

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



REVISED

**CAPITOLA CITY COUNCIL
REGULAR MEETING**

THURSDAY, FEBRUARY 11, 2016

7:00 PM

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

**CLOSED SESSION - 6:30 PM
CITY MANAGER'S OFFICE**

An announcement regarding the items to be discussed in Closed Session will be made in the City Hall Council Chambers prior to the Closed Session. Members of the public may, at this time, address the City Council on closed session items only. There will be a report of any final decisions in City Council Chambers during the City Council's Open Session Meeting.

LIABILITY CLAIMS (Govt. Code §54956.95)

Claimant: Carrie Cox

Claimant: Tuka Gafari

Agency claimed against: City of Capitola

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

All correspondences received prior to 5:00 p.m. on the Wednesday preceding a Council Meeting will be distributed to Councilmembers to review prior to the meeting. Information submitted after 5 p.m. on that Wednesday may not have time to reach Councilmembers, nor be read by them prior to consideration of an item.

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

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Dennis Norton, Stephanie Harlan, Jacques Bertrand, Michael Termini, and Mayor Ed Bottorff

2. PRESENTATIONS

A. Presentation of a Certificate of Appreciation to Sonni Carcello for her service on the Capitola Finance Advisory Committee
RECOMMENDED ACTION: None

B. Santa Cruz Metropolitan Transit District Update
RECOMMENDED ACTION: Receive report by Alex Clifford, Santa Cruz Metropolitan Transit District General Manager.

3. REPORT ON CLOSED SESSION

4. ADDITIONAL MATERIALS

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

A. Item 9.B. Appeal on Surf School Permit Denial - Communications

B. Item 9.C. 115 San Jose Avenue Mercantile Redevelopment - Communications

5. ADDITIONS AND DELETIONS TO AGENDA

6. PUBLIC COMMENTS

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

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

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

8. CONSENT CALENDAR

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Council votes on the action unless members of the public or the City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government.

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

- A. Consider the January 28, 2016, Regular City Council Minutes
RECOMMENDED ACTION: Approve Minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of February 4, 2016
RECOMMENDED ACTION: Receive Minutes
- C. Receive the Quarterly Financial Reports - Second Quarter Budget and First Quarter Sales Tax Report
RECOMMENDED ACTION: Receive Reports.
- D. Deny Liability Claims and Forward to the City's Liability Insurance Carrier
RECOMMENDED ACTION: Deny liability claims and forward to the City's liability insurance carrier.

9. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Presentation of Capitola Branch Library Conceptual Renderings
RECOMMENDED ACTION: Receive graphic.
- B. Appeal on Surf School Permit Denial
RECOMMENDED ACTION: Accept report on the appeal of a denial of a Surf School Permit and provide direction on the following:
Options:
 - 1. Deny the appeal; or
 - 2. Uphold the appeal and direct staff to prepare an Ordinance amending Municipal Code Section 9.30.020 to permit five surf schools to be introduced at the February 25, 2016 Council meeting; and
 - 3. If appeal is upheld, amend the City Administrative Policy, I-34, Section III (B) to permit five Surf Schools.
- C. 115 San Jose Avenue - Conceptual Review of Mercantile Redevelopment Proposal
RECOMMENDED ACTION: Accept staff presentation and provide direction on conceptual review of the Master Use Permit with 11 new residential units and parking management plan.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
February 11, 2016

- D. Zoning Code Update - Initiation of Public Review
RECOMMENDED ACTION: Accept staff presentation.

10. ADJOURNMENT

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.

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

Agenda and Agenda Packet Materials: The City Council Agenda and the complete Agenda Packet are available for review on the City’s website: www.cityofcapitola.org and at Capitola City Hall and at the Capitola Branch Library, 2005 Wharf Road, Capitola, prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue, Capitola. Need more information? Contact the City Clerk’s office at 831-475-7300.

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

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

Televised Meetings: City Council meetings are cablecast “Live” on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast 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.cityofcapitola.org by clicking on the Home Page link “**Meeting Video.**” Archived meetings can be viewed from the website at anytime.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: City Manager Department

SUBJECT: Presentation of a Certificate of Appreciation to Sondi Carcello for her service on the Capitola Finance Advisory Committee

RECOMMENDED ACTION: None

DISCUSSION: Sondi Carcello has served one term on the Capitola Finance Advisory Committee. Mayor Bottorff will provide Ms. Carcello with a certificate of appreciation for her service to the City.

ATTACHMENTS:

1. Sondi Carcello Certificate of Appreciation

Report Prepared By: Susan Sneddon
City Clerk

A handwritten signature in black ink, appearing to be "RG", is written over a horizontal line.

Rich Grunow, Community Development Director

2/3/2016

City of Capitola

Certificate of Appreciation

to

SONDI CARCELLO

for Service as the Business Representative member on the

Capitola Finance Advisory Committee

from January 2015 through December 2015



Ed Bottorff, Mayor

Signed and sealed this 11th day of February, 2016

Attachment: Sondi Carcello Certificate of Appreciation (1368 : Certificate of Appreciation to Sondi



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: City Manager Department

SUBJECT: Santa Cruz Metropolitan Transit District Update

RECOMMENDED ACTION: Receive report by Alex Clifford, Santa Cruz Metropolitan Transit District General Manager.

DISCUSSION: Alex Clifford, Santa Cruz Metropolitan Transit District (METRO) General Manager, will present information regarding the METRO structural deficit and provide a METRO services report.

ATTACHMENTS:

1. METRO Talking Points

Report Prepared By: Susan Sneddon
City Clerk

A handwritten signature in black ink, appearing to be "RG", is written over a horizontal line.

Rich Grunow, Community Development Director

2/3/2016

Why is Santa Cruz METRO undergoing a Comprehensive Operational Analysis (COA) and proposing a Service Reduction

- ❖ Santa Cruz METRO has a structural deficit and insufficient Reserves to balance the budget in FY17:
 - What is a structural deficit? A fiscal imbalance in which recurring expenses exceed recurring revenues.
 - For several years now, annual balanced budgets have been achieved by using non-recurring revenues (Reserves) and non-traditional capital eligible State Transit Assistance (STA) and Federal Small Transit Intensive Cities (STIC) funds.
 - In FY17 this will amount to \$5.4 million in Reserves and \$5 million in STIC and STA.
 - METRO estimates a need of \$200 million for capital investments over the next ten years.
 - All capital eligible funds need to be redirected back to the capital program.
 - The Capital Program includes mission critical capital investments in bus and paratransit vehicle replacement, mid-life overhauls, facilities, non-revenue vehicles, Information Technology (IT) upgrades, customer facing capital investments, security projects and bus stop improvements.

- ❖ Major Contributing Factors to the Structural Deficit:
 - Too many consecutive years in which METRO has experienced an increase in the recurring costs of personnel, goods and services and in which the growth in recurring revenues have not kept pace.
 - Annual year-over-year operating expense growth significantly exceeding the annual Consumer Price Index (CPI) for the region: FY12 – FY15
 - Increasing costs associated with health benefits and retirement exceeding the year-over-year growth in revenues
 - Relatively flat ridership
 - Estimated Sales Tax Loss (FY08 – FY14) - \$26M
 - Relatively flat sales tax growth
 - If sales tax growth year-over-year had instead continued to grow at a modest 3% in the years following the 2008 economic downturn, METRO would have received \$26 million more revenue over the period FY08 – FY14.
 - As a result of the economic downturn, METRO had to subsidize its Operating Fund with \$21.8 million in non-recurring revenue (Reserves) and capital eligible state and federal funds over this same period of time.
 - Uncontrollable outside forces contributing to the structural deficit
 - 2008 Economic downturn - Prolonged Recession
 - Sluggish economic recovery since 2011
 - Continued high rate of local unemployment
 - Sales Tax Decline (FY08 – FY10)
 - Marginal Sales Tax Growth since 2011
 - State and federal transportation funds not keeping pace with the increasing cost of goods and services

Why is Santa Cruz METRO undergoing a Comprehensive Operational Analysis (COA) and proposing a Service Reduction

- Unwillingness on the part of State and Federal elected officials to increase the gasoline and diesel fuel tax
 - Federal gas tax has been unchanged since 1993 at 18.4 cents/gallon
 - Federal diesel fuel tax has been unchanged since 1993 at 20.1 cents/gallon
 - These federal gas and diesel taxes provide revenues to the federal Highway Trust Fund (HTF). 2.86 cents of each of these two fuel taxes go to the Mass Transit Account
 - The State provides State Transit Assistance (STA) funds to METRO, which is derived from the sales tax on diesel fuel
 - STA revenues are beginning to decline because diesel fuel prices and consumption are not increasing as projected
 - Increasing STA will require that the State increase the rate of State sales tax on diesel fuel and dedicating the new revenues to the STA program

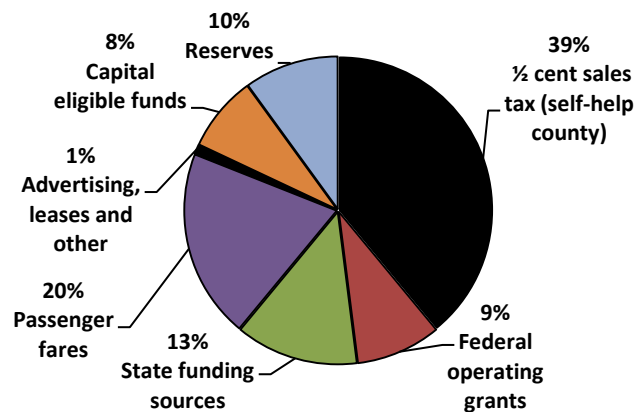
- ❖ What has Santa Cruz METRO done recently to mitigate the Structural Deficit?
 - Increase revenues and decrease operating costs by:
 - Realigning the paratransit service to mirror the fixed-route
 - Restructuring paratransit fares and Highway 17 commuter express fares
 - Identifying operating and overhead efficiencies
 - Delaying filling vacant positions, and in some cases unfunded vacant positions

- ❖ Service Snapshot
 - Service area population – 250,000
 - Fixed-Route Service hours – 225,000
 - Annual passenger trips – 5.7 million
 - Fixed-Route Revenue Miles – 3.3 million
 - 110 buses (27 diesel and 83 CNG)
 - 41 paratransit vehicles (ParaCruz)
 - Fixed-Route Directional route miles – 479
 - Fixed-Route Number of bus stops – 935
 - Fixed-Route Number of routes - 35

- ❖ Service Distribution Measures
 - Service distribution by Revenue Service Hours
 - Geographic – 17%
 - Productivity – 89%
 - Source of ridership
 - Geographic – 7%
 - Productivity – 93%

Why is Santa Cruz METRO undergoing a Comprehensive Operational Analysis (COA) and proposing a Service Reduction

❖ Operations Funding Snapshot



Key Performance Indicators (KPIs)

- Fixed-Route passengers per Revenue Service Hour – 24.7
- Cost per Revenue Service Hour (RSH)
 - FY15 - \$175.41
 - FY14 - \$178.05
 - FY13 – \$166.18
 - FY12 – \$161.34
 - FY11 – \$146.72
 - FY10 – \$139.07
- Fixed-Route Farebox Recovery Ratio
 - 23.04% - Indicates how much of the fixed-route operating costs are covered by passenger fares
 - Also, indicates amount of non-passenger revenue (subsidy) needed to cover operating costs = 76.96%
- Paratransit Cost per Trip - \$56.93/trip
 - *NOTE: Paratransit efficiency measure is Cost per Trip, unlike fixed-route, which is measured as cost per Revenue Service Hour (RSH)*
- Paratransit Farebox Recover Ratio
 - 3.34% - Indicates how much of the paratransit operating costs are covered by passenger fares

❖ State-of-Good-Repair (SOGR)

- In a basic sense, a system is in a SOGR when all maintenance is performed at scheduled intervals, all facilities are properly maintained (there is no deferred maintenance) and all vehicles receive mid-life overhauls on-time and are later replaced as scheduled.

Why is Santa Cruz METRO undergoing a Comprehensive Operational Analysis (COA) and proposing a Service Reduction

- Santa Cruz METRO is not in a SOGR; METRO has identified a need for \$200 million in capital investments over the next ten years, and the backlog is growing due to the shortage of capital resources.

- ❖ METRO is overdue to replace much of its fixed-route bus fleet
 - METRO's average age of the fixed-route bus fleet is 12 years
 - The target average age of the fleet should be 6.5 years
 - Buses reach the end of their life between 12 – 15 years, or, 500,000 miles

- ❖ Why not plan to continue to help offset the \$11 million total operating structural deficit by continuing to use STIC and STA (non-traditional capital eligible funds) as operating revenue indefinitely?
 - STIC and STA should be used for capital programs
 - METRO is rapidly falling further and further behind in capital investments
 - METRO needs about \$20 million/year over the next ten years to address its capital needs
 - Capital revenue sources are increasingly more difficult to come by these days
 - In the past, METRO benefitted by generous federal "earmarks"
 - Federal "earmarks" are a funding source of the past, and likely never to return
 - METRO was the recipient of significant state capital revenues which resulted from the 2006 California Proposition 1B, which funded many capital projects
 - Proposition 1B revenues have been exhausted and a new state capital bond measure is nowhere in sight
 - The new state Cap and Trade program will provide limited funding relief to METRO's Capital Program due to the strict limitations placed on the dollars by the State
 - Redirecting STIC and STA back to the Capital Program will provide about \$5 million/year for capital investments and help to begin reducing the \$200 million unfunded capital backlog

- ❖ Financial Stabilization Plan - How do we resolve the structural deficit, replenish our reserves, address the unfunded capital needs and establish a stable financial foundation?
 - Reduce operating expenses - Continue to identify operating and overhead efficiencies
 - Strive to bring the fixed-route cost per Revenue Service Hour and the paratransit Cost per Trip in better alignment with our peer transit properties
 - Implement a Fixed-Route service restructuring that will provide a level of bus service that matches the level of available operating revenues
 - Work with Cabrillo College to see if the students will support a student pass
 - Work with UCSC to see if the students will support an increase in transit and parking fees to support the level of service provided to UCSC and to help better address morning peak-hour demand
 - Possible voter approval of a 2016 Santa Cruz County sales tax initiative that will provide much needed investments in local streets and roads, highway improvements, rail/trail and bus transit

Why is Santa Cruz METRO undergoing a Comprehensive Operational Analysis (COA) and proposing a Service Reduction

- Increase marketing efforts to attract more riders to the system
- Increase advertising and lease revenues
- Continue to strongly advocate at a state and federal level for increased operating and capital grants

- ❖ Adding Value/New Initiatives
 - Migrate cash and magnetic-stripe fare media customers to the Cruz Card to help expedite fare payment and facilitate better on-time performance
 - Seek funding for a Highway 1 feasibility study to look at the feasibility of adding “bus on shoulder” to Highway 1
 - Seek grants to add electric buses to the METRO fleet
 - Investigate adding electric over-the-road coaches to the Highway 17 commuter service
 - Identify funding for an automatic vehicle location (AVL) system that will provide stop-level on-time performance data and a customer facing smart phone application for customers to use to determine when their next bus will arrive.

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Cliff Hodges (Adventure Out) <cliff@adventureout.com>
Sent: Monday, February 08, 2016 1:43 PM
To: City Council
Subject: Public Comment - Council Meeting Feb 11, 2016 - Re: Agenda Item 9B - Appeal on Surf School Permit

Dear Council-Members of Capitola-

I write to you in support of the Capitola Police Department and the hard work they have done to create a fair and thoughtful application system for the surf school permits that were issued for 2016. As most of you are aware, there was significant confusion a year ago regarding changes to the permitting system which resulted in a TEMPORARY increase to five (5) allowed surf schools in the City of Capitola for the year of 2015 only. All involved parties, including the applicant that was denied a permit for 2016, were aware that the increase was temporary and only for the year of 2015.

With only 8 allowable spaces for surf school students in the water, it is already very difficult for 4 schools to operate at the same break and it requires significant communication between surf school management to do so. With 4 schools, each school at least knows there is an equal sub-division of 2 students per school, with any lessons larger than 2 requiring communication and coordination with the other schools. Adding a 5th school permanently would make these numbers even more difficult to work with and I believe would contribute to more conflict and possibility of ordinance violations by the schools.

I believe the evaluation system introduced by Capitola PD this year was thorough and effective and selected the most qualified and experienced candidates to operate surf schools in the City of Capitola. I urge the Council to uphold the decisions made by Capitola PD and deny the current appeal.

Thank you,



Cliff Hodges
 CEO & Founder
 Adventure Out LLC



email: cliff@adventureout.com
 mobile: 831-236-4212
 office: 800-509-3954
 fax: 866-388-9249
 web: www.adventureout.com

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Matt Arthur <marthur70@sbcglobal.net>
Sent: Wednesday, February 10, 2016 10:25 AM
To: City Council
Cc: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Subject: February 11, 2016 - Agenda Report Inaccuracy on Public Hearing 9-B

Dear Council,

The beginning of the second paragraph under "Background" on the February 11, 2016 Agenda Report on Public Hearing 9-B is inaccurate. This is important information that needs to be corrected and made clear. The Agenda Report states that **"Due to increased interest in operating Surf Schools, in early 2015 the City Council approved an Uncodified Ordinance to allow a maximum of five Surf Schools to operate for 2015 only."** This sentence is inaccurate. The truth behind the 2015 uncodified ordinance allowing a maximum of 5 schools is this. At the March 12, 2015 City Council meeting the council identified flaws in the undisclosed 2015 Surf School permit approval process. Flaws that ultimately led the council to establish and put into place an uncodified ordinance allowing a left out permit applicant as the 5th permit holder. The uncodified ordinance was not "Due to increased interest in operating Surf Schools". It was due to the flawed undisclosed 2015 Surf School permit approval process.

Thank you.

Matt

Matt Arthur

Communication: Item 9.B. Appeal on Surf School Permit Denial - Communications (ADDITIONAL MATERIALS)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Capitola BIA <capitolavillage1@gmail.com>
Sent: Wednesday, February 10, 2016 11:20 PM
To: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Subject: Item 9B

To the Capitola City Council:

The Board of Directors of the Capitola Village and Wharf Business Improvement Area strongly urges you to uphold the appeal by Jason Alaniz, owner of Capitola Surf and Paddle, to be issued a permit to operate a surf school at Capitola Beach. The Police Chief states that he operated last year with no citations. In keeping with the City's "Local Vendor Preference" policy, perhaps an anonymous questionnaire was not the best way to proceed. Perhaps an extra "point" should be given to the businesses operating in the village.

If the fear is too many students in the water, perhaps limiting the number of students in a class to 6 rather than 8 would be preferable to excluding a local business, in good standing, from doing business in the town where it is located.

Thank you for your consideration.

BIA Board Members:

Gary Wetsel
Dede Harrington
Steve Austin
David Lyng
Carin Hanna
Devon Salter
Ted Burke
Janelle Cox
Duane Dietz

Capitola Village BIA
capitolavillage.com

Follow us on Facebook: <https://www.facebook.com/CapitolaVillage?ref=hl>

Communication: Item 9.B. Appeal on Surf School Permit Denial - Communications (ADDITIONAL MATERIALS)

February 11-2016

To the Capitola City Council.

My name is Vince Felicetta my wife and I own Free to Ride Surf Shop. I would like to talk on behalf of Jason Alaniz and his shop Capitola Surf and Paddle. Since they have opened they have been a great asset and a great ambassador to the sport of surfing. Having two companies in Capitola that provide a service like surf lessons really helps the overall economy of Capitola. Why should I as a merchant refer people who call in for surf lessons to an out of town company. If I send them to Club Ed, which I have referred hundreds of people to over the years, there is no guarantee that he will bring the people to Capitola. He has the option to teach at various beaches. He runs a great surf school and I have no problem with him or his school. With CSP being in town I can refer people to them. The people come to town and spend the day and spend their money in my store and the other stores in Capitola including the restaurants. They pay parking meters and parking tickets that equate to money for Capitola. You May ask why I don't refer people to Capitola Beach Company. I used to send people to them all the time. I believe if the shops work together instead of petty bickering we could all make more money. But I had to stop when customers kept coming in to my store and telling us that Capitola Beach Co. was bad mouthing our store to them. I spend a lot of time in the water. I see who teaches lessons and how often they are in Capitola. Capitola Beach Co does a lot of lessons, Club Ed Does a lot of lessons this is great. I see CSP doing a lot of lessons. But I don't see the other companies bringing very many lessons to Capitola. So my question is why are we giving the rights to surf lessons away to companies that don't even bring their students here anyways. This just seems counter productive to the overall success and economy of Capitola. Lets all work together and bring in tourists and make a memorable experience for the tourist. Instead we are showing them we are a selfish bitter community.

Sincerely

Vince Felicetta



Free to Ride Surf Shop

Communication: Item 9.B. Appeal on Surf School Permit Denial - Communications (ADDITIONAL MATERIALS)

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Carin Hanna <carinhanna@aol.com>
Sent: Tuesday, February 09, 2016 10:16 PM
To: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Subject: Item 9B 2/11/16

I will be unable to attend the council meeting this week.

Some of my concerns with the Master U are experiential. Having been one of the first tenants in the Mercantile and seeing it's evolution through the years, the first red flag is lack of adherence to conditions imposed by the city over the years. The management of the Mercantile continually pushes the limits or requirements set by the city and waits for the city to push back. Sometimes due to staff changes at the city, **conditions are forgotten and a new operating history is formed.**

This has definitely been the case with the number of seats allowed in the restaurant when it changed from a cookie shop to a full service restaurant. Originally permitted as take out only, within months it was a sit down facility overcrowded with tables. Legal wrangling followed. Over time the very crowded, intensified use became the norm. Well, we all love Caruso's and want to see them succeed so why not? At times they even put folding tables in the walkway of the closed Mercantile to handle overflow. The city staff has all gone home so who's to know.

The parking was originally to be for the mercantile employees and customers. Now there is no validation system, no employee parking, just pay public parking. The parking lot is a business to itself. **More than double the amount of restaurant area with no increase in public parking available? No public hearing on conditional use?** Does not seem to be a good situation in which to put the staff due to the controversial nature of the Mercantile management.

The restrooms were originally to be open to the public. When I asked the Planning Director why this was no longer being enforced, he knew nothing about the original condition imposed on the Mercantile. Now if you are dining in the restaurant you can get a key to the restroom, but shoppers are often denied use of the restrooms. As a business owner who allows the public to use it's restroom, even non customers, it's unfortunate that the management of the Mercantile claims that it too difficult to maintain a public restroom. Capitola should be ashamed of the lack of public restrooms, yet no plan surfaces to remedy the problem.

The "valet" parking system is highly suspect. First of all, who is responsible for hiring, supervising and paying for the valet? The management of the Mercantile or the owners of the condos? With the potential of 13 different owners on the parcel (the condo on the ocean side of the property, the Mercantile, 11 condo units on the mountain side of the property) chaos could be the order of the day. Look at all the problems up at the Mall because the property is under such varied ownership. If there is a breakdown in the parking scheme, who is responsible?

The parking report which suggests that the Capitola Village Parking Requirements are too high should be ignored. The reality is that the trend in the county is permitting development without enough parking. In my neighborhood a new commercial/residential project was just approved with 80% of parking the county used to require for the size of the development. The county seems to think that every commercial/residential mixed use project has shared parking. Not in a beach community. Not when the commercial side of the development is heavily restaurant use.

Communication: Item 9.C. 115 San Jose Avenue Mercantile Redevelopment - Communications (ADDITIONAL MATERIALS)

What are the noise projections for the large, enclosed parking structure? I see nothing in the reports addressing this. Horns honking, tires squealing, the echoes of people yelling (especially late at night coming from the bars). That noise will be directed across San Jose Ave to the homes on Lawn Way. What about noise to the condos over the parking? Are the lifts quiet?

These condos are really just individually owned hotel rooms with no staff on duty. Most likely they are not going to be inhabited by people with a connection to the community. "Private terraces" sounds nice - view of the roof of the Mercantile? **Is there storage for each unit** for bikes, surfboards, barbecues, etc?

Garbage - currently the garbage enclosure is barely large enough for the amount of garbage generated by the Mercantile in the summer. With more than twice the restaurant space and 11 residential uses, there will need to be a much larger area or a compactor (another noise factor?) Access for garbage trucks?

This property should have had a master plan from its first change of use. It has been piecemeal modified over the years. This is one of the largest parcels in the village. Now it will be divided among up to 13 owners? At some point down the road, the many problems of the old bowling ally building might become so great, the owner would want to rebuild it. With condos surrounding it the options are limited.

The residential make up of the village is important and has always been in the front of the minds of city government. This does nothing to further the goal of a mixed use village because this is visitor serving housing not true residential. **This last summer was worse than ever for the residents in and surrounding the village.** The worst gridlock, with angry visitors stuck in traffic. Not fun for a lot of people. The overflow into the neighborhoods now continues much later into the night. We love our village. It's a little jewel. But jewels can loose their sparkle. I hope you reject the Master Use Permit and look very carefully at the concept of a hotel not called a hotel on this property.

Thank you,
Carin Hanna

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: mmkinstler@aol.com
Sent: Tuesday, February 09, 2016 8:04 PM
To: City Council
Subject: Council Meeting 2/16/2016 Item 9C Mercantile Master Plan

Dear City Council,

Please proceed with great caution as you consider the proposed changes to the Mercantile property in the heart of Capitola Village. I am especially concerned by the precedent that would set by the introduction of the idea of “shared parking” and the reduction by half of required parking. At the very least a transparent public process for examining these changes needs to happen before any decision is made on this Master Use permit.

The Central Village has a serious shortage of parking and this plan would only make it worse. As you know many of the residences have no parking (like Lawn Way) and have to rely on permit parking in the few parking spaces available in the Central Village.

Thank you,

Margaret Kinstler and Rich Didday

Sneddon, Su (ssneddon@ci.capitola.ca.us)

From: Nels Westman <nels@bestwestman.com>
Sent: Tuesday, February 09, 2016 9:54 AM
To: City Council
Subject: CC Meeting 2/11/16 Item 9.C. Mercantile Master Plan

TO: City Council

FROM: Nels Westman

SUBJ: Item 9.C. Mercantile Master Plan

Dear City Council,

Realistically speaking it looks like what we have here is an 11 room condo/hotel with a large restaurant and bar underneath it. And while I don't think the community is thrilled to death with the prospect of yet another hotel project for Capitola Village that is not specifically what concerns me about this proposal. Rather, it worries me is that this effectively sets precedent for new and far more permissive parking requirements in Capitola Village. I know I don't have to tell you that the parking situation in the Village is horrendous, not only for visitors and business patrons but also for the poor Village Residents who face relentlessly increasing competition for a shrinking number of parking spaces in which their Village Resident Permits will work. So hopefully one of your guiding principals tonight will be don't make a bad parking situation even worse.

This parking study strikes me as kind of a shell game. By far and away the hottest businesses in the Village are bars and restaurants. They dwarf retail. No doubt much of the Village parking shortage is directly linked to the enviable success of our bar and restaurant scene. This parking study sets the precedent of exacerbating these shortages by cutting in half the amount of parking that bars and restaurants are required to provide. That's moving in the wrong direction.

Furthermore, this parking study proposes to institutionalize in the Village the completely bogus and dangerous concept of shared parking. Parking is a valuable and scarce resource in the Village. It is laughable to think the smart thing to do is to allow more intense development by sharing what doesn't exist. The bar and restaurant operation is going to gobble up the parking, particularly since their requirements have been so liberalized as recommended by this parking study. The residential cars need to be continuously 8' in the air in order that the restaurant can use the space underneath them. This represents huge operational difficulties. Retail will be scratching for crumbs. The simple fact is realistically there is nothing to share.

Capitola Village is a unique and complicated traffic and parking environment. To apply the same national parking standards that would apply in Livermore, Omaha or Orlando is cynical and unwise and is doomed to failure.

The use of parking lifts could be very useful but the operational procedures need to be carefully spelled out and bulletproof and must include effective on-going monitoring and enforcement to insure that the developer and his employees/subcontractors adhere absolutely to the rules. To leave it up to some unaccountable association of condo owners will insure that the Mercantile's parking issues would soon spill over onto Village streets.

The amount of space in the Mercantile devoted to bars and restaurants needs to be substantially reduced from the proposed 4400 sq. ft to achieve a much more sustainable parking supply. Required parking should remain the same as is required for other restaurant/bar operations in the Village.

And finally please do not allow such a substantial erosion of Capitola's parking requirements for new Village development without a free-standing, transparent and robust public process. This public process needs to occur well before any decision is made on this Master Use Permit.

Thank you.

Nels Westman



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: City Manager Department

SUBJECT: Consider the January 28, 2016, Regular City Council Minutes

RECOMMENDED ACTION: Approve minutes.

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

ATTACHMENTS:

1. Draft January 28, 2016, City Council Minutes

Report Prepared By: Susan Sneddon
City Clerk

A handwritten signature in black ink, appearing to be "RG", is written over a horizontal line.

Rich Grunow, Community Development Director

2/3/2016

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, JANUARY 28, 2016 – 7:00 PM**

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Councilmember Dennis Norton: Present, Mayor Ed Bottorff: Present, Council Member Jacques Bertrand: Present, Vice Mayor Stephanie Harlan: Present, Council Member Michael Termini: Present.

City Treasurer Christine McBroom was absent.

2. PRESENTATIONS

A. Presentation of a Certificate of Appreciation to Sondi Carcello for her service on the Capitola Finance Advisory Committee [120-40/330-30]

Mayor Bottorff stated that Ms. Carcello is unable to attend tonight's meeting so she will receive her certificate of appreciation at the February 11, 2016, City Council meeting.

B. Introduction of Police Officers

Chief Escalante introduced Police Sergeant Andy Dally and Police Officer Brantly Sandretti.

3. REPORT ON CLOSED SESSION

No Closed Session held.

4. ADDITIONAL MATERIALS

City Clerk Sneddon stated the following additional materials were received:

A. Item 8.A. regarding Library Commission Appointment - Communication

B. Item 10.A. regarding Village Parking 3-Hour Time Limit Continuation - Communication

C. Item 10.A. regarding Village Parking 3-Hour Time Limit Continuation - Survey

D. Item 10.C. regarding Investment Plan Developed by the Santa Cruz County Regional Transportation Commission - Communication

5. ADDITIONS AND DELETIONS TO AGENDA

None provided.

6. PUBLIC COMMENTS

None provided.

Attachment: Draft January 28, 2016, City Council Minutes (1295 : Approval of City Council Minutes)

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Mayor Bottorff stated that Council Member Termini and he attended the Soquel Elementary School Science Fair.

City Manager Goldstein provided an assessment of recent storm damages which resulted in the lower stairs to Hooper Beach being damaged, and a tree falling at Esplanade Park damaging the retraining wall and railing.

Public Works Director Jesberg provided an update on the damages as result of the recent storms. In addition, he provided a status report regarding the Peery Park Walkway Improvement Project, and the Capitola Avenue Storm Drain Repair Project.

8. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Consider Appointments to the Art and Cultural Commission and the Library Advisory Committee [110-10]

RECOMMENDED ACTION: Make Appointments.

RESULT: APPOINTED KIM HOGAN FOR THE POSITION OF “ARTIST” ON THE ART AND CULTURAL COMMISSION [UNANIMOUS]
MOVER: Michael Termini, Council Member
SECONDER: Dennis Norton, Council Member
AYES: Norton, Bertrand, Harlan, Termini, Bottorff

RESULT: MAYOR BOTTORFF APPOINTED ARIEL GRAY TO THE LIBRARY ADVISORY COMMITTEE AS HIS APPOINTMENT

9. CONSENT CALENDAR

RESULT: ADOPTED *ITEMS NO. 9.A., 9.B., 9.C., 9.D., AND 9.E.* [UNANIMOUS]
MOVER: Michael Termini, Council Member
SECONDER: Jacques Bertrand, Council Member
AYES: Norton, Bertrand, Harlan, Termini, Bottorff

- A. Consider the January 14, 2016, Regular City Council Minutes
RECOMMENDED ACTION: Approve Minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of January 21, 2016
RECOMMENDED ACTION: Receive Minutes.
- C. Approval of City Check Register Reports Dated December 4, December 11, December 18, December 25, and December 31, 2015 [300-10]
RECOMMENDED ACTION: Approve City Check Register Reports.
- D. Set a Hearing Date to Consider an Appeal of a Police Department Denial for a 2016 Surf School Permit [1020-20]
RECOMMENDED ACTION: That the City Council set a hearing for Thursday, February 11, 2016 to consider an appeal by Capitola Surf and Paddle regarding the Police Department’s denial of their 2016 Surf School Permit.

Attachment: Draft January 28, 2016, City Council Minutes (1295 : Approval of City Council Minutes)

- E. Approval of a Air Board Grant and an Agreement with the Monterey Unified Air Pollution Control District to Receive a Grant for Traffic Signal Adaptive Control Systems [430-50/490-70]
RECOMMENDED ACTION: Approve an agreement with the Monterey Unified Air Pollution Control District to receive a grant in the amount of \$369,600 for Traffic Signal Adaptive Control Systems along 41st Avenue, and award a contract to Kimley-Horn and Associates in the amount of \$98,500 for grant implementation, management and reporting.

10. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Consider a Resolution Continuing the Parking Time Limit in the Village at Three Hours [470-70]

RECOMMENDED ACTION: Adopt Resolution.

Carin Hanna, Business Improvement Area Advisory Committee (BIA) representative, stated that the BIA has requested that the City return to the two-hour parking time limit in the Village. She reported the results of a recent survey done regarding the Village three-hour parking.

Carin Hanna stated as a local business owner that she is in favor of continuing the parking time limit in the Village at three hours.

RESULT:	ADOPTED <u>RESOLUTION NO. 4043</u> CONTINUING THE PARKING LIMIT IN THE VILLAGE AT THREE HOURS; TO BI-ANNUALLY REVIEW THE PARKING LIMITS IN THE VILLAGE; AND TO RECEIVE AN ANNUAL REPORT ON CITATIONS [UNANIMOUS]
MOVER:	Michael Termini, Council Member
SECONDER:	Dennis Norton, Councilmember
AYES:	Norton, Bertrand, Harlan, Termini, Bottorff

- B. Receive the Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015, and the Housing Successor Independent Financial Audit and Annual Progress Report [310-20]

RECOMMENDED ACTION: Receive Reports.

RESULT:	RECEIVED REPORT
----------------	------------------------

There was Council consensus to discussed General Government Item No. 10.D. prior to Item No. 10.C.

- D. Community Based Health and Human Services Providers Program Fiscal Year 2016-2017 Application Process and Community Grant Ad-Hoc Group Recommendations [330-30]

RECOMMENDED ACTION: (1) Adopt the recommendations of the Ad Hoc Subcommittee; and (2) Determine whether or not to allow new agencies or organizations to apply for the existing Community Based Health and Human Services Providers Program for Fiscal Years 2016-2017.

Raymon Cancino, Community Bridges Chief Executive Officer, thanked the City Council for their past contributions to Community Bridges.

Attachment: Draft January 28, 2016, City Council Minutes (1295 : Approval of City Council Minutes)

RESULT: TO ADOPT THE RECOMMENDATIONS OF THE COMMUNITY BASED HEALTH AND HUMAN SERVICES PROVIDERS AD HOC SUBCOMMITTEE [UNANIMOUS]
MOVER: Michael Termini, Council Member
SECONDER: Jacques Bertrand, Council Member
AYES: Norton, Bottorff, Bertrand, Harlan, Termini

RESULT: TO ALLOW NEW AGENCIES OR ORGANIZATIONS TO APPLY FOR THE EXISTING COMMUNITY BASED HEALTH AND HUMAN SERVICES PROVIDERS PROGRAM FOR FISCAL YEARS 2016-2017.ADOPTED [UNANIMOUS]
MOVER: Stephanie Harlan, Council Member
SECONDER: Dennis Norton, Council Member
AYES: Norton, Bottorff, Bertrand, Harlan, Termini

- C. Consider a Resolution Endorsing the Investment Plan Developed by the Santa Cruz County Regional Transportation Commission for a 1/2-Cent Sales Tax Measure to be placed on the November 2016 Ballot [770-05]
RECOMMENDED ACTION: Adopt Resolution.

George Dondero, Santa Cruz County Regional Transportation Commission (SCCRTC) Executive Director, presented information on this item.

Sam Storey, local resident, stated concerns regarding the proposed Investment Plan as presented by the SCCRTC.

Raymon Cancino, Community Bridges Chief Executive Officer, stated concerns regarding the Council adopting the Investment Plan as stated in the draft Resolution; specifically the Expenditure Category for Mobility Access.

Kirt Ance, Lift Line Program Director | Community Bridges, stated the importance of Lift Line services.

Attachment: Draft January 28, 2016, City Council Minutes (1295 : Approval of City Council Minutes)

RESULT: ADOPTED RESOLUTION NO. 4044 ENDORSING THE INVESTMENT PLAN DEVELOPED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR A 1/2-CENT SALES TAX MEASURE TO BE PLACED ON THE NOVEMBER 2016 BALLOT; AND THE EXPENDITURE CATEGORY FOR MOBILITY ACCESS AS STATED IN THE INVESTMENT PLAN MODIFIED AS FOLLOWS:

PARAGRAPH 1 MODIFIED TO READ:

“1. ENDORSES AN INVESTMENT PLAN CONSISTING OF THE FOLLOWING CATEGORIES OF EXPENDITURES:”

SUB-PARAGRAPH 1.D. MODIFIED TO READ:

“16% FOR MOBILITY ACCESS - ACCESSIBLE TRANSPORTATION PRIMARILY FOR SENIORS, PEOPLE WITH DISABILITIES AND VETERANS SUBJECT, TO FINAL DETERMINATION ON THE ALLOCATION TO SERVICE PROVIDERS”

[UNANIMOUS]

MOVER: Dennis Norton, Councilmember
SECONDER: Jacques Bertrand, Council Member
AYES: Norton, Bottorff, Bertrand, Harlan, Termini

11. ADJOURNMENT

Meeting adjourned at 9:00 PM.

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

Ed Bottorff, Mayor

Attachment: Draft January 28, 2016, City Council Minutes (1295 : Approval of City Council Minutes)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: Community Development

SUBJECT: Receive Planning Commission Action Minutes for the Regular Meeting of
February 4, 2016

RECOMMENDED ACTION: Receive Minutes

ATTACHMENTS:

1. Planning Commission Action Minutes of February 4, 2016

Report Prepared By: Linda Fridy
Planning Commission Minutes Clerk



**ACTION MINUTES
CAPITOLA PLANNING COMMISSION MEETING
THURSDAY, FEBRUARY 4, 2016
7 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE
2. ORAL COMMUNICATIONS
 - A. Additions and Deletions to Agenda
 - B. Public Comments
 - C. Commission Comments
 - D. Staff Comments
3. APPROVAL OF MINUTES
 - A. Planning Commission - Regular Meeting of Jan. 21, 2016

RESULT:	ACCEPTED [4 TO 0]
MOVER:	Linda Smith, Commissioner
SECONDER:	Susan Westman, Commissioner
AYES:	Smith, Newman, Welch, Westman
ABSTAIN:	Ortiz

4. **CONSENT CALENDAR**

411 Beverly Ave. was pulled from consent and heard as public hearing item 5A.

5. **PUBLIC HEARINGS**

A. 411 Beverly Avenue #16-006 APN: 035-093-41

Major Revocable Encroachment Permit for a rock retaining wall in the public right-of-way in the R-1 (Single-Family Residential) Zoning District.

This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: LaDon & Richard Detro

Representative: LaDon & Richard Detro, filed: 1/9/15

RESULT:	APPROVED AS AMENDED [UNANIMOUS]
MOVER:	Linda Smith, Commissioner
SECONDER:	Edward Newman, Commissioner
AYES:	Smith, Ortiz, Newman, Welch, Westman

B. Pacific Gas and Electric - Community Pipeline Safety Initiative Presentation

C. 4980 Garnet St #15-181 APN: 034-043-16

Design Permit and Variance request for a garage addition to be located in the front yard setback area of an existing residence in the R-1 (Single-Family Residential) Zoning District.

This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: David Aaron
 Representative: Chris Sandman, filed 11/4/15

RESULT:	APPROVED [4 TO 0]
MOVER:	Gayle Ortiz, Commissioner
SECONDER:	Susan Westman, Commissioner
AYES:	Ortiz, Newman, Welch, Westman
RECUSED:	Smith

D. 115 San Jose Avenue #15-188 APN: 035-221-17

Conceptual Review of a proposed Master Use Permit with 11 new residential units and a parking management plan for the Capitola Mercantile located in the CV (Central Village) Zoning District.

This project is in the Coastal Zone but does not require a Coastal Development Permit at the conceptual review stage.

Environmental Determination: N/A

Property Owner: Southstar PM

Representative: Thacher & Thompson Architects

Feedback provided – no action taken.

E. Zoning Code Update - Initiation of Public Review

6. DIRECTOR'S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: Finance Department

SUBJECT: Receive the Quarterly Financial Reports - Second Quarter Budget and First Quarter Sales Tax Report

RECOMMENDED ACTION: Receive Reports.

DISCUSSION: The attached quarterly reports contain information for the following dates:

- Second Quarter Budget Report: October 1, 2015 to December 31, 2015.
- First Quarter Sales Tax Report: July 1 to September 30, 2015.

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

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

ATTACHMENTS:

1. Budget Report Second Quarter FY 15/16
2. Sales Tax First Quarter FY15/16

Report Prepared By: Mark Welch
Finance Director

A handwritten signature in black ink, appearing to be "RG", is written over a horizontal line.

Rich Grunow, Community Development Director

2/3/2016



Budget Report Second Quarter – FY15/16

Overview:

This report summarizes the City's overall financial position for the current fiscal year through December 2015. Except as noted below, revenue and operating expenditures are generally consistent with annual projections.

Revenue

	Budget	Actual Amount	Percentage Received	Prev Year Actual Amount	Annual % Change
Charges for services	1,885,900	1,008,524	53%	933,838	8%
Fines and forfeitures	720,000	326,643	45%	373,390	-13%
Intergovernmental revenues	257,573	136,123	53%	184,450	-26%
Licenses and permits	247,950	119,490	48%	121,479	-2%
Other revenues	67,400	48,041	71%	45,647	5%
Taxes	11,319,500	4,086,257	36%	4,398,943	-7%
Business license taxes	283,700	115,372	41%	100,177	15%
Franchise taxes	526,900	140,820	27%	135,433	4%
Other Taxes	50,000	28,500	57%	33,153	-14%
Property Taxes	1,972,500	1,004,782	51%	944,797	6%
Sales and use taxes	5,325,900	1,500,699	28%	1,948,978	-23%
Sales and use taxes - District	2,164,000	704,321	33%	688,559	2%
Transient occupancy taxes	1,280,200	707,136	55%	648,022	9%
Use of money & property	59,100	10,127	17%	11,750	-14%
Grand Total	14,841,123	5,850,577	39%	6,169,674	-5%

The City's major revenue sources continue to be strong. The three largest portions of the City's revenue collections are above budget. With the unwinding of the Triple-flip, our sales tax collections show close to a \$500,000 decrease due to the In-lieu payment being decreased. The City will collect most of the decrease in August with the final true-up payment. Removing the triple flip from the equation Sales tax have grown by 4% with a budgeted increase of 2.5%. Property Tax collections have increased by 6% while we budget 3%.

Expenses by Department

	2015/16 Budget	Actual Amount	Prev Year Actual Amount	Change from Prior Year
Community Development	778,969	369,081	327,559	41,522
Culture and Recreation	1,679,284	894,194	813,297	80,897
General Government	2,546,528	1,235,723	1,101,468	134,255
Transfers	2,459,626	1,394,513	812,937	581,576
Public Safety	6,333,000	3,254,252	2,969,149	285,103
Transportation	1,717,465	819,221	776,406	42,816
Grand Total	15,514,872	7,966,983	6,800,815	1,166,169

Expenses by Category

	2015/16 Budget	Actual Amount	Prev Year Actual Amount	Change from Prior Year
Capital outlay	5,000	0	0	0
Contract services	2,789,750	1,391,671	1,353,796	37,875
Grants and Subsidies	277,296	132,889	123,965	8,924
Internal service fund charges	954,500	477,250	425,324	51,927
Other financing uses	2,459,626	1,394,513	812,037	582,476
Personnel	8,383,075	4,241,984	3,820,153	421,831
Employee benefits	2,548,243	1,556,380	1,109,767	446,613
Wages and overtime	5,834,832	2,685,604	2,710,386	-24,782
Supplies	552,400	283,595	229,038	54,558
Training & Memberships	93,225	45,081	36,503	8,579
Grand Total	15,514,872	7,966,983	6,800,815	1,166,169

Our Expenses continue to track with the Adopted Budget. The increase from the prior year can be attributed to our yearly payment of the Unfunded Actuarial Liability to CalPERS. As the year progresses the Employee Benefit line item will not grow as quickly since we are not making monthly payments. The transfer line item is transferred from the General Fund on a Semi Annual basis.



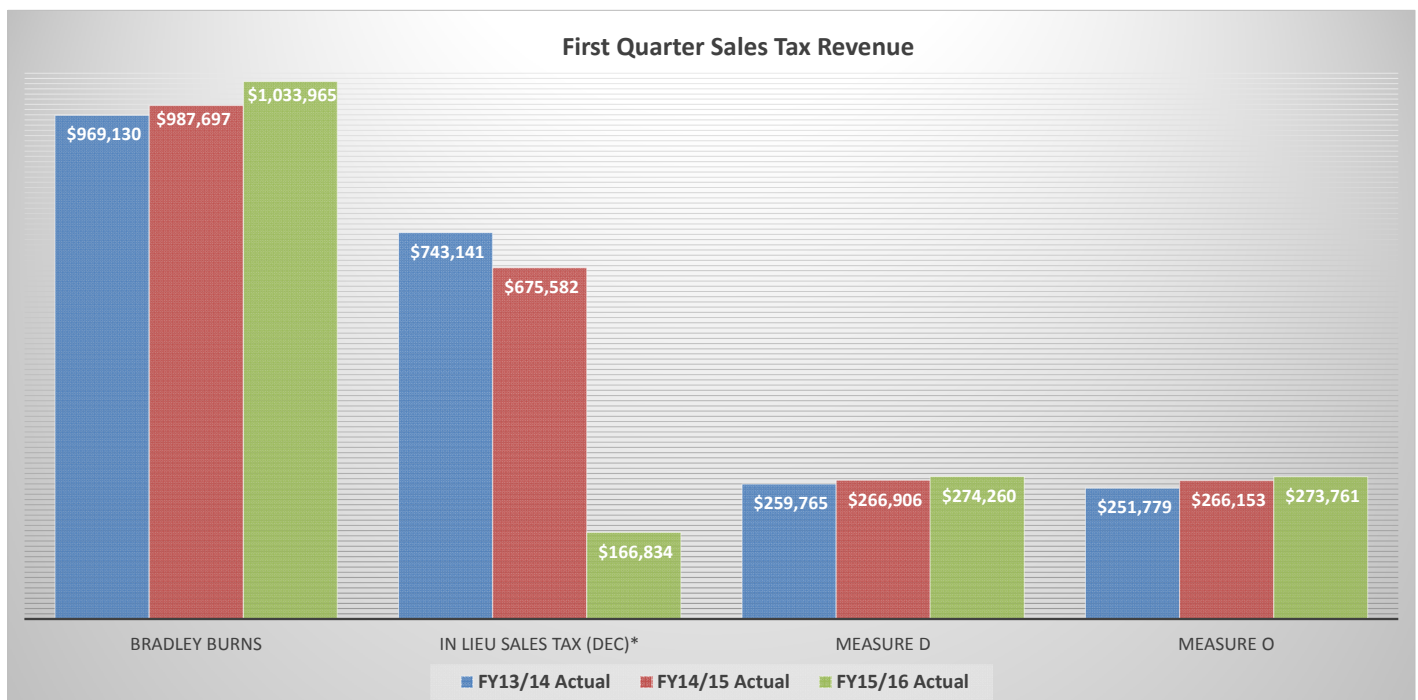
Sales Tax Revenue Report First Quarter – Fiscal Year 15/16

Total sales tax receipts for the first quarter of FY15/16 were \$1,581,986, which is \$22,386 or 1.4% over budget and \$61,230 or 4% higher than the prior year. The Bradley-Burns component generated \$1,033,965 in revenues and is \$21,565 or 2.1% over budget and \$46,268 or 4.7% higher than the prior year. Measure D produced \$274,260 in receipts, which is \$660 or 0.2% over budget and \$7,354 or 2.8% more than the first quarter of last year. Measure O contributed \$273,761 in revenues, which is \$161 or 0.1% over budget and \$7,608 or 2.9% higher than the prior year. The December in lieu sales tax payment was 75% below budget due to the end of the triple flip. This shortfall will be made up in August 2016 when the final triple flip payment is made. Additionally, the 1% Bradley-Burns rate is restored as of January 1, 2016, with the associated receipts coming in March 2016. A table and graph showing the first quarter sales tax results are shown below.

First Quarter Sales Tax Revenue Comparison

Description	FY13/14 Actual	FY14/15 Actual	FY15/16 Budget	FY15/16 Actual	Actual vs. Budget		Actual vs. Prior Year	
					Amount	%	Amount	%
Bradley Burns	\$ 969,130	\$ 987,697	\$ 1,012,400	\$ 1,033,965	\$ 21,565	2.1%	\$ 46,268	4.7%
In Lieu Sales Tax (Dec)*	\$ 743,141	\$ 675,582	\$ 660,700	\$ 166,834	\$ (493,866)	-74.7%	\$ (508,748)	-75.3%
Measure D	\$ 259,765	\$ 266,906	\$ 273,600	\$ 274,260	\$ 660	0.2%	\$ 7,354	2.8%
Measure O	\$ 251,779	\$ 266,153	\$ 273,600	\$ 273,761	\$ 161	0.1%	\$ 7,608	2.9%
	\$ 2,223,815	\$ 2,196,338	\$ 2,220,300	\$ 1,748,820	\$ (471,480)	-21.2%	\$ (447,518)	-20.4%

*FY15/16 December in lieu payment is for one quarter only (April – June 2015), not four quarters as in prior years due to the end of the triple flip.





CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: City Manager Department

SUBJECT: Deny Liability Claims and Forward to the City's Liability Insurance Carrier

RECOMMENDED ACTION: Deny liability claims and forward to the City's liability insurance carrier.

DISCUSSION:

1. Carrie Cox has filed a liability claim against the City in the amount of \$3,794.50.
2. Tuka Gafari has filed a liability claim against the City in the amount of \$551,888.

Report Prepared By: Liz Nichols
Executive Assistant to the City Manager

A handwritten signature in blue ink, appearing to be "JG", is located above the printed name of the City Manager.

Jamie Goldstein, City Manager

1/21/2016



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: Community Development

SUBJECT: Presentation of Capitola Branch Library Conceptual Renderings

RECOMMENDED ACTION: Receive graphic.

BACKGROUND: The City of Capitola is required to build a new public library to replace the existing 4,320 square foot library, housed in a modular, temporary building which opened in 1999. The current facility is outdated, undersized to serve the community's needs, and is in a state of disrepair.

The City entered into a contract with the County of Santa Cruz in 2011 and deposited \$2.6M of redevelopment monies into a County-held trust account to help fund a future library. The contract requires the City to begin construction of a minimum 7,000 square-foot library by June 30, 2018.

The Santa Cruz Public Library System adopted a Facility Master Plan in March, 2013. That plan recommended Capitola's current facility be replaced with a new 12,000 – 15,000 square-foot library. The Master Plan estimated the cost of such a new library at \$10.2 – \$12.9M.

On September 10 2015, the City Council authorized a task order with Anderson-Brule Architects to initiate the public design process for the new Capitola Branch Library. A public workshop was held on October 28, 2016, to engage residents and solicit ideas on library design options.

DISCUSSION: This is a presentation by Anderson-Brule Architects to unveil inspirational renderings of the new library. The form and design of the renderings are based on public input received during the October workshop.

The purpose of the renderings is to provide the public and decision-makers with a conceptual idea of what a new library could look like prior to a tax measure being placed on the ballot to help fund a new library. The renderings would also be on display at the "Sweet 16" library celebration scheduled for March 5, 2016.

It is important to note that the City Council is not approving or committing to a final library design. A formal design process and additional community meetings would be held to refine the exterior design and interior programming once funding is secured.

FISCAL IMPACT: None.

Report Prepared By: Rich Grunow
Community Development Director

Presentation of Library Renderings
February 11, 2016



Rich Grunow, Community Development Director



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: Capitola Police Department
SUBJECT: Appeal on Surf School Permit Denial

RECOMMENDED ACTION: Accept report on the appeal of a denial of a Surf School Permit and provide direction on the following:

Options:

1. Deny the appeal; or
2. Uphold the appeal and direct staff to prepare an Ordinance amending Municipal Code Section 9.30.020 to permit five surf schools to be introduced at the February 25, 2016 Council meeting; and
3. If appeal is upheld, amend the City Administrative Policy, I-34, Section III (B) to permit five Surf Schools.

BACKGROUND: In 2008, the Capitola City Council adopted Chapter 9.30 of the Capitola Municipal Code (Code) to regulate Surf Schools that operate at specific beaches and surf breaks within control of the Capitola Police Department. That Ordinance called for a maximum of four Surf School Permits to be issued each calendar year. The purpose of the Surf School Permits is to facilitate a safe water experience for experienced surfers, instructors, students and visitors who share the beach.

Due to increased interest in operating Surf Schools, in early 2015 the City Council approved an Uncodified Ordinance to allow a maximum of five Surf Schools to operate for 2015 only. Except as amended by the Uncodified Ordinance, all other provisions of Chapter 9.30 regulating Surf Schools including, but not limited to, the number of Surf School students who can be in the water at any one time (eight students), were unchanged and remain in full force and effect. The City Council also adopted a revised Administrative Policy I-34 to assist in the issuance of Surf School Permits. At its November 12, 2015 meeting, the City Council decided to allow the Uncodified Ordinance Amendment that allowed five Surf Schools to expire. This resulted in the Ordinance reverting back to four Surf School Permits being issued.

DISCUSSION: The Police Department is charged with the issuance of Surf School Permits in accordance with Administrative Policy I-34. Applications are received and reviewed. Permits are valid for one calendar year beginning on January 1st and expiring on December 31st of the same year they were issued. The time period to submit a completed application for the upcoming permit year starts December 1st and closes at noon on December 31st. Completed and submitted applications are reviewed by the Chief of Police who issues permits based on a competitive assessment of the qualifications of the applicant, the applicant's past history of compliance with applicable regulations, the applicant's history of successfully operating a Surf School, and the City's adopted "Local Vendor Preference" policies.

Appeal on Surf School Permit Denial
February 11, 2016

A separate questionnaire was developed to assist in the competitive assessment process. The responses to the questions were evaluated by three evaluators outside of the Police Department and independently scored. Applications were not provided to the evaluators. Names and business locations were redacted to ensure an impartial assessment process.

After reviewing the five applications, four applications were awarded permits. One of the applicants, Capitola Surf and Paddle located at 208 San Jose Avenue, did not receive a Surf School Permit. Capitola Surf and Paddle was issued a permit for 2015 and operated successfully without a citation. Staff has contacted Capitola Surf and Paddle to remind them of certain regulations, but none of these violations have risen to the level of enforcement actions or permit reviews.

The maximum students allowed at any one time are eight. Staff recommends keeping the number of students at eight and all other current provisions in the Code. Staff continues to communicate and engage all the permitted schools to improve upon our current regulations and processes. Upon being notified that they were not being issued a permit for 2016, Capitola Surf and Paddle filed an appeal in accordance with Code Section 2.52.

If the Council decides to uphold the appeal and allow 5 surf schools to operate, then it would be appropriate to direct staff return to the Council at its February 25, 2016 meeting to consider introduction of an Ordinance amending the Code accordingly; and also to amend City Administrative Policy I-34 to make it consistent therewith.

FISCAL IMPACT: None.

ATTACHMENTS:

1. Jason Alaniz Surf School Permit Appeal (PDF)
2. Draft Surf Permit Admin Policy (DOCX)
3. Draft Ordinance Change for Surf School Regulations (DOC)
4. Capitola Surf Paddle 2016 application (PDF)

Report Prepared By: Rudy Escalante
Police Chief



Rich Grunow, Community Development Director

2/4/2016

Appeal on Surf School Permit Denial
February 11, 2016

**DRAFT
ORDINANCE NO. ____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING SECTION 9.30.020 (B) TO THE CAPITOLA MUNICIPAL CODE PERTAINING TO
REGULATION OF SURF SCHOOLS**

BE IT ORDAINED BY THE CITY OF CAPITOLA AS FOLLOWS:
Section 9.30.020 (B) is hereby amended to the Capitola Municipal Code to read as follows:
"Chapter 9.30"

SURF SCHOOL REGULATIONS

Sections:

9.30.010	Application of Chapter
9.30.020	Surf School Regulations
9.30.030	Surf School Permits and Permit Fees
9.30.040	Indemnification

9.30.010 Application of Chapter.

This chapter shall apply to all surf schools that operate in the City of Capitola to the extent that they use Capitola beaches and surf breaks for which Capitola lifeguards and the Capitola Police Department have health, safety and rescue responsibility. Said beaches and surf breaks include Capitola Main Beach, Hooper's Beach, First Jetty Break, Main Peak Break, Hooper's Break and Toes Over Break, as designated on the map attached to this chapter and incorporated herein. As used in this chapter, the term "surf school" is defined as any person, business or other entity, which, for compensation, teaches individuals how to board surf, body surf, boogie board or kayak surf.

9.30.020 Surf School Regulations.

- A. Student to Instructor Ratio. The maximum student to instructor ratio for surf schools while operating on Capitola beaches and surf breaks shall be 4 students per one (1) instructor.
- B. Maximum Total of Surf School Students/Surf Schools. The total number of surf school students using Capitola beaches and surf breaks during any single period of time shall not exceed 8 students. A maximum of five (5) surf schools will be licensed and permitted within the City of Capitola to conduct surf lessons on Capitola beaches each year.
- C. Surf School Instructor Qualifications. Every surf school instructor who uses Capitola beaches and surf breaks to instruct surf school students shall at a minimum currently have the following certifications and qualifications: Basic First Aid; CPR; Department of Justice (DOJ) Live Scan fingerprint clearance and criminal history check.
- D. Surf School Uniforms. Surf schools which conduct operations on Capitola beaches and surf breaks shall, while conducting said operations, assure that all students and instructors wear uniform shirts or vests identifying their respective surf schools. Said

Appeal on Surf School Permit Denial
February 11, 2016

shirts or vests shall be sufficiently distinctive in color or design so as to allow Capitola lifeguards and police officers to differentiate between surf schools. The City when issuing surf school permits may designate the color shirt or vest to be employed by a surf school for this purpose. It is recommended the surf schools utilize the same colored jerseys as assigned in the City of Santa Cruz.

- E. Surf School Equipment. Surf schools which conduct operations on Capitola beaches and surf breaks shall, while conducting said operations, use only the following types of equipment: soft foam boards with leashes for beginners; "hard boards" with leashes for intermediate and advanced lessons at instructor's discretion, provided that in any such "hard board" lesson session the student to instructor ratio shall not exceed two students per instructor.
- F. Surf School Insurance. Surf schools shall not be permitted to conduct operations on Capitola beaches and surf breaks unless and until they have provided to the City proof that they currently have in place liability insurance in an amount prescribed by City Council resolution as well as worker's compensation insurance as required by state law. Surf schools shall also have a safety and evacuation plan on file.
- G. Other Applicable Regulations. Surf schools that conduct operations on Capitola beaches and surf breaks shall comply with all other applicable federal, state and local statutes and regulations including but not limited to Capitola Municipal Code Chapter 8.64 pertaining to water sports and equipment, Capitola Municipal Code Chapter 5.04 pertaining to business license taxes and applicable California Labor Code statutes governing employment including statutes governing wages, hours and worker's compensation.

9.30.030 Surf School Permits and Permit Fees.

- A. Permits. No surf school shall conduct operations on Capitola beaches or surf breaks without first obtaining a permit to do so from the Capitola Police Department. The permit shall assure compliance with the surf school regulations set forth in Section 9.30.020 and at a minimum shall specify the following:
 - 1. The maximum number of instructors and students the permitted surf school may have while conducting its operations.
 - 2. The specific locations at which the permitted surf school may conduct its operations.
 - 3. The type and color of uniform shirt or vest to be worn by surf school instructors and students.
 - 4. The types of equipment that may be used by the permitted surf school while conducting its operations on Capitola beaches and surf breaks.
- B. Permit Fees. The Capitola Police Department shall assess permit fees to surf schools, which shall be due and payable in full at the time of permit issuance. The amount of the fee shall be set by City Council resolution and shall correspond to the costs incurred by the City in administering this ordinance, regulating surf schools in accordance with this ordinance and providing public safety services attributable exclusively to the operation of surf schools on City beaches and surf breaks. To this end, to the extent it is necessary for the City to employ lifeguards or other law enforcement personnel that would not otherwise be required but for the conduct of surf school operations on Capitola beaches

Appeal on Surf School Permit Denial
February 11, 2016

and surf breaks, as part of its permit fee assessment the City may recover from those surf schools on a pro rata basis the costs it incurs employing said lifeguards or law enforcement personnel.

9.30.040 Indemnification.

No surf school shall conduct operations on Capitola beaches and surf breaks without first executing an agreement to indemnify the City against and hold the City harmless from all claims for death, personal injury or property damage caused or allegedly caused by the surf school's operations. The indemnification/hold harmless agreement shall be in a form approved by the City Attorney. Surf school liability insurance procured by surf schools to comply with Section 9.30.020(G) shall name the City as an additional insured.

This Ordinance was introduced on the ____ day of, ____, and was passed and adopted by the City Council of the City of Capitola on the ____ day of, ____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DISQUALIFIED:

APPROVED: _____
Ed Bottorff, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

JAN 20 2015
CITY OF CAPITOLA
CITY CLERK

Dear Council,

My name is Jason Alaniz. I am the owner of Capitola Surf and Paddle, located in Capitola Village at 208 San Jose Avenue. This letter is to officially appeal the recent decision brought forth January 11, 2016 regarding the issuing of Surf School Instruction Permits for 2016. The decision excludes my business from providing this service to my guests. I am seeking a review and reversal of this recent decision to include my business.

As you all are aware, there was conflict with more surf schools applying for permits than available, causing the council to increase the number of allowable schools for 2015. As the end of the year approached, the decision was made to revert back to four surf school permits.

Additionally, there was a new Surf School Permit revision written by the Capitola Police Department and approved by the council to provide preference to businesses located in Capitola. However, 3 of the 4 available permits were granted to surf schools outside of the area in Santa Cruz and Monterey, while our business, located in the heart of the Capitola Village, was excluded.

Capitola Surf and Paddle is proud to be beginning its fourth year of business. Last year we applied for and were granted a surf school permit. We invested in equipment, training, and certifications, as well as staff to support this area of the business and we successfully provided surf instruction throughout the year. It has been my goal to provide great customer service and to be able to respond to regular requests we receive for surf lessons. Should we not be able to offer this service it would impact our business from a financial standpoint, impact our staffing, and greatly reduce the convenience to our guests, who are also guests of the City. The diminished availability for this service not only reflects negatively as a local business but as a destination City that should have services and products readily available.

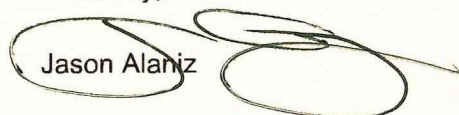
In summary, my appeal for reconsideration is based on a number of factors:

1. The decision goes against direct city policy to give preference to local business.
2. We are a Capitola Village local business serving locals and tourists year round. There is a local demand for this service and it makes sense that we would be able to provide it.
3. This decision will have a direct economic impact on my business and employees.

The goal that I share with the city is that of providing a great experience to the guests of Capitola. We are honored to be able to provide a great service and make our city so enjoyable.

With that, we kindly request a surf license.

Sincerely,

Jason Alaniz 

Attachment: Jason Alaniz Surf School Permit Appeal (1370 : Appeal on Surf School Permit Denial)

ADMINISTRATIVE POLICY

Number: I-34
 Issued: March 12, 2015
 Revised: _____
 Jurisdiction: City Council

SURF SCHOOL PERMITS

PURPOSE

The purpose of this policy is to provide a process for the annual review and issuance of surf school permits that are issued within the City limits of Capitola, implementing Capitola Municipal Code section 9.30. Surf schools that are permitted to conduct operations on Capitola beaches and surf breaks shall comply with all other applicable federal, state and local statutes and regulations including but not limited to Capitola Municipal Code Chapter 8.64 pertaining to water sports and equipment, Capitola Municipal Code Chapter 5.04 pertaining to business license taxes and applicable California Labor Code statutes governing employment including statutes governing wages, hours and worker's compensation.

I. POLICY

No surf school shall conduct operations on Capitola beaches or surf breaks without first obtaining a permit to do so from the Capitola police department. The permit shall assure compliance with the surf school regulations set forth in Section 9.30.020 and other requirements determined necessary to comply with public safety and local, state or federal law.

II. PROCEDURE

A. The Capitola police department shall assess permit fees to surf schools, which shall be due and payable in full at the time of permit issuance. The amount of the fee shall be established in the City's fee schedule and shall correspond to the costs incurred by the city in regulating surf schools in accordance with this policy and providing public safety services attributable exclusively to the operation of surf schools on city beaches and surf breaks.

To the extent it is necessary for the city to employ lifeguards or other public safety personnel that would not otherwise be required but for the conduct of surf school operations on Capitola beaches and surf breaks, as part of its permit fee assessment the city may recover from those surf schools on a pro rata basis the costs it incurs employing said lifeguards or law enforcement personnel.

B. Permit Issuance. Permits are valid for one calendar year beginning on January 1st and expiring on December 31st of the same year they were issued. The time period to submit a completed application for the upcoming permit year starts December 1 and closes at noon on December 31st. Completed and submitted applications will be reviewed by the Chief of Police who will issue no more than ~~five~~four permits based on a competitive assessment of the qualifications of the applicant, the applicant's past history of compliance with applicable regulations, the applicant's history of successfully operating a Surf School, and the City's adopted "Local Vendor Preference" policies. Those permits shall be valid for one year and may be renewed with a completed application during the application period upon a finding by the Police Chief that the permit holder has complied with their permit conditions and applicable law.

The Police Chief's decision regarding the award of a Surf School permit may be appealed by an affected party to the City Manager. The City Manager's decision may be appealed to City Council pursuant to CMC 2.52.

If at any time fewer than ~~five~~^{four} Surf School permits have been issued, the remaining permits will be issued on a first come first served basis to qualified applicants upon submission of a complete application.

E. Permit Term. Surf School permits expire on Dec. 31st of the year issued.

III. **REVOCATION**

The City Manager shall have the right to revoke or suspend Surf School permits for: failure to comply with the terms of a Surf School permit, failure to comply with applicable laws, and/or failure to operate a Surf School. The City Manager's decision to revoke a permit may be appealed to City Council pursuant to CMC 2.52.

This policy is approved and authorized by

Jamie Goldstein
City Manager

Attachment: Draft Surf Permit Admin Policy (1370 : Appeal on Surf School Permit Denial)

**DRAFT
ORDINANCE NO. ____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING SECTION 9.30.020 (B) TO THE CAPITOLA MUNICIPAL CODE PERTAINING TO
REGULATION OF SURF SCHOOLS**

BE IT ORDAINED BY THE CITY OF CAPITOLA AS FOLLOWS:
Section 9.30.020 (B) is hereby amended to the Capitola Municipal Code to read as follows:
“Chapter 9.30

SURF SCHOOL REGULATIONS

Sections:

- 9.30.010 Application of Chapter
- 9.30.020 Surf School Regulations
- 9.30.030 Surf School Permits and Permit Fees
- 9.30.040 Indemnification

9.30.010 Application of Chapter.

This chapter shall apply to all surf schools that operate in the City of Capitola to the extent that they use Capitola beaches and surf breaks for which Capitola lifeguards and the Capitola Police Department have health, safety and rescue responsibility. Said beaches and surf breaks include Capitola Main Beach, Hooper’s Beach, First Jetty Break, Main Peak Break, Hooper’s Break and Toes Over Break, as designated on the map attached to this chapter and incorporated herein. As used in this chapter, the term “surf school” is defined as any person, business or other entity, which, for compensation, teaches individuals how to board surf, body surf, boogie board or kayak surf.

9.30.020 Surf School Regulations.

- A. Student to Instructor Ratio. The maximum student to instructor ratio for surf schools while operating on Capitola beaches and surf breaks shall be 4 students per one (1) instructor.
- B. Maximum Total of Surf School Students/Surf Schools. The total number of surf school students using Capitola beaches and surf breaks during any single period of time shall not exceed 8 students. A maximum of five (5) surf schools will be licensed and permitted within the City of Capitola to conduct surf lessons on Capitola beaches each year.
- C. Surf School Instructor Qualifications. Every surf school instructor who uses Capitola beaches and surf breaks to instruct surf school students shall at a minimum currently have the following certifications and qualifications: Basic First Aid; CPR; Department of Justice (DOJ) Live Scan fingerprint clearance and criminal history check.
- D. Surf School Uniforms. Surf schools which conduct operations on Capitola beaches and surf breaks shall, while conducting said operations, assure that all students and instructors wear uniform shirts or vests identifying their respective surf schools. Said shirts or vests shall be sufficiently distinctive in color or design so as to allow Capitola lifeguards and police officers to differentiate between surf schools. The City when issuing surf school permits may designate the color shirt or vest to be employed by a surf school

Attachment: Draft Ordinance Change for Surf School Regulations (1370 : Appeal on Surf School Permit Denial)

ORDINANCE NO. _____

for this purpose. It is recommended the surf schools utilize the same colored jerseys as assigned in the City of Santa Cruz.

- E. Surf School Equipment. Surf schools which conduct operations on Capitola beaches and surf breaks shall, while conducting said operations, use only the following types of equipment: soft foam boards with leashes for beginners; "hard boards" with leashes for intermediate and advanced lessons at instructor's discretion, provided that in any such "hard board" lesson session the student to instructor ratio shall not exceed two students per instructor.
- F. Surf School Insurance. Surf schools shall not be permitted to conduct operations on Capitola beaches and surf breaks unless and until they have provided to the City proof that they currently have in place liability insurance in an amount prescribed by City Council resolution as well as worker's compensation insurance as required by state law. Surf schools shall also have a safety and evacuation plan on file.
- G. Other Applicable Regulations. Surf schools that conduct operations on Capitola beaches and surf breaks shall comply with all other applicable federal, state and local statutes and regulations including but not limited to Capitola Municipal Code Chapter 8.64 pertaining to water sports and equipment, Capitola Municipal Code Chapter 5.04 pertaining to business license taxes and applicable California Labor Code statutes governing employment including statutes governing wages, hours and worker's compensation.

9.30.030 Surf School Permits and Permit Fees.

- A. Permits. No surf school shall conduct operations on Capitola beaches or surf breaks without first obtaining a permit to do so from the Capitola Police Department. The permit shall assure compliance with the surf school regulations set forth in Section 9.30.020 and at a minimum shall specify the following:
 - 1. The maximum number of instructors and students the permitted surf school may have while conducting its operations.
 - 2. The specific locations at which the permitted surf school may conduct its operations.
 - 3. The type and color of uniform shirt or vest to be worn by surf school instructors and students.
 - 4. The types of equipment that may be used by the permitted surf school while conducting its operations on Capitola beaches and surf breaks.
- B. Permit Fees. The Capitola Police Department shall assess permit fees to surf schools, which shall be due and payable in full at the time of permit issuance. The amount of the fee shall be set by City Council resolution and shall correspond to the costs incurred by the City in administering this ordinance, regulating surf schools in accordance with this ordinance and providing public safety services attributable exclusively to the operation of surf schools on City beaches and surf breaks. To this end, to the extent it is necessary for the City to employ lifeguards or other law enforcement personnel that would not otherwise be required but for the conduct of surf school operations on Capitola beaches and surf breaks, as part of its permit fee assessment the City may recover from those surf schools on a pro rata basis the costs it incurs employing said lifeguards or law enforcement personnel.

9.30.040 Indemnification.

ORDINANCE NO. _____

No surf school shall conduct operations on Capitola beaches and surf breaks without first executing an agreement to indemnify the City against and hold the City harmless from all claims for death, personal injury or property damage caused or allegedly caused by the surf school's operations. The indemnification/hold harmless agreement shall be in a form approved by the City Attorney. Surf school liability insurance procured by surf schools to comply with Section 9.30.020(G) shall name the City as an additional insured."

This ordinance was introduced on the on the ____ day of, ____, and was passed and adopted by the City Council of the City of Capitola on the ____ day of, ____, by the following vote:

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

APPROVED: _____
Ed Botorff, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

Attachment: Draft Ordinance Change for Surf School Regulations (1370 : Appeal on Surf School Permit Denial)

ORDINANCE NO. _____

CAPITOLA SURF BREAK MAP



Attachment: Draft Ordinance Change for Surf School Regulations (1370 : Appeal on Surf School Permit Denial)

CAPITOLA POLICE DEPARTMENT

422 Capitola Avenue, Capitola, CA 95010
Ph. (831) 475-4935 Fax (831) 479-8881

SURF SCHOOL BUSINESS PERMIT APPLICATION

OFFICE USE ONLY

Date Application Submitted: December 1, 2015	Surf School Company: Capitola Surf and Paddle	\$52 Fee Paid <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Waiver <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Business Lic # <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---	--	---	---

Business Name
Capitola Surf and Paddle

Business Address (No., Street, City, State, Zip Code)
208 San Jose Ave. Capitola, Ca. 95010

Name of Applicant (Surname): Alaniz, Jason	First Name	Initial(s)
--	------------	------------

Home Address (No., Street, City, State, Zip Code)
[Redacted] **Capitola, Ca. 95010**

Business Phone 831-435-6503	Cellular Phone [Redacted]	Email jason@capitolasurfandpaddle.com
---------------------------------------	------------------------------	---

Calif. Drivers License No. [Redacted]	Date of Birth [Redacted]	Place of Birth [Redacted] Ca.
--	-----------------------------	---

Sex M	Height [Redacted]	Weight [Redacted]	Hair [Redacted]	Eyes [Redacted]
-----------------	----------------------	----------------------	--------------------	--------------------

Surf Instructors employed by your business: (Full Name)	(Date of hire)
1	
2	
3	
4	
5	
6	
7	
8	

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

2016 Surf School Permits
Supplemental Questions

1. Do you hold a surf school permit for any other jurisdiction in Santa Cruz County? If so, where and describe. (3 Points)

NO, ONLY CAPITOLA

2. As a permitted surf school, have you ever received a citation for violating Surf School Regulations? (5 Points)

NO

3. Has your surf school business ever received an award for outstanding achievements or been recognized for outstanding customer service? If so, describe and attach a copy of the award or certification. (5 Points)

NOT AS YET, HOWEVER WE DO RECEIVE HIGH ACCLAIM FROM OUR GUESTS, NOT ONLY VERBALLY BUT IN WRITTEN FORM, WE ALSO HAVE RECEIVED PRAISE FROM LOCAL SURFERS

4. Does your surf school business or employees currently possess any valid advanced certifications, trainings, or licenses that exceed the minimum requirements outlined in CMC 9.30? If so, describe and attach. (5 Points)

A NUMBER OF OUR EMPLOYEES ARE CURRENTLY IN THE FIRE SERVICE, ALL ARE EITHER ACTIVE OR FORMER PARAMEDICS. THE EMPLOYEES ARE WELL VERSED IN ALL LEVELS OF EMERGENCIES. TRAINING INCLUDES ORANGE, MCI SWIFT WATER RESCUE, RISK ASSESSMENT, HAZMAT, TECHNICAL RESCUE ETC.

5. Is your business physically located in the City of Capitola? (Not a post office box) (3 Points)

YES, [REDACTED]

6. Please describe your experience operating a successful surf school, including total years of providing instruction and an approximate number of students you have served? (5 points)

COMMUNICATION, TEAMWORK & A COMMON SENSE APPROACH ARE SOME OF THE PILLARS OF OUR SUCCESS. TO BE ABLE TO COMMUNICATE CLEARLY WITH OUR GUESTS AND STAFF IS CRITICAL. WE ARE ABLE TO RELAY OUR MESSAGE IE: (INSTRUCTIONS, GUIDELINES) MOST EFFECTIVELY. 1 YEAR EXP.

7. Please describe your approach to providing a safe and fun learning experience for surf school students? (5 Points)

KEEPING OUR GUESTS SAFE IS PARAMOUNT, FROM THE MOMENT A GUEST(S) ENTERS OUR BUSINESS WE TRY TO MAKE THEM FEEL AS COMFORTABLE AS POSSIBLE. WE INTRODUCE STAFF & GIVE INSTRUCTOR BACKGROUNDS. WE CLEARLY EXPLAIN OUR OBJECTIVES FOR THE DAY. PRIOR TO LEAVING THE SHOP. WE PROVIDE CLEAR BEACH INSTRUCTIONS INCLUDING: FOLLOWING INSTRUCTORS COMMANDS, SURF ETIQUETTE, OCEAN HAZARDS AND TERMINOLOGY. ALL OF THIS IS INFUSED WITH OUR ABILITY TO MAKE OUR GUESTS LAUGH & SMILE. AFTER ALL AND MOST IMPORTANTLY WE WANT OUR GUESTS TO HAVE A GREAT EXPERIENCE!

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

9
10
11
12
13
14
15
16
17
18
19
20

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

AGREEMENT:

I understand that any misrepresentation or deliberate omission in my application may be justification for refusal or revocation of my Surf School Business Permit. I also authorize the City of Capitola to confirm all information contained in the application. I hereby release said employees information, references, etc., and the City of Capitola from any liability for damages for receiving or releasing information:

SIGNATURE <i>Jason Alaniz</i>	DATE December 1, 2015
----------------------------------	--------------------------



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD) **07/21/2015****9.B.4**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

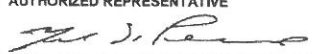
PRODUCER SportUnderwriters.com Inc. A Division of Sport and Special Event Insurance Agency USA P.O. Box 1131 Lake Placid NY 12946		CONTACT NAME: PHONE (A/C No. Ext): 866-889-4763 FAX (A/C No): 866-467-8770 E-MAIL: info@sportunderwriters.com ADDRESS: PRODUCER: CUSTOMER ID#:	
INSURED SSEI Program Management Inc. Capitola Surf and Paddle 208 San Jose Avenue Capitola, CA, 95010		INSURER(S) AFFORDING COVERAGE INSURER A: Atlantic Specialty Insurance Company NAIC # 27154 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER: A-YS-SU-15-07-21-19929-0** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MMDDYYYY)	POLICY EXP (MMDDYYYY)	LIMITS
A	GENERAL LIABILITY	N	N	CP04724-01	07/21/2015	07/21/2016	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						FIRE DAMAGE (Any one fire) \$ 300,000
	<input checked="" type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (any one person) \$ 5,000
	<input checked="" type="checkbox"/> INCLUDES ATHLETIC PARTICIPANTS						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						\$
	<input type="checkbox"/> NON-OWNED AUTOS						\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR						EACH OCCURRENCE \$
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE						\$
	<input type="checkbox"/> RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N		N/A				E.L. EACH ACCIDENT \$
	If yes, describe under SPECIAL PROVISIONS below						E.L. DISEASE - EA EMPLOYEE \$
	OTHER						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 LIABILITY POLICY DEDUCTIBLE: \$0.00 PER EACH BODILY INJURY OR PROPERTY DAMAGE CLAIM. 1996 ISO OCCURRENCE FORM (11-88) AND COMPANY'S SPECIFIC FORMS. Coverage for Participant Legal Liability requires that every participant signs a waiver/release.

CERTIFICATE HOLDER Capitola Surf and Paddle 208 San Jose Avenue Capitola, CA, 95010	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  Mark Di Perno
--	---

©1988- 2009 ACORD CORPORATION. All rights reserved.

ACORD 25 (2009/09)

The ACORD name and logo are registered marks of ACORD

Attachment: Capitola Surf Paddle 2016 application (1370) : Appeal on Surf School Permit Denial



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD) **07/21/2015****9.B.4**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

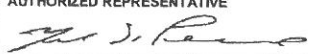
PRODUCER SportUnderwriters.com Inc. A Division of Sport and Special Event Insurance Agency USA P.O. Box 1131 Lake Placid NY 12946		CONTACT NAME: PHONE (A/C No. Ext): 866-889-4763 FAX (A/C No): 866-467-8770 E-MAIL ADDRESS: info@sportunderwriters.com PRODUCER CUSTOMER ID#:	
INSURED SSEI Program Management Inc. Capitola Surf and Paddle 208 San Jose Avenue Capitola, CA, 95010		INSURER(S) AFFORDING COVERAGE INSURER A: Atlantic Specialty Insurance Company NAIC # 27154 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER: A-YS-SU-15-07-21-19929-1** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MMDDYYYY)	POLICY EXP (MMDDYYYY)	LIMITS
A	GENERAL LIABILITY	Y	N	CP04724-01	07/21/2015	07/21/2016	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						FIRE DAMAGE (Any one fire) \$ 300,000
	<input checked="" type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (any one person) \$ 5,000
	<input checked="" type="checkbox"/> INCLUDES ATHLETIC PARTICIPANTS						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS						\$
	<input type="checkbox"/> NON-OWNED AUTOS						\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR						EACH OCCURRENCE \$
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE						\$
	<input type="checkbox"/> RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY						WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N	N/A					E.L. EACH ACCIDENT \$
	If yes, describe under SPECIAL PROVISIONS below						E.L. DISEASE - EA EMPLOYEE \$
	OTHER						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 LIABILITY POLICY DEDUCTIBLE: \$0.00 PER EACH BODILY INJURY OR PROPERTY DAMAGE CLAIM.
 ISO OCCURRENCE FORM CG 00 04 01 13 AND COMPANY'S SPECIFIC FORMS. Coverage for Participant Legal Liability requires that every participant signs a waiver/release. The certificate holder is named as Additional Insured with respect to negligent acts or omissions of the Named Insured and only with respect to the Operations of the Insured during the coverage period.

CERTIFICATE HOLDER City of Capitola 420 Capitola Ave Capitola, Ca., U.S., 95010	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  Mark Di Perno
---	---

©1988- 2009 ACORD CORPORATION. All rights reserved.

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)



P.O. BOX 8192, PLEASANTON, CA 94588

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 11-30-2015

GROUP:
POLICY NUMBER: 9119991-2014
CERTIFICATE ID: 1
CERTIFICATE EXPIRES: 12-16-2015
12-16-2014/12-16-2015

CITY OF CAPITOLA
420 CAPITOLA AVE
CAPITOLA CA 95010-3318

NA

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period that will expire or did expire as indicated above.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

Authorized Representative

President and CEO

UNLESS INDICATED OTHERWISE BY ENDORSEMENT, COVERAGE UNDER THIS POLICY EXCLUDES THE FOLLOWING: THOSE NAMED IN THE POLICY DECLARATIONS AS AN INDIVIDUAL EMPLOYER OR A HUSBAND AND WIFE EMPLOYER; EMPLOYEES COVERED ON A COMPREHENSIVE PERSONAL LIABILITY INSURANCE POLICY ALSO AFFORDING CALIFORNIA WORKERS' COMPENSATION BENEFITS; EMPLOYEES EXCLUDED UNDER CALIFORNIA WORKERS' COMPENSATION LAW.

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

EMPLOYER

ALANIZ, JASON DBA: CAPITOLA SURF AND PADDLE
208 SAN JOSE AVE.
CAPITOLA CA 95010

[CM6,CN]

PRINTED : 11-30-2015

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)



P.O. BOX 8192, PLEASANTON, CA 94588

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 11-30-2015

GROUP:
POLICY NUMBER: 9119991-2014
CERTIFICATE ID: 1
CERTIFICATE EXPIRES: 12-16-2015
12-16-2014/12-16-2015

CITY OF CAPITOLA
420 CAPITOLA AVE
CAPITOLA CA 95010-3318

NA

This is to certify that we have issued a valid Workers' Compensation insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period that will expire or did expire as indicated above.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

Authorized Representative

President and CEO

UNLESS INDICATED OTHERWISE BY ENDORSEMENT, COVERAGE UNDER THIS POLICY EXCLUDES THE FOLLOWING: THOSE NAMED IN THE POLICY DECLARATIONS AS AN INDIVIDUAL EMPLOYER OR A HUSBAND AND WIFE EMPLOYER; EMPLOYEES COVERED ON A COMPREHENSIVE PERSONAL LIABILITY INSURANCE POLICY ALSO AFFORDING CALIFORNIA WORKERS' COMPENSATION BENEFITS; EMPLOYEES EXCLUDED UNDER CALIFORNIA WORKERS' COMPENSATION LAW.

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: \$1,000,000 PER OCCURRENCE.

EMPLOYER

ALANIZ, JASON DBA: CAPITOLA SURF AND PADDLE
208 SAN JOSE AVE.
CAPITOLA CA 95010

[CM6,CN]

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)



CITY OF CAPITOLA BUSINESS LICENSE

FINANCE DEPARTMENT
 420 Capitola Avenue, Capitola, California 95010
 Office: (831) 475-7300 Fax: (831) 479-8879
 www.cityofcapitola.org

Effective Date

1/1/2015

Expiration Date

12/31/2015

This business license is not assignable or transferable and must be posted in a visible location in or about the location at all times. This license evidences payment of Capitola's business license tax (municipal code chapter 5.04). This license does not certify that the licensee is in compliance with any other ordinance, statute, or regulation.

License Issued To

JASON ALANIZ

Business License Number

100777

Mailing Address

CAPITOLA SURF AND PADDLE
 PO BOX 1421
 CAPITOLA, CA 95010

Business Location

208 SAN JOSE AVENUE
 CAPITOLA, CA 95010

CUSTOMER RECEIPT

License Type: PROF/PERSONAL

<u>QUANTITY</u>	<u>RECEIPT DESCRIPTION</u>	<u>TRANSACTION AMOUNT</u>
1	ADMINISTRATIVE FEE	\$35.00
1	LATE PENALTY FEE	\$5.50
1	PROFESSIONAL	\$50.00
2	SUPPORT STAFF	\$5.00

Effective January 1, 2013, SB1186 imposes an annual \$1.00 state fee to all business license applicants; the City will pay this fee for the calendar year 2015.

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

- The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx
- The Department of Rehabilitation at www.rehab.cahwnet.gov
- The California Commission on Disability Access at www.cdda.ca.gov

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Give clear instructions of behaviour and boundaries both in and out of the water.

Students and instructors to maintain adequate spacing in the water.

Give a clear recall signal.

Students to stay in waist deep water.

Give clear instructions on safe 'WIPEOUTS'.

Students to practice safe 'WIPEOUTS' on land.

Students ignoring instructor's advice will be removed from water.

Wetsuits to be used to provide positive buoyancy.

Rescue boards readily available.

First aid kit / cell phone on site.

All emergencies to be coordinated by Head instructor.

Staff trained in surf rescue / first aid.

Staff trained in emergency procedures.

School / teachers/ parents aware of emergency procedures.


Water immediately cleared in an emergency.

Instructors to perform rescue or first aid.

Lifeboat / emergency services notified if required.

Teachers / Parents to gather rest of group at designated assembly area.

EMERGENCY CONTACT LIST BELOW PG 7

	RISK	RISK MANAGEMENT	EMERGENCY
 PEOPLE	Loss of student in water	Instructors to maintain constant head counts to ensure all group is accounted for. Head counts before and after entering water. Instructors to wear easily identifiable vests. Students to use easily identifiable wetsuits and boards. Students to notify instructor if they need to leave the water for any reason. No swimming / playing in water for students not in the surfing group. Maintain adequate instructor : student ratio, 1:4	Rescue boards readily available. First aid kit / cell phone on site. All emergencies to be coordinated by Head instructor. Staff trained in surf rescue / first aid. Staff trained in emergency procedures. School / teachers/ parents aware of emergency procedures. Water immediately cleared in an emergency. Instructors to perform rescue or first aid.
	Pre-existing medical conditions Allergies	Gather personal medical info. Head instructor / School to identify any students with special medical needs. Ensure any special medication is readily available. Ensure all staff / teachers / parents are aware of location of local doctors.	Lifeboat / emergency services notified if required. Teachers / Parents to gather rest of group at designated assembly area. EMERGENCY CONTACT LIST BELOW PG 7
	Lack of trained instructors Untrained helpers in water	Instructors to have training to meet industry best practice qualifications. Maintain adequate instructor : student ratio 1:4 Instructors to wear easily identifiable vests. Ensure teacher / parent helpers have necessary skills to help in water. If not teacher / parents to be considered as same level as students	

RISK RISK MANAGEMENT EMERGENCY

Loss of student in water

Instructors to maintain constant head counts to ensure all group is accounted for.

Head counts before and after entering water.

Instructors to wear easily identifiable vests.

Students to use easily identifiable wetsuits and boards.

Students to notify instructor if they need to leave the water for any reason.

No swimming / playing in water for students not in the surfing group.

Maintain adequate instructor : student ratio.

1:6 ideal. 1:8 maximum recommended by Surfing NZ.

Pre-existing medical conditions

Allergies

Gather personal medical info.

Head instructor / School to identify any students with special medical needs.

Ensure any special medication is readily available.

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Ensure all staff / teachers / parents are aware of location of local doctors.

Page 2 of 7 PSC Ltd RAMS Surfing and Bodyboarding

Lack of trained instructors

Untrained helpers in water

Rescue boards readily available.

First aid kit / cell phone on site.

All emergencies to be coordinated by Head instructor.

Staff trained in surf rescue / first aid.

Staff trained in emergency procedures.

School / teachers/ parents aware of emergency procedures.

1:4

Water immediately cleared in an emergency.

Instructors to perform rescue or first aid.

Lifeboat / emergency services notified if required.

Teachers / Parents to gather rest of group at designated assembly area.

EMERGENCY CONTACT LIST BELOW PG 7

Instructors to have training to meet industry best practice qualifications.

i.e. Surf Coach Level 1

Maintain adequate instructor : student ratio


1:4 1 : 6 ideal 1:8 maximum recommended by Surfing NZ

Instructors to wear easily identifiable vests.

Ensure teacher / parent helpers have necessary skills to help in water.

- If not teacher / parents to be considered as same level as

students

	RISK	RISK MANAGEMENT	EMERGENCY
	Students not following instructors advice	Instructors to wear easily identifiable vests. Instructors to use whistles and hand signals. Students ignoring instructors advice will be removed from water.	
	Cultural issues regarding swimming and water	School / head instructor to identify students with any cultural issues relating to water and swimming and make adjustments to programme where appropriate. Ensure appropriate clothing is worn in water i.e. clothing is designed for swimming, no cotton t shirts etc	
	Use of public changing rooms	Teacher / parents to supervise students at changing rooms and public toilets at all times.	
	Fear or lack of confidence in water	Confirm swimming abilities. Head instructor / school to identify any student with low swimming abilities. Instructors to look for signs of fear or lack of water skills during water session. Maintain waist depth rule. Increase instructor : student ratio if required or personal assistance. 'Challenge by choice' policy.	

RISK RISK MANAGEMENT EMERGENCY

- Students not following instructors advice
- Instructors to wear easily identifiable vests.
- Instructors to use whistles and hand signals.
- Students ignoring instructors advice will be removed from water.
- Cultural issues regarding swimming and water
- School / head instructor to identify students with any cultural issues relating to water and swimming and make adjustments to programme where appropriate.
- Ensure appropriate clothing is worn in water i.e. clothing is designed for swimming, no cotton t shirts etc
- Use of public changing rooms
- Teacher / parents to supervise students at changing rooms and public toilets at all times.
- Page 3 of 7 PSC Ltd RAMS Surfing and Bodyboarding
- Fear or lack of confidence in water
- Confirm swimming abilities. Head instructor / school to identify any student with low swimming abilities.
- Instructors to look for signs of fear or lack of water skills during water session.
- Maintain waist depth rule.

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Increase instructor : student ratio if required or personal assistance.
'Challenge by choice' policy.

	RISK	RISK MANAGEMENT	EMERGENCY
EQUIPMENT	Injury by impact with equipment , Surfboard or Bodyboard Injury from sharp edges of equipment	Give clear instructions on equipment use. Give clear instructions on board handling in the surf. Give clear instructors on safe 'WIPEOUTS'. Students to practice' safe 'WIPEOUTs' on land. Check equipment prior to commencement. Use of specialized soft surfboards. Students who persist in handling equipment incorrectly to be removed from water.	As per emergency procedure above
	Failure of leashes and legropes	Check equipment prior to commencement. Spare leashes readily available. Maintain waist depth rule. Wetsuits to be used to provide positive buoyancy.	
	Use of inappropriate clothing in water Faulty wetsuits Incorrectly fitted wetsuit	Ensure no inappropriate clothing is used in the water i.e no cotton t shirts, long pants etc. Wetsuits to be used. Check wetsuits in good repair before commencement. Check wetsuits are fitted correctly before entering water.	
	Inappropriate clothing on land	Ensure students have appropriate clothing. i.e. Sun hats, warm jackets, adequate foot wear. Provide spare clothing, sunscreen, warm blankets.	
	Tents and shelters blowing away	Ensure tents and shelters are well secured. Remove tents if wind conditions are too strong.	

RISK RISK MANAGEMENT EMERGENCY

Injury by impact with equipment , Surfboard or Bodyboard

Injury from sharp edges of equipment

Give clear instructions on equipment use.

Give clear instructions on board handling in the surf.

Give clear instructors on safe 'WIPEOUTS'.

Students to practice' safe 'WIPEOUTs' on land.

Check equipment prior to commencement.

Use of specialized soft surfboards.

Students who persist in handling equipment incorrectly to be removed from water.

As per emergency procedure above

Failure of leashes and legropes

Check equipment prior to commencement.

Spare leashes readily available.

Maintain waist depth rule.

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Wetsuits to be used to provide positive buoyancy.

Use of inappropriate clothing in water

Faulty wetsuits

Incorrectly fitted wetsuit

Ensure no inappropriate clothing is used in the water

i.e no cotton t shirts, long pants etc.

Wetsuits to be used.

Check wetsuits in good repair before commencement.

Check wetsuits are fitted correctly before entering water.

Inappropriate clothing on land

Ensure students have appropriate clothing. i.e. Sun hats, warm jackets, adequate foot wear.


Provide spare clothing, sunscreen, warm blankets.

Page 4 of 7 PSC Ltd RAMS Surfing and Bodyboarding

Tents and shelters blowing away

Ensure tents and shelters are well secured.

Remove tents if wind conditions are too strong.

	RISK	RISK MANAGEMENT	EMERGENCY
 ENVIRONMENT	<p>Water hazards</p> <ul style="list-style-type: none"> - rips, currents - dumping waves - Large waves - Shallow water <p>Weather hazards</p> <ul style="list-style-type: none"> - strong winds -weather extremes, cold or hot -sudden weather change 	<p>Prior to commencement Head Instructor to check conditions to identify hazards both on land and in the water.</p> <p>Remove hazards where possible, eg large sticks, rocks or broken glass.</p> <p>Obtain weather / swell forecast.</p> <p>Head instructor to identify the most appropriate area for surfing.</p> <p>Define clear boundaries on land and in the water.</p> <p>Give a clear recall signal.</p> <p>Instructors to constantly monitor water conditions throughout day.</p> <p>Staff briefed from Head Instructor as to any notable hazards of the day.</p> <p>School / teachers / parents / students briefed from Head Instructor as to any notable hazards of the day.</p> <p>Give clear instructions to students about the beach, its hazards and how to avoid them (What the course is all about!!).</p> <p>Give clear instructions about what to do if caught in a rip.</p> <p>Rips identified and avoided by instructors.</p> <p>Instructors to maintain waist / chest depth rule.</p> <p>Give clear instructions about handling large or dumping waves.</p> <p>Give clear instructions about how to "WIPEOUT" safely.</p> <p>Class to be cancelled if weather, waves, wind are deemed too extreme by Head Instructor in consultation with School.</p>	<p>Rescue boards readily available.</p> <p>First aid kit / cell phone on site.</p> <p>All emergencies to be coordinated by Head instructor.</p> <p>Staff trained in surf rescue / first aid</p> <p>Staff trained in emergency procedures.</p> <p>School / teachers/ parents aware of emergency procedures.</p> <p>Water immediately cleared in an emergency.</p> <p>Instructors to perform rescue or first aid.</p> <p>Lifeboat / emergency services notified if required.</p> <p>Teachers / Parents to gather rest of group at designated safe assembly area.</p> <p>EMERGENCY CONTACT LIST BELOW PG 7</p>

RISK RISK MANAGEMENT EMERGENCY

Page 5 of 7 PSC Ltd RAMS Surfing and Bodyboarding

Water hazards

- rips, currents
- dumping waves
- Large waves
- Shallow water

Weather hazards

- strong winds
- weather extremes, cold or hot
- sudden weather change

Prior to commencement Head Instructor to check conditions to identify hazards both on land and in the water.

Remove hazards where possible, eg large sticks, rocks or broken glass.

Obtain weather / swell forecast.

Head instructor to identify the most appropriate area for surfing.

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Define clear boundaries on land and in the water.

Give a clear recall signal.

Instructors to constantly monitor water conditions throughout day.

Staff briefed from Head Instructor as to any notable hazards of the day.

School / teachers / parents / students briefed from Head Instructor as to any notable hazards of the day.

Give clear instructions to students about the beach, its hazards and how to avoid them (What the course is all about!!).

Give clear instructions about what to do if caught in a rip.

Rips identified and avoided by instructors.

Instructors to maintain waist / chest depth rule.

Give clear instructions about handling large or dumping waves.

Give clear instructions about how to "WIPEOUT" safely.

Class to be cancelled if weather, waves, wind are deemed too extreme by Head instructor in consultation with School.

Rescue boards readily available.

First aid kit / cell phone on site.

All emergencies to be coordinated by Head instructor.

Staff trained in surf rescue / first aid

Staff trained in emergency procedures.

School / teachers/ parents aware of emergency procedures.


Water immediately cleared in an emergency.

Instructors to perform rescue or first aid.

Lifeboat / emergency services notified if required.

Teachers / Parents to gather rest of group at designated safe assembly area.

EMERGENCY CONTACT LIST BELOW PG 7

	RISK	RISK MANAGEMENT	EMERGENCY
 ENVIRONMENT	Hypothermia Hyperthermia Dehydration Sunburn exposure	Provide shelter (tent or surf club). Ensure appropriate clothing is worn on land. ie. Sun hats, warm jackets if cold, long pants etc. Wetsuit to be used in water. Instructors to monitor students for signs of hypothermia in water. Teachers/ parents to make sure students get changed quickly and warm up quickly after exiting water. Provide spare clothing, sunscreen, warm blanket.	
	Solid obstructions -injury from rocks, sticks or shells -broken bottles	Prior to commencement: Head instructor to check conditions to identify hazards both on land and in the water. Remove hazards where possible. eg large sticks, rocks or broken glass. Define clear boundaries on land and in the water. Staff briefed from Head instructor as to any notable hazards of the day. School / teachers / parents / students briefed from Head instructor as to any notable hazards of the day.	
	Dangerous animals in water. -sharks, sea leopards, jelly fish, bees, wasps	Instructors to look out for dangerous animals and to clear the water immediately if spotted. Give a clear recall signal. Gather personal medical info. Head instructor / School to identify any students with allergies to jelly fish, bees.	

RISK RISK MANAGEMENT EMERGENCY

Hypothermia Hyperthermia Dehydration Sunburn exposure

Provide shelter (tent or surf club).

Ensure appropriate clothing is worn on land.

ie. Sun hats, warm jackets if cold, long pants etc.

Wetsuit to be used in water.

Instructors to monitor students for signs of hypothermia in water.

Teachers/ parents to make sure students get changed quickly and warm up quickly after exiting water.

Provide spare clothing, sunscreen, warm blanket.

Solid obstructions

-injury from rocks, sticks or shells

-broken bottles

Prior to commencement Head instructor to check conditions to identify hazards both on land and in the water.

Remove hazards where possible.

eg large sticks, rocks or broken glass.

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Define clear boundaries on land and in the water.

Staff briefed from Head Instructor as to any notable hazards of the day.

School / teachers / parents / students briefed from Head Instructor as to any notable hazards of the day.

Page 6 of 7 PSC Ltd RAMS Surfing and Bodyboarding

Dangerous animals in water. -sharks, sea leopards, jelly fish , bees , wasps



Instructors to look out for dangerous animals and to clear the water immediately if spotted.

Give a clear recall signal.

Gather personal medical info.

Head instructor / School to identify any students with allergies to

jelly fish ,bees.

	RISK	RISK MANAGEMENT	EMERGENCY
 ENVIRONMENT	Danger of roads vehicles etc	Define clear boundaries on land. Teachers / parents to monitor road area. Adults only to retrieve balls that go on road. Any games near road, adapt rules of game to reduce incidence of ball going on road.	Dial 911
	Earthquake, Tsunami	Clear water immediately if earthquake felt. Staff / teachers / parents /students all briefed as to earthquake / tsunami procedure. Tsunami sirens present in area. Have evacuation plan.	Head instructor to coordinate earthquake action plan. Group to assemble at designated safe area. If head instructor deems there is a threat of Tsunami, group to evacuate following tsunami evacuation
 EMERGENCY	EMERGENCY CONTACT INFORMATION CSP Owner Jason Abaniz 831-435-6503	POLICE , FIRE , AMBULANCE DIAL 911	Dominican Hospital 831-462-7700 1555 Soquel Dr. Santa Cruz Ca. 95065 Valley Medical Center 408-885-5000 750 S. Bascom Ave. San Jose Ca. 95128

RISK RISK MANAGEMENT EMERGENCY

Danger of roads vehicles etc

Define clear boundaries on land.
 Teachers / parents to monitor road area.
 Adults only to retrieve balls that go on road.
 Any games near road, adapt rules of game to reduce incidence of ball going on road.

Page 7 of 7 PSC Ltd RAMS Surfing and Bodyboarding

Dial 911

Earthquake,
 Clear water immediately if earthquake felt.

H

Head instructor to coordinate earthquake action plan. Tsunami
 Staff / teachers / parents /students all briefed as to earthquake /

Group to assemble at designated

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

safe area. tsunami procedure.

If head instructor deems there is a threat of Tsunami, Tsunami sirens present in area.

group to evacuate following tsunami evacuation route to Van Ash school. Have evacuation plan.

For more details please see PSC Ltd Health and Safety Plan.

POLICE , FIRE , AMBULANCE DIAL 911

111

EMERGENCY CONTACTS

Canty Surf Lifesaving 3665591

Sumner Surf Lifesaving Club Blair Quane 021312660 CSP Owner

Bart 021860746 or 3264018

Jason Alaniz 831-435-6503

Sumner Lifeboat Assoc. Dial 111 Fiona Canaway 0276470536

Domincan SUMNER DOCTORS Hospital

ROOMS

Y C N E G R E M E

831-462-7700

Sumner Medical Rooms

1555 40 Nayland Soquel St

Dr. Santa (opposite Cruz supermarket)

Ca. 95065 3265644

Sumner Health Centre

Valley 35 (opposite Nayland Medical Marine St

Center Tavern) 408-885-5000

3266288 750 S. Bascom Ave. San Jose Ca. 95128 EMERGENCY CONTACT

INFORMATION

PSC LTD Director

Aaron Lock 021 030 7231

TERMS SUMMARY

Proposed Effective Date	12-05-2014
Proposed Expiration Date	12-05-2015
Anniversary Rating Date	
Payroll Reporting Frequency	Annually
Premium Billing Frequency	Annually
Minimum Premium	\$675.00
Estimated Annual Premium	\$675.00
Initial Payment Required	\$705.00
Required Forms	See Terms of Insurance - Special Coverage Terms
Excluded Individuals	Jason Alaniz
Officers Covered	N/A
Volunteers Covered	N/A
Employer's Liability Limit	\$1,000,000.00
Endorsements	N/A
Employer	Alaniz, Jason
Employer DBA	Capitola Surf and Paddle
Quote ID	400257485 B

Attachment: Capitola Surf Paddle 2016 application (1370 : Appeal on Surf School Permit Denial)

Susanna Perez
State Fund Representative

Date

Acceptance
I accept the above terms:



Employer Signature

Owner
Title

December 8, 2014
Date



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: Community Development

SUBJECT: 115 San Jose Avenue - Conceptual Review of Mercantile Redevelopment Proposal

RECOMMENDED ACTION: Accept staff presentation and provide direction on conceptual review of the Master Use Permit with 11 new residential units and parking management plan.

BACKGROUND: On September 3, 2009, the Planning Commission (Commission) provided feedback on a conceptual review for a different residential infill project on the Mercantile property. The previous project was three stories and exceeded the height limit by four feet. The design included a public promenade within the second story that aligned with Lawn Way and created pedestrian connectivity between San Jose Avenue and the Esplanade. The parking plan included 44 at-grade parking spaces, 42 of which utilized compact stacker parking.

The Commission expressed several concerns with the 2009 proposal including height, scale, intensity of the use, parking, and the management of stacked parking within a commercial mixed use center. Further, the Commission requested a better understanding of how the proposed project would influence redevelopment of the Mercantile building in the future. The applicant did not proceed with the project.

DISCUSSION: The applicant is proposing a conceptual infill project with 11 residential units (Attachment 1), a Master Use Permit for the Mercantile (Attachment 2), and a parking management plan for the entire site. The proposed Master Use Permit would allow the 7,110 square feet of tenant space in the Mercantile to accommodate up to 4,400 square-feet of food and beverage uses in addition to 2,710 square feet of retail uses. Currently, 1,847 square-feet of food and beverage space is shared between Caruso's, Cava Wine Bar, and the Atrium Café.

The 11 new residential condominium units are proposed on the north end of the Mercantile parcel within the existing parking lot. The condominium project will be located over a new 7,450 square foot covered parking garage. The site is within the floodplain, therefore no residential uses are allowed within the first level of the new structure. Two small lobbies are included in the first level, one at each entrance. The onsite parking would increase from 43 spaces to 49 spaces with the introduction of 13 mechanical parking lifts. The applicant submitted a parking management plan that explains how the parking lift system will be managed. The applicant also included a parking study (Attachment 3) for the entire site that incorporates future uses through a Master Use Permit for the Mercantile.

Planning staff had the parking management plan and parking study reviewed by a third party, Frederik Venter of Kimley-Horn. Mr. Venter reviewed both submittals and originally provided feedback that the study was conservative in its calculations (Attachment 4). Following initial

115 San Jose Avenue
February 11, 2016

feedback, staff asked the applicant if the site would no longer be utilized for public parking. The parking study states “A valet parking program is proposed which will insure that 36 spaces are always available for commercial uses and one space for (each) residential uses” without specifying if use will be limited to Mercantile residents and patrons. The applicant clarified that the parking would remain paid public parking not limited to Mercantile use only. Upon receiving the additional information, Mr. Venter, informed staff that in order to have onsite public parking the applicant would have to add a robust valet operations plan. In-lieu parking is not currently an option for the proposed use because the Council policy applies only to large village hotels with valet service.

The 11 residential units are proposed within the second story of the new structure and would be accessed from a shared hallway that runs along the rear of the property. Each unit is a simple efficiency with a bed, living room, and bathroom. Six of the 11 units have a deck. The units range from 440 square feet to 730 square feet. The project would be 27-feet in height which complies with the Central Village height limit.

The conceptual design includes several elevations as viewed from the Esplanade and San Jose Avenue. The exterior finishes include cement plaster on the first story and vertical wood siding with shingle accents within the second story. The building has variation and relief along the second story due to the incorporation of private terraces.

The conceptual review includes a request for a Master Use Permit for the Mercantile to allow administrative approvals for tenant occupancy. The Mercantile is unique within the central village due to its size, multi-tenant commercial mix, and onsite parking. Any new conditional use for the site typically requires a parking study to ensure the site can accommodate the parking demands of the proposed use. The initial investment of completing a parking study and applying for a conditional use permit is costly and has resulted in many prospective tenants locating elsewhere. The Mercantile owner would like to manage onsite uses within a Master Use Permit and remove the uncertainty for potential tenants.

The most limiting development standard applicable to the Mercantile site is parking. To establish a maximum limit for intensified uses, such as food and beverage, the applicant completed a parking study which relies on parking standards developed by the Institute of Transportation Engineers (ITE). The parking study found that the site can handle 4,400 square feet of restaurant use on site with the remaining 2,710 square feet of tenant space utilized for retail or similar uses. The parking study included adequate parking for the 11 residential units. The study did not include onsite paid public parking. The following table summarizes the parking demand differences between the Capitola Zoning Code and the ITE Parking Generation Standards.

Use	Size	Capitola Parking Requirement	ITE Parking Requirement
Restaurants	4,400 sf	1/60 sf 73 spaces	8.1/1000 sf 36 spaces
Retail	2,710 sf	1/240 sf 11 spaces	3.56/1000 sf 10 spaces
Studio Apartment	11 units	2.5/unit 28 spaces	1 per unit + 2 13 spaces
Spaces Required		112 spaces	59 spaces

115 San Jose Avenue
February 11, 2016

The parking study also incorporates reductions for shared parking and multiple uses based on the peak parking demand for the residential, retail and restaurant. The peak demand for the site is identified in the study as 49 spaces on Saturday evenings. The project includes 49 onsite spaces.

In conducting the conceptual review of this project, staff suggests the City Council focus their comments and direction on the overall project concept and vision. As a starting point, staff has identified several questions, which the Council may wish to consider while reviewing this project.

1. Does the proposed architectural style compliment the village?
2. Is the proposal scale compatible with the surrounding development?
3. Is the frontage on San Jose Avenue and the Esplanade acceptable in its current form?
4. Is there support for a Master Use Permit to allow development of additional restaurant/bar space inside the Mercantile?
5. Should the project include paid public parking in addition to serving residents and Mercantile visitors?
6. Are mechanical parking stackers acceptable as proposed within the management plan?

Planning Commission Direction: On February 4, 2016, the Commission reviewed the current conceptual plan. The Commission expressed unanimous concerns about the requested parking reduction, the effectiveness of the parking management plan, and the proposed Master Use Permit which would allow future bar and restaurant uses to occupy the Mercantile without a Conditional Use Permit. Some Commissioners felt the proposal failed to address issues with the existing Mercantile building and recommended the property owner consider a more comprehensive redevelopment plan. There were also concerns that the proposed studio efficiency units would ultimately be used as vacation rentals.

Although the Commissioners applauded the conceptual architectural design, they advised the applicant that the project would be unlikely to receive a favorable decision if a formal application were submitted.

ATTACHMENTS:

1. Conceptual Plans
2. 115 San Jose Master Use Permit Request
3. Parking Study
4. Kimley-Horn Third Party Review of Parking Study
5. Public Comment

Report Prepared By: Katie Cattan
Senior Planner





VIEW FROM THE ESPLANADE



VIEW FROM SAN JOSE AVENUE

CONCEPT PLAN



THACHER & THOMPSON ARCHITECTS
300 BROADWAY SUITE 100
SANTA CRUZ, CA 95061
(831) 426-8091
www.thatcher.com

CAPITOLA
MERCANTILE

AUGUST 28, 2015



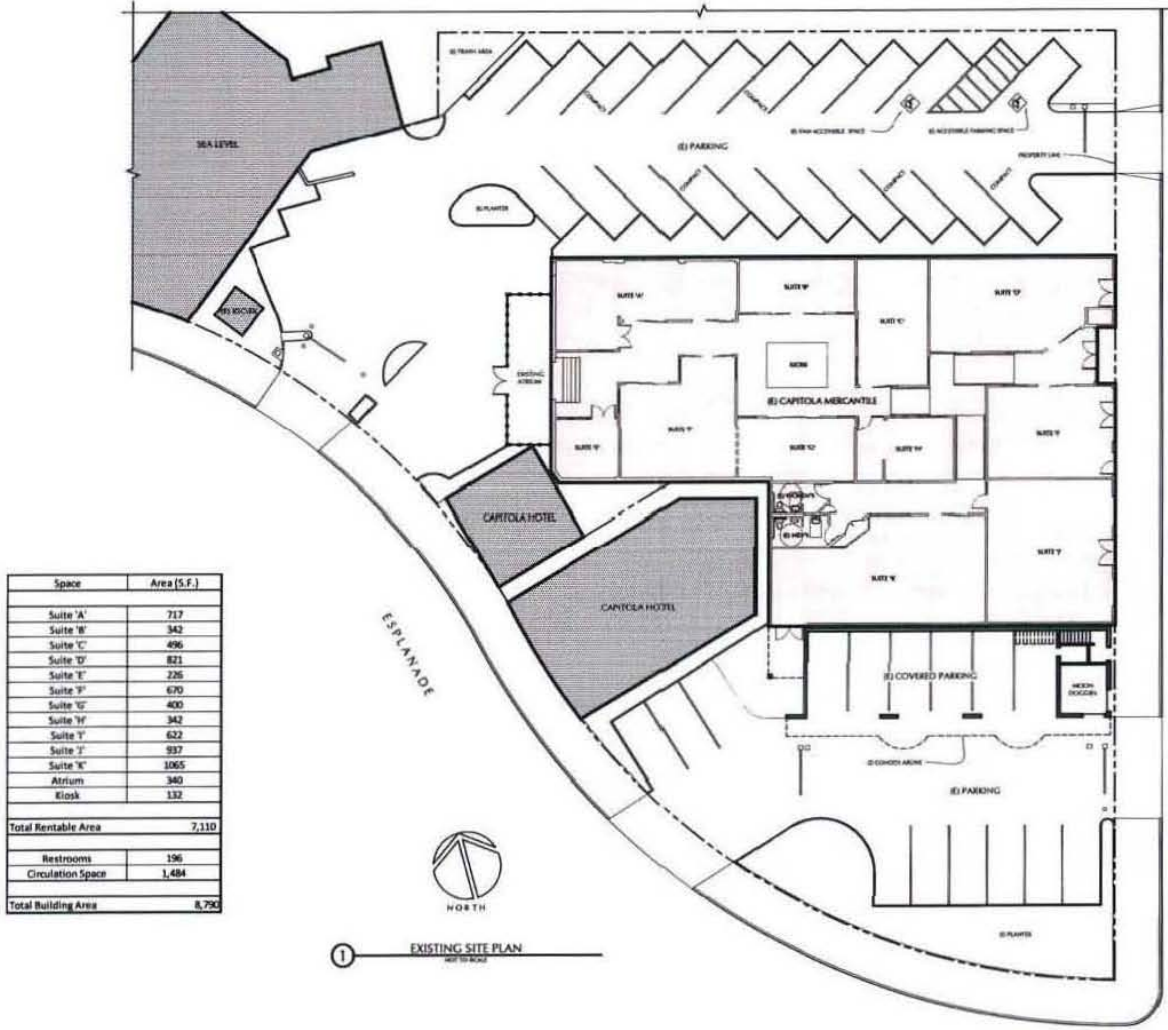
THIS SEAL CONFIRMS THAT THE ARCHITECT HAS COMPLETED THE EDUCATIONAL REQUIREMENTS OF THE BOARD OF ARCHITECTURE OF THE STATE OF CALIFORNIA AND IS ELIGIBLE TO BE LICENSED AS AN ARCHITECT. THIS SEAL DOES NOT GUARANTEE THE QUALITY OF THE ARCHITECT'S WORK OR THE COMPLETION OF ANY PROJECT. THE ARCHITECT'S LICENSE IS SUBJECT TO THE BOARD'S DISCIPLINARY AUTHORITY. BOARD OF ARCHITECTURE OF THE STATE OF CALIFORNIA
Date Issued: 8/28/2015
Expires: 8/28/2018

- INDEX
- A1 ILLUSTRATIONS
 - A2 EXISTING SITE PLAN
 - A3 SITE PLAN
 - A4 FLOOR PLANS
 - A5 ELEVATIONS
 - CI DRAINAGE
 - LI LANDSCAPE

RECEIVED
NOV 19 2015
CITY OF CAPITOLA

AI

Attachment: Conceptual Plans (1376 : 115 San Jose Avenue)



Space	Area (S.F.)
Suite 'A'	717
Suite 'W'	342
Suite 'C'	496
Suite 'D'	821
Suite 'E'	296
Suite 'F'	670
Suite 'G'	400
Suite 'H'	342
Suite 'Y'	622
Suite 'J'	937
Suite 'K'	1065
Atrium	340
Kiosk	132
Total Rentable Area	7,110
Restrooms	196
Circulation Space	1,484
Total Building Area	8,790



CAPITOLA MERCANTILE

AUGUST 28, 2015



THIS DOCUMENT IS THE PROPERTY OF THACHER & THOMPSON ARCHITECTS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THACHER & THOMPSON ARCHITECTS.

A2

Attachment: Conceptual Plans (1376 : 115 San Jose Avenue)



THACHER & THOMPSON ARCHITECTS
 811 CALIFORNIA STREET, SUITE 1000
 SAN JOSE, CA 95110
 408.281.1111
 www.ttaa.com

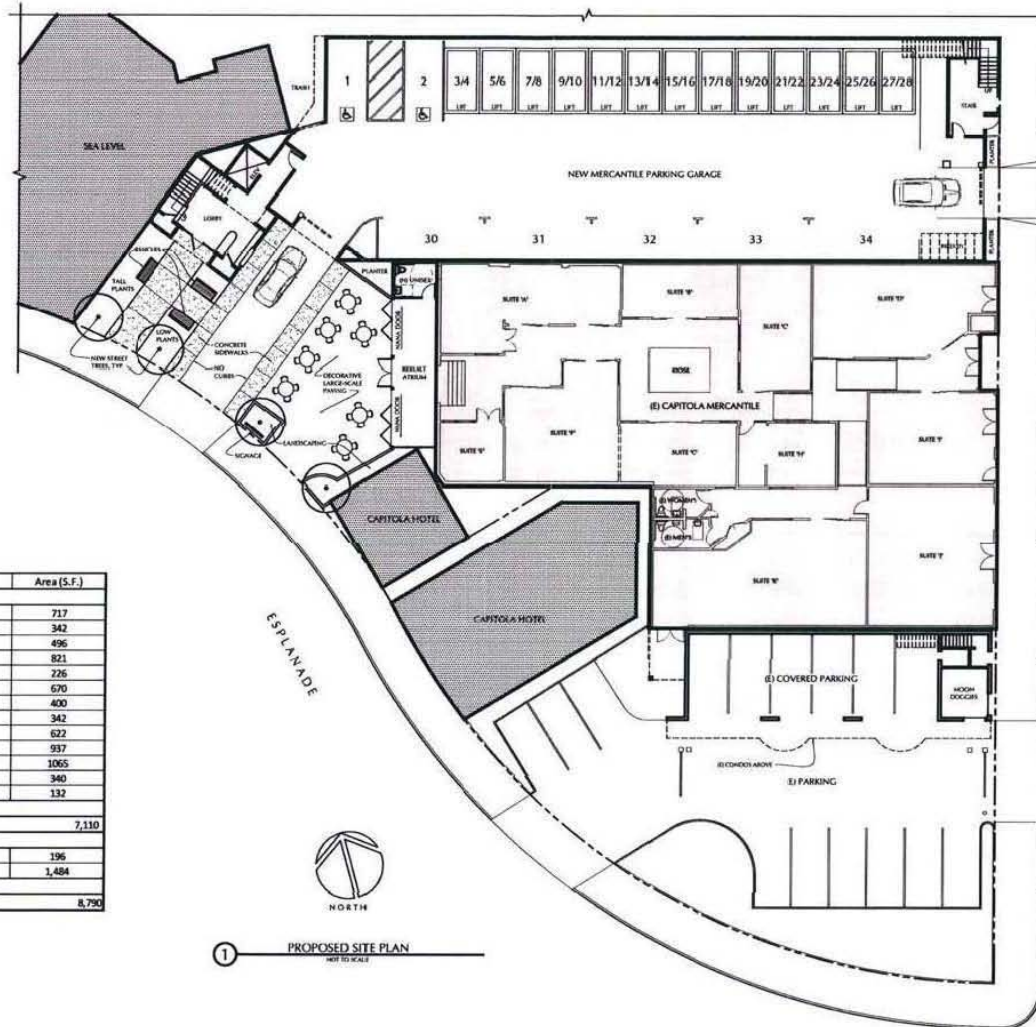
CAPITOLA MERCANTILE

AUGUST 28, 2015



THIS PLAN WAS PREPARED BY THE ARCHITECT OR UNDER HIS CLOSE PERSONAL SUPERVISION AND TO HIS KNOWLEDGE AND BELIEF IT COMplies WITH ALL APPLICABLE CITY, COUNTY AND STATE REQUIREMENTS. THE ARCHITECT MAKES NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OF ANY INFORMATION PROVIDED BY OTHERS. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY CONSTRUCTION COSTS OR DELAYS CAUSED BY OMISSIONS, ERRORS OR OMISSIONS OF ANY OTHER PROFESSIONAL ENGINEER, ARCHITECT, PLUMBER, MECHANICAL, ELECTRICAL, OR OTHER PROFESSIONAL PERSONS OR AGENCIES.

A3

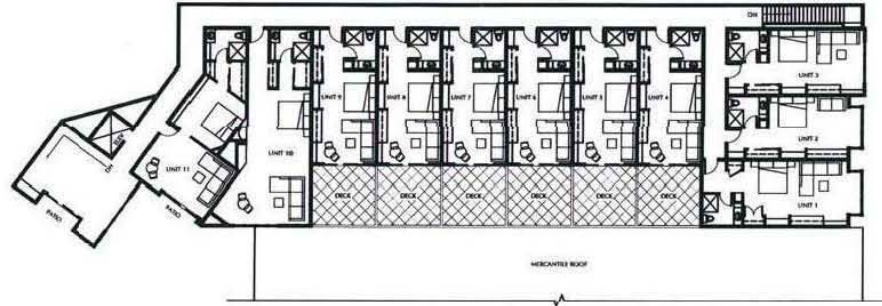


Space	Area (S.F.)
Suite 'A'	717
Suite 'B'	342
Suite 'C'	496
Suite 'D'	821
Suite 'E'	226
Suite 'F'	670
Suite 'G'	400
Suite 'H'	342
Suite 'I'	622
Suite 'J'	937
Suite 'K'	1065
Atrium	340
Kiosk	132
Total Rentable Area	7,110
Restrooms	196
Circulation Space	1,484
Total Building Area	8,790

1 PROPOSED SITE PLAN
 NOT TO SCALE

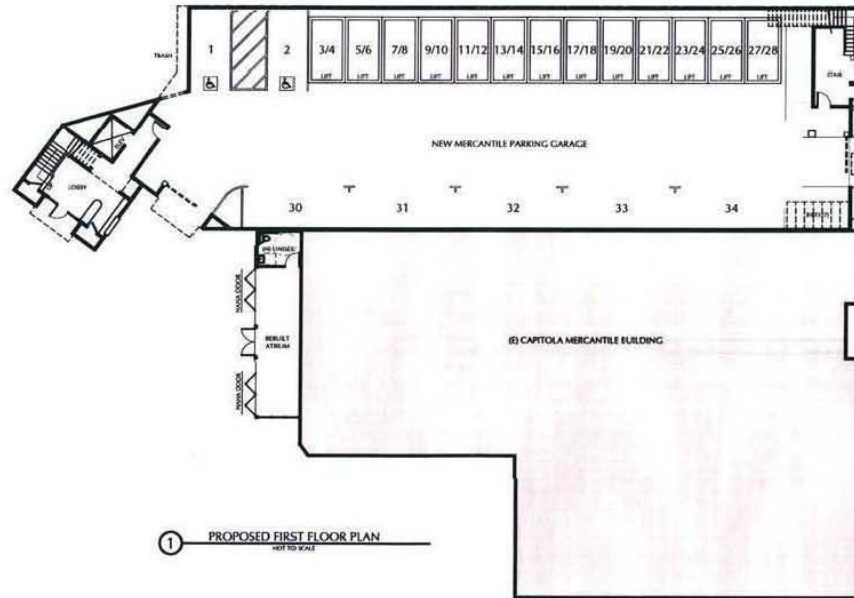
Attachment: Conceptual Plans (1376 : 115 San Jose Avenue)

2nd Floor Areas		
Space	Heated Area (S.F.)	Patio Area (S.F.)
Unit 1	500	--
Unit 2	440	--
Unit 3	408	--
Unit 4	453	390
Unit 5	453	390
Unit 6	453	390
Unit 7	453	390
Unit 8	453	390
Unit 9	453	390
Unit 10	790	--
Unit 11	603	43
Common Space	1,495	52
Total Area	6,965	1,289



1 PROPOSED SECOND FLOOR PLAN
NOT TO SCALE

1st Floor Areas	
Space	Heated Area (S.F.)
Parking	1,430
West Lobby	800
East Lobby	299
Total Area	3,529



1 PROPOSED FIRST FLOOR PLAN
NOT TO SCALE



THACHER & THOMPSON ARCHITECTS
 8111 VILLAGE SQUARE, SUITE 100
 SAN JOSE, CALIFORNIA 95138
 TEL: 408.735.1100
 WWW: T&T-A.COM

CAPITOLA MERCANTILE

AUGUST 28, 2015



THIS DOCUMENT IS THE PROPERTY OF THACHER & THOMPSON ARCHITECTS. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THACHER & THOMPSON ARCHITECTS.

A4

Attachment: Conceptual Plans (1376 : 115 San Jose Avenue)



ELEVATION FROM SAN JOSE AVENUE



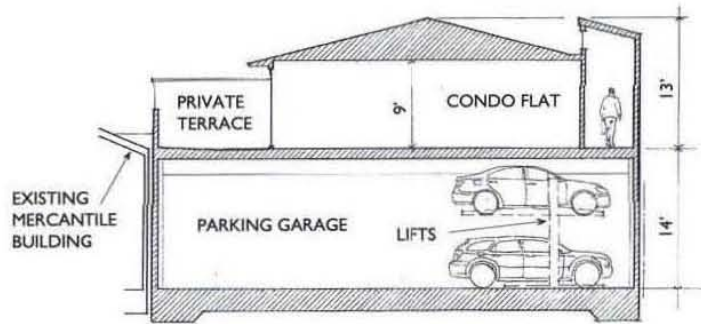
ELEVATION FROM THE ESPLANADE



THACHER & THOMPSON ARCHITECTS
 400 CALIFORNIA STREET SUITE 100
 SANTA CRUZ, CA 95061
 (831) 426-1000
 www.thatcherandthompson.com

EXISTING MERCANTILE BUILDING

CAPITOLA MERCANTILE



SECTION FROM SAN JOSE AVENUE

AUGUST 28, 2015



THE STATE OF CALIFORNIA HAS CAUSED THE SEALS OF MATTHEW THOMPSON TO BE REPRODUCED FOR THE PURPOSE OF THIS SET OF PLANS. THE SEALS ARE NOT VALID UNLESS THEY ARE USED IN CONJUNCTION WITH THE ORIGINAL SEALS OF THE ARCHITECT. THE ARCHITECT IS NOT RESPONSIBLE FOR ANY REPRODUCTION OF HIS OR HER SEALS. THE ARCHITECT'S LIABILITY IS LIMITED TO THE PROFESSIONAL SERVICES PROVIDED BY HIM OR HER. THE ARCHITECT'S LIABILITY DOES NOT EXTEND TO ANY OTHER MATTER. THE ARCHITECT'S LIABILITY IS LIMITED TO THE PROFESSIONAL SERVICES PROVIDED BY HIM OR HER. THE ARCHITECT'S LIABILITY DOES NOT EXTEND TO ANY OTHER MATTER.

A5

Attachment: Conceptual Plans (1376 : 115 San Jose Avenue)

November 6, 2015

Capitola Mercantile Master Occupancy Plan – draft

Introduction

The Mercantile building has a total of 7,140 square feet of net tenant space. This space has historically been divided into a dozen or more tenant spaces with access from three separate building entrances and the adjacent streets, the Esplanade and San Jose Avenue. The proposed Master Occupancy plan assumes that the building will continue to be used much the same way with the same points of entrance and a group of tenants connected to corridors and common area facilities such as restrooms. What is likely to evolve under this Plan is the mix of tenants and the configuration of the individual tenant spaces.

Relationship to Zoning Standards

The Master Occupancy Plan does not amend the Zoning Ordinance. All of the requirements for use permits and design review will still apply to businesses located within the Mercantile building, including exterior signage or changes to the building's exterior.

Master Occupancy Plan Purpose

The purpose of this plan is to provide an orderly and predictable method for managing the mix of tenants within the Mercantile building. The goal is a vibrant, varied, and compatible mix of businesses under one roof that creates a synergism among the tenants and attracts residents and visitors alike. The public's taste and expectations evolve and venues with a successful cluster of tenants need to be frequently changing to meet these expectations. Thus, at the heart of this Plan is a method for the Mercantile to be more nimble and successful at attracting new tenants.

Parking and the Tenant Mix

The Mercantile site will have a parking management plan that will provide sufficient parking for 4,400 square feet of food and beverage uses plus 2,710 square feet of retail uses. This Master Occupancy Plan treats this allotment of building area and uses to be within the allowed parking supply for the Mercantile tenants and no other review of parking supply and demand will be required. The parking demand for food and beverage uses is higher than for retail uses. Thus, while 4,400 square feet is the maximum allowed for food and beverage uses, if there is less building area used for these uses, the balance can be used for retail without further analysis. Finally, if some uses do not clearly fit either the food and beverage category, or the retail category, they can be permitted if they are within the portion of the building allotted to the food and beverage category.

November 6, 2015

Capitola Mercantile Parking Management Plan

Existing Parking: 43 spaces

Proposed Parking: 36 regular spaces
13 lift spaces
49 total spaces

Hypothetical Valet Plan, Typical day:

6:00 AM All lifts are down. Condo residents are parked in lift area. Public self-parking is available in the remaining parking spaces (minimum of 23 spaces if all resident spaces are used)

10:00 AM to Noon depending on the season: Valet service starts. Valet raises all lifts to up position including resident parked cars. The upper portion of the lifts now has resident cars or is available for resident cars. With the lifts up, the public parking capacity is increased to 36 spaces. These 36 spaces could also be further increased by arrangement with residents who are not in town or don't have a car to park.

9:00 PM to 1:00 AM depending on the season: Valet moves remaining cars in the lift area to open spaces available outside the lift area. The valet lowers the lifts with the resident's cars and closes the valet service for the day.

Parking Demand: There is a total of 7,110 square feet of tenant space in the mercantile building. With at least 36 non-residential parking spaces available, one parking space is available for every 197.5 square feet of tenant space or over 5 parking spaces for every 1,000 square feet of tenant space.

Capitola Mercantile Building Parking Study August 2015

This report documents the conclusions of a shared parking analysis for the Capitola Mercantile Building in the City of Capitola, California. The Mercantile Building is located on the corner the Esplanade and San Jose Avenue in Capitola Village. The property includes the multi-tenant Mercantile Building with 9,019 square feet, and a two bedroom residence above a six car garage building. Currently, there are 43 parking spaces (including the garage spaces) of on-site parking. The parking is operated as a public, paid lot.

The objective of this study is to determine the peak parking demand for the redevelopment of the site with a mix of uses. The proposed development includes 11 studio apartments and two different commercial uses on the site, retail and food service uses totaling not more than 7,110 square feet. The project proposes to provide 49 spaces through the use of 13 lifts. A valet parking program is proposed which will insure that 36 spaces are always available for commercial uses and 13 spaces for residential uses. The proposed intensification of the parking requirement as per the City of Capitola Zoning Ordinance warrants review of the parking demand for the overall site.

Master Plan Uses

For purposes of this analysis the Mercantile Building as are assumed to be generic restaurant and retail uses. In as much as restaurant uses generate higher parking demand the study analyzes the maximum restaurant square footage that would limit the total parking demand to 36 spaces. The following table describes the uses analyzed in this study.

**Table 1
Maximum Parking Demand Uses**

Use	Size
Restaurants	4,400 sq. ft.
Retail	2,710 sq. ft.
Studio Apartment	11 units

The Parking Analysis for the Capitola Village Area prepared for the City by RBF Consulting in 2008 found that the City's Parking requirements for uses in the village area were high and did not reflect actual parking demand surveyed. The study concluded:

It is recommended that those requirements be reconsidered for the Village area as part of the City's overall review of the City's zoning code as part of the General Plan Update.

For this analysis as recommended in the 2008 Study the parking generation rates identified by the Institute of Transportation Engineers in "Parking Generation Second Edition" were used. The parking generation rate for a high turnover restaurant with no bar and lounge in an urban setting (Land Use Code 932) is 6.37 spaces per 1,000 square feet of floor area. This is the 85 percentile rate which is traditionally used for these calculations. That is to say the parking demand using this rate will be within this

Attachment: Parking Study (1376 : 115 San Jose Avenue)

range 85 percent of the time. This rate was adjusted upwards to reflect the higher generation anticipated when a bar and lounge is added to the use. The final rate used for weekday estimates was 6.8 spaces per 1,000 sq. ft. The rate used for Saturdays is slightly higher at 8.07 spaces per 1,000 sq. ft. Similarly the parking generation rates used to estimate parking demand for retail on weekdays was 3.35 spaces per 1,000 sq. ft. and 3.56 spaces per 1,000 sq. ft. for Saturdays. Based on these rates the peak parking demand will occur on Saturday.

**Table 2
ITE Parking Demand Estimates**

Use	Size	Saturday ITE Rate	Peak Demand
Restaurants	4,400 sq.ft.	8.1 / 1000 sq ft	36 spaces
Retail	1,598 sq. ft.	3.56 / 1,000 sq ft	10 spaces
Studio Units	11	1 per unit + 2	13 spaces
Total			59spaces

Shared Parking

The Urban Land Institute has done research on the effect shared parking has on parking demand. This research is reported in ‘Shared Parking’. This document quantifies the premise that mix land uses when combined require less parking than the same land uses when separately developed. The document developed a methodology to estimate the peak parking demand for a variety of mixed uses based on each of the uses hourly peaking characteristics. This methodology was used together with the information provided in “Parking Generation, Third Edition” prepared by the Institute of Transportation Engineers (ITE) to estimate the hourly parking demand for the uses at the Capitola Mercantile center.

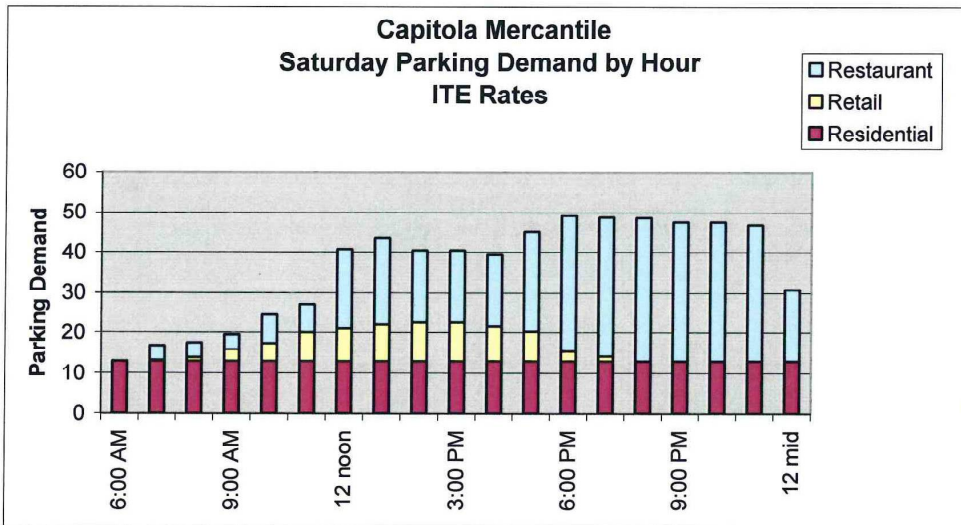
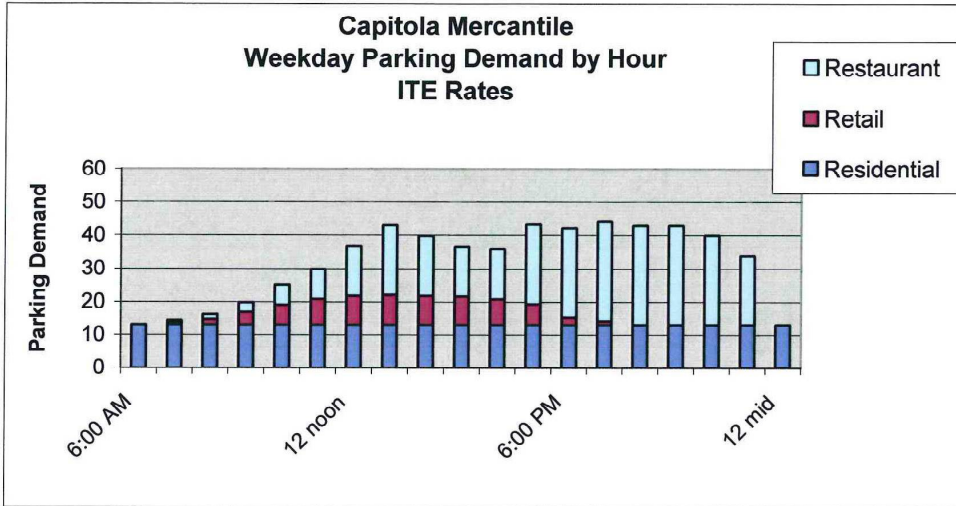
Two figures follow that present the results of those calculations for the operating hours of the day. This methodology estimates the maximum parking demand on weekdays of 43 spaces will occur at the Capitola Mercantile Center at midday and in the early evening hours. On Saturdays the parking demand peaks at 49 spaces at approximately primarily in the evening hours. It should be noted that the hourly calculation of parking demand above includes that the 13 spaces on lifts that are reserved for residential uses and not available for sharing.

Based on this calculation the parking demand will be met by the 36 spaces available for commercial uses. The hourly demand estimated for weekday and weekend periods is presented in Table 3.

Multiple Uses

As noted in the 2008 Capitola Village Parking Study the area also benefits from the fact that visitors will park at one location and frequent multiple locations. For example a visitor may come to the beach, shop in a retail use and have dinner. The Village Parking Study developed a model which estimated an 18% reduction to account for the multiple uses concept. This reduction has not been incorporated into the parking demand estimates in this analysis thus it can be considered a conservatively high estimate of the

demand for parking resulting from the proposed development of the Capitola Mercantile site.



Findings

The following summarizes the findings of this analysis.

There are three different uses evaluated for proposed for the Capitola Mercantile Center, Residential, retail, and restaurants. The peak parking demand estimated for all these

uses including the required guest parking is 49 spaces on Saturday evenings. The project proposes to provide 49 spaces which would meet the estimated demand.

Estimates of the shared parking benefits of the various uses were calculated for both weekend and weekday periods. The weekend estimates were than weekday estimates with peaking in the same evening hours.

A further reduction in demand to account for one stop for multiple uses of 18% provides a cushion for extraordinary demand both for the project site and the surrounding area.

**Table 3
Hourly Parking Demand
Capitola Mercantile Building**

Hour (Beginning)	Weekdays Parking Spaces	Weekends Parking Spaces
6am	13	13
7am	14	17
8am	16	18
9am	20	19
10am	25	24
11am	30	27
12 noon	37	41
1pm	43	43
2pm	40	40
3pm	37	40
4pm	36	39
5pm	43	45
6pm	42	49
7pm	44	49
8pm	43	49
9pm	43	47
10pm	40	47
11pm	34	47
12pm	28	31



MEMORANDUM

From: Frederik Venter PE, Kimley-Horn and Associates

To: Katie Cattan, City of Capitola

Date: January 28, 2016

Re: **Parking Analysis Peer Review: 115 San Jose Street, Mercantile Master Plan**

This memorandum presents our peer review of the Parking Analysis conducted by Ron Marquez, dated August 18, 2015, for the Mercantile Building located at 115 San Jose Street in Capitola, CA.

The parking analysis uses slightly inflated parking rates compared the 4th Edition ITE Parking Generation Manual. This results in inflated parking rates by 6.7% for the restaurant use and 1.5% for retail use on a weekday use. Over weekends, the restaurant uses increases by 16% per ITE, and the parking demand was subsequently also increased further. The ULI shared parking principles are applied per the empirical values.

The parking analysis also assumes that 13 parking spaces will be available for residential use and these spaces are not included in the shared demand, even though it would be per the parking operations proposal in the project description. However, this will result in a reduction of public parking, which is a concern. How can valet operations be utilized to maintain at least current public parking supply.

The description of the valet service, how the lifts will be manned, controlled and operated, and how public parking will be provided, are vague. It is recommended that the valet service operations and management of parking be described in more/better detail for typical daytime, weekend, and nighttime uses, when valet may not be available and when the lifts have to also be operational, especially if public parking is allowed.

The analysis is thus slightly conservative compared to typical 85 percentile demand calculations. ITE 85% tile highest parking demand would be 46 spaces (weekday demand plus 16% for restaurant and no shared residential spaces) on a Saturday peak, compared to a demand of 49 spaces in the study. The project proposes to supply 36 spaces plus 13 mechanical lift spaces for a total of 49 spaces.

Taking into consideration the use of a valet service and the use of mechanical parking lifts and the inherent risks with breakdown of the proposed valet system, or mechanical failure of the lifts, the additional demand of 3 spaces, or about 10%, is fully supported. Also, on-street parking capacity in the Village is very constrained and thus little capacity is available to accommodate any variations in the estimated parking demand should it spill over onto the Village streets.

It is further recommended that the parking operations be monitored (after 6 months of operation and also after one year of operation, then annually) and the valet program adjusted to maintain the parking demand at 49 spaces. If the applicant cannot maintain the demand of 49 spaces, the valet service should be extended to include parking in the Pac Cove Lot and the developer would then pay an in-lieu fee for use of parking space/s in this lot.

Cattan, Katie (kcattan@ci.capitola.ca.us)

From: Cattan, Katie (kcattan@ci.capitola.ca.us)
Sent: Thursday, February 04, 2016 1:34 PM
To: PLANNING COMMISSION
Subject: Public Comment: Development Proposal regarding 115 San Jose Avenue, #15-188, APN: 365-221-17

From: Debbie Martin [mailto:debdmartin@comcast.net]
Sent: Thursday, February 04, 2016 10:15 AM
To: Cattan, Katie (kcattan@ci.capitola.ca.us) <kcattan@ci.capitola.ca.us>
Subject: Development Proposal regarding 115 San Jose Avenue, #15-188, APN: 365-221-17

Katie Cattan, AICP (kcattan@ci.capitola.ca.us)
 Senior Planner
 City of Capitola
420 Capitola Ave
Capitola, CA

Regarding: Planning Commission Meeting February4, 2016, #5C. 115 San Jose #15-188
 APN: 035-221-17.

Conceptual Review of a proposed Master Use Permit with 11 new residential units and a parking management plan for the Capitola Mercantile located in the CV (Central Village) Zoning District

Dear Ms. Cattan,

We are the owners of the property at 118 Lawn Way in Capitola, CA. It is with great concern that we are sending this letter strongly opposing the proposed development at 115 San Jose Avenue. We have owned this property for over 50 years. We have watched this quaint village evolve throughout these decades but Capitola has always held true to its history. Capitola has always been known as a family-friendly beach town. Even as the specialty shops and restaurants grew the integrity of its history has always been protected by its decision-makers.

The proposed condo development at 115 San Jose Avenue will greatly change what this city's decision-makers have spent so many years protecting, the historical look of this beach town. This development will in no way enhance the Village but will compromise what makes it truly unique, desirable and special to its property owners, merchants and tourists. The beautiful Village views will be obstructed eliminating the open, beachy feel of this town to a concrete closed-in city feel. The quaint ambiance will be gone as the feeling of commercial apartment life with its garage structure and valet parking become the main focal point right in the center of the Village. Visitors leave city life to escape to this charming beach town and the Village needs to hold true to the historical identity that is being sought after by so many.

Parking and traffic flow have always been Capitola's greatest detriment. This problem area will only get worse as the congestion of additional traffic in and out of the Village will increase due to this development. This will cause even more delays on the Esplanade, Capitola and San Jose Avenues. The frustration of heavy traffic congestion will most likely discourage visitors and

loyal customers from attempting to shop or eat in the Village hurting the business of Capitola's merchants and restaurants. If these businesses are unable to survive, Capitola will lose its vast attraction and desirability. The economy of the town will greatly be effected.

In conclusion, our family has had a long history with Capitola and a true love for what makes this Village unique. What history does this developer have with the Village of Capitola except as an investment. We do not need someone coming in, trying to change the dynamics of this beautiful beach town. We are totally against this development proposal and urge the Planning Commission to reject it in its entirety! We do not want to walk out our door and see a cement jungle.

Thank you for your time and consideration.

Sincerely,

Howard and Dorothea DeMera

Property owners of 118 Lawn Way, 559-435-3422, 559-288-0867

Please send any correspondence to:

2119 W. San Ramon

Fresno, CA 93711

Email: hdemera@ddccpa.com

Cattan, Katie (kcattan@ci.capitola.ca.us)

From: Cattan, Katie (kcattan@ci.capitola.ca.us)
Sent: Thursday, February 04, 2016 1:28 PM
To: PLANNING COMMISSION
Subject: Public Comment: Proposed development 115 San Jose Avenue, #15-188, APN: 365-221-17

Importance: High

From: Lisa Pacheco [mailto:Lisa@fulcrumbuilders.com]
Sent: Thursday, February 04, 2016 1:26 PM
To: Cattan, Katie (kcattan@ci.capitola.ca.us) <kcattan@ci.capitola.ca.us>
Cc: Lisa Pacheco <Lisa@fulcrumbuilders.com>; Randy Watts <Randy@fulcrumbuilders.com>
Subject: FW: Proposed development 115 San Jose Avenue, #15-188, APN: 365-221-17
Importance: High

From: Lisa Pacheco
Sent: Thursday, February 04, 2016 12:33 PM
To: 'kcattan@ci.capitola.ca.us'
Cc: Lisa Pacheco; Randy Watts
Subject: Proposed development 115 San Jose Avenue, #15-188, APN: 365-221-17
Importance: High

February 3, 2016

City of Capitola
 420 Capitola Avenue
 Capitola, CA 95110

Re: Proposed Permit for 11 new residential units and parking plan on San Jose Avenue

Dear Katie Cattan:

We strongly oppose the development proposal for 115 San Jose Avenue #15-88, APN: 365-221-17. We enjoy our quaint Capitola Village. This will result in a huge change in the ambiance of the Village.

Public Parking has always been a problem and this makes it even worse. The traffic is congested now; this development will cause even more issues. It takes 15-20 minutes to drive in and out of the Village during the peak seasons. It is believed that the added parking in the lots nearby were to assist with the Parking problem. Cars exiting the Mercantile parking lot cause a gridlock now, with this development San Jose Avenue and the Esplanade will be a parking lot. More seriously, the Emergency vehicles will not be able to get through the streets.

A parking structure beneath the Condos would be an eye sore for all of us living in the Lawn Way area. What is left of the ambiance in our little Village will be gone. This massive structure will create an enclosed, uncomfortable, cramped feeling for all of us as well. The open view we have will be gone completely.

Please consider the heartfelt comments of opposition for this development proposal from the long time owners/residents of our Capitola Village. We urge you to reject this proposal. Thank you for your consideration.

Best Regards,

Owners of 111 Lawn Way.

Randy & Lisa Watts

Email address: randy@fulcrumbuilders.com

lisa@fulcrumbuilders.com

January 31, 2016

Katie Cattan, AICP, (e-mail: kcattan@cl.capitola.ca.us)
 Senior Planner
 City of Capitola
 420 Capitola Avenue
 Capitola, CA

Dear Mrs. Cattan,

Thank you for furnishing my wife and me with the details of the development proposal regarding 115 San Jose Avenue, #15-188, APN: 365-221-17.

We strongly oppose this proposal, and urge the Commission to reject it completely.

Our concerns and reasons follow:

1. The proposed development would completely change the openness of the Village. It would result in the loss of the existing views of the surrounding hills, trestle, and homes that are such a major attraction to the quaintness of Capitola Village. Approval of this highly questionable development plan would materially change the character and ambiance of the Village.
2. The auto parking plan seems greatly flawed:
 - a. The village area has already lost the public parking spaces that were previously available prior to the earlier condo construction on the opposite (S-W) side of the Mercantile.
 - b. If all "resident" spaces are occupied, then public spaces would be reduced from 43 to 23, a reduction of 20 public spaces (per packet page 76 of the "Capitola Mercantile Parking Management Plan")! So called "Arrangements" with condo residents Could (possibly, even though unlikely) be made to increase public parking spaces to 36? Logistically, how could that possibly be "arranged, if "residents" decide to arrive at an unplanned time and want their reserved spaces?"
 - c. When seeking parking, if a visitor could find street parking with no valet issues, not many would park in these so called "public" spaces, even if a covered space was "available".
 - d. The parking in and out issues would be extremely complicated and dependent on the restrictions imposed by the need for valet services (extra costs for tipping valets, would also add to parking costs).
 - e. If a person needed their auto immediately, and their auto is on a lift with an auto beneath, and no valet was available, then what? Answer: there will probably not be a "publically" parked auto in the so called "public spaces". This would obviously be another deterrent to the availability of "public" parking in the proposed development.

f. Valet service as proposed, would not be available until 10 AM, so public parking in the “public” parking spaces as designated, would not be available for visitors arriving early at the Village unless all “resident” autos were indeed up on the proposed lifts. There are too many variables to assume that this plan would be workable.

g. Valet services as proposed would not be available from noon to 9PM! How then are the “potential-Public parking spaces” to be utilized by the public? Some visiting drivers may not even be adept enough to negotiate the parking in the tight quarters.

h. If valet service leaves at noon, and does not resume until 9:00 PM, how would the public access the “public” spaces?

i. It seems that there would be some danger with fully fueled vehicles beneath residential units. If a fire or explosion were to occur, damage and/or destruction of the property in question as well as putting the adjoining properties, and indeed the whole Village in jeopardy.

J. Final point, ... looking from the grass park on Lawn Way toward the proposed structure, in addition to having only a view of the structure spanning the entire area of the current parking lot, would be an open auto exit that would provide a clear view of the underground parking! Not very attractive to the eye!

3. We are Mark and Janet Cameron owners of 120 Lawn Way, our “view” of the ocean was blocked (without the planning department’s consideration of that loss) by the earlier condo development on the opposite (S-W) side of the Mercantile. With this proposal for the (N-E) side of the property, our open view of the Trestle, the hills, and trees, above and within the village would be blocked and eliminated by the construction as proposed. (See elevation view from San Jose Avenue depicted on packet page 81 of the Planning staff Report).

4. This plan is not fair to the other property owners in the Village.

Therefore, we strongly oppose this development proposal, and urge the Planning Commission to reject it in its entirety!

Mark and Janet Cameron owners of 120 Lawn Way

Mailing address: 7431 N. Woodson Avenue, Fresno, CA 93711

Phone: Fresno - (559) 431-5708 Cell – (559) 917-6215 or (559) 930-7187 Capitola – (831) 475-4548

(E-Mail address: mjcam59@comcast.net)

Capitola address: *(no mail delivery)*

120 Lawn Way
Capitola, CA 95010

Cattan, Katie (kcattan@ci.capitola.ca.us)

From: Carin Hanna <carinhanna@aol.com>
Sent: Thursday, February 04, 2016 8:53 AM
To: Cattan, Katie (kcattan@ci.capitola.ca.us)
Subject: Mercantile Master Plan Proposal

Kate, please forward this to the Planning Commission for tonights hearing.
 Thank you, Carin Hanna

To the Planning Commission:

Some of my concerns with this proposed master plan may not be covered by ordinance or zoning but are more experiential. Having been one of the first tenants in the Mercantile and seeing it's evolution through the years, the first red flag is lack of adherence to conditions imposed by the city over the years. The management of the Mercantile has continually pushes the limits or requirements set by the city and waits for the city to push back. Sometimes due to staff changes at the city, **conditions are forgotten and a new operating history is formed.**

This has definitely been the case with the number of seats allowed in the restaurant when it changed from a cookie shop to a full service restaurant. Originally permitted as take out only, within months it was a sit down facility overcrowded with tables. Legal wrangling followed. Over time the very crowded, intensified use became the norm. Well, we all love Caruso's and want to see them succeed so why not? At times they even put folding tables in the walkway of the closed Mercantile to handle overflow. The city staff has all gone home so who's to know.

The parking was originally to be for the mercantile employees and customers. Now there is no validation system, no employee parking, just pay public parking. The parking lot is a business to itself. **More than double the amount of restaurant area with a decrease in public parking available?**

The restrooms were originally to be open to the public. When I asked the Planning Director why this was no longer being enforced, he knew nothing about the original condition imposed on the Mercantile. Now if you are dining in the restaurant you can get a key to the restroom, but shoppers are often denied use of the restrooms. As a business owner who allows the public to use it's restroom, even non customers, it's unfortunate that the management of the Mercantile claims that it too difficult to maintain a public restroom. Capitola should be ashamed of the lack of public restrooms, yet no plan surfaces to remedy the problem.

The "valet" parking system is highly suspect. First of all, who is responsible for hiring, supervising and paying for the valet? The management of the Mercantile or the owners of the condos? With the potential of 13 different owners on the parcel (the condo on the ocean side of the property, the Mercantile, 11 condo units on the mountain side of the property) chaos could be the order of the day. Look at all the problems up at the Mall because the property is under such varied ownership. If there is a breakdown in the parking scheme, who is responsible? Also the valet services explanation in the plan is sketchy. Is the valet on duty all day in case a resident's car on the lift needs to be used and there is a public vehicle parked underneath? Imagine high school seniors or other minimum wage workers dealing with inebriated bar patrons at 1 am. The configuration of the enclosed garage will require some skilled parking. An unmonitored lot during the slow weekdays could be a problem and if it is, the pattern for this management is to close the lot to the public.

Overflow valet parking to the Pacific Cover Parking Lots? While the valet is off parking several blocks away, would there be another valet to handle the Mercantile lot? In San Francisco there are almost always 2 or 3 valets at each restaurant that has valet parking. Oh wait, this isn't San Francisco.

The parking report which suggests that the Capitola Village Parking Requirements are too high should be burned. The reality is that the trend in the county is permitting development without enough parking. In my neighborhood a new retail/residential project was just approved with an admitted 80% of parking the county requires for the size of the development. Oh, they are going to revisit it one year after the development is complete to see if there is a problem. Then they will "fix" it. How? Sky hooks? Is someone really going to monitor the Mercantile after a year to see if the valet system is working. What is the evidence that it is not working? The village is already heavily impacted with lack of parking. And if it is not working? Too late.

What are the noise projections for the large, enclosed parking structure? I see nothing in the reports addressing this. Horns honking, tires squealing, the echoes of people yelling (especially late at night coming from the bars). That noise will be directed across San Jose Ave to the homes on Lawn Way. What about noise to the condos over the parking? Are the lifts quiet?

These condos are really just individually owned hotel rooms with no staff on duty. Most likely they are not going to be inhabited by people with a connection to the community. "Private terraces" sounds nice - view of the roof of the Mercantile? If anyone is going to live there full time, **is there storage for each unit** for bikes, surfboards, barbecues, etc?

Garbage - currently the garbage enclosure is barely large enough for the amount of garbage generated by the Mercantile in the summer. With more than twice the restaurant space and 11 residential uses, there will need to be a much larger area or a compactor (another noise factor?) I was unable to see on my tiny copy of the plans, how much area would be devoted to garbage. Access by garbage trucks?

Things that are difficult to address by zoning are visual blight, the loss of an area used for various activities during the year - car show, art & wine. Peter Dwares has been fairly generous with the use of the open parking lot. But what is the benefit to the village of the intensification of use on this property?

This last summer was worse than ever for the residents in and surrounding the village. The worst gridlock, with angry visitors stuck in traffic. Not fun for a lot of people. The overflow into the neighborhoods now continues much later into the night. We love our village. It's a little jewel. But jewels can lose their sparkle.

Is this really a master plan? This property should have had a master plan from its first change of use. It has been piecemeal modified over the years. This is one of the largest parcels in the village. Now it will be divided among up to 13 owners? At some point down the road, the many problems of the old bowling ally building might become so great, the owner would want to rebuild it. With condos surrounding it the options are limited.

The residential make up of the village is important and has always been in the front of the minds of city government. This does nothing to further the goal of a mixed use village because this is visitor serving housing not true residential. I hope you reject this master plan proposal.

February 1, 2016

Katie Cattan, AICP (kcattan@ci.capitola.ca.us)
 Senior Planner
 City of Capitola
 420 Capitola Ave
 Capitola, CA

Regarding: Planning Commission Meeting February 4, 2016, #5C. 115 San Jose Avenue #15-188 APN: 035-221-17
 Conceptual Review of a proposed Master Use Permit with 11 new residential units and a parking management plan for the Capitola Mercantile located in the CV (Central Village) Zoning District

Dear Ms. Cattan,

I am an owner of property at 117 Lawn Way in Capitola, CA. This residence is in "Capitola Village" and across from the proposed development on San Jose Ave that is being discussed during a public hearing before the Planning Commission February 4, 2016. **I am strongly opposed to this development.**

My family and/or I have been owners of this property since the early 1950s. For over 6 decades, we have experienced the evolution of "the Village" from a small family-focused beach town to a quaint town with small specialty shops restaurants. Change is inevitable but, for the most part, the Commission and the decision-makers have maintained the integrity and ambiance of the Village by preserving the historical buildings, restricting overbuilding and new developments, and locating parking to two nearby lots.

The proposed condo development above the Mercantile will do nothing to enhance the Village or maintain the current culture of the Capitola Village. On the contrary. The Mercantile is in the center of the Village and a structure three times its current size will not only block the views of many Lawn Way merchants, residents and tourists, it will give an enclosed "concrete" feeling to the small, quaint area. Structures of this height should be located outside the small Village area, or on its perimeter where views won't be obstructed, traffic won't increase and the feeling of a "city" won't occur.

The parking, already a problem for Village residents, will become a bigger problem as the traffic in and out of town will increase. The proposed "public" parking spaces planned by the development will simply bring more traffic onto the Esplanade and more onto San Jose Ave which is already heavily congested on any day during peak season. As it is now, it takes 20 minutes to drive out of the Village on a busy weekend. Traffic backs up on San Jose as drivers try to turn onto the Esplanade. This problem will be exacerbated and will likely cause gridlock.

As noted, I am strongly opposed to this proposed development and I urge the Commission to reject the proposal in its entirety.

Thank you.

Sincerely,

Elouise J. Wilson
 1825 W. Princeton
 Fresno, CA 93720
 Capitola address: 117 Lawn Way Capitola, CA

cc: City of Capitola Planning Commission (planningcommission@ci.capitola.ca.us)

Attachment: Public Comment (1376 : 115 San Jose Avenue)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 11, 2016

FROM: Community Development

SUBJECT: Zoning Code Update - Initiation of Public Review

RECOMMENDED ACTION: Accept staff presentation.

BACKGROUND: The City of Capitola initiated an effort in 2014 to comprehensively update its 1975 Zoning Code. Over the past 18 months, staff solicited input from a variety of stakeholders to identify issues with current Zoning Code and opportunities for improvement. Staff used this feedback to develop an issues and options paper which served as the basis for eight public hearings with the Planning Commission and City Council to provide staff with policy direction prior to drafting an updated Code.

Staff has completed a draft Zoning Code Update based on policy direction received during the issues and options hearings. The draft updated Code was released on February 4, 2016, for an extended public review and comment period. During the March 3, 2016, regularly scheduled Planning Commission hearing, staff will present significant changes in the updated Zoning Code, address any issues the Commission wishes to debate, and to schedule additional review meetings, as necessary. During the Planning Commission review, staff will present updates to the City Council during regularly scheduled meetings.

Interested members of the public will have opportunities to provide comments on the draft Code throughout the hearing process. The draft Code will be available at City Hall, the Capitola branch library and the City's website at:

<http://www.cityofcapitola.org/communitydevelopment/page/zoning-code-update>

DISCUSSION: At the February 11, 2016, City Council hearing, staff will provide an overview of the draft Zoning Code Update and an orientation to facilitate review of the document. No decisions or actions on the Zoning Code content will be requested during these initial meetings.

The updated Zoning Code represents a comprehensive overhaul of the existing code. The updated Code presents a refreshed format and organization which is intended to be more user-friendly for the public, decision-makers, developers, and staff. Where possible, development standards are shown in tables for ease of reference and graphics are used to better illustrate the meaning and intent of various regulations.

Tips to Review the updated Zoning Code: The extensive scope of revisions in the updated Code does not lend itself to showing changes in a traditional strikeout-underline format. Instead, a disposition table has been prepared which includes all substantive Code revisions. The disposition table will be circulated with the draft Zoning Code. In addition, major changes are highlighted in the body of the draft Code with an illustration and description as shown in the following example:



Note: Procedures and criteria for addressing unlisted land uses in Subsection D below are new.

Highlights of the updated Zoning Code: The updated Zoning Code includes new and revised zoning districts, permit processes, development standards, and procedures which are intended to streamline the development review process while implementing General Plan goals to protect Capitola's coastal village character and to promote design excellence. The following represents some of the key changes in the updated Zoning Code:

- Improved organization and format to improve clarity and usability;
- A new user guide to help citizens access, understand, and apply the Zoning Code;
- Revised regulations to comply with federal and state law;
- Streamlined permitting process for routine permits including signs, design permits, rooftop solar systems, and tenant improvements;
- Consolidated/eliminated 6 overlay zones to simplify the zoning map;
- Updated coastal overlay chapter with significantly improved organization and clarity;
- Improved historic preservation chapter which codifies process to review and modify historic structures and provides incentives and exceptions to promote preservation;
- Simplified legal non-conforming standards which eliminates 80% valuation standard and adds a new replication allowance;
- Revised parking standards for take-out restaurants in the Village to replace the current 6-seat rule with a square-footage allowance;
- Relaxed development standards for secondary dwelling units;
- Planned Developments would no longer be allowed in R-1 zones;
- Better defined community benefits to qualify for a Planned Development or increased floor area ratio allowances;
- Simplified Floor Area Ratio calculation;
- New lighting standards;
- New regulations to control unattended donation boxes;
- Improved guidance on when post approval changes to a project trigger review by the Planning Commission;
- New standards to limit the allowable area of outdoor commercial displays;
- Incentives to encourage non-conforming multi-family uses in single-family zones to make needed property improvements. Also reduced allowable extensions from 50 to 25 years.
- New standards to allow parklets and sidewalk dining areas;
- New minor modification process to allow the Planning Commission to authorize minor deviations to certain development standards which don't meet variance findings;
- New standards to regulate the placement of outdoor decks in residential zones;

Zoning Code Update - Initiation of Public Review
February 11, 2016

- Modified Design Review process to allow a second architect to review major projects;
- New requirements for large commercial and residential projects to provide bike and electric vehicle parking.

Report Prepared By: Katie Cattan
Senior Planner



Rich Grunow, Community Development Director