

# City of Capitola Agenda

Mayor: Michael Termini  
Vice Mayor: Jacques Bertrand  
Council Members: Ed Bottorff  
Stephanie Harlan  
Kristen Petersen  
  
Treasurer: Peter Wilk



## CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, FEBRUARY 8, 2018

7:00 PM

CITY COUNCIL CHAMBERS  
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

### CLOSED SESSION – 6:15 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 Open Session Meeting.*

#### **CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code § 54957.6]**

Negotiator: Dania Torres Wong

Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Heads

#### **LIABILITY CLAIMS [Govt. Code § 54956.95]**

Claimant: Richard Willis

Agency claimed against: City of Capitola

## **REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 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 Kristen Petersen, Jacques Bertrand, Ed Bottorff, Stephanie Harlan, and Mayor Michael Termini

**2. REPORT ON CLOSED SESSION**

**3. ADDITIONAL MATERIALS**

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

**4. ADDITIONS AND DELETIONS TO AGENDA**

**5. PUBLIC COMMENTS**

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

**6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

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

**7. 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 25, 2018, City Council Regular Meeting Minutes  
RECOMMENDED ACTION: Approve minutes.

B. Receive Planning Commission Action Minutes for the Regular Meeting of January 18, 2018.  
RECOMMENDED ACTION: Receive minutes.

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA  
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- C. Consider Adoption of a Revised Conflict of Interest Code  
RECOMMENDED ACTION: Adopt a resolution amending the Conflict of Interest Code to include members of the Historical Museum Board and the Museum Curator.
- D. Liability Claim of Richard Willis  
RECOMMENDED ACTION: Deny liability claim.

**8. GENERAL GOVERNMENT / PUBLIC HEARINGS**

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

- A. Monterey Bay Community Power Update  
RECOMMENDED ACTION: Receive report.
- B. Review of Marijuana Sales, Processing, and Cultivation Ordinance  
RECOMMENDED ACTION: Provide direction.

**9. 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](http://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.

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**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](http://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 8, 2018**

FROM: City Manager Department

SUBJECT: Consider the January 25, 2018, City Council Regular Meeting Minutes

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RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of the regular meeting of January 25, 2018.

ATTACHMENTS:

1. 1-25 draft minutes

Report Prepared By: Linda Fridy  
City Clerk

**Reviewed and Forwarded by:**

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

Jamie Goldstein, City Manager 1/30/2018

**DRAFT  
CAPITOLA CITY COUNCIL  
REGULAR MEETING MINUTES  
THURSDAY, JANUARY 25, 2018**

**CLOSED SESSION 6 PM**

**CALL TO ORDER**

Mayor Termini called the meeting to order at 6 p.m. with the following items to be discussed in Closed Session:

**CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code § 54957.6]**

Negotiator: Dania Torres Wong

Employee Organizations: (1) Association of Capitola Employees; (2) Capitola Police Captains, (3) Capitola Police Officers Association, (4) Confidential Employees; (5) Mid-Management Group; and (6) Department Heads

**LIABILITY CLAIMS (Govt. Code § 54956.95)**

(Two items)

Claimant: Jonathan Gettleman, Esq. for John Doe (Minor)

Agency claimed against: City of Capitola

Claimant: Leslie Eurs

Agency claimed against: City of Capitola

There was no public comment; therefore, the City Council recessed to the Closed Session in the City Manager's Office.

**REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

Council Member Stephanie Harlan: Present, Council Member Ed Bottorff: Present, Mayor Michael Termini: Present, Vice Mayor Jacques Bertrand: Present, Council Member Kristen Petersen: Present.

Treasurer Peter Wilk was present.

**2. PRESENTATIONS**

**A. Certificates of Appreciation for Retiring Advisory Committee Members [120-40]**

Mayor Termini recognized Nathan Cross for his six years on the Arts and Cultural Commission.

Mayor Termini also presented Former Mayor Stephanie Harlan with a gift for her service in 2017.

**B. Soquel Creek Water District Update [160-10]**

General Manager Ron Duncan of Soquel Creek Water District provided an update on the district's current projects and concerns, particularly the status of the water basin and

## CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

January 25, 2018

seawater intrusion. The district recently undertook a freshwater/seawater interface study and he previewed the results to be released in March. Melanie Mow Schumacher outlined the Community Water Plan. Water supply options include river transfers, desalination, storm water capture, and water purification. She noted the district recently earned a \$2 million grant from the state.

**3. REPORT ON CLOSED SESSION**

City Attorney Tony Condotti reported that Council received a report on negotiations with no reportable action, and the two liability claims were discussed and are on the consent agenda.

**4. ADDITIONAL MATERIALS**

- A. Item 8.A – Revised draft minutes.
- B. Item 9.A – Three public comment emails.

**5. ADDITIONS AND DELETIONS TO AGENDA - None****6. PUBLIC COMMENTS**

Becky Steinbruner, Aptos resident and Water for Santa Cruz, advocated for river inter-ties.

Bruce Daniels, Soquel Creek Water District, noted water rights issues complicate shared water programs.

Georgette Neal, Bay Senior Apartments, praised a recent driving class, and she noted that participants discussed safety fears of pedestrians at the Bay Avenue and Hill Street intersection.

**7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS**

Council Member Bertrand noted that Merlone Geier held a community meeting regarding the mall redevelopment Jan. 24 and he encouraged continued public input.

Public Works Director Steve Jesberg noted that a lighted crosswalk is not recommended at stopped intersections such as Bay and Hill. Costs range from \$50,000 to \$300,000 and such a project is not currently funded. The intersection may be appropriate for a signal.

**8. CONSENT CALENDAR**

Item 8.G was pulled for discussion by public request and heard immediately following the Consent Calendar vote.

<b>MOTION:</b>	<b>APPROVE OR DENY AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Stephanie Harlan, Council Member
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

A. Consider the January 11, 2018, City Council Regular Meeting Minutes  
RECOMMENDED ACTION: Approve minutes.

B. Approval of City Check Register Reports Dated December 1, December 8, December 15 and December 22, 2017 [300-10]  
RECOMMENDED ACTION: Approve check registers.

## CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

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- C. Liability Claim of Jonathan Gettleman, Esq., for John Doe (Minor) [Claims Binder]  
RECOMMENDED ACTION: Deny liability claim.
- D. Liability Claim of Leslie Eurs [Claims Binder]  
RECOMMENDED ACTION: Deny liability claim.
- E. Consider the Budget Calendar for the 2018/19 Fiscal Year [330-05]  
RECOMMENDED ACTION: Approve the Budget Calendar for Fiscal Year 2018/19.
- F. Approve Sale of Surplus Vehicles  
RECOMMENDED ACTION: Declare three Police Department vehicles and one Public Works vehicle as surplus property and authorize their sale.
- G. Consider a Resolution Reaffirming Opposition to Offshore Drilling [580-30]  
RECOMMENDED ACTION: Approve a resolution opposing offshore oil and gas drilling and supporting Assembly Bill 1775 and Senate Bill 834.

Katherine O'Day, Save Our Shores, expressed concern about the unpredictability of recent federal actions to open offshore drilling and supports the proposed resolution.

<b>MOTION:</b>	<b>APPROVE AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Vice Mayor
<b>AYES:</b>	Harlan, Bottorff, Termini, Bertrand, Petersen

## 9. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Review Results of Jewel Box Traffic Survey [940-40]  
RECOMMENDED ACTION Receive report and public comment, and provide direction to staff.

Director Jesberg presented the staff report and the highlights of the study resulting from community responses. He responded to a question noting that the Traffic and Parking Commission discussed but made no further recommendation following the study.

Carl Schubert, Topaz, noted he was part of neighborhood effort that started last year to address the local traffic. He emphasized the difference in traffic volume with neighboring streets and expressed continued safety concerns. He asked for diversion to arterial streets to address "hot spots."

Andrew Morroco, Topaz, reiterated his wife's emailed comments.

Dana Ingersoll, Topaz, said there are many toddlers in the Jewel Box neighborhood and on Topaz. She also noted that street is used by Camp Capitola counselors to walk.

Mick Routh, Crystal, recalled when his block requested a one-way street. He suggested a no left turn between 4 p.m. and 6 p.m. on 45<sup>th</sup> Avenue.

Becky Steinbruner, Aptos, asked for details on the study and suggested contacting direction applications and asking roads to be removed.



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Jim Hobbs, Topaz, said his impression is the primary problem is south/eastbound afternoon traffic. He suggested a temporary one-way.

Carin Hanna, Traffic and Parking Commission, is sympathetic to the situation on Topaz and supports a trial one-way.

Keith Rushing, realtor, said prospective buyers notice the traffic impact and property value is lower.

Glenn Hanna countered the suggestion that directional applications will remove routes.

Phil Stots, Diamond, praised the survey and suggested improved pavement conditions.

Peter Wilk spoke to the suggestion regarding a policy on speed bumps and encouraged more immediate action.

Council Member Harlan thanked Traffic and Parking Commission efforts. She would favor no turn signs but not the proposed fixes.

Council Member Bertrand shares the neighbors' safety concerns and asked about extending permit parking.

Council Member Petersen favors flashing speed signs, saying other signs are not especially effective. She believes it is worth looking at a citywide speed bump policy.

Council Member Bottorff expressed frustration that the greater neighborhood was not willing to make sacrifices to address Topaz. He moved that the Council adopt the Traffic and Parking Commission initial recommendation for a six-month trial of multiple intersection redirections. Councilmember Bertrand seconded the motion.

Mayor Termini supports development of a speed bump policy. He suggested an alternative motion of a trial one-way on Topaz from 47th to 45<sup>th</sup> Avenue with traffic counts.

After considerable discussion the Council clarified the initial motion to a trial period of no more than six months, with glue-down bollards upgraded as needed.

<b>MOTION:</b>	<b>UNDERTAKE A TRIAL OF THE TRAFFIC DIVERSION PLAN INITIALLY RECOMMENDED BY THE TRAFFIC AND PARKING COMMISSION FOR A PERIOD OF NO MORE THAN SIX MONTHS, USING BOLLARDS OR OTHER DEVICES AS NEEDED.</b>
<b>RESULT:</b>	<b>ADOPTED [4 TO 1]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Vice Mayor
<b>AYES:</b>	Ed Bottorff, Michael Termini, Jacques Bertrand, Kristen Petersen
<b>NAYS:</b>	Stephanie Harlan

There was a short recess.

- B. Consider a Density Bonus and Project Permits for 4199 and 4205 Clares Street  
RECOMMENDED ACTION: Approve a Design Permit, Conditional Use Permit,

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Tentative Map, and a State Density Bonus for a 10-unit residential project at 4199 and 4205 Clares Street.

Council Member Harlan recused herself from item 9.B since she owns property in the vicinity and left for the remainder of the meeting.

Senior Planner Katie Herlihy presented the staff report and gave an overview of the state density bonus program.

Mayor Termini asked what the income ranges are for the low and moderate categories. The county defines moderate income as 80 percent of median income and bases the price on affordability.

Applicant Bill Kempf spoke in support of the project.

Becky Steinbruner confirmed that water availability is addressed

Evan Siroky of Yes in My Backyard supported the project and praised the location.

Council Member Bottorff praised the project and improvements made through the Planning Commission process.

Council Member Petersen expressed pleasure that another Section 8 rental unit would be made available.

Council Member Bertrand and Mayor Termini praised the project as an example of an appropriate higher-density project for this community.

<b>MOTION:</b>	<b>APPROVE THE PERMITS, MAP, AND DENSITY BONUS AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [4 TO 0]</b>
<b>MOVER:</b>	Ed Bottorff, Council Member
<b>SECONDER:</b>	Jacques Bertrand, Vice Mayor
<b>AYES:</b>	Ed Bottorff, Michael Termini, Jacques Bertrand, Kristen Petersen
<b>RECUSED:</b>	Stephanie Harlan

C. City Attorney Annual Report [570-30]  
RECOMMENDED ACTION: Receive report.

Attorney Condotti presented the report. City Attorney services are provided by his private firm of nine attorneys, all of whom have worked on projects for the City. He provided an overview of the legal issues and categories with which municipal attorneys generally deal and offered examples of recent work within those areas.

Becky Steinbrenner asked if there was a citizen's building and fire appeal board.

<b>RESULT:</b>	<b>RECEIVED REPORT</b>
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D. Second Reading for Adoption of the Zoning Code Update [730-85]  
RECOMMENDED ACTION: Staff recommends the City Council take the following actions:

Attachment: 1-25 draft minutes (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES  
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1. Adopt the Addendum to the General Plan Update Environmental Impact Report;

DRAFT

Attachment: 1-25 draft minutes (Approval of City Council Minutes)

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2. Adopt an Ordinance rescinding and readopting the Zoning Code of the Capitola Municipal Code Chapter 17, rescinding the Capitola Village Design Guidelines and 41<sup>st</sup> Avenue Design Guidelines; moving Floodplain District and Green Building Regulations into Title 15 Building and Construction; and adopting a new zoning map; and
3. Adopt a Resolution authorizing the City Manager to submit an amendment to the Local Coastal Program to the California Coastal Commission for certification.

Planner Herlihy presented the staff report, highlighting changes and improvements to the code including updated standards for design, accessory dwelling units, and parking; increased green requirements, administrative review of smaller projects, clearer historic preservation, incentives for public benefits, a logical vacation overlay, and a new zoning map.

There was no public comment.

Council Member Bertrand praised the public process that led to this update.

Council Member Bottorff acknowledged the work of consultant Ben Noble.

City Manager Jamie Goldstein thanked planning staff.

<b>MOTION:</b>	<b>ADOPT THE ADDENDUM TO THE GENERAL PLAN UPDATE ENVIRONMENTAL IMPACT REPORT AS RECOMMENDED</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jacques Bertrand, Vice Mayor
<b>SECONDER:</b>	Kristen Petersen, Council Member
<b>AYES:</b>	Ed Bottorff, Michael Termini, Jacques Bertrand, Kristen Petersen
<b>ABSENT:</b>	Stephanie Harlan

<b>MOTION:</b>	<b>ADOPT AN ORDINANCE RECINDING AND READOPTING THE ZONING CODE OF THE CAPITOLA MUNICIPAL CODE CHAPTER 17, RESCINDING THE CAPITOLA VILLAGE DESIGN GUIDELINES AND 41<sup>ST</sup> AVENUE DESIGN GUIDELINES; MOVING FLOODPLAIN DISTRICT AND GREEN BUILDING REGULATIONS INTO TITLE 15 BUILDING AND CONSTRUCTION; AND ADOPTING A NEW ZONING MAP.</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jacques Bertrand, Vice Mayor
<b>SECONDER:</b>	Ed Bottorff, Council Member
<b>AYES:</b>	Ed Bottorff, Michael Termini, Jacques Bertrand, Kristen Petersen
<b>ABSENT:</b>	Stephanie Harlan

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES  
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<b>MOTION:</b>	<b>ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT AN AMENDMENT TO THE LOCAL COASTAL PROGRAM TO THE CALIFORNIA COASTAL COMMISSION FOR CERTIFICATION.</b>
<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Kristen Petersen, Council Member
<b>SECONDER:</b>	Ed Bottorff, Council Member
<b>AYES:</b>	Ed Bottorff, Michael Termini, Jacques Bertrand, Kristen Petersen
<b>ABSENT:</b>	Stephanie Harlan

**10. ADJOURNMENT**

The meeting adjourned at 10:02 p.m.

ATTEST:

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Michael Termini, Mayor

\_\_\_\_\_  
Linda Fridy, City Clerk

DRAFT

Attachment: 1-25 draft minutes (Approval of City Council Minutes)



## CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 8, 2018**

FROM: City Manager Department

SUBJECT: Receive Planning Commission Action Minutes for the Regular Meeting of January 18, 2018.

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RECOMMENDED ACTION: Receive minutes.

ATTACHMENTS:

1. 01-18-2018 Planning Commission Action Minutes

Report Prepared By: Jackie Aluffi

**Reviewed and Forwarded by:**

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

Jamie Goldstein, City Manager 1/30/2018



**DRAFT ACTION MINUTES  
CAPITOLA PLANNING COMMISSION MEETING  
THURSDAY, JANUARY 18, 2018  
7 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

**1. ROLL CALL AND PLEDGE OF ALLEGIANCE**

**2. NEW BUSINESS**

**A. Election of Chair and Vice Chair**

Commissioner Smith moved, seconded by Commissioner Welch, to elect Commissioner Storey as chair and Commissioner Westman as Vice Chair. The motion passed unanimously.

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Linda Smith, Commissioner
<b>SECONDER:</b>	TJ Welch, Commissioner
<b>AYES:</b>	Newman, Smith, Storey, Welch, Westman

**B. Commission Appointments**

**i. Art & Cultural Commission**

MOTION: Appoint Chairperson Storey to the Art and Cultural Commission

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Susan Westman, Commissioner
<b>SECONDER:</b>	Linda Smith, Commissioner
<b>AYES:</b>	Newman, Smith, Storey, Welch, Westman

**ii. Traffic & Parking Commission**

MOTION: Appoint Commissioner Welch to the Traffic and Parking Commission

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Edward Newman, Commissioner
<b>SECONDER:</b>	Susan Westman, Commissioner
<b>AYES:</b>	Newman, Smith, Storey, Welch, Westman

**3. ORAL COMMUNICATIONS**

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

**4. CONSENT CALENDAR**

**A. 201 Central Ave #17-0472 APN: 036-111-09**

Design Permit and Conditional Use Permit for modifications to a historic resource located at 201 Central Avenue 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: Mike Eugster

Representative: Susan Dee Cummins Filed: 3/20/2017

MOTION: Approve the Design Permit and Conditional Use Permit

<b>RESULT:</b>	<b>APPROVED AS AMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	Edward Newman, Commissioner
<b>SECONDER:</b>	Susan Westman, Commissioner
<b>AYES:</b>	Smith, Newman, Welch, Westman, Storey

**B. 510 El Salto #15-174 APN: 036-125-16**

Request for a one year extension of a previously approved Design Permit and Variance for a single-story addition to an existing home in the R-1 (Single-Family Residential) Zoning District.

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

Environmental Determination: Categorical Exemption

Property Owner: John McEnery III

Representative: Derek Van Alstine, filed 10/20/15

MOTION: Approve the one year extension

<b>RESULT:</b>	<b>APPROVED [3 TO 0]</b>
<b>MOVER:</b>	Linda Smith, Commissioner
<b>SECONDER:</b>	Susan Westman, Commissioner
<b>AYES:</b>	Smith, Newman, Westman
<b>RECUSED:</b>	Welch, Storey

**5. PUBLIC HEARINGS**

**A. 332 Riverview Avenue 17-0309 035-172-33**

Design Permit for a 3<sup>rd</sup> story addition and garage remodel in the CV (Central Village) zoning district.

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

Environmental Determination: Categorical Exemption

Property Owner: Robert Mendes

Representative: Dennis Norton, filed: 08/11/17



MOTION: Approve the Design Permit

<b>RESULT:</b>	<b>APPROVED AS AMENDED [4 TO 0]</b>
<b>MOVER:</b>	TJ Welch, Commissioner
<b>SECONDER:</b>	Susan Westman, Commissioner
<b>AYES:</b>	Smith, Welch, Westman, Storey
<b>RECUSED:</b>	Newman

**B. 1810 Wharf Road #17-0381 APN: 035-111-02**

Design Permit, Conditional Use Permit, and Coastal Development Permit for an addition to a historic single-family residence with a Variance to front yard setbacks for a new detached garage with accessory dwelling unit (ADU) above and additional height for recreated historic water tower located in the R-1/AR (Single Family/Automatic Review) Zoning District.

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

Environmental Determination: Categorical Exemption

Property Owner: Benjamin Strock

Representative: Benjamin Strock, filed: 6/27/16

MOTION: Continue the public hearing to the meeting of March 1, 2018

<b>RESULT:</b>	<b>CONTINUED [4 TO 0]</b>
<b>MOVER:</b>	Edward Newman, Commissioner
<b>SECONDER:</b>	TJ Welch, Commissioner
<b>AYES:</b>	Smith, Newman, Welch, Storey
<b>RECUSED:</b>	Westman

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



# CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 8, 2018**

FROM: City Manager Department

SUBJECT: Consider Adoption of a Revised Conflict of Interest Code

**RECOMMENDED ACTION:** Adopt a resolution amending the Conflict of Interest Code to include members of the Historical Museum Board and the Museum Curator.

**BACKGROUND:** The California Political Reform Act requires jurisdictions to adopt a Conflict of Interest Code to identify positions that involve decision-making or participation in decision-making that may affect their personal economic interests. These positions are in addition to those mandated in Government Code 87200. Once designated, the individuals occupying those positions are required to make certain annual disclosures in a Statement of Economic Interest (Form 700) regarding sources of income. These may include investments, interest in real property, and any business positions held outside of their employment with the City, and are identified in order to avoid potential conflicts of interest. The act further requires the City Council, as Capitola's reviewing body, to conduct a review each even-numbered year.

**DISCUSSION:** During the recent update of the Historical Museum Board bylaws, staff realized that the board's responsibilities include areas that may trigger a conflict of interest disclosure, similar to the Art and Cultural Commission. The City Attorney's Office reviewed the bylaws and agreed.

The proposed resolution adds the following to the Conflict of Interest Code Appendix A (List of Designated Positions): Historical Museum Board Members and Curator with disclosure category C. The changes also clarify that conflict of interest disclosures apply to designated persons and not just to City employees.

**FISCAL IMPACT:** None.

**ATTACHMENTS:**

1. Appendices for Conflict of Interest Code (PDF)

Report Prepared By: Linda Fridy  
City Clerk

Amend Conflict of Interest Code  
February 8, 2018

**Reviewed and Forwarded by:**



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Jamie Goldstein, City Manager

1/30/2018

Amend Conflict of Interest Code  
February 8, 2018

## DRAFT RESOLUTION

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA RESCINDING RESOLUTION NO. 3990 AND ADOPTING A REVISED CONFLICT OF INTEREST CODE FOR THE CITY OF CAPITOLA

**WHEREAS**, the Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes; and

**WHEREAS**, the Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contains the terms of a standard conflict of interest code; and

**WHEREAS**, said standard conflict of interest code can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act; and

**WHEREAS**, the City of Capitola adopted a revised Conflict of Interest Code effective on September 8, 2016, by Resolution No. 4059; and

**WHEREAS**, the City Council has conducted its periodic review as required by law and made appropriate changes to its Conflict of Interest Code; and

**WHEREAS**, the Conflict of Interest Code is currently being updated to add to the list of designated positions in Appendix A and to clarify its application to designated persons.

**NOW, THEREFORE**, the City Council of the City of Capitola resolves as follows:

1. Effective February 8, 2018, Resolution No. 4059 is rescinded, and this resolution shall become effective.
2. This resolution does not pertain to the following offices because these offices are already regulated by and subject to Government Code Section 87200: Council Members, Planning Commissioners, City Manager, City Attorney, and City Treasurer.
3. The terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix "A" and "B" in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the City of Capitola.
4. Upon electronic filing or receipt of the statements of the Council Members, Planning Commission Members, City Manager, City Attorney, and City Treasurer, the City Clerk shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission. Designated employees shall file statements of economic interests with the City Clerk who will make the statements available for public inspection and reproduction (Government Code Section 81008). The City Clerk will retain statements for all designated employees.

**I HEREBY CERTIFY** that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 8<sup>th</sup> day of February, 2018, by the following vote:

Amend Conflict of Interest Code  
February 8, 2018

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

APPENDIX "A"

LIST OF DESIGNATED POSITIONS

<u>TITLE</u>	<u>DISCLOSURE CATEGORIES</u>
Administrative Services Director	C, D
Architectural & Site Review Committee Public Members (Architect, Landscape Architect, and Historian)	A
Art & Cultural Commission Members	A
Assistant to the City Manager	C, D
Associate Planner	C, D
Building Official	C, D
Chief of Police	A
City Clerk	C
Community Development Director	C, D
Deputy City Attorney	A
Environmental Project Manager	C, D
Information Systems Specialist	B
Finance Director	A
<u>Historical Museum Board Members and Curator</u>	<u>C</u>
Maintenance Superintendent	C
Maintenance Supervisor	C
Mechanic	C
Oversight Board for the Capitola Successor Agency	A
Police Captain	A
Public Works Director	C, D
Recreation Supervisor	C
Senior Planner	C, D
Successor Agency <sup>1</sup>	A
Consultants *	A

\*Consultants shall be included in the list of designated positionemployees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

<sup>1</sup> To the former Capitola Redevelopment Agency

Attachment: Appendices for Conflict of Interest Code (Amend Conflict of Interest Code)

APPENDIX "B"

DISCLOSURE CATEGORIES

The Disclosure Categories for the City of Capitola are listed below.

- CATEGORY A.** All sources of income, interests in real property, and investments and business positions in business entities.
- CATEGORY B.** Investments and positions in business entities, and sources of income, including interests in real property, if the source is of the type which provide services, supplies, materials, machinery, or equipment of the type utilized by the City of Capitola.
- CATEGORY C.** Investments and positions in business entities, and sources of income, if the source is of the type which provide services, supplies, materials, machinery or equipment of the type utilized by the designated employee's department or division.
- CATEGORY D.** Investments and positions in business entities, and sources of income, including interests in real property, if the source is of the type that is subject to the regulatory permit or licensing authority by the department in which that person is employed or if the source of income is from land development, construction or the acquisition or sale of real property by the City of Capitola.

General Provisions

When a designated personemployee is required to disclose investments and sources of income, the person need only disclose investments in business entities and sources of income, which are doing business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. When a designated personemployee is required to disclose interests in real property, the person need only disclose real property, which is located in whole or in part within, or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.

Designated personemployees shall disclose their financial interests pursuant to the appropriate disclosure category as indicated in Appendix "A".

Attachment: Appendices for Conflict of Interest Code (Amend Conflict of Interest Code)



## CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 8, 2018**

FROM: City Manager Department

SUBJECT: Liability Claim of Richard Willis

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RECOMMENDED ACTION: Deny liability claim.

DISCUSSION: Richard Willis has filed a liability claim against the City in the amount of \$35,000.

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

**Reviewed and Forwarded by:**

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

Jamie Goldstein, City Manager 1/30/2018





## CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF FEBRUARY 8, 2018

FROM: City Manager Department  
SUBJECT: Monterey Bay Community Power Update

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RECOMMENDED ACTION: Receive report.

BACKGROUND/DISCUSSION: Monterey Bay Community Power (MBCP) was formed to provide locally controlled, carbon-free electricity to residents and businesses in Santa Cruz, Monterey, and San Benito Counties. Capitola adopted Ordinance No. 1010 on February 23, 2017, to become a founding member of MBCP. Mayor Michael Termini and City Manager Jamie Goldstein currently sit on the Policy Board and Operations Board, respectively, in seats shared with the City of Scotts Valley.

MBCP will begin services to commercial customers March 1, 2018, and to residential customers July 1, 2018. The MBCP model enables the region to choose clean-source power at a cost equivalent to PG&E, while retaining PG&E's role in maintaining power lines and providing customer service. Current PG&E customers will be automatically enrolled in MBCP at no cost, with the option to opt out. Operating as a nonprofit, MBCP will benefit the community by creating jobs and helping the City achieve its environmental goals.

FISCAL IMPACT: None.

Report Prepared By: Jamie Goldstein  
City Manager

**Reviewed and Forwarded by:**

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

Jamie Goldstein, City Manager 1/30/2018



## CAPITOLA CITY COUNCIL AGENDA REPORT

**MEETING OF FEBRUARY 8, 2018**

FROM: Community Development

SUBJECT: Review of Marijuana Sales, Processing, and Cultivation Ordinance

RECOMMENDED ACTION: Provide direction.

BACKGROUND: The City Council adopted Urgency Ordinance No. 989 on January 9, 2014, to prohibit commercial cultivation and processing of medical marijuana within the City of Capitola. On November 8, 2016, California voters approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). The AUMA decriminalized the possession, use, and sale or recreational marijuana for adults 21 or older and authorized the recreational sale of marijuana beginning on January 1, 2018.

On March 9, 2017, the City Council held a public hearing to consider the 2014 ordinance in light of the AUMA. Citing concerns with the lack of state regulations and guidance on commercial marijuana activities, the Council ultimately adopted an amended ordinance to ban all commercial marijuana uses, except for laboratory testing facilities. The City Council also directed staff to schedule a review of the ordinance once state regulations were adopted for commercial marijuana activities.

DISCUSSION: In June 2017, Governor Brown signed Senate Bill 94 to consolidate the provisions for the licensing and regulation of commercial medical marijuana activity and commercial recreational marijuana activity under a single regulatory system known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). The MAUCRSA established the CA Bureau of Cannabis Control (BCC) to administer the state's commercial marijuana regulations.

The MAUCRSA requires all persons engaged in commercial marijuana activity to be licensed by the BCC and allows cities and counties to control what commercial marijuana activities are permitted in their jurisdictions. The MAUCRSA established 20 distinct license types, including 14 license types for cultivation activities, two manufacturing licenses, one testing license, one retailer license, one distributor license, and one microbusiness license. All licenses will be valid for one year and will be designated as either an "M" or an "A" depending on whether it's a medical or an adult-use license. As part of the licensing process, the BCC notifies the affected jurisdiction of a license application and is prohibited from issuing any license that would violate a local ordinance.

Cities and counties in California have taken a variety of regulatory approaches to commercial marijuana activities within their jurisdictions, ranging from comprehensive bans on all commercial uses to allowing a variety of commercial operations subject to local limitations.

Marijuana Ordinance Review  
February 8, 2018

Attachment 1 shows the commercial marijuana activities permitted in Santa Cruz and Monterey County jurisdictions, with an “x” indicating an allowed activity.

### Options

Under the City’s current ordinance, all commercial marijuana activity is prohibited except laboratory testing. No additional ordinance amendments would be necessary if the City Council chooses to maintain the City’s current prohibitions.

If the City Council wishes to allow additional forms of commercial marijuana activity, this hearing would be the opportunity to provide staff with broad direction regarding types of commercial marijuana activity that may be considered (retail sales, commercial cultivation, processing, etc.). With that direction, staff would return at a future date to seek specific direction on a number of issues, including

- How many commercial licenses would the City authorize per use type (e.g., dispensaries, cultivation businesses, etc.)?
- Which zoning districts would allow commercial marijuana businesses?
- Would the City impose a local tax?

In addition, staff would research best practices from other jurisdictions and prepare recommendations regarding potential minimum separation distances between other marijuana businesses and/or sensitive land uses, and potential processes by which a limited number of permits could be prioritized.

Based on City Council direction on these and other issues, staff would then prepare an amended ordinance for future Council consideration. Staff expects that drafting an ordinance to allow commercial marijuana businesses will require extensive consultation with the City Attorney’s office and will take several months before an ordinance could be presented for the Council’s consideration.

FISCAL IMPACT: None

### ATTACHMENTS:

1. Permitted Commercial Marijuana Activity by Agency

Report Prepared By: Rich Grunow  
Community Development Director

### Reviewed and Forwarded by:

\_\_\_\_\_  
Jamie Goldstein, City Manager 1/30/2018

**SANTA CRUZ AND MONTEREY COUNTY  
PERMITTED COMMERCIAL MARIJUANA ACTIVITY**

Agency	Cultivation	Dispensaries	Distribution	Manufacturing	Ban
Carmel					x
County of Monterey	x	x			
Del Rey Oaks		x	x	x	
Gonzales	x			x	
Greenfield	x	x		x	
King City	x		x	x	
Marina					x
Monterey					x
Salinas	x	x	x	x	
Sand City					x
Capitola					x
Santa Cruz	x	x	x	x	
County of Santa Cruz	x	x	x	x	
Scotts Valley					x
Seaside	x	x	x	x	
Soledad					x
Watsonville	x			x	

Attachment: Permitted Commercial Marijuana Activity by Agency (Marijuana Ordinance Review)