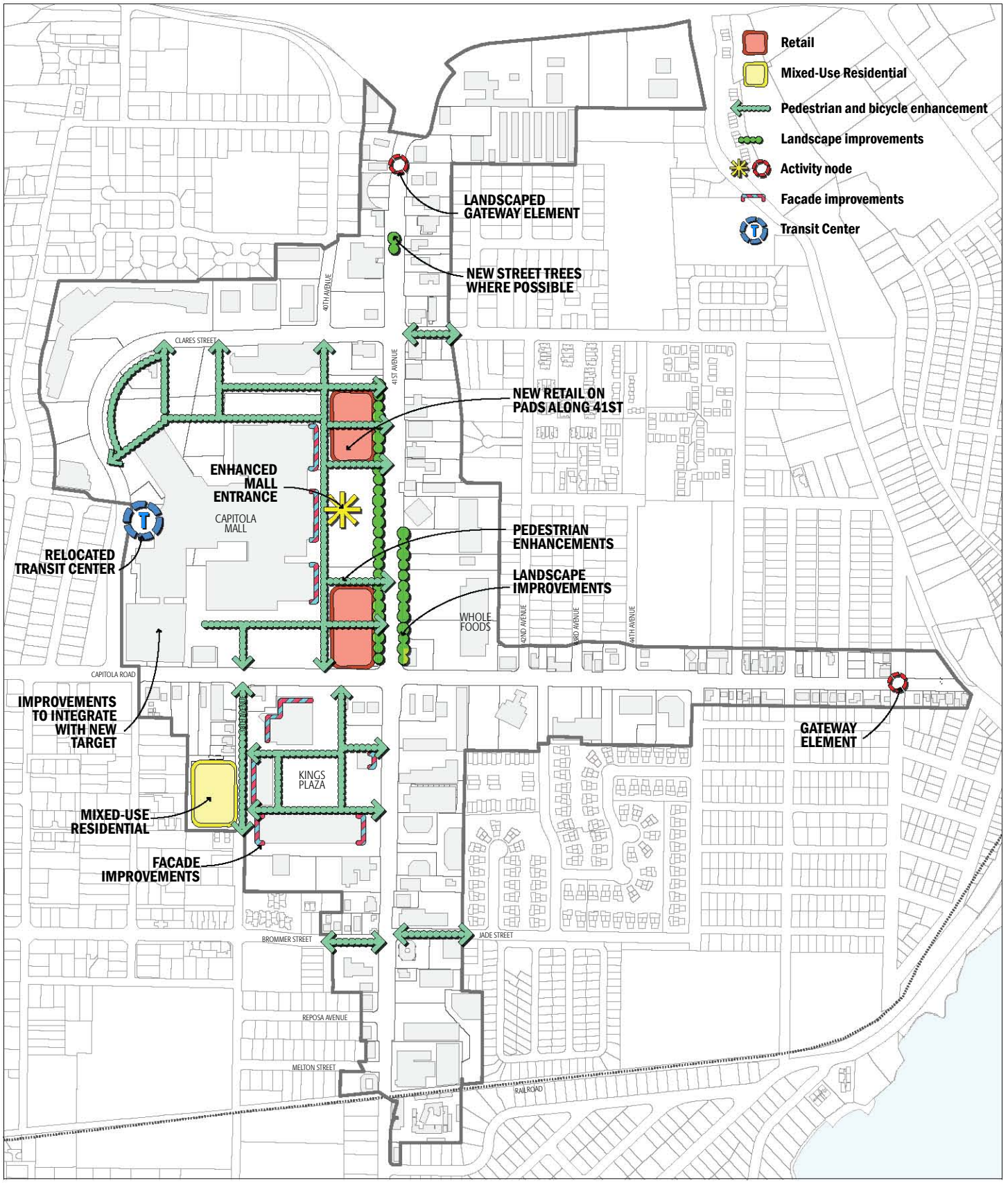
The Re-Visioning Plan anticipates that change along 41st Avenue will occur incrementally and that the corridor will evolve over time. It is therefore necessary to envision and permit short-term improvements that do not fully achieve the ultimate vision for the corridor. Modest improvements are often a necessary first step to create the market for more dramatic change. However, it is also important to ensure that short term improvements do not conflict with the long-term vision for the corridor. More immediate changes need to be a first step towards achieving this vision.

Table 2 presents a phasing plan for how changes to the 41st Avenue corridor might occur over time. This plan identifies three phases: Phase 1 (0-5 years), Phase 2 (5-15 years), and Phase 3 (15+ years). Figures 13 through 15 graphically illustrate this phasing plan. The phasing plan will help the City and property owners to understand how short-term property improvements might fit into a longer term vision for individual properties and corridor. The phasing plan also will help the City to plan for and prioritize public infrastructure improvements that support strategic change and investment within the corridor over time.

TABLE 2: 41 ST AVENUE/CAPITOLA MALL RE-VISIONING PLAN PHASING

	Phase 1 (0-5 years)	Phase 2 (5-15 years)	Phase 3 (15+ years)
Capitola Mall	<ul style="list-style-type: none"> • New retail pads fronting 41st Ave. Pads will be designed in a way to accommodate a future interior roadway between the mall and the new pads. • Improved mall façade and entrance • Improved pedestrian facilities and landscaping 	<ul style="list-style-type: none"> • Additional retail pads on 41st Avenue • New development with sidewalk-oriented commercial uses fronting Capitola Road west of 41st Avenue 	<ul style="list-style-type: none"> • New interior roadway with sidewalk-oriented retail, outdoor dining, and pedestrian amenities • Roof of some of mall removed, creating outdoor dining and gathering places • Small public plazas at opposite ends of removed mall roof
Transit Center	<ul style="list-style-type: none"> • Transit Center relocated to be adjacent to Food Court 		
Kings Plaza	<ul style="list-style-type: none"> • No significant changes to existing shopping center • Improvements to internal pedestrian circulation • Cosmetic improvements to street-facing facades of existing buildings, including facades fronting 38th Avenue 	<ul style="list-style-type: none"> • New retail pads fronting Capitola Road • Expanded and enhanced movie theatre 	
38 th Avenue	<ul style="list-style-type: none"> • Mixed-Use Residential on west side of 38th Avenue (ground floor retail optional) 	<ul style="list-style-type: none"> • Additional sidewalk-oriented commercial uses on 38th Avenue and West Capitola Road 	<ul style="list-style-type: none"> • Additional sidewalk-oriented commercial uses on 38th Avenue
Capitola Road	<ul style="list-style-type: none"> • Welcoming gateway element at eastern end of Capitola Road 	<ul style="list-style-type: none"> • Horizontal and vertical mixed use on Capitola Road west of 41st Avenue • Sidewalk-oriented commercial uses west of 38th Avenue • New hotel sites on Capitola Road to Wharf Road 	<ul style="list-style-type: none"> • Boutique hotel on Anderson/Dharma site • Mixed use on DMV site

	Phase 1 (0-5 years)	Phase 2 (5-15 years)	Phase 3 (15+ years)
Other Land Use and Urban Design Changes		<ul style="list-style-type: none"> • Live/work, artist studios and SROs south of Capitola Road 	<ul style="list-style-type: none"> • New office uses on 41st Avenue north of Clares Street
Parking	<ul style="list-style-type: none"> • Existing parking supply sufficient to accommodate additional development 	<ul style="list-style-type: none"> • Existing parking supply sufficient to accommodate additional development 	<ul style="list-style-type: none"> • New shared use parking structure on Mall property if justified by demand
41 st Avenue Roadway	<ul style="list-style-type: none"> • No major changes to 41st Avenue Roadway configuration • Pockets of new trees in center of road where they can be accommodated and not alter roadway configuration or prevent left turns • Landscaped gateway feature at northern end of roadway 	<ul style="list-style-type: none"> • Encourage enhancement of the 41st Avenue/Capitola Road intersection as a focal point through the development of a landmark building at the intersection and the addition of distinctive urban design elements (such as landscaping improvements and bollards) 	
Bicycle and Pedestrian Circulation	<ul style="list-style-type: none"> • Improved bicycle and pedestrian circulation within existing shopping centers with walkways through the parking lots • Improved sidewalks connecting adjacent residential neighborhoods with 41st Avenue 	<ul style="list-style-type: none"> • Improved bicycle and pedestrian connection to Soquel • Improved pedestrian amenities focused on Capitola Road • Enhanced pedestrian crossings at 41st Avenue/Capitola Road intersection • Enhanced bicycle and pedestrian facilities, including signage, to connect with planned Rail Trail 	



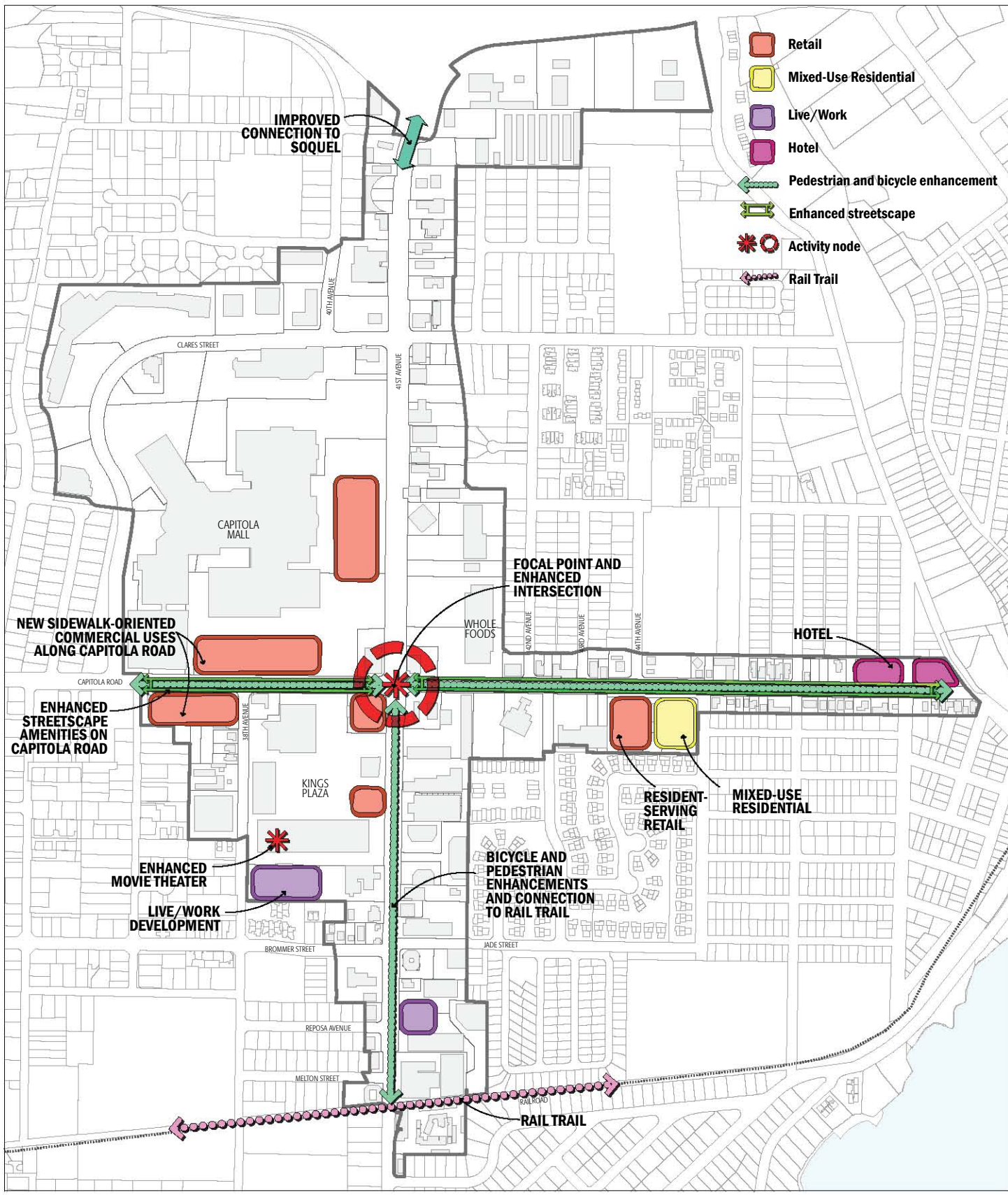


FIGURE 14

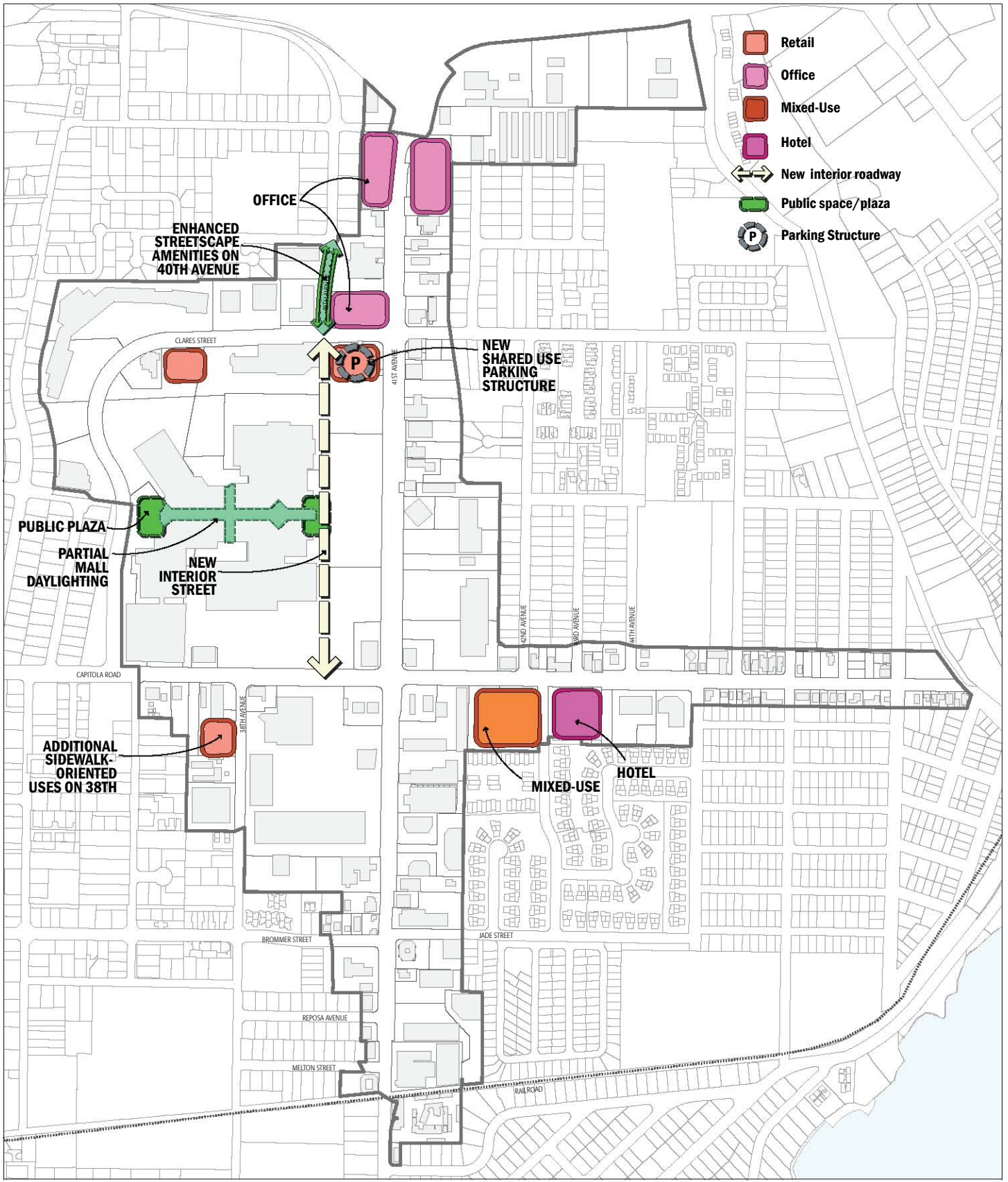


FIGURE 15

PHASE 3 (15+ YEARS) PLAN

VI. POLICIES AND ACTIONS

This chapter establishes policies and actions that apply to the Re-Visioning Plan area. Policies and actions are defined as follows:

- ◆ A **policy** is a specific statement that guides decision-making as the City works to achieve the vision and goals of the Re-Visioning Plan. These policies represent statements of City regulation. The policies will be used by the City in the review of development project applications and will help guide City decision-making on issues affecting the Plan area.
- ◆ An **action** is a specific activity or program that the City will carry out to implement the vision and goals of the Re-Visioning Plan. The City must take additional steps to carry out each action within the Re-Visioning Plan. Actions that are intended to be completed along with the General Plan Update are noted with an asterisk (*).

The policies and actions below are divided into three categories: economics, land use and urban design, and parking and circulation. Each policy and action is intended to help the City achieve the vision and goals for the Plan area described in Chapters 3 and 4. Actions that will be completed as part of the Zoning Code Update are indicated with an asterisk (*).

1. Economics

Policies:

- Policy 1.1. Limit the amount of non-retail uses within the core commercial areas of the corridor.
- Policy 1.2. Continue to support the long-term presence of auto dealers within the corridor.
- Policy 1.3. Encourage infill residential development and employment uses that support retailers and contribute to the vitality of the corridor.

- Policy 1.4. Encourage retailers to locate within the 41st Avenue corridor that enable Capitola and county residents to meet their shopping needs in Capitola.
- Policy 1.5. Strive to maintain a balance of local independent businesses and national retailers within the corridor.
- Policy 1.6. Encourage the concentration of region-serving retail in areas north of Capitola Road.
- Policy 1.7. Encourage resident-serving uses to locate south of Capitola Road.
- Policy 1.8. Encourage the highest intensity development within the corridor to be located near the Capitola Road/ 41st Avenue intersection.
- Policy 1.9. Support a phased approach to implementation of the long-term vision for the 41st Avenue corridor. Allow property owners to make modest improvements that will not conflict with the long-term vision for the property.

Actions:

- Action 1.1. Amend the Zoning Code to allow, in certain areas, retail uses by-right and to require a Conditional Use Permit for offices, medical services, and other non-retail uses. Require special findings for these Conditional Use Permits that non-retail use will not detract from the economic viability of the corridor.*
- Action 1.2. Meet periodically with the Capitola-Soquel Chamber of Commerce and other groups to discuss strategies to attract and retain desired types of retailers. As part of these meetings, review with the Chamber:
- ◆ City regulations that may be discouraging retailers from locating in Capitola.
 - ◆ City investments and improvements which may help attract desired types of retailers.

- ◆ Ways to strengthen the City’s reputation as business and environment friendly.
- ◆ Methods to assist property owners and managers to attract desired types of tenants.
- ◆ Methods to assist property owners to consolidate lot ownership as part of redevelopment efforts.

Action 1.3. As part of the Zoning Code Update, identify and amend zoning regulations that may discourage desired retailers from locating within the corridor.*

Action 1.4. Review and amend if needed Capitola’s Redevelopment Project Implementation Plan and Capital Improvement Program (CIP) to provide infrastructure improvements attractive to desired types of retailers.

Action 1.5. As part of the Zoning Code Update, amend zoning regulations to allow property owners to easily adapt to market demand over time.* For example, identify vertical mixed use as a permitted but not required land use, and allow for flexibility in ground floor uses in mixed-use projects.*

Action 1.6. During the Highway 1 HOV lane project design phase, work with Caltrans to identify ways to enhance visibility of and access to the Auto Plaza. Possible improvements include Highway 1 interchange modifications, intersection improvements at Gross Road, and improved signage.

2. Land Use and Urban Design

Policies:

Policy 2.1. Support the long-term transformation of the Capitola Mall into a pedestrian-friendly commercial district with high quality architecture and outdoor amenities that are attractive to shoppers and families.

- Policy 2.2. Support the extension of 40th Avenue south into the Mall property as a new pedestrian-friendly private interior street on the Mall property.
- Policy 2.3. Allow for a phased approach to redevelopment of the Mall property. Early phases may include improvements to the Mall façade and front entrance and the establishment of one or more new retail pads fronting 41st Avenue. These early improvements shall not conflict with the ultimate vision for the property.
- Policy 2.4. Support the continued location of Transit Center in Capitola as important mid-county transit hub serving the entire region.
- Policy 2.5. Support the relocation of the Transit Center to an alternative location on the Capitola Mall property that meets the operational requirements of Santa Cruz Metro and advances design goals for the Capitola Mall.
- Policy 2.6. Encourage the Transit Center to become a multi-modal facility with amenities for bicycles and integration with a possible future shuttle system in Capitola.
- Policy 2.7. Ensure that new development contributes to a unique identity for Capitola that is not generic or formulaic in appearance and reflects the city’s village feel.
- Policy 2.8. Require new development to be sensitive to adjacent development, particularly single-family homes.
- Policy 2.9. Encourage the development of structures on existing Capitola Mall surface parking lots located adjacent to 41st Avenue and Capitola Road.
- Policy 2.10. Ensure that new development contributes to a pedestrian-friendly, vibrant commercial district.
- Policy 2.11. Encourage new development to provide amenities that enhance the vitality of the corridor. Examples may include outdoor dining, publically accessible gathering places, and bicycle and pedestrian facilities.

- Policy 2.12. Encourage property owners to include public gathering places as part of redevelopment projects within the corridor.
- Policy 2.13. Encourage “semi-public” gathering places on private property, such as outdoor dining and courtyards, that provide space for people to informally meet and gather.
- Policy 2.14. Encourage the establishment of new entertainment uses, and the expansion of existing entertainment uses, within the corridor.
- Policy 2.15. Encourage land uses within the corridor that serve as attractions for families and people of all ages.
- Policy 2.16. Encourage land uses within the corridor that attract visitors during the day and night.
- Policy 2.17. Ensure that improvements to 41st Avenue, such as landscaping and pedestrian and bicycle facilities, do not reduce roadway capacity or interfere with vehicular movement.

Actions:

- Action 2.1. Continue to use Redevelopment Agency funds for infrastructure improvements that will stimulate investment and redevelopment of the Capitola Mall property.
- Action 2.2. Work with Capitola Mall owners and Santa Cruz Transit to identify funding for the relocation of the Transit Center.
- Action 2.3. Prepare new commercial design guidelines for the 41st Avenue corridor to encourage a unified design theme and unique brand identity within the corridor.
- Action 2.4. As part of the Zoning Code Update, revise development standards to require buildings to be designed to support a pedestrian-friendly environment. These standards will address:
- ◆ Building placement on the lot.
 - ◆ Building height and mass.

- ◆ Building orientation towards the street.
- ◆ Entrance orientation towards the street.
- ◆ Location and design of parking.
- ◆ Ground floor transparency.

Action 2.5. As part of the Zoning Code Update, establish incentives for new development to provide urban amenities attractive to residential and mixed use development.*

Action 2.6. Review and amend if needed Capitola's Redevelopment Project Implementation Plan and Capital Improvement Program (CIP) to provide urban amenities attractive to residential and mixed use development.

Action 2.7. As part of the Zoning Code Update, establish incentives for the inclusion of public gathering places within development projects.*

Action 2.8. Study the feasibility of locating a public facility, such as a community meeting place, within the corridor.

Action 2.9. When updating the Zoning Code, establish special transition standards that apply to mixed-use development, multiple-family residential development, and non-residential development adjacent to single-family homes. These standards may require increased setbacks, upper story stepbacks, special landscaping, separation of service facilities, and other measures to minimize impacts on adjacent single family homes.*

Action 2.10. Monitor on-street parking in residential neighborhoods adjacent to the 41st Avenue corridor. Consider establishing a residential parking permit system for these neighborhoods if development within the corridor is producing high levels of additional on-street parking in these areas.

Action 2.11. Monitor traffic volumes and vehicle speeds on local streets in residential neighborhoods adjacent to the 41st Avenue corridor. Consider installing traffic calming measures in these neighborhoods if cut-through traffic increases as a result of development within the corridor.

3. Parking and Circulation

Policies:

- Policy 3.1. Over the long-term, support centralized parking which serves multiple properties within the corridor.
- Policy 3.2. Encourage the co-location of complementary land uses with different peak demands that can share off-street parking facilities.
- Policy 3.3. Require off-street parking areas to be designed to support a pedestrian-friendly environment.
- Policy 3.4. Ensure that new development enhances a safe and enjoyable pedestrian experience.
- Policy 3.5. Require new development to provide bicycle parking facilities.
- Policy 3.6. Provide safe and convenient pedestrian access to the corridor for surrounding residential neighborhoods.
- Policy 3.7. Support the proposed Rail Trail as a key pedestrian connection between the corridor, the Village, and adjacent residential neighborhoods.
- Policy 3.8. Focus improvements for pedestrians in key activity areas, such as the Capitola Mall, Capitola Road, and 38th Avenue.
- Policy 3.9. Require new development to provide safe and convenient pedestrian access to building entrances from the sidewalk.

Policy 3.10. Require new development and substantial renovations provide connections bicycle and pedestrian connections between adjacent properties.

Policy 3.11. Require new development and substantial renovations to provide safe and convenient pedestrian and bicycle circulation within properties.

Policy 3.12. Provide for safe and convenient bicycle and pedestrian connections from Capitola Road to the Village. Minimize the frequency of curb cuts and driveways intersecting sidewalks and bicycle facilities. Require properties to share driveways when feasible.

Actions:

Action 3.1. When updating the Zoning Code, establish development standards that support a pedestrian-friendly environment. These standards will address building placement, building orientation, entrance location, ground floor street-facing building wall transparency, and parking location and design.*

Action 3.2. As properties redevelop within the corridor, study the need for and feasibility of building a public parking structure to serve the corridor.

Action 3.3. Study the need for a comprehensive parking management program in the corridor. This program could include the establishment of a new parking district to raise revenue for new public parking facilities, improved parking signage, real-time parking availability information, and other methods to minimize the need to supply additional parking within the corridor.

Action 3.4. Include design standards for parking structures in the updated Zoning Code.*

Action 3.5. As part of the Zoning Code Update, establish standards for the design and location of pedestrian-friendly off-street parking facilities.*

- Action 3.6. As part of the Zoning Code Update, adjust existing off-street parking requirements to better reflect actual average daily parking demand and to allow parking reductions for shared facilities, mixed use development, and other forms of development that reduce parking demand.*
- Action 3.7. Install complete sidewalks on all streets connecting the corridor with adjacent residential neighborhoods, and on streets within adjacent residential neighborhoods.
- Action 3.8. Identify obstacles and obstructions, such as utility polls, within sidewalks in and around the corridor. Develop a plan to remove or minimize the impact of these obstructions.
- Action 3.9. As part of the Zoning Code Update, establish standards for pedestrian and bicycle circulation within off-street parking areas.*
- Action 3.10. During the Highway 1 HOV lane project design phase, encourage Caltrans to study the possibility of providing bicycle and pedestrian facilities that are physically separated from vehicle travel lanes on 41st Avenue immediately south of the Highway 1 bridge.

A P P E N D I X A

Baseline Economic Analysis



DRAFT MEMORANDUM

Date: May 4, 2011

To: City of Capitola

From: Shanti Breznau & Derek W. Braun, Strategic Economics

Project: Capitola GP Update: Special Study Area#1 - 41st Ave/Capitola Mall

Subject: Draft Baseline Economic Analysis

The following memo regarding baseline economic analysis for the 41st Avenue / Capitola Mall Re-Visioning Plan summarizes existing and new information and findings regarding the economic feasibility of different potential uses on the corridor. This memo includes the following: 1) findings included in the previous city-wide economic baseline analysis that are relevant to development conditions on 41st Avenue; 2) information gathered from interviews with key 41st Avenue property owners and area real estate developers with recent projects similar to desired product types for the corridor and Mall redevelopment sites; 3) other information gathered regarding finance, cost and revenue inputs; 4) residential property transactional trend analysis; 5) discussion of redevelopment/revitalization case study subjects introduced at the first stakeholder workshop; and 6) a summary of key economic issues and opportunities. Throughout the memo, development potential is discussed as short-, mid-, or long-term; short-term refers to a one to five year timeframe, mid-term to a six to ten year timeframe, and long-term as more than ten years out.

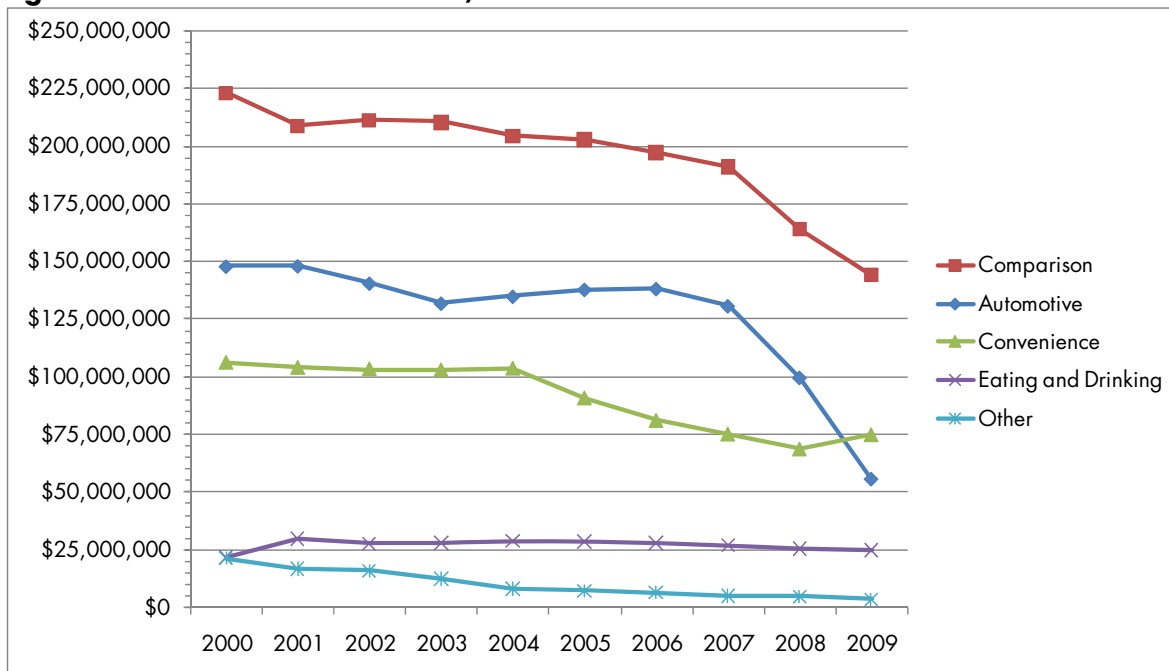
RETAIL DEVELOPMENT CONDITIONS & STRATEGIC CONSIDERATIONS

As has been discussed in the previous city-wide economic conditions analysis for the General Plan Update, 41st Avenue is the major regional retail destination for households in the Santa Cruz County area. This is largely due to the long-standing presence of the almost 500,000 square foot Capitola Mall, the only enclosed mall in the county, as well as a cluster of auto dealerships, the corridor’s mid-county location, and proximity to Highway 1. This concentration of regional-serving retail and Capitola’s relatively small population have made Capitola 14th state-wide in per capita retail sales. Per capita, retail sales in Capitola were \$31,922 in 2009, in comparison with a state-wide average of \$8,053.¹

Revenue Trends

In part due to the major concentration of regional comparison goods shopping within the corridor, 41st Avenue was disproportionately affected by the 2007-2009 recession. As can be seen below, a more gradual and steady sales decline over the last decade accelerated precipitously during this time period.

Figure 1: 41st Avenue Retail Sales, 2000 to 2009



Source: City of Capitola, 2011; Strategic Economics, 2011. Sales are inflation adjusted to 2011 dollars. “Comparison Goods” are infrequently purchased items for which customers tend to compare prices, such as clothing and electronics. “Automotive” sales include automobiles and related parts and accessories. “Convenience” sales are frequently purchased items for basic needs, such as groceries and personal care items. “Eating and Drinking” sales include restaurants, liquor stores, etc.

The above sales trends reflect not only the health of existing stores within the corridor, but also the opening and closure of retail outlets during this time period. For example, the relocation of the Ocean Honda dealership to Soquel in 2008 and the opening of BevMo in late 2008 and Whole Foods in 2009 can be seen in the respective major drop in auto sales from 2008 to 2009 and the bump in convenience sales mid-recession 2008 to 2009.

¹ 2011 California Retail Survey.

The 42 percent drop in total retail sales between 2007 and 2009 is significant, and is relatively greater than sales declines at the county or state-wide level during the recession.² This is partially due to the high proportion of all retail sales in comparison goods and automotive sales: approximately 75 percent over the 10 year trend. Because these types of purchases depend more on discretionary spending than spending of necessity, they were disproportionately affected by the recession. The loss of sales in the corridor during the recession was also worsened by the long-term downward sales trend. This gradual trend is of greater concern than the recessionary drop as it is not in keeping with state or national economic trends.

Market Conditions

Rents

In keeping with the above described recessionary drop in revenues, effective rents within the corridor have declined since the beginning of the recession in late 2007 and have yet to recover. Within the corridor, rents have fallen from an approximate high of \$3 per square foot per month, triple net, to approximately \$2.25 to \$2.75 currently, depending on proximity to Capitola Mall and other anchors. While this is a significant decrease of 10 to 25 percent over the past four years, demand for retail space in the corridor has remained stronger than in the broader Santa Cruz County regional market, which saw rents fall county-wide by 30 to 35 percent since 2007. The relative resilience of corridor lease rates relates to the corridor's enduring value as a regional destination. Unfortunately, lease rates below \$3 per square foot generally do not support new construction, a significant impediment to near-term investment in the corridor.

Occupancy

Although no comprehensive occupancy data exists for retail in the corridor, area brokers report that the occupancy rate for properties with long-term tenants and ownership has decreased, but generally remains healthy (i.e. above 92 percent) due to landlord concessions and adjustments in tenancing strategy. For example, at the end of 2010, Capitola Mall had eight small vacancies (i.e. 3,000 square feet or smaller), out of a total 480,000 square feet of leasable area. Seven of these vacancies were in the food court or in close proximity to the leased but currently unoccupied future Target department store space. These will presumably find tenants once Target is in place. The food court vacancies indicate the outmoded nature of the indoor food court format and the need for new restaurant spaces with external doors and outdoor seating.

The only recent new retail space in the study area, the ground floor spaces in the Capitola Beach Villas mixed-use project, have not been absorbed in the more than two years since coming on-line in late 2008. The project's financial troubles – largely driven by the housing market – hampered interest, but design and location concerns have also contributed to the lack of absorption. Located on 41st Avenue just south of the railroad tracks, the project was designed with poor retail visibility, with recessed storefronts overhung by the building, and poorly located. Almost a half mile from the Capitola Road/41st Avenue intersection at the heart of the shopping corridor, and a full mile from the Highway 1 off-ramp, the project serves as an unfortunate cautionary tale regarding the importance of visibility and access to retail.

² While total inflation-adjusted retail sales along 41st Avenue fell 42 percent between 2007 and 2009, Santa Cruz County inflation-adjusted taxable sales fell 25 percent and statewide inflation-adjusted taxable sales fell 21 percent during the same time period (California State Board of Equalization). The data are not directly comparable since the 41st Avenue data is an estimate of actual sales solely within retail categories, whereas the county and state data describe taxable sales of all categories that generate sales tax revenue. For example the state and county data will not capture the percentage of sales at a grocery store that are not taxed (i.e. most food items), but does include non-retail sales such as business-to-business transactions.

New Tenants

With the recent and prospective expansion of daily/weekly needs retailers in the corridor – Trader Joe’s (2006), BevMo (2008), Whole Foods (2009), and Target (planned opening 2012) – a major concentration of local-serving retail categories (i.e. groceries, soft goods) is developing. This concentration of weekly-needs retail expands the depth and array of commercial services for Capitola’s citizens beyond what a community of 10,000 could normally support; these retailers are attracted by the many additional shoppers brought to the corridor from outside of Capitola by the Mall and other regionally oriented retailers. This is a major boon to local residents, but also increases vehicle trips to the corridor from both outside and inside the City of Capitola, as the groceries and other household supplies provided by these retailers are shopped for more frequently than the clothing, electronics and outdoor supplies provided by long-standing corridor retail anchors. Creating connections between these daily needs retailers that enable “park once” shopping should be considered for the 41st Avenue Revisioning Plan.

The replacement of a department store like Gottschalks with a general merchandiser like Target also represents a loss of specialty and regional appeal for the Mall and 41st Avenue. Additionally, within the Mall, the replacement of the Disney Store by Rue 21 and Anne Taylor Loft by De Masque (2010), both youth-oriented affordable fashion retailers, begins to shift the retail mix within the Mall away from a broader demographic appeal toward the teenage and college age markets which spill over from Santa Cruz. Outside of the Mall, previous retail tenants have been replaced by personal or medical service office uses that require good visibility and access, such as kidney dialysis centers.

Strategic Consideration: Need for Investment & Renewal

The above described revenue, rent, occupancy and tenanting trends are in keeping with national shifts in the retail environment since the recession. However, most of these downward trends also pre-date the recession and originate in long-term disinvestment and a corresponding lack of renewal that is essential to maintaining a regional retail draw. For example, the last significant renovation at Capitola Mall occurred in 1989. Retail space in the corridor has not kept up with the major changes in formatting that have occurred over the past 15 years.

Since the mid-1990s, a trend towards a format described as “lifestyle” retail has dominated new shopping center development and renovations across the country. While lifestyle centers vary, they are generally characterized by external orientation, outdoor amenities such as sitting and eating areas, design attention and investment in pedestrian pathways and parking areas, and a larger share of sit-down restaurants and other non-retail uses that compel customers to spend more time and more money in a longer shopping excursion. In 2006, there were 144 lifestyle centers in existence, with 28 additional centers in the development pipeline.³ Between 2001 and 2008, the total leasable area of lifestyle centers grew 112 percent, while leasable area at all shopping centers grew 19 percent over the same time period.⁴ While the relative degree of growth may appear exaggerated given the small base of lifestyle retail in comparison with entire inventory of shopping center space in existence, the trend toward lifestyle formats was the major shopping center format trend of the late 1990s and 2000. This trend has passed by 41st Avenue, leaving the shopping corridor dated.

The Capitola Mall and other longstanding 41st Avenue anchors, including the three-screen Cinelux Theater in King’s Plaza, occupy somewhat unique trade areas, hemmed in by the physical barriers of the Santa Cruz Mountains and the Pacific Ocean. In the past, these barriers impeded Santa Cruz residents that might otherwise have shopped elsewhere, and discouraged potential competitors that

³ “Lifestyle Center Overview,” Cushman & Wakefield, 2006.

⁴ In keeping with general retail development trends, growth of lifestyle centers has slowed since the recession; four new lifestyle centers opened in 2010. International Council of Shopping Centers, 2011.

see limited growth in this constrained customer base. However, recent innovations in lifestyle or experience-oriented retail, reflected in shopping center development across the country, are intended to create shopping, entertainment and eating opportunities that merit all-day excursions. 15 years ago, an afternoon's shopping trip for new clothing might not have been worth a cross-mountain commute; today, that trip is augmented by lunch, recreational shopping, dinner, and movie in a "park once" environment with outdoor amenities and an hour's drive is not unreasonable. Coupled with the rise of on-line shopping and home entertainment, Santa Cruz County residents are no longer compelled to spend their discretionary shopping dollars locally. Downtown Santa Cruz itself competes as a lifestyle center, but competes more on the basis of authentic and unique character since it lacks the large anchor store spaces and managed environment offered elsewhere.

The expanded range of choices for discretionary spending means that retailers and shopping centers that wish to maintain and expand their regional customer base, or spending from their existing regional customer base, must create shopping experiences that are compelling. If the city and local property owners and retailers wish to reverse the loss of sales and downward rent trends in the corridor, investment in a contemporary shopping environment is critical.

Strategic Consideration: Constraints on New Investment

Outside of the new daily/weekly needs retailers, there has been little new investment on the corridor in the past ten years. Because there are no remaining undeveloped parcels outside of surface parking lots that support adjacent buildings, new investment requires redevelopment or rehabilitation of existing developed properties. For properties such as strip or enclosed malls that are leased or owned by multiple parties, redevelopment and even significant rehabilitation is complicated by the likely lack of alignment of lease terms, or by reciprocal easement agreements that govern parking, access, encroachment and utilities lines easements as well as operation of common areas and building design. These agreements allow shopping centers with multiple owners to function cohesively, but complicate efforts to significantly improve any portion of the center since several owners hold rights regarding use of parking and access routes that could be affected. REAs also create incentives for obstruction, as parties are in a contractual position to obtain windfalls in exchange for permission to make improvements regardless of cause.

Due to the lack of undeveloped sites and the above described constraints on major redevelopment, recent investment has largely gone into rehabilitation or limited remodeling of existing buildings, including the new Whole Foods, Kohl's and the prospective Target. This type of investment does provide some renewal and expansion of shopping choice, but it does not create the changes in building footprint, orientation and parking design needed to create a memorable shopping experience and maintain the corridor's regional draw in the face of external competition. The Case Study section of this memo (pg. 16) provides some examples of shopping centers and surrounding shopping corridors that have successfully pursued redevelopment and significant renewal in the face of ownership and leasing constraints.

Strategic Consideration: Opportunities for New Investment

There are currently many short-term and long-term opportunities for investment that would have positive impacts on the shopping environment and, ultimately, revenue potential of the corridor.

Create Focus and Consolidate Retail Over Time

41st Avenue is currently a disorienting corridor to navigate. It is difficult to understand what shopping opportunities are in the corridor and how best to access them. In particular, the lack of a distinguished façade or front door at Capitola Mall and the location of the Capitola Mall Transit Center immediately adjacent to the mall entrance is visually confusing (see Case Studies for illustrative solutions). Finding the shopping center on Clares Street (anchored by Trader Joe's) is also

challenging, as it is hidden by the Mall and largely invisible from 41st Avenue. Re-location of the Transit Center will be an important issue for the Re-Visioning Plan. Coordinated way-finding and signage within the corridor could also provide short-term relief to shoppers.

In the mid and long-term, concentration of retail is critical. Currently, retail is scattered throughout the mile-long and sometimes quarter-mile wide corridor, separated by numerous surface parking lots. This is challenging to would-be customers, as it necessitates multiple trips within the corridor and creates little synergy between stores.

In the short to mid-term, selective development of portions of the Mall's surface parking should be feasible. The Mall's current blended parking ratio is 4.95 spaces per 1,000 square feet of retail, in excess of the current requirement of 4.0 spaces per 1,000 square feet and other comparable mall properties held by owner Macerich. Reconfiguration and expansion of the front of the Mall to create an externally oriented restaurant area with a plaza and outdoor tables and seating could improve the Mall's appeal and begin to create an outdoor activity area on the corridor (see Northgate Mall Case Study). Additionally, adding restaurant and other retail pads on 41st Avenue and Capitola Road, while preserving sight lines to the Mall, could help in-fill retail development on the Mall site and create additional interest at the street edge. In order to accomplish this, Macerich will have to enter into negotiations with other Mall property owners in order to develop surface parking and reconfigure access; the timeframe for such improvements depends on these negotiations. Macerich's recent acquisition of the Kohl's property is a significant step forward in consolidating control of the Mall.

In the long-term, the creation of a two-sided walkable shopping street near the core of the corridor (between 41st Avenue & Capitola Road and 41st and Clares Street) should be considered. The corridor is in need of a retail configuration that can support pedestrianism and social activity, that creates synergy among uses, and provides the local community and customers from out of town with a place to find more upscale contemporary retailers and restaurants in a quality setting. According to area brokers, Santa Cruz County has a sufficiently large affluent population to support more specialized higher-end comparison goods retailers. Reportedly, such retailers have expressed interest in Capitola but have been frustrated by limited appropriate space. A new two-sided shopping street could provide the ideal setting for such retailers.

Given the high level of traffic on 41st Avenue – an average of nearly 44,000 trips per day in 2009 – and its seven lane width, 41st Avenue itself cannot support cross-street shopping. However, a shopping street perpendicular to 41st Avenue could take advantage of visibility to traffic on 41st Avenue while enabling a pedestrian orientation (see Birch Street Case Study). Capitola Road, Clares Street, or a new street dividing the Mall property could potentially serve this purpose.

Expand & Improve Eating and Entertainment Options

41st Avenue, and Capitola as a whole, are currently lacking in sit-down dining venues, especially considering the regional draws provided by the beach and Capitola Mall. Revenues from eating establishments remained static between 2001 and 2009, despite expansive national dining out trends prior to the recession and a downturn with the recession. This suggests that local supply isn't capturing additional meals being eaten out in keeping with long-term restaurant growth trends; interviews with property owners and brokers indicate there is immediate demand from restaurants for the type of pad sites that could be built out at the edge of the Mall's parking lots. Adding sit-down casual and quick casual restaurant venues to the corridor is an immediate first step to expanding the corridor's offerings and making it more appealing to locals, tourists and shoppers from across the county. They are also the ideal lead tenants for the type of short and mid-term development described above.

Long-term, the corridor is in need of contemporary entertainment uses that broaden its appeal, lengthen visits and create night-time activity. The nearest fully modern twelve-plus screen multiplexes are 45 minutes away, either over the hill in Cupertino or San Jose, or southeast in Salinas. In-depth targeted market analysis can determine whether the nine screen Regal Cinemas in downtown Santa Cruz has all the screens that the Santa Cruz County trade area can support; if additional demand exists, then there may be potential for an additional theater complex or other entertainment use to be built in Capitola.

Leverage Assets

Capitola benefits from two major regional attractors: the beach/Capitola Village, and 41st Avenue/Capitola Mall. There is currently little relationship between these two attractions. This is unfortunate because the two areas have complementary challenges and opportunities. Village retail is constrained by limited parking and vehicle access, the absence of retail anchors that can drive foot traffic to smaller businesses, small floorplate buildings that cannot accommodate contemporary retail formats and little redevelopment potential. Nonetheless, a steady stream of small businesses open in the storefront spaces due to the heavy tourist trade from the beach during the summer, a pedestrian environment that encourages walking and shopping and the unique charm and character of the Village. By contrast, 41st Avenue has a large parking supply and strong vehicle access, numerous anchor retailers of regional significance, a poor walking environment and some mid- to long-term redevelopment potential.

Given that the distance between the heart of 41st Avenue and Capitola Beach is just over a mile, opportunities to link the two should be explored. The opening of Capitola's Fairfield Inn, along with the existing Best Western on 41st Avenue, begins to create more of a tourist presence on 41st Avenue that should be supported and expanded (see Hotel discussion, pg. 14). After initial improvements are made to the Mall and more eating establishments added, the operation of a seasonal, high visibility shuttle circulator, such as an open-air trolley bus, could provide beach goers with a break from the sun and expanded shopping, dining and entertainment options without retrieving and re-parking their vehicle. As can be negotiated, remote parking on excess lots at Capitola Mall would be highly accessible to Highway 1 and increase the likelihood that beachgoers would visit Capitola Mall, or other attractions on 41st Avenue.

ATTACHED RESIDENTIAL AND MIXED-USE DEVELOPMENT CONDITIONS AND STRATEGIC CONSIDERATIONS

The 41st Avenue corridor is currently an almost exclusively commercial environment. The heavy traffic and “canyon and hill” effect of surface parking and commercial development boxes create challenges for integration of successful attached residential and mixed-use development. At the same time, the long-term downward commercial revenue and rent trends in the corridor suggest the need to fundamentally change how portions of the corridor are used. The following section describes available indicators of the potential market for attached residential and mixed-use development on 41st Avenue, as well as strategic considerations for integrating these types of development.

Market Conditions

As mentioned, there is currently little residential development in the corridor, and few recent attached projects in the entirety of Capitola. The first several attached residential and mixed-use developments will be pioneering projects, meaning that they have no real market precedent (the Capitola Beach Villas project is discussed below). Existing available data and the results of residential broker and developer interviews are summarized below.

Rents and Rental Occupancy

As discussed in the Economic Conditions White Paper for the General Plan Update, average rents in tracked apartment buildings have declined and then stabilized in the Santa Cruz region over the past two years, while occupancy rates have remained fairly strong. Statistical data for Capitola is unavailable, but locally-knowledgeable interviewees stated that existing apartment buildings continue to perform well. Within Capitola as a whole, brokers indicate rents are approximately \$2 per square foot – matching the RealFacts data – and vacant units tend to fill quickly. Demand for rental units has been bolstered by declining demand for for-sale units, especially condominiums, due to stricter lending standards and higher unemployment.

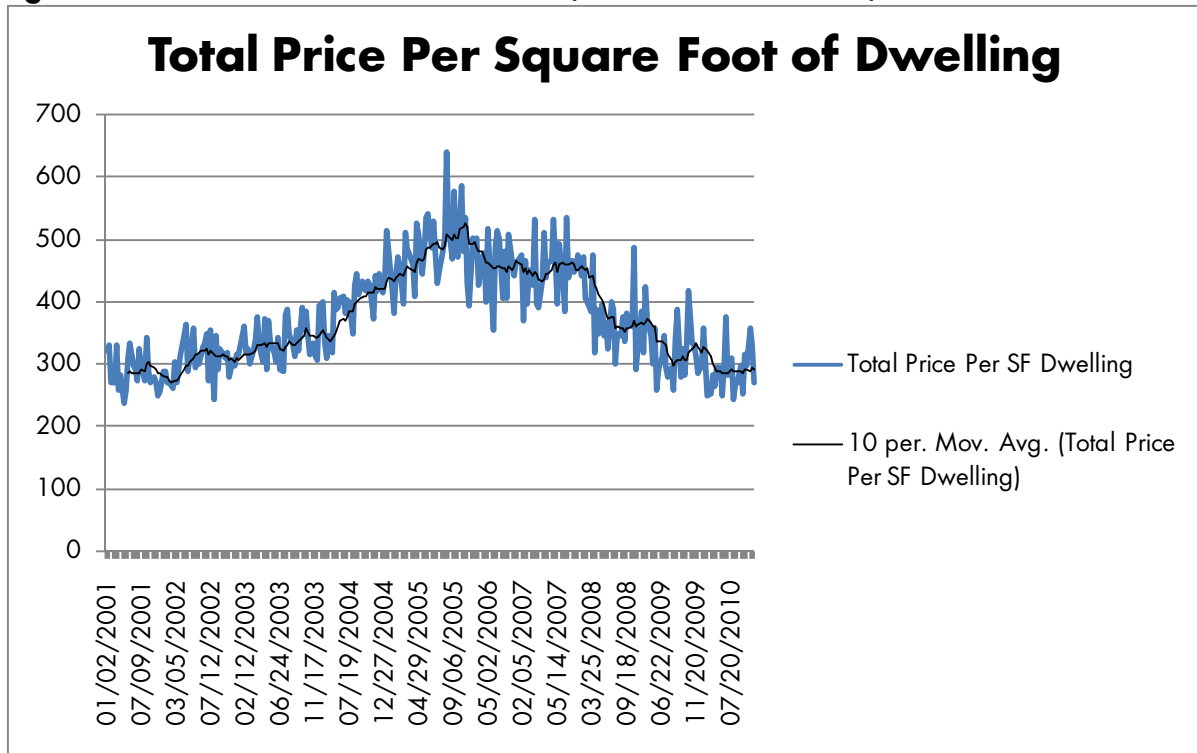
Developers and brokers indicate strong on-going demand for apartments, in part due to the major amenity provided by the beach. However, current rents are unlikely to support new construction in a redevelopment context, which includes demolition and land costs that must be sufficiently high to displace existing uses. Notably, the only purpose-built rental properties recently constructed in Capitola have been publicly-assisted affordable housing projects. Community opposition to rental housing, as voiced during last fall’s hearings regarding Capitola Beach Villas’ rental conversion, will be an additional challenge to new rental projects. Because of this, new apartment projects have mid- to long-term prospects in the corridor.

Sales Prices and Condominium Occupancy

Recent condominium projects such as Capitola Beach Villas and 2030 North Pacific (Downtown Santa Cruz) have needed to restructure as rentals rather than condominiums to fill units. Given that buyers currently have limited access to mortgages and that condominiums are a relatively unproven and risky investment in Capitola, restructuring to rental is a more financially attractive option to developers and their lenders. Condominium production is further inhibited by Fannie Mae and California Department of Real Estate requirements that more than half the units in the project are pre-sold prior to occupancy.

Comprehensive data regarding absorption of existing condominium units in Capitola is unavailable; the track record of recent projects in Capitola and Santa Cruz is sufficiently poor to assume condominium projects will not be feasible in the short-term. The transactional trend data shown below provides a longer-term perspective on condominium value in the greater 41st Avenue area.

Figure 2: Condominium Sales Price Trend, Greater 41st Avenue, 2001 - 2011



Source: First American Real Estate Solutions, Strategic Economics, 2011. The area surveyed includes both the City of Capitola and Census Tract 1217, which extends westward to Rodeo Creek, in order to canvas sufficient transactions to provide a robust trend.

The condominium transactional trend in the greater project area follows national trends; annual run-up of approximately six percent between 2000 and 2004, a distinct up-tick to approximately twelve percent growth in value between 2004 and 2006, and on-going downward trend in value between 2006 and 2010, with some fluctuation, that has returned condominium values to their 2001 value of just under \$300 per square foot. Transactional data is almost entirely re-sales of units in properties built in the 1970s and early 1980s, making individual transactions highly comparable and minimizing distortions to the trend.

The on-going loss in demand for existing condominiums, as demonstrated by the transactional trend, indicates a long-term recovery for attached for-sale product. While the trend shows decreasing demand only for re-sale units, the failure of recent new condominium projects in the project area and Santa Cruz, as discussed, likewise indicates little short-term demand for condominiums. Anecdotally, area developers confirmed the significant downward value trend, describing recessionary losses of 30 percent that could not sustain new construction given high land prices that have not caught up with the decline of development value.

Developers also referred to the lack of “value premium” on 41st Avenue, meaning that the corridor does not currently provide sufficient locational amenities to create value for development, beyond the project itself. At best, prospects for new condominium projects are mid-term, provided interim place-making and other investments are made and the corridor has something to offer new residents besides good access to Highway 1 and driving proximity to the beach.

Mixed-Use Outlook

As described previously, both the condominium and retail components of Capitola Beach Villas, the first contemporary mixed-use project in Capitola, failed to absorb over more than two years. While

the recession and subsequent tightening of lending standards played a major role in the project's problems, its design and location are also likely factors. The project is far from the retail core of the corridor and its storefronts are over-hung by upper story uses and have limited visibility from the street. The residential uses, located in the interior of the parcel, are a series of three-story stand-alone buildings awkwardly arranged around a small courtyard, the parcel edge and surface parking. There is little relationship between uses in the project; walking from the interior residential uses to the storefronts requires crossing multiple parking lots or along the railroad tracks immediately north of the project.

Problems with the Capitola Beach Villas project illustrate the limits of the mixed-use concept: simply combining multiple uses on any given parcel does not guarantee synergy between uses. In particular, mixed-use projects will perform poorly if parking requirements, density limits, lack of sufficient market demand, poor location or overpriced land push mixed-use projects into formats and construction types that do not integrate uses or relate to surrounding uses. Furthermore, poorly designed mixed-use projects will contribute none of the advantages that mixed-use should confer: support to businesses from residents and workers, convenience of retail services to residents and workers, and street-level activity from these interactions that spills over to surrounding storefronts.

The outlook for mixed-use in the corridor depends foremost on improvements in demand for attached housing. Demand must be sufficiently strong to support development types that minimize surface parking on open lots. This is a mid- to long-term prospect. Secondly, mixed-use development will not succeed as small, individual projects, given the current lack of street edge, store front retail. Mixed-use should be encouraged as part of a larger concept (i.e. a two-sided, walkable shopping street) that will create a consistent street edge and shared activity between projects. This type of concept could also confer the "value premium" ultimately needed to create a condominium market in the corridor in the mid to long-term.

Strategic Consideration: Market Rate Residential Development Unlikely to Lead Change in the Corridor

As described, recent condominium project challenges and declining re-sale values rule out near-term condominium development in the corridor. Apartment demand is stronger, but may not be sufficiently strong to support new construction in a redevelopment context in the near-term. Community concerns with rental projects further discourage new apartment prospects.⁵ Unlike pre-recession urban redevelopment efforts, when the ongoing strong increase in housing values promoted residential in-fill as a primary agent of change, the corridor's regional retail draw points to in-fill retail as the first steps forward in the corridor.

In the mid-term, as retail in-fill begins to concentrate and focus retail activity more in the core of the corridor – allowing for a critical mass of pedestrian-accessible and mutually-supportive retailers – and housing markets have had longer to recover, single use attached residential projects may succeed at the edges of the corridor as buffers to single-family neighborhoods. Adjacency to single family neighborhoods could provide some market advantage to such projects. Existing edge commercial development may be less desirable and therefore less expensive to redevelop. Given the on-going state-wide fiscal crises and uncertain future of the redevelopment area and tax increment capture, the

⁵ Financial feasibility analysis is part of the development alternatives assessment and should help clarify whether new apartment development can be supported in the corridor, and at what construction type.

City should carefully consider its policies regarding conversion of commercial uses to housing, as housing is more likely to have a negative fiscal impact upon the city.⁶

Publicly-assisted affordable or mixed-income housing projects do hold potential to lead transformational change in the corridor. Dedicated public funding sources and tools exist for the creation of affordable housing, thus providing additional public sector development incentives that do not exist for market rate housing. Well-designed multi-family buildings – whether partly market rate or entirely below market rate – can initiate residential in-fill to the corridor. These pioneering projects can begin to change the corridor’s physical form and introduce residents and their greater potential for walking trips into existing activity patterns within the corridor. In addition to fulfilling city affordable housing goals, affordable or mixed income projects can help reduce greenhouse gas emissions and overcome the City’s jobs-skills imbalance by placing lower-skill workers within walking or short driving distance of existing service jobs and public transportation. An example of this occurred at San Jose’s Ohlone/Chynoweth transit station. The station was surrounded by single-family suburban homes, but the Santa Clara Valley Transportation Authority sold station land for development of a 3-4 story affordable housing project. A second developer constructed a similar affordable development nearby. With the attached housing market and environment established, a subsequent developer constructed a successful market rate apartment building.

Strategic Consideration: Adding “Value Premiums”

Despite the many large daily/weekly need and comparison goods retailers on the corridor, residential developers interviewed described the corridor as lacking in the types of amenities that drive additional value for housing. The corridor does provide housing value due to its excellent access to commercial services and jobs via Highway 1 as well as driving proximity to the beach. However, the corridor’s current appearance, lack of gathering space and heavy traffic gives it an unwelcoming reputation that overrides its potential advantages.

The housing market may begin to recognize 41st Avenue’s value advantages if the aforementioned preliminary short-term retail recommendations are implemented, including: re-location of the bus mall, improved way-finding through-out the corridor, retail in-fill and, especially, the creation of an outdoor eating and gathering space linked to externally oriented restaurants at the mall. Over time, the addition of shuttle access and walking/biking improvements could begin to improve circulation within the corridor and decrease the heavy impact of automobile traffic on 41st Avenue. Additional green improvements and requirements could also improve the corridor’s appearance. In particular, additions of green and landscaped spaces or parks among the surface parking lots that visually dominate the corridor are recommended (see Northgate Case Study). These types of improvements are needed for the corridor to become a desirable location for housing, particularly condominiums.

Strategic Considerations: Form and Proximity Are Key to Mixed-Use

To succeed, mixed-use development projects should be in proximity to other street edge-oriented retail, mixed-use or otherwise. The building intensity and proximity needed for mixed-use retail to thrive is difficult to achieve when development is surrounded by surface parking lots. Further, synergies cannot be assumed to exist between uses in a single project and uses in adjacent projects. Instead, locations and building design must be carefully selected to create a mutually-supportive relationship between the uses within the project and across adjacent developments. For example, residents within the project should have pleasant and easy pedestrian access to its own retail spaces; the spaces themselves must be designed to accommodate retailers that can serve residents and other

⁶ This is generally true of projects at similar densities; however, high-density residential development in strong residential markets sometimes drives greater revenues than single-story retail due to property taxes from the valuable property/units. Capitola does not currently have such a strong residential market.

customers within the area; and the project must be integrated into the street environment such that it has easy visibility and access to other pedestrians and automobile drivers.

OFFICE DEVELOPMENT CONDITIONS AND STRATEGIC CONSIDERATIONS

In keeping with the small amount of office-based employment in Capitola – approximately 1,400 jobs – the city has a limited inventory of office space.⁷ As described in the previous Baseline Economic Conditions Report for the General Plan Update, office buildings, including those found on 41st Avenue, are generally one to two-stories with spaces typically smaller than 5,000 square feet and surrounded on one or more sides by surface parking. Office-based businesses are concentrated in professional and technical services, real estate, health care and finance and insurance. They are primarily local and household-serving.

Market Conditions

Comprehensive occupancy and rental rates are not available for Capitola and the project area. Mid-County office occupancy, including Capitola, has improved since the recession, with a current vacancy rate of 5.7 percent compared to a countywide average of 12.3 percent.⁸ The Mid-County average asking rent is approximately \$2 per square foot (full service gross basis). Cassidy Turner/BT Commercial reports that no new office space was constructed in the Mid-County area between 2006 and 2010. Developers report that the local office market is stagnant, in keeping with national trends, and new office development should not be expected in the near-term.

Strategic Considerations: Location Sensitivity

Over the mid- to long-term, as existing vacancies in the Mid-County are filled by future job growth, there may be sufficient demand for a small increment of new office in the 41st Avenue corridor. Capitola rents and occupancy perform relatively well within the Mid-County area. Within Capitola, preferable locations feature good access to Highway 1 and other daily destinations. Capitola's base of household-serving office users value client accessibility, and therefore often prefer visibility, easy automobile access, and/or co-location with other conveniences. Within the corridor, locations north of the Mall will be favored.

⁷ Dun & Bradstreet, 2011; Strategic Economics, 2011.

⁸ Cassidy Turner/BT Commercial, 2010.

HOTEL DEVELOPMENT CONDITIONS AND STRATEGIC CONSIDERATIONS

The re-visioning plan area currently contains one hotel along 41st Avenue, the 57-room Best Western Capitola-by-the-Sea Inn. A Fairfield Inn & Suites by Marriott will open in July of this year with 84 rooms. These hotels serve as low- to upper-mid-range lodging on 41st Avenue, with easy access to Highway 1 and the Capitola Village beachfront area. Current/expected clientele primarily consist of visiting families, with a small share of business travelers drawn by proximity to businesses along 41st Avenue. The presence of these hotels provides an additional base of potential patrons of the retail businesses along 41st Avenue.

Market Conditions

Occupancy rates are the primary indicators of whether demand exists for additional hotel development. As described in the city-wide economic conditions analysis for the General Plan, regional occupancy in Santa Cruz County over the past five years peaked at 59.5 percent and has fallen to 50.3 percent in 2010. Although these overall occupancy rates are too low to indicate demand for additional lodging, the additions of a boutique hotel in Santa Cruz and mid-range hotels in Santa Cruz and Capitola (the forthcoming Fairfield Inn) lend evidence that the boutique and mid-range categories were outperforming the market overall. Interviewees stated that the Capitola hotel market has followed the trend of declining occupancy since 2007/2008, but performance is still very strong relative to the County overall. Revenue data shows a similar 2007/2008 peak and decline.

Strategic Consideration: Phasing

Sufficient demand to start new hotel projects will likely occur in the mid-term period, after at least five years from today. New hotel projects are largely on hold while the economy recovers, but stand poised for relatively rapid development when conditions improve. Development of the La Bahia Hotel in Santa Cruz is pending California Coastal Commission approval, while the Capitola Hotel in Capitola Village is on hold pending economic concerns and completion of the current General Plan Update.

The opening of the Fairfield Inn will likely absorb lodging demand in the mid-range market in Capitola for the next 3-5 years; afterward, sufficient demand may exist for development, but rapid development of other planned hotels may further lengthen the amount of time before another hotel could be added to 41st Avenue.

Strategic Consideration: Location

41st Avenue is generally a strong location for larger, mainstream, mid- to high-range hotels rather than luxury or boutique offerings that are better suited to Capitola Village or scenic inland locations. 41st Avenue is particularly suited for developing such hotels since – redevelopment challenges aside – the area contains relatively large commercial parcels.

Locations along 41st Avenue provide balance between access to Highway 1 and Capitola Village, but specific sites emphasize one or the other. In general, larger mainstream hotels seek freeway visibility and access, which is provided best by northern sites along 41st Avenue; however, Capitola Village provides a significant amenity and the principal reason many families visit the area, therefore favoring sites to the south. An ideally-sited hotel would provide easy access to the village and beach, possibly via a shuttle.

Finally, if a two-sided shopping street parallel or perpendicular to 41st Avenue is planned in the future, a hotel is well-suited to be a mutually-supportive component of these plans. Such a hotel

would attract additional visitors to the shopping district, while the shopping district would provide a compelling reason to *want* to stay along 41st Avenue.

ILLUSTRATIVE CASE STUDIES

The following case studies are intended to help stakeholders and the community at large better understand the potential for transformation of 41st Avenue and Capitola Mall. Case study subjects were carefully selected based on key similarities in character, the applicability of implementation tools used and the need to illustrate a range of approaches differing in the level of public and private investment and the degree of transformation. Selection criteria included level of traffic, width of arterial, presence of older in-door mall, size of mall and other regional retail, market position and implementation approach. Dozens of possible subjects were considered; the following projects were selected and evaluated:

- Brea Boulevard & Birch Street (Brea, California)
- Northgate Mall and Northgate neighborhood (Seattle, Washington)
- The Shops at Tanforan (San Bruno, California)

Brea Boulevard & Birch Street (Brea, California):

Access/Setting:	Higher income suburban city downtown, immediate arterial and adjacent highway access
Square Footage:	Added 368,000 SF of retail, 10,000 SF of office and 200 housing units over 15 years
Nature of Change:	From single-story single use to four-story mixed-use development, including creation of new pedestrian-scaled shopping street, & re-design of a major arterial
Key Implementation Tools:	Specific Plan, Tax Increment Finance/Redevelopment Assistance, Developer Agreement

Between 1985 and 2000, the City of Brea transformed its languishing downtown by re-orienting its center from a six-lane, high traffic arterial, Brea Boulevard, to a perpendicular side street, Birch Street. The single-story, auto-oriented land uses and minimal pedestrian realm on both streets were re-created to support parking once and walking amongst shopping, dining, entertainment, second-story office and a variety of housing choices. On-street parallel parking, curb bulb-outs that shorten crosswalks, and mid-street crosswalks calm the traffic on Birch Street. Wide sidewalks accommodate streetside dining, and buildings are built to the lot line and oriented toward the street.

In the mid-1980s, the Brea Redevelopment Agency began planning for a new mixed-use downtown by assembling approximately 90 acres of land along Brea Boulevard and developing and adopting a Specific Plan for the area. The City then re-platted the acreage, assisted with permitting and contributed new infrastructure as the plan was built out. The first component of the plan, developed in the early 1990s, was an approximately 200,000 square foot local-serving shopping center designed in a traditional suburban format around surface parking and anchored by a Ralph's, Petco and Starbucks. This shopping center began to build new market momentum for retail in the area and forms the back of what later became Birch Street, with buildings immediately abutting. In the mid-to late- 1990s, three other portions of the plan were completed: a 12 screen Edwards Theater, a City-owned 900 space parking garage and a 30 unit, small lot housing development.

The mixed uses on Birch Street and largely retail and entertainment uses on Brea Boulevard were the final components completing the Brea District. The City of Brea entered into a development agreement with the CIM Group to build six different highly articulated, pedestrian-scale, mixed-use

buildings on West Birch Street and five larger floor plate retail buildings on Brea Blvd.⁹ CIM Group engaged four different architecture firms to provide distinct building designs and add detail and interest to the district; the buildings on Birch Street vary from one to three stories and each has a unique mix of retail, restaurant, and office or residential. On Brea Boulevard, there is one three-story mixed retail and residential building and four single-story retail buildings including a Tower Records and an Old Navy. For its part, the City attracted an additional 10 screen Edwards Theater to Birch Street, built and maintains another 850 space parking garage, and assisted the CIM Group with approvals and environmental assessment. The two theaters were deliberately separated to reduce the size of the buildings and are surrounded by smaller buildings to vary the streetscape.

In total, on Brea Boulevard and Birch Street, there are 64 lofts, 10,028 square feet of office, 59,775 square feet of retail and restaurant in mixed-use buildings, 56,019 square feet of single use in-line retail and restaurant, and 52,234 square feet of large format retail. The local-serving shopping center behind Birch Street includes another 200,000 square feet of retail and two other housing projects, including 40 three-story townhomes and 96 garden-style single-family homes, are just off Birch Street and complete the project. The City has also expanded the downtown plan to include surrounding areas, adding a total of 250 new housing units within a mile of the downtown core.

The retail tenants are a mixture of national and regional chains, with a few local independents. Mr. John Given, senior vice-president for development at the CIM Group, told Strategic Economics that leasing the ground floor retail in the mixed-use buildings was the most difficult part of the project. This is because chain site and location requirements, such as a predetermined number of parking spaces in front of the retail space, are adhered to more strictly in the Inland Empire than in places like Pasadena and Santa Monica, where CIM Group had done mixed-use projects previously.

Lessons for 41st Avenue & Capitola Mall

- Leasing of retail space in mixed-use buildings outside of large cities is challenging. Ground floor space in vertical mixed-use is among the most difficult type of retail space to lease, particularly in pioneering markets. National chains, which predominate on 41st Avenue, employ site and location requirements that fit into formulaic, suburban development patterns, rather than mixed-use urban environments. Finding many interested national chain retailers willing to fit into this type of development pattern will be challenging. Nonetheless, the Birch Street case study shows that with appropriate phasing, adequate parking, good design and city vision, such projects can move forward.
- Finding appropriate, independent retailers requires pro-active outreach. Due to the small pool of national credit tenants interested in mixed-use locations, some amount of independent retail will likely be necessary to support larger plans for mixed-use development. Most independent retailers capable of supporting new construction are not new businesses, but already have one or two locations in the general area. While it is likely to be challenging for new businesses to afford space in new mixed-use buildings, established retailers located elsewhere in Santa Cruz County could open a second or third store in such space on the corridor. The City of Capitola could make recruitment of such businesses an economic development strategy.

⁹Originally, the east side of Brea Blvd. was to have more restaurants and entertainment uses. The agreement was amended, however, when CIM had difficulty attracting such tenants due to the separation of these parcels from the Birch Street walkable shopping core by six-lane Brea Blvd.

- Flexibility in permitted ground-floor uses may be needed for vertical mixed-use projects. The 60,000 square feet of ground floor retail in vertical mixed-use buildings included in Birch Street is limited relative to the whole area, and the length of time spent recruiting and securing this retail was significant. Flexible ground-floor uses – such as small office or residential in addition to retail – may be necessary due to the limited pool of appropriate retail tenants and the extra risk and special experience required of developers to do this type of vertical mixed-use. Realistically, few developers will be capable and willing to undertake the retail tenancing strategy required for mixed-use projects, and those who do will probably require some City support. If the city wishes to attract a significant amount of small scale retail, it will need to dedicate resources to working with developers on tenant recruitment.
- Daytime population is important for the success of mixed-use retail. Brea is an employment center, and therefore has a very high daytime population – approximately three times that of its resident population. This was a significant factor in establishing that there was sufficient market support for a project like Birch Street. Other than summer, Capitola has a very low daytime population, as it is primarily a bedroom community. This is especially important in considering support for restaurants, which were key to the Birch Street concept and predominate the ground floor tenant mix in the vertical mixed-use buildings. Since Capitola is unlikely to ever become a regional employment center beyond retail and household-serving services, the increment of mixed-use retail may be relatively small, with growth prospects provided by increasing the number of visitors in off-peak seasons.
- Public subsidy is often necessary for pioneering redevelopment. Public subsidy is often necessary for pioneering whole-scale redevelopment. The Birch Street project received assistance from the City of Brea Redevelopment Agency with the assembly of land, development approvals, environmental evaluation, infrastructure, including streetscape improvements and parking. Capitola has limited capacity for such interventions, and will therefore need to be very targeted in its use of public assistance.

Brea Boulevard and Birch Street Case Study Images



Aerial image showing new developments. Source: Google Earth, 2011.



Birds-eye view of Brea Boulevard (running left to right) and perpendicular Birch Street. Notice the buildings constructed up to the sidewalk, the all-direction “scramble” pedestrian crosswalk, and that pedestrian-oriented is concentrated along both sides of Birch Street, rather than busy Brea Boulevard. *Source: Microsoft Bing Maps, 2011.*



Birch Street street views. *U.S. Environmental Protection Agency, via the Local Government Commission.*

Brea Boulevard and Birch Street Case Study Sources

Strategic Economics et al. *Revitalizing Older Suburbs: Strategies and Case Studies from Southern California*. Local Government Commission. July 2002.

John Given, CIM Group, personal interview.

City of Brea Redevelopment Agency.

Northgate Mall, Northgate Neighborhood (Seattle, Washington)

Access/Setting: Urban residential neighborhood, adjacent to a freeway, commuter bus station, and planned light rail station.

Nature of Change: Addition of outdoor “lifestyle center” component, with significant public infrastructure improvements and facilities additions in surrounding area; significant additions of adjacent mixed-use and higher-density residences.

Gross Leasable Square Feet before Renovation: 959,000

Gross Leasable Square Feet after Renovation: 1,059,000

Key Implementation Tools: Targeted public sector planning, visioning, and implementation efforts (no tax-increment financing tools): planned introduction of transit, streetscape improvements, community facilities additions,

public-private development negotiations; private-sector reinvestment in the mall property.

Project Description

Northgate Mall opened in 1950 as an internally-oriented long row of stores facing an open-air pedestrian mall, with anchor stores at either end. Over time the mall expanded and followed trends, eventually becoming a successful traditional enclosed shopping mall within the auto-oriented commercial heart of an established residential district.

Meanwhile, in the late-1990s the City of Seattle targeted the Northgate District surrounding the mall for investment and revitalization to help meet state density standards, driven by the area's existing commercial assets, popular commuter bus service, and planned addition of a light rail station along a new (yet un-built) rail line. In the fall of 2000, the City of Seattle, King County, and Sound Transit embarked on a public planning process to gather public feedback to gauge perceived needs, determine siting of new community facilities, and develop a comprehensive plan and design standards to guide future public and private investments.

Due to these planning efforts, the Northgate district surrounding the mall was transformed during the years after 2000, despite the lack of public sector tax increment financing or redevelopment power in the State of Washington. Significant streetscape improvements were implemented, and new facilities included a library, community center, park, and community garden. Several mixed-use or higher-density housing projects were also constructed.

“Thornton Place” stands out as a study in indirect public sector assistance to develop a project that meets community goals. The high-density mixed-use development consists of 109 condominiums and 277 apartments constructed on a site adjacent to Northgate Mall. The development was made possible by a complicated negotiation process in 2005. Originally an overflow parking lot for the mall, one-quarter of the site was sold to King County for a transit park-and-ride; one-third of the remainder was sold to the City of Seattle to daylight a creek (and meet runoff filtration needs) and create a park, while the other two-thirds were conveyed to residential developer Lorig Associates via a land swap with the mall owner. On this land Lorig successfully constructed a project which exemplified the area's new design guidelines, thanks in part to the negotiations of two public agencies and two private developers/landowners.

Noting these improvements, Northgate Mall's owners embarked on a major renovation and expansion in 2005. This effort added 100,000 square feet of new leasable space – including several restaurants – facing new outdoor paths and plazas. A 720-vehicle parking garage was also built, and other visual changes were made. These renovations met the area's new design guidelines, ensuring that Northgate Mall blends well with its neighbors and is now a more pedestrian-friendly place.

Lessons for 41st Avenue / Capitola Mall

- The public sector can deploy a wide range of tools to encourage and guide development without the use of redevelopment or tax increment financing incentives.

The State of Washington does not provide the redevelopment structure found in California, nor allows the use of tax increment financing. Capitola may face a similar situation if the future state budget repeals redevelopment. However, Seattle demonstrates the alternative public sector powers to invest in an area and guide development, including planning efforts, public infrastructure improvements, addition of public facilities, development negotiation assistance, structured land acquisition for public purposes, and introduction of transit.

- Re-investment by a mall owner is made more appealing by complementary investments and focus from the public sector.

There are no indications that Northgate Mall was failing prior to renovations in 2005. However, public sector agencies created significant momentum for private reinvestment by focusing investments and attention on the area and encouraging new development. Additional working capital was provided to the mall owner by the City and County’s acquisition of the mall’s overflow parking lot to provide a park and park-and-ride transit facility.

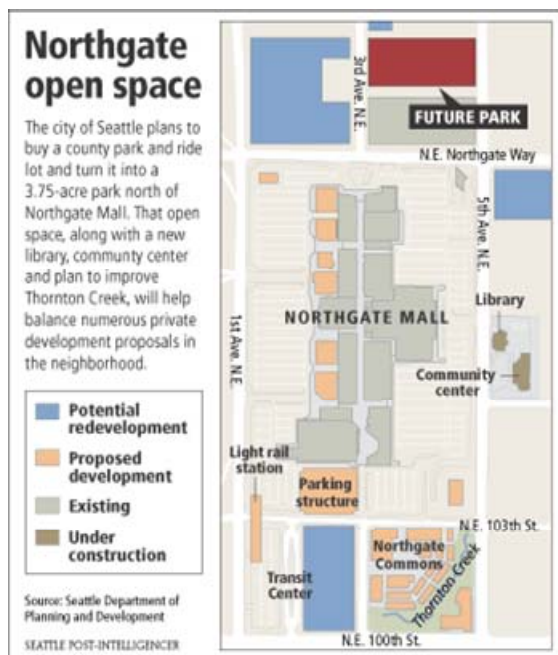
- *Spurring major change requires a shared vision and cooperation among public sector participants and community and private-sector buy-in.*

The public planning process in the Northgate area ensured that the public sector entities had a clear mandate for siting facilities and negotiating future transactions. This success further emphasizes the need for Capitola to involve all stakeholders in the preparation of any plans for 41st Avenue.

Northgate Mall Case Study Images



Aerial view of Northgate Mall and surrounding area, circa 2011. *Source: Google Earth.*



Seattle Post-Intelligencer graphic showing new development at and surrounding the mall, published in 2007.



Interior view of Northgate Mall. Source: Marcusaxavier77/Wikimedia Commons, 2007.



Thornton Place



Rendering and site plan of Thornton Place. Source: Lorig / Thornton Place.

Northgate Mall Case Study Sources

Harris, Craig. "New Look at Northgate Mall: Celebration Party this Weekend for Open-Air Addition." *Seattle Post-Intelligencer*.
 Lorig, Bruce. Personal Interview. February 2011.
 City of Seattle Department of Planning and Development.

The Shops at Tanforan (San Bruno, California)

Access/Setting:	Automobile arterial corridor in a suburban community, with adjacent freeway access and adjacent heavy rail regional transit.
Nature of Change:	Moderate intervention; minimal alteration of existing footprint, but major renovation of in-line shop spaces, addition of parking structure and movie theater.
Gross Leasable Square Feet before Renovation:	~1.07 million total; ~296,000 in interior
Gross Leasable Square Feet after Renovation:	~1.1 million total; 326,000 in interior
Key Implementation Tools:	Private financing

Project Description

The mall now known as The Shops at Tanforan in San Bruno was originally constructed in 1971. The facility was showing its age by the time redeveloper Wattson Breevast LLC acquired it in 1999. Anchor tenants Sears, JC Penney, and Target were performing well within the suburban setting of San Bruno, but the mall itself was in a poor state of repair and forty percent vacant.

Wattson Breevast undertook renovation of the mall, but faced multiple challenges. Bay Area Rapid Transit (BART) was finally constructing a long-anticipated train station on the mall site, requiring acquisition of a portion of the mall property. Additionally, each anchor tenant owned the parcel containing their building and portions of the parking lot; any renovation required their approval and could not disturb those properties.

BART initiated condemnation and eminent domain proceedings in 1999 to acquire its needed land, resulting in two years of litigation between BART and the four mall property owners. Ultimately the landowners were awarded \$34 million in 2001, which was dedicated to construction of a three-level parking structure. The BART station opened in 2003.

Wattson Breevast hired architecture firm Altoon + Porter to design the renovation of the mall's in-line retail spaces, followed by a one-year design approval process by the anchor tenants. Upon approval, Wattson Breevast was able to easily remove most of the in-line tenants in 2003 since the prior landlord had kept them on month-to-month leases in anticipation of redevelopment.

The renovation went to great lengths to avoid disturbing the anchor tenants while working within the available space. The in-line store spaces were stripped down to little but exterior wall concrete, including removal of the mall's roof. Unusually small work trucks were used during demolition so the vehicles could drive directly in and out of the mall without creating a major noise or visual disturbance. Ultimately Wattson Breevast did not need to compensate anchor tenants for lost business since their sales *increased* during construction.

The mall reopened in October 2005 upon completion of the \$140 million renovation. Reconfiguration of the mall's interior resulted in 110 storefronts compared to 70 previously, though leasable space only increased by 10 percent. A movie theater opened in 2008, built atop the new parking garage; a police substation was also constructed by the garage. The mall quickly had a positive effect on San Bruno's city finances, with sales tax revenues from the interior stores doubling compared to previous performance. With this success accomplished, the City of San Bruno has recently undertaken a General Plan update envisioning an even more dramatic transformation of the un-refurbished portions of the mall.

Lessons for 41st Avenue / Capitola Mall

- Redeveloping properties can require long-term focus.

Six years passed between Wattson Breevast's acquisition of The Shops at Tanforan and the opening of the new interior stores. Another two years passed before the movie theater was completed. This process was drawn out by the negotiations with BART, approvals of renovation plans by each anchor store, and unanticipated delays in demolition due to state recycling requirements. Delays would have been even worse (if not insurmountable) if more tenants held long-term leases. Fortunately Wattson Breevast initiated the redevelopment process recognizing the likelihood of such delays and budgeting appropriately.

- Potential fiscal benefits to cities can justify participation and assistance in the redevelopment process.

The redevelopment of Shops at Tanforan reduced vacancy rates from 40 percent to less than 10 percent while adding stores, improving the tenant mix, and slightly increasing the mall's leasable area. The improved sales dramatically increased the city's sales tax revenue from the interior stores at a time when the City was suffering from the unexpected loss of a major automobile dealership in

2005. Although The Shops at Tanforan was largely a private project, the public sector can clearly benefit from participation in improvements to the retail base.

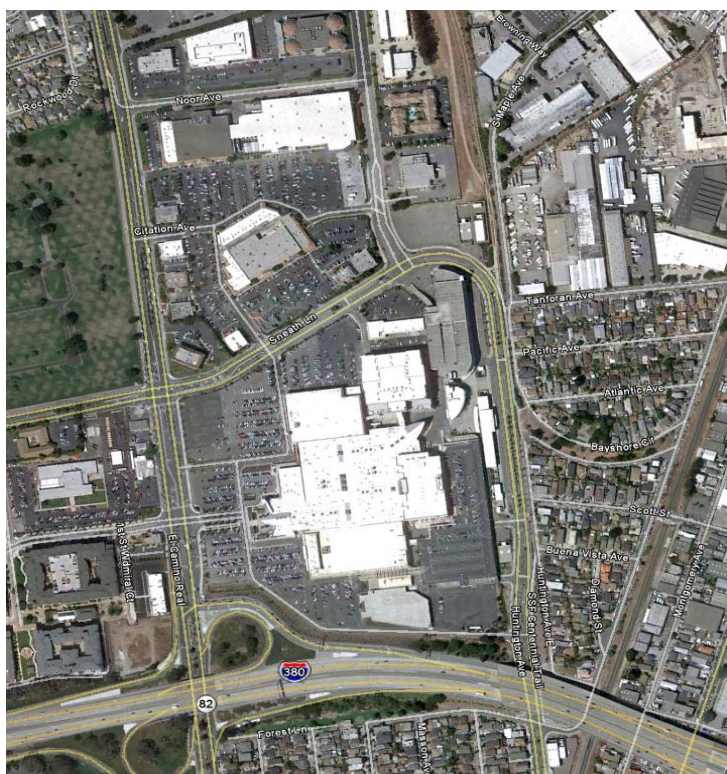
- Complicated ownership agreements and structures at traditional malls can limit redevelopment possibilities and require a strategy to overcome additional constraints.

Similar to Capitola Mall, the anchors at The Shops at Tanforan owned their own sites and held contractual control over the property in general. Wattson Breevast ultimately chose a redevelopment plan that required minimal approval from and disruption to the other property owners, since a more sweeping overhaul of the entire property would require years of negotiations and possible compensation for disruption to those store's sales. Notably, the anchor tenants required a year to approve even the more modest plans, and construction was made more difficult by the need to avoid disrupting their sales.

- Transit access can benefit a mall, but integrating it into the property can be a contentious process.

Redevelopment plans for The Shops at Tanforan were delayed by the three years of contentious litigation over BART's eminent domain action. Though this transit surely brings additional shoppers to the mall, this case study illustrates the difficulties in balancing transit needs with a mall facility, similar to discussions surrounding the transit center at Capitola Mall.

The Shops at Tanforan Case Study Images



Aerial view of the Shops at Tanforan. El Camino Real runs along the west side of the mall, and Interstate 380 to the south. The BART station and tracks lie to the east/northeast of the mall. *Source: Google Maps.*



Interior view of the renovated Shops at Tanforan. *Source: BrokenSphere / Wikimedia Commons.*



Exterior view of the renovated Shops at Tanforan. *Source: BrokenSphere / Wikimedia Commons.*

Shops at Tanforan Case Study Sources

Koch, David. "Case Study: Tanforan Turnaround." *Retail Traffic*. 1 September 2005.
Murtagh, Heather. "San Bruno Going to the Movies." *The Daily Journal*. 8 April 2008.
Staff Report. "The Shops at Tanforan Meet Hopes." *The Examiner*. 25 May 2006.

DEVELOPMENT COSTS

In a future task, Strategic Economics will perform financial analysis of design alternatives for the 41st Avenue/Capitola Mall Re-Visioning Plan. This section describes preliminary development and land cost information gathered during interviews with local developers. This data will be used to inform the financial analysis, along with additional data gathered from industry standard sources such as *RS Means*.

Land Costs

- \$50 per square foot for a clear site with good such as access and visibility.
- Costs are higher for sites near the beach or Capitola Mall.
- \$10 per square foot for poor sites.
- The range is very wide depending on the land's development potential.

Construction Costs

- Approximate average of \$150 per square foot for “hard” construction costs for a non-podium wood-frame structure.
- Soft costs are approximately 30 percent of hard costs.
- Add \$40 per square foot for tenant improvements.
- \$225 to \$250 per square foot “all-in” without significant parking structures or podiums.
- \$180 to \$190 per square foot for hard costs in projects with podium parking structures.

SUMMARY OF KEY ECONOMIC ISSUES AND OPPORTUNITIES

The previous sections have discussed current market conditions and longer term economic trend indicators for retail, attached housing and mixed use development, office and hotel uses; each discussion concludes with strategic land use recommendations for reversing negative trends and making the corridor more vital over time. This section summarizes these key findings and recommendations, and describes critical next steps toward implementing any new community vision for the corridor. A strong organizational and regulatory structure is necessary if a new vision is to be acted on and realized.

Key Findings Regarding Retail

- **Long-term Downward Retail Revenue Trends**

Between 2000 and 2009, the 41st Avenue corridor experienced a 41.8 percent decline in retail sales revenue. Although the decline accelerated with the beginning of the recession at the end of 2007, there was steady, on-going loss in comparison, automotive and convenience retails sales from the beginning of the decade.

- **Recent Influx of Daily/Weekly Needs Retailers**

With the recent expansion of daily and weekly needs retailers (Trader Joe's, BevMo, Whole Foods and Target), 41st Avenue is developing a strong concentration of more local-serving stores. This expands commercial services for Capitola's residents, but also increases trips to and within the corridor given the greater frequency of shopping trips for groceries and other household goods. In the case of a mass merchandiser, such as Target, replacing a more specialty-oriented department store anchor, like Gottschalks, this change in tenancy also decreases the corridor's regional appeal.

- **Recessionary Declines in Lease Rates; Stable Occupancy**

Lease rates within the corridor have declined 10 to 25 percent since the beginning of the recession. This is a relatively smaller decline than retail rents county-wide, however, current approximate rates per square foot per month of \$2.25 to \$2.75 are insufficient to support new construction. Occupancy within the corridor has remained relatively healthy due to landlord concessions and adjustments in tenanting strategy.

- **Need for Investment & Renewal**

Recent investment in corridor retail development has taken place exclusively within the footprint of existing projects (i.e. Whole Foods, Target, Kohl's). While there are real and perceived constraints that encourage this type of re-use, on-going negative revenue trends will not be reversed by such conservative investments alone. As the corridor is largely built out, with the notable exception of surface parking, fundamental changes in the format of existing retail space are necessary if the corridor is to retain its regional orientation in the face of increasing external competition.

Specific recommendations include:

- improving visibility and intensifying existing commercial uses through re-location of the Capitola Mall Transit Center, reconfiguration of the Mall's entrance and externalization of the food court, and development of existing surface parking lots over time;
- expanding and improving eating and entertainment options to diversify the corridor's offerings and lengthen shoppers' stays; and
- better connecting the City's two major destinations, Capitola Village & 41st Avenue/Capitola, so that visitors and residents may easily enjoy both attractions.

Key Findings Regarding Attached Housing & Mixed Use

- **Weak Short-term Demand for Attached Housing in the Corridor; Market Rate Housing is Unlikely to Lead Change**

Recent condominium project challenges and declining re-sale values rule out near-term condominium development in the corridor. Apartment demand is stronger, but may not be sufficiently strong to support new construction in a redevelopment context in the near-term. In addition to the broader residential market challenges, the corridor does not currently provide sufficient locational amenities to create value for development, beyond the project itself. Together, these factors make it unlikely that market-rate housing will initiate change within the corridor.

Well-designed, publicly-assisted affordable or mixed-income multi-family projects could assist in pioneering residential uses in the corridor, as they are less susceptible to market fluctuations. Such projects could begin to change the corridor's physical form and introduce residential activity, laying the groundwork for later market-rate projects.

- **Need for “Value Premiums” to Improve Corridor’s Attractiveness to Residential Investment**

Residential developers describe the corridor as lacking in the types of amenities that drive additional value for housing. The corridor's excellent access to commercial services, jobs via Highway 1 and proximity to the beach are masked by its current appearance, lack of gathering space and heavy traffic. The same short-term improvements needed to improve the corridor's retail position can help make it more welcoming to residential development in the mid-term: re-location of the bus mall, improved way-finding through-out the corridor, green improvements to visually relieve surface parking lots, and, especially, the creation of an outdoor eating and gathering space.

- **Mixed Use Development Requires Intensification & Re-formatting of Surrounding Uses to Succeed**

The outlook for mixed-use in the corridor depends foremost on improvements in demand for attached housing. Demand must be sufficiently strong to support development types that minimize surface parking on open lots. This is a mid- to long-term prospect. Secondarily, mixed-use development will not succeed as small, individual projects, given the current lack of street edge, store front retail. Mixed-use should be encouraged as part of a larger concept (i.e. a two-sided, walkable shopping street) that will create a consistent street edge and shared activity between projects. Locations and building design must be carefully selected to create a mutually-supportive relationship between the uses within the project and across adjacent developments.

Key Findings Regarding Office

- **Modest Demand Over Time for Smaller Office Spaces**

Over the mid- to long-term, there may be sufficient demand for a small increment of new office in the 41st Avenue corridor. Capitola's base of household-serving office users value client accessibility, and therefore often prefer visibility, easy automobile access, and/or co-location with other conveniences, such as that available on 41st Avenue. Within the corridor, locations north of the Mall are likely to be favored.

Key Findings Regarding Hotel

- **Moderate Demand in the Mid-term, Depending on Additional Hotel Development in Other Capitola Locations**

Following broader trends, the Capitola hotel market has experienced declining occupancy since 2007/2008, but performance is still strong relative to the County overall. 41st Avenue is generally a good location for larger, mainstream, mid- to high-range hotels rather than luxury or boutique offerings that are better suited to Capitola Village. The prospective opening of the Fairfield Inn and Suites by Marriott this summer is likely to satisfy short-term demand for additional hotel in the corridor; however, additional new hotel projects should be possible more than five years out depending on hotel activity in other Capitola locations. Hotel uses are highly desirable for diversifying uses in the corridor, better linking it with the Village, and supporting retail.

Implementation & Next Steps

The previous recommendations have addressed strategic changes in land uses, intensity of development and phasing necessary to improve the corridor's vitality over time. The following two recommendations are critical next steps for developing the local capacity and regulatory structure necessary to implement significant change in the corridor.

Build Property Owner Organization & Opportunity for Common Investment

The corridor currently has several large and numerous smaller commercial property owners. Alongside the City, these stakeholders have the greatest investment in the corridor and control over its direction. Especially given the uncertain future of redevelopment authority and tax-increment finance in California, implementation of a new vision for the corridor requires strong participation by property owners. This involves buy-in to the Plan itself, on-going communication and the potential for common investment in improvements and programming determined to be mutually beneficial to participating property owners.

The most commonly used tools for revitalization of commercial districts in California are business improvement districts (BIDs) or property-based business improvement districts (PBIDs). These districts provide a legal mechanism for assessment of either businesses or properties to pay for specific types of improvements, including parking facilities, parks, streets, street furniture, lighting and decoration, and services, including promotional activities and events, public safety programs, economic development and enhanced street cleaning and landscaping services. Among the most common and visible BID programs across the state are district identity branding efforts such as banners, special "clean & green" programs above the level provided by city services, and common marketing efforts. Passage of property-based BIDs requires endorsement by owners of more than 50 percent of property value, as well as an additional mail ballot process. Assessments are made based on the proportional value of improvements or services received by a property. PBIDs are governed by boards of property and business owners and have a maximum life of five years, without re-petitioning.

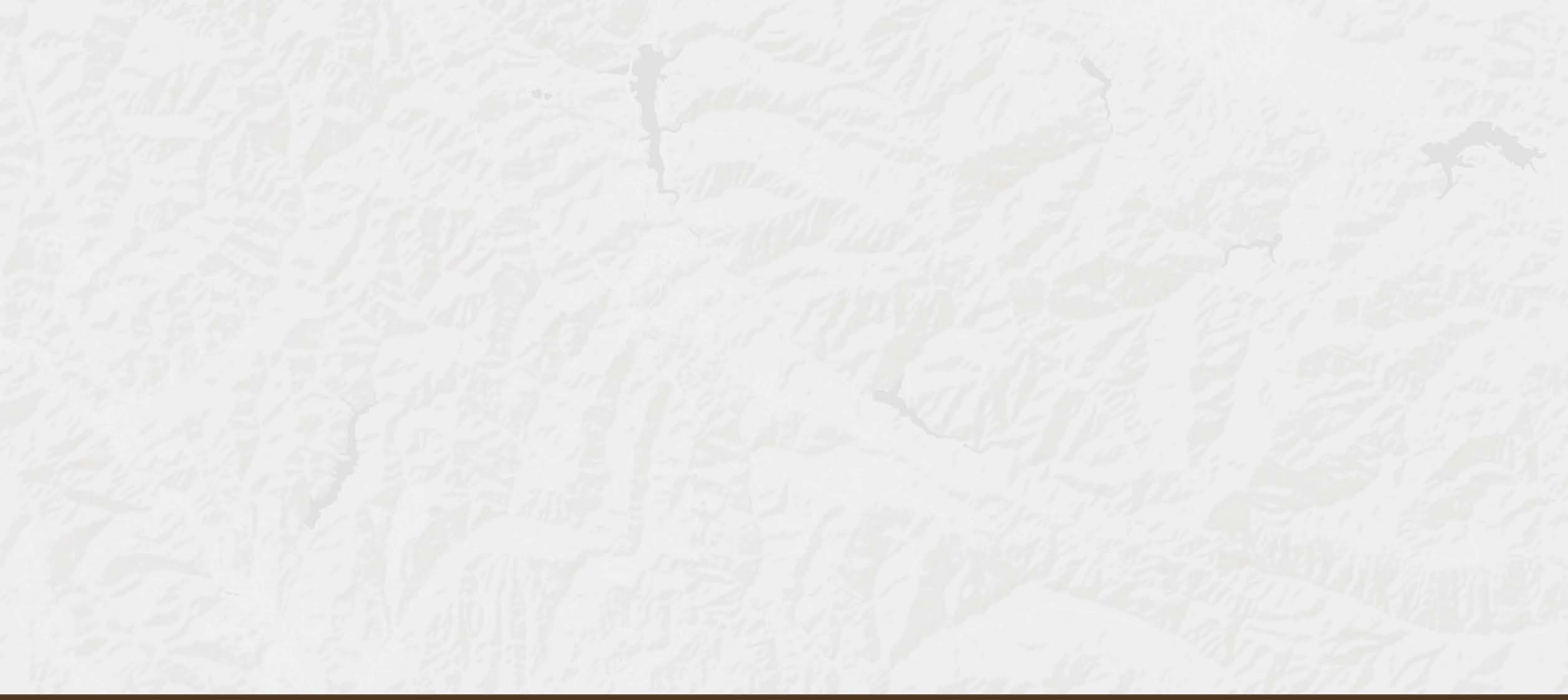
The creation of a PBID would allow business and property owners to participate in common efforts that have a greater impact on the perception and experience of shopping on 41st Ave than individual projects. This type of organizing and investment structure is needed for programming and common improvements that support land use and development changes on individual properties.

Need for Strong, but Flexible, Regulatory Structure & Implementation Tools

Depending on the outcome of the visioning process and the depth of change desired by the community and property owners, it is likely that a strong regulatory structure is needed to guide investment in the corridor. From an economic perspective, existing revenue trends are unlikely to

improve without change in the physical form of development along the corridor. Given the uncertainty of current real estate market conditions and the poor outcome of recent mixed use projects on the corridor, regulations that focus foremost on form and secondarily on use, i.e. form-based zoning code, are desirable.

This type of code can channel investment into new formats that improve legibility and access and provide needed amenities, like outdoor social space, while allowing more flexibility regarding use. It is also likely that a strong planning & regulatory tool, such as a Specific Plan, which includes implementation and financing strategy, as well as plan-level environmental approvals, will be needed to bring major new investment to the corridor. The adoption of a Specific Plan would provide prospective developers and investors with greater assurance regarding entitlements for proposals in keeping with the Plan. Given Capitola's reputation regarding opposition to proposed projects, such assurance, in keeping with an articulated community vision, is needed.



1625 SHATTUCK AVENUE, SUITE 300 BERKELEY, CALIFORNIA 94709 TEL: 510 848 3815 FAX: 510 848 4315





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

capitola soquel
CHAMBER of COMMERCE

November 3, 2011

**City of Capitola
Planning Commission
420 Capitola Avenue
Capitola, Ca. 95010**

The Capitola-Soquel Chamber of Commerce supports the 41st Avenue/Capitola Mall Re-Visioning Plan Draft.

The Baseline Economic Analysis goes hand in hand with the Economic Goals of the Capitola Economic Committee. The analysis completed by the DC & E Planning Center for 41st Avenue gives the City a good start on the direction to follow.

It is vital that we work with the Business Community to keep our local businesses in business and to work with residents in improving our way of life and our sales tax at the same time.

The recommendation to form a BID or BIA for 41st Avenue makes sense. The BIA for Capitola Village has worked well providing promotion for the area. The 41st Avenue BIA could provide funding for Parking Areas, Parks, Streets, street furniture, lighting and decoration and an opportunity to work with the Chamber in bringing Special Events to that area that help increase business.

The need for strong, yet flexible regulatory Structure and Implementation Tools are likely to work well for the City and Community.

We are excited about this plan and look forward to working with the community.

Sincerely,

Toni Castro
Chief Executive Officer



Item #: 5.A.

CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: CITY CLERK'S OFFICE
DATE: DECEMBER 2, 2011
SUBJECT: CITY COUNCIL CONSIDERATION OF REORGANIZATION
SELECTION OF MAYOR AND VICE MAYOR

Recommended Action: City Council determination.

BACKGROUND

Pursuant to Capitola Municipal Code Section 2.04.150, "At a regular meeting which falls approximately one year after the last general municipal election, the city council shall consider choosing a new mayor and a new mayor pro tempore. Any city council member is eligible for either of those two positions."

DISCUSSION

This matter is before the city council to determine if it is the desire of the council to reorganize at this time. If so, a motion and second to nominate a new Mayor should be made and a voice vote taken.

The newly selected Mayor will then preside over the remainder of the meeting and call for nominations for Vice Mayor. A motion and second to nominate a new Vice Mayor should be made and a voice vote taken.

FISCAL IMPACT – None

ATTACHMENTS – None

Report Prepared By: Pamela Greeninger, MMC
City Clerk

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



CITY COUNCIL AGENDA REPORT

MEETING OF DECEMBER 8, 2011

FROM: CITY CLERK'S OFFICE

DATE: DECEMBER 2, 2011

SUBJECT: CITY COUNCIL REPRESENTATION ON CITY OF CAPITOLA AND COUNTY/MULTI-COUNTY BOARDS, COMMISSIONS, AND COMMITTEES (ADVISORY BODIES)

Recommended Action: City Council determination/direction regarding council member representatives to the Finance Advisory Committee and Commission on the Environment, and confirmation of council member representation on County/Multi-County Advisory Bodies.

BACKGROUND

Each year in December it is customary for the City Council to review its List of City Boards, Commissions, and Committees, as well as their representation on other County and Multi-County Advisory Bodies. Since this is a non-election year, there are no county or multi-county terms ending at this time. This is, however, the time to see if another council member would be willing to represent the city on a county or multi-county advisory body if a council member is unable to attend meetings.

DISCUSSION

CAPITOLA ADVISORY BODIES

The current Appointment List for Capitola Boards, Commissions and Committees is Attachment 1. It lists the members of all the city's advisory bodies. At this time the only committees requiring council action are the Finance Advisory Committee and the Commission on the Environment, since the implementing resolutions call for the Mayor and/or Vice Mayor to serve.

FINANCE ADVISORY COMMITTEE – Current council member representatives are Vice Mayor Termini and Council Member Nicol, serving for Mayor Norton. The implementing resolution calls for the Mayor and Vice Mayor (or other council member) to serve on this committee. With the reorganization of the City Council occurring prior to this item, it is not known who those members will be. If the Mayor and/or Vice Mayor do not wish to serve on this committee, they may appoint another council member to serve. Council members not on the committee will either reappoint a current member; make a new appointment, or direct staff to seek applications. You will note that the RDA Treasurer appointment is vacant. Staff will return at a future meeting regarding the RDA Treasurer position once a determination regarding the continuation of Redevelopment Agencies is made.

Recommended action for the Finance Advisory Committee:

1. Confirm that the Mayor and Vice Mayor will serve as council member representatives to this committee, or appoint other council member(s).
2. Remaining Council Members to reappoint member, make a new appointment, or direct staff to seek applications for their appointment(s).

COMMISSION ON THE ENVIRONMENT – Mayor Norton is the council member representative to this committee. Pursuant to Section 3 of Resolution No. 3696, the Mayor shall serve as a member of the Commission on the Environment; however, if the Mayor does not wish to serve, another council member shall be appointed by the Mayor with the concurrence of the City Council. With the reorganization of the City Council occurring prior to this item, it is not known who the Mayor will be.

Recommended action for the Commission on the Environment:

1. Confirm that the Mayor will serve as council member representative to this committee, or appoint another council member to serve.
2. The new Mayor may also reappoint his current appointee as an “Appointee of the Mayor” or make a new appointment.
3. Former Mayor Norton may reappoint his appointee or make a new appointment.

COUNTY/MULTI-COUNTY ADVISORY BODIES

The current list of Capitola Representatives to County/Multi-County Boards is Attachment 2. It contains information regarding membership, meeting schedules/locations, staff representatives, etc. A diamond (♦) next to a committee name indicates that a council member appointment is required for that particular board, commission, or committee.

No action is necessary by the City Council regarding appointments to County and Multi-County Advisory Bodies at this time.

FISCAL IMPACT – None

ATTACHMENTS

1. 2011 Capitola Board, Commission, & Committee Appointment List
2. 2011 County/Multi-County Boards – Capitola Representatives

Report Prepared By: Pamela Greeninger, MMC
City Clerk

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

**2011 CAPITOLA BOARD, COMMISSION & COMMITTEE
APPOINTMENT LIST**

Name of Board/Commission/ Committee – Meeting Information	Members	Appointed By and/or Representation
<p>Architectural and Site Review Committee ▲ ■ Staff: Ryan Bane, Senior Planner Steve Jesberg, Public Works Dir Mark Wheeler, Building Official <i>Meets: 2nd & 4th Wednesday at 3:30 p.m. City Hall Council Chambers</i></p>	<ul style="list-style-type: none"> • Frank Phanton • Susan Suddjian • Carolyn Swift 	<ul style="list-style-type: none"> • Architect • Landscape Architect • Historian
<p>Art & Cultural Commission ▲ Staff: Kelly Sue Barreto, Administrative Assistant <i>Meets: 2nd Tuesday at 6:30 p.m. in the City Hall Council Chambers</i></p>	<ul style="list-style-type: none"> • Michael Termini • Linda Smith • Roy Johnson • Karen Nevis • Debbie Hale • Joyce Murphy • Jenny Shelton • Nathan Cross • James Wallace 	<ul style="list-style-type: none"> • Council Rep • Planning Commission Rep • Arts Professional • Artist • At Large Member • At Large Member • At Large Member • At Large Member
<p>Finance Advisory Committee Staff: Jamie Goldstein, City Manager (Temporary) <i>Meets: 3rd Tuesday at 6:00 p.m. in the City Hall Council Chambers</i></p>	<ul style="list-style-type: none"> • Michael Termini • Kirby Nicol • Jacques Bertrand • VACANT • Christine Buechting • Gary Wetsel • VACANT • Will O’Sullivan 	<ul style="list-style-type: none"> • Vice Mayor • Council Member • City Treasurer • RDA Treasurer • Business Rep. • Storey, Appt • Norton Appt • Harlan Appt
<p>Commission on the Environment Staff: Derek Johnson, Community Development Director <i>Meets: every other 4th Tuesday at 7:00 p.m. in the City Hall Council Chambers</i></p>	<ul style="list-style-type: none"> • Dennis Norton • Ron Graves • Uriah Langmeyer • Karl Forest • Kristin Sullivan • Greg Tedesco • Tiffany Wise-West • Elisabeth Russell Bertrand • Kate Sylvan • Steven Peters • John Ricker 	<ul style="list-style-type: none"> • Mayor • Planning Commission Rep • Termini Appt • Storey Appt • Harlan Appt • Nicol Appt • At Large Member • At Large Member • Youth Member • Ex-Officio Member • Ex-Officio Member
<p>Historical Museum Board Staff: Carolyn Swift, Museum Coordinator <i>Meets: 1st Thursday at 5:30 p.m. in the Museum</i></p>	<ul style="list-style-type: none"> • Alistair “Bob” Anderson • David Shoaf • Niels Kisling • Thomas McGranahan • Topsy Smalley • Linda Smith • Gordon van Zuiden 	<p>All appointments to the Historical Museum Board are at large.</p>
<p>Planning Commission ▲ ■ Staff: Derek Johnson, Community Development Director <i>Meets: 1st Thursday at 7:00 p.m. in the City Hall Council Chambers</i></p>	<ul style="list-style-type: none"> • Ron Graves • Mick Routh • Linda Smith • Ed Newman • Gayle Ortiz 	<ul style="list-style-type: none"> • Harlan Appt • Storey Appt • Termini Appt • Nicol Appt • Norton Appt

Name of Board/Commission/ Committee – Meeting Information	Members	Appointed By and/or Representation
<p>Traffic & Parking Commission Staff: Steve Jesberg, Public Works Director</p> <p><i>Meets: every other 2nd Wednesday at 6:30 p.m. in the City Hall Council Chambers</i></p> <p><i>Schedule of meetings for 2011:</i> <i>January 5, February 9, April 13, June 8, August 10, October 12 & December 14 (Cancelled)</i></p>	<ul style="list-style-type: none"> • Mick Routh • Ed Bottorff • Carin Hanna • Linda Hanson • Margaret Kinstler • Vicki Muse • Anne Nicol • Molly Ordning • Peter Roddy • Nels Westman • Gary Wetsel 	<ul style="list-style-type: none"> • Planning Commission Rep • Village Resident • Village Business Owner • Norton Appt • Village Resident • Harlan Appt • Nicol Appt • Storey Appt • Pacific Cove MHP Resident • Termini Appt • Village Business Owner
<p>Wharf Working Group Staff: Steve Jesberg, Public Works Director</p> <p><i>Meets: as needed on the 4th Tuesday at 12 p.m. in the Wharf House Restaurant</i></p>	<ul style="list-style-type: none"> • Dennis Norton • Michael Termini • Jamie Goldstein • John and Sally Ealy • Willie Case 	<ul style="list-style-type: none"> • Council Rep • Council Rep • City Manager • Capitola Boat & Bait • Wharf House Restaurant

▲ = Members are required to File Statements of Economic Interest, Form 700

■ = Members are required to complete AB 1234 Ethics Training

UPDATED: 12/1/11 pam

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**2011 COUNTY/MULTI-COUNTY BOARDS
CAPITOLA REPRESENTATIVES**

Name of Board – Meeting Information	Capitola Representative(s)
<p>Advisory Council of the Area Agency on Aging (Seniors Council of Santa Cruz & San Benito Counties)</p> <p><i>Meets: 1st Wednesday of each month (except August and December) from 9:30 a.m. to 12:00 Noon at 234 Santa Cruz Avenue, Aptos</i></p>	<ul style="list-style-type: none"> • Sandra Williams • Stephanie Harlan (Alternate)
<p>Association of Monterey Bay Area Governments (AMBAG) ▲</p> <p><i>Meets: 2nd Wednesday of each month at 7:00 p.m. at various locations.</i></p>	<ul style="list-style-type: none"> • Stephanie Harlan • Dennis Norton (Alternate)
<p>AMBAG Sanctuary Scenic Trail Committee</p> <p><i>Meets: As needed.</i></p>	<ul style="list-style-type: none"> • Stephanie Harlan • Dennis Norton (Alternate)
<p>Community Television of Santa Cruz County Board of Directors</p> <p><i>Meets: 4th Thursday of the month, 6 times per year, at 6 or 6:30 p.m. at Community Television Offices, 816 Pacific Avenue, Santa Cruz.</i></p>	<ul style="list-style-type: none"> • Doree Steinmann (Term expires 11/2012)
<p>Community Action Board of Santa Cruz County</p> <p><i>Meets: 3rd Wednesday of each month at 6:15 p.m.</i></p>	<ul style="list-style-type: none"> • George Winslow • Bob Begun (Alternate)
<p>Criminal Justice Council of Santa Cruz County</p> <p><i>Inactive at this time.</i></p>	<ul style="list-style-type: none"> • Kirby Nicol • Michael Termini
<p>Cultural Council of Santa Cruz County</p> <p><i>Meets: 3rd Thursday of every other month from 3:30 to 5:00 p.m. at various locations.</i></p>	<ul style="list-style-type: none"> • Sam Storey
<p>Hazardous Materials Advisory Commission</p> <p><i>Meets: 3rd Thursday of odd months at 7 p.m. at various locations.</i></p>	<ul style="list-style-type: none"> • Gene Benson (Term expires 4/1/2015)
<p>LAFCO (Local Agency Formation Commission) ▲</p> <p><i>Meets: 1st Wednesday of each month (except July) at 9:30 a.m. in the County Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz.</i></p>	<ul style="list-style-type: none"> • Dennis Norton ♦ <p>Appointed Alternate by the City Selection Committee on 1/31/11, effective 5/2/2011 (Term expires 5/2014)</p>
<p>League of California Cities</p> <p><i>Meets: Monterey Bay Division meets on the 1st Monday of every other month at 7 p.m. at various locations. (Dinner meetings)</i></p>	<p>Open to All Council Members</p>
<p>Library Financing Authority</p> <p><i>Meets twice yearly in January and June Main Library</i></p>	<ul style="list-style-type: none"> • Sam Storey ♦ • Michael Termini (Alternate)
<p>Library Joint Powers Board ▲</p> <p><i>Meets: 1st Monday of each month at 7:30 p.m. at the Main Library Community Room</i></p>	<ul style="list-style-type: none"> • Sam Storey ♦

Name of Board/Commission/Committee	Capitola Representative(s)
Monterey Bay Unified Air Pollution Control District ▲ <i>Meets: 3rd Wednesday of each month at 1:30 p.m. at the District Office: 24580 Silver Cloud Ct., Monterey</i>	<ul style="list-style-type: none"> • Sam Storey ♦ Appointed by City Selection Committee on 1/26/2011 (Term expires 12/30/2012)
Santa Cruz County Children's Network <i>Meets: Quarterly on the 1st Wednesday at Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz</i>	<ul style="list-style-type: none"> • Sam Storey
Santa Cruz County Conference & Visitors Council <i>Meets: Last Wednesday at 3:00 p.m. every other month (except November when meeting is TBD) at Goodwill Industries, 350 Encinal Street, Santa Cruz</i>	<ul style="list-style-type: none"> • Sam Storey Appointed 4/28/10 by City Selection Committee (Term ends 4/28/2012)
Santa Cruz County Flood Control & Water Conservation District, Zone 5 <i>Meets: Quarterly on the 4th Tuesday at 10 a.m. in the County Board of Supervisors Chambers, 701 Ocean Street</i>	<ul style="list-style-type: none"> • Kirby Nicol ♦ • Dennis Norton (Alternate)
Santa Cruz County Integrated Waste Management Local Task Force <i>Meets: 1st Thursday at 3:00 p.m. every other month at various locations or 701 Ocean Street</i>	<ul style="list-style-type: none"> • Stephanie Harlan • Lisa Murphy (Alternate)
Santa Cruz County Regional Transportation Commission (SCRTC) ▲ ■ <i>Meets: 1st Thursday of each month at 9 a.m. (except July) at various locations</i>	<ul style="list-style-type: none"> • Kirby Nicol ♦ • Dennis Norton (Alternate)
Santa Cruz County Sanctuary Inter-Agency Task Force <i>Meets: As needed.</i>	<ul style="list-style-type: none"> • Stephanie Harlan
Santa Cruz County Sanitation District ▲ <i>Meets: 1st & 3rd Thursday of each month at 4:45 p.m. at the East Cliff Pumping Station on Lode St., Santa Cruz</i>	<ul style="list-style-type: none"> • Stephanie Harlan ♦ • Sam Storey (Alternate)
Santa Cruz County Workforce Investment Board	(The City Manager generally serves on this Board)
Santa Cruz Metropolitan Transit District Board ▲ ■ <i>Meets: 3rd Friday of each month at 8:15 a.m. at Santa Cruz City Hall Council Chambers, 809 Center Street and other locations</i>	<ul style="list-style-type: none"> • Ron Graves

▲ = Members are required to File Statements of Economic Interest, Form 700

■ = Members are required to complete AB 1234 Ethics Training

♦ = Council Member appointment required

UPDATED: 12/1/11 pam