

City of Capitola Agenda

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



REVISED

CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, JUNE 11, 2015

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

**CLOSED SESSION - 6:00 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.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code §54957)
City Council's Performance Evaluation of the City Manager.

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

2. REPORT ON CLOSED SESSION

3. ADDITIONAL MATERIALS

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

A. 9.D.

DETAILS:

Communications from the Public.

4. ADDITIONS AND DELETIONS TO AGENDA

5. PUBLIC COMMENTS

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

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

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

7. BOARDS, COMMISSIONS AND COMMITTEES APPOINTMENTS

A. Reappointment to the Capitola Historical Museum Board.

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.

CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, June 11, 2015

- A. Consider approving the May 20, 2015, City Council Budget Study Session Minutes; and the May 28, 2015, Regular City Council Minutes.
RECOMMENDED ACTION:
Approve Minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of June 4, 2015.
RECOMMENDED ACTION:
Receive Minutes.
- C. Consider a Resolution setting the 2015-2016 Fiscal Year Appropriation Limit pursuant to Article XIII B of the California Constitution.
RECOMMENDED ACTION:
Adopt Resolution.
- D. Consider accepting the City's Investment Policy.
RECOMMENDED ACTION:
Accept the City's Investment Policy.
- E. Consider repealing Resolution No. 4018 and adopting a revised Resolution amending the Classification Plan to add previously authorized Senior Mechanic position to the Mid-Management Employees Bargaining Group.
RECOMMENDED ACTION:
Repeal Resolution No. 4018 and adopt revised Resolution.
- F. Authorize the Police Department to replace department issued handguns and amend the Fiscal Year 2014-2015 Budget by appropriating \$5,634.48 from the State Supplemental Law Enforcement Services Fund (SLESF) Unassigned Fund Balance for the purchase to complete the project; and approve a budget adjustment.
RECOMMENDED ACTION:
Authorize the replacement of Police issued handguns and amend the Fiscal Year 2014-2015 Budget; and approve a budget adjustment.
- G. Consider accepting a State of California Department of Alcoholic Beverage Control (ABC) Overtime Grant in the amount of \$12,893 for Fiscal Year 2015/2016 General Fund Operating Budget.
RECOMMENDED ACTION:
Accept Grant.
- H. Consider a contract with Stepford, Inc. for Fiscal Year 2015/2016 in the amount not to exceed \$70,000 for Information Technology Support Services, and approve a budget adjustment.
RECOMMENDED ACTION:
Approve contract and budget adjustment.

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.

CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, June 11, 2015

- A. Consider approving Monterey Bay Economic Partnership (MBEP) Membership, and approve a budget adjustment.
RECOMMENDED ACTION:
Approve Membership and a budget adjustment.
- B. Consider the introduction of an Ordinance amending Chapter 5.10 of the Municipal Code pertaining to the Capitola Village and Wharf Business Improvement Area [First Reading].
RECOMMENDED ACTION:
Introduce Ordinance.
- C. Consider adopting a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2015-2016, which receives the Capitola Village and Wharf Business Improvement Area Annual Report and the proposed Fiscal Year 2015-2016 Budget; sets a public hearing to receive oral or written protests on the levy of assessments for Fiscal Year 2015-2016 for Thursday, June 25, 2015; and directs required noticing of the public hearing by the City Clerk and the Capitola Village and Wharf Business Improvement Area.
RECOMMENDED ACTION:
Receive Annual Report, set public hearing for June 25, 2015, and adopt Resolution.
- D. Consider a Resolution approving the proposed 2015/2016 Fiscal Year Budget for the City of Capitola.
RECOMMENDED ACTION:
Adopt Resolution.
- E. Receive report regarding the Santa Cruz County Library Joint Powers Authority.
RECOMMENDED ACTION:
Receive report.
- F. Consider the introduction of an Ordinance amending Title 15 of the Municipal Code by adding Chapter 15.10 to provide an expedited, streamlined permitting process for residential rooftop solar systems [First Reading].
RECOMMENDED ACTION:
Introduce Ordinance.

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

CAPITOLA CITY COUNCIL REGULAR MEETING - Thursday, June 11, 2015

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, on the Monday prior to the Thursday 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.

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

From: Jennifer Astone [jen@ebold.com]
Sent: Wednesday, June 10, 2015 11:56 AM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,
Jen, Marty & Sandy

PS We are active bike riders through Capitola and enjoy Jr. Guards & Camp Capitola, the bike lanes would make a huge difference for us!

Jennifer Astone
308 Coates Drive
Aptos, CA

831-247-7305 (cell, text friendly)
jen@ebold.com

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

From: Megan Gnekow [megan.gnekow@gmail.com]
Sent: Wednesday, June 10, 2015 10:29 AM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

*Sincerely,
Megan Gnekow
Santa Cruz (95062)*

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Megan Gnekow
Art.Education.Illustration.Design
<http://megangnekow.com>
<http://instagram.com/missionwishbone#>

COMMUNITY TRAFFIC SAFETY COALITION of SANTA CRUZ COUNTY



www.ctsc.org | www.facebook.com/santacruztraffic | CTSC@health.ccsanta Cruz.org | (831) 454-4141

June 8, 2015

Capitola City Council
420 Capitola Avenue
Capitola, CA 95010

JUN 11 2015
CITY OF CAPITOLA
CITY CLERK

RE: Support for Green Lane Treatments at Freeway Interchanges in Capitola

Dear Mayor Norton and Council members,

On behalf of the Community Traffic Safety Coalition (CTSC), I wish to extend our support for adoption of \$60,000 for green lane treatments at freeway interchanges in your 2015-2016 City budget. These treatments, which have recently been installed in Soquel Village and on Laurel Street in Santa Cruz, help increase the visibility of bicycle facilities, identify potential areas of conflict, and clarify priority for cyclists in conflict areas.

The Community Traffic Safety Coalition's mission is to reduce traffic-related injuries, while promoting the use of alternative modes of transportation. The primary focus is on bicycle and pedestrian safety issues. The CTSC educates all road users in safety practices to decrease the risk and severity of collisions and advocates for improved conditions to make all methods of transportation safer.

According to SWITRS data, there was one cyclist fatality and six injury collisions involving people walking and biking at freeway interchanges from 2003-2013. These collisions took place at three Hwy 1 interchanges: Soquel Ave/Drive, 41st Avenue, and State Park Drive. At uncontrolled freeway on-ramps, speed differentials between cyclists and pedestrians are high as drivers speed up to get on the freeway. Green lane treatments will raise awareness of cyclists in these areas, and have been shown to increase motorist yielding behavior (as documented in the NACTO Urban Bikeway Design Guide).

The Community Traffic Safety Coalition urges your support for green lane treatments at freeway interchanges in Capitola. Thank you for your efforts to improve bicycle safety for residents and visitors in Capitola.

Sincerely,

Leo Jed, Co-Chair
Community Traffic Safety Coalition of Santa Cruz County

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

From: Batya Kagan [lchaim@jps.net]
Sent: Wednesday, June 10, 2015 10:38 AM
To: City Council
Subject: I support green lane treatments!

Thank you City Council for listening to your constituents about this important safety improvement for bicycles in this City.

Batya Kagan

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

From: Jan Kampa [happykampas@cruzio.com]
Sent: Wednesday, June 10, 2015 10:29 AM
To: City Council
Subject: Go Green...Lanes, that is!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make me and other people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane.

I've found the freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road. More safety = more bikers = less cars on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges.

Thank you for your support of a bike friendly Capitola!

*Regards,
Jan Kampa
Soquel, California*

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

From: ttkilpatrick@cruzio.com
Sent: Thursday, June 11, 2015 9:44 AM
To: City Council
Subject: Support for green lane treatments

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road. I teach ROP Bicycle Technology at Aptos High School and Soquel High School and support improvements for cyclists, especially younger ones, for safety and to show encouragement for sustainable transportation and cleaner air.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,
Therese Kilpatrick
Santa Cruz

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

From: Ross Levoy [rosslevoy@yahoo.com]
Sent: Wednesday, June 10, 2015 3:40 PM
To: City Council
Subject: Green Lanes

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,
Ross Levoy
owner-Leatherwise
Santa Cruz

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

From: Michael Malaki [malakimichael@att.net]
Sent: Wednesday, June 10, 2015 7:29 PM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,

Michael Malaki
Vacation homeowner in Santa Cruz

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

From: thomonan@cruzio.com
Sent: Wednesday, June 10, 2015 9:16 PM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,
Thomas Onan
Live Oak

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

From: Stephen Pierce [vivacali@gmail.com]
Sent: Wednesday, June 10, 2015 1:11 PM
To: City Council
Subject: In support of green lane treatments for bicycles

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Regards,
Stephen Pierce

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

From: Teri Ruegg [teri@cruzers.com]
Sent: Wednesday, June 10, 2015 12:08 PM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

*Sincerely,
Teri Ruegg*

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

From: pj@rattlebrain.com
Sent: Wednesday, June 10, 2015 12:32 PM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and council members,

Please keep the \$60,000 budgeted for Green Lane treatments in the city's budget for 2015-2016. The Green Lane safety treatments DO help alert drivers to be aware of cyclists sharing the road with them. Beginning with treatments at the freeway is needed because motorists are often still in "freeway mode" when entering city streets. Alternatively, motorists often are anticipating reaching freeway speeds while they are just entering the on-ramp and they speed-up too soon.

Thank you for your vote to enhance the safety for all users of Capitola's streets.

Respectfully,

Peter Stanger

19 Escuela Road

La Selva Beach

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

From: Prentice Steffen, MD [prentice.steffen@gmail.com]
Sent: Wednesday, June 10, 2015 7:16 PM
To: City Council
Subject: I support green lane treatments! THANKS!!!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,

*Prentice Steffen, MD, FAAEM
Emergency Physician
Dominican Hospital
Santa Cruz, CA*

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

From: Joanie Vigil [vjoanie@yahoo.com]
Sent: Wednesday, June 10, 2015 10:37 AM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road. I commute to work at Dominican hospital from my home on 38th ave.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

*Sincerely,
Joan Vigil*

sent from i•cstarz•

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

From: Brandon Walton [nohandbrake@hotmail.com]
Sent: Wednesday, June 10, 2015 10:26 AM
To: City Council
Subject: Green Bike Lanes

Hi,

I just wanted to voice my support for bicycling infrastructure in Capitola. Bike commuting is an environmentally friendly way to travel, it builds community and is much less stressful than driving. It's great for exercise too. By promoting bicycling infrastructure, you are encouraging and enabling our entire community to be safer, healthier, more connected and more environmentally sustainable.

The green bike lanes in particular are a nice improvement, I ride on them several times a week in Santa Cruz.

Thanks for all your time and efforts to promote sustainable, healthy communities.

Brandon Walton
Santa Cruz County Resident

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

From: srzenack@yahoo.com
Sent: Wednesday, June 10, 2015 12:05 PM
To: City Council
Subject: I support green lane treatments!

Dear Mayor Norton and Council members,

Thank you for your support for green lane treatments at freeway interchanges in Capitola. These treatments help make people on bikes more visible on the road, and have been shown to help remind drivers to yield to cyclists before entering the bike lane. The freeway interchanges at 41st Avenue, Bay/Porter and Park Avenue can be intimidating places to ride a bicycle, and green lane treatments will help me feel safer on the road.

Please adopt the 2015/2016 budget with \$60,000 for green lane treatments at freeway interchanges. Thank you for your support of a bike friendly Capitola!

Sincerely,
Samantha Zenack



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: CITY CLERK'S OFFICE

SUBJECT: REAPPOINTMENT THE CAPITOLA HISTORICAL MUSEUM BOARD

RECOMMENDED ACTION: That the City Council re-appoints Stephanie Kirby to the Historical Museum Board based on the Museum Board's recommendation.

BACKGROUND/DISCUSSION: Currently there are three vacant seats on the Historical Museum Board (Board) with terms expiring on June 11, 2015. The City received a request from current Board Member Stephanie Kirby to serve an additional three-year term (Attachment 1). The City has not received any additional applications therefore the recruitment will be extended to June 26, 2015, to fill the remaining two seats on the Board.

Board President Smith and Museum Curator Perry were provided Board Member Kirby's request to continue on the Board for review and consideration by the Museum Board at its meeting of June 2, 2015. The Board is recommending that Stephanie Kirby be reappointed to the the Museum Board. A copy of Board President Smith's memo recommending appointment is attached [Attachment 3 - Applications and Roster].

The required notices regarding the vacancies were posted at City Hall, Capitola Branch Library, Jade Street Community Center, scrolled on Charter Community Channel 8, posted on the City's website, and press releases issued to local publications.

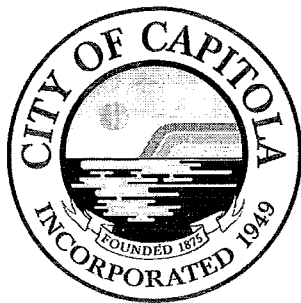
ATTACHMENTS:

1. Historical Museum Roster
2. Email received for Boardmember Stephanie Kirby
3. Memo from Board President Smith

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

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

CAPITOLA HISTORICAL MUSEUM BOARD CURRENT MEMBERS

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES*</u>
Anderson, Bob	Capitola, CA 95010	4/26/07 6/28/07 7/08/10 6/13/13	6/09/16
Kirby, Stephanie	Capitola, CA 95010	7/26/12	6/11/15
Kisling, Niels	Capitola, CA 95010	9/27/07 7/08/10 6/13/13	6/09/16
Shoaf, David	Capitola, CA 95010	6/24/04 6/28/07 12/09/10 5/24/12	6/11/15
Smith, Linda, President		2/08/07 6/25/09 5/24/12	6/11/15
van Zuiden, Gordon One year leave of absence Effective 1/1/15-12/31/15	Capitola, CA 95010	6/24/04 6/28/07 7/08/10 6/13/13	6/09/16

Item #: 7.A. Attach 1.pdf

CAPITOLA HISTORICAL MUSEUM BOARD

<u>NAME</u>	<u>ADDRESS AND PHONE NUMBER</u>	<u>DATE APPOINTED</u>	<u>TERM EXPIRES*</u>
Swift, Carolyn One year Temporary Members Effective 1/1/15-12/31/15 *Pursuant to City Council 11/25/14 action		10/25/90 7/23/92 ...1/15/15	6/95 12/31/15*
Petersen, Kristen	Capitola, CA 95010	2/26/15	6/09/16

Museum Curator:
Perry, Frank
Museum Curator
410 Capitola Ave, Capitola, CA 95010
464-0322
Email: fperry@ci.capitola.ca.us

* Second Thursday in June (Pursuant to Municipal Code §2.28.020 D.)

[Revised: 3/2/15 ss]

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

From: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Sent: Monday, June 01, 2015 8:30 AM
To: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Subject: FW: Revolunteering KIRBY

From: Stephanie Kirby [mailto:canyon_wren@hotmail.com]
Sent: Saturday, May 30, 2015 10:14 AM
To: Sneddon, Su (ssneddon@ci.capitola.ca.us)
Subject: Revolunteering

Please add my name to your list of applicants for a position on the Capitola Historical Museum Board of Directors. I wish to renew my commitment. Thank you for your consideration.

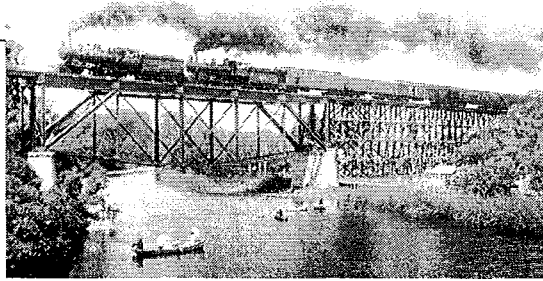


Stephanie Lee Kirby

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Capitola Museum

410 Capitola Avenue • Capitola, California 95010 •
Ph. 831-464-0322



June 2, 2015

Capitola City Council
420 Capitola Ave.
Capitola, CA 95010

Dear Mayor Norton and esteemed Council Members,

The terms of three of the Members of the Capitola Historical Museum expire this month. Only one of those members, Stephanie Kirby, is seeking reappointment at this time. Unfortunately, our recruitment this past month was not as fruitful as we had hoped, and we have not yet found replacements for me and David Shoaf.

The Board unanimously recommends that Council reappoint Stephanie to the Board for another three-year term. Both David and I will continue in our positions until appropriate replacements are found. All three terms will be three-year terms, and will expire in June, 2018.

Stephanie Kirby has been serving on the board as Secretary for one term, and has recently taken on the role of Volunteer Enrichment Coordinator. She is an asset to the Museum, and we look forward to her continuing to serve another term.

Thank you for considering our recommendation. We look forward to your agreement that she is the right person for this job!

Sincerely,
Linda Smith, President,
on behalf of Frank Perry, Curator, and the Capitola Historical Museum Board of Trustees

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: OFFICE OF THE CITY CLERK

SUBJECT: MAY 20, 2015, SPECIAL JOINT BUDGET STUDY SESSION MINUTES;
AND THE MAY 28, 2015, REGULAR CITY COUNCIL MINUTES

RECOMMENDED ACTION: Approve the subject minutes as submitted.

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

ATTACHMENTS:

1. Draft May 20, 2015, Special Joint Budget Study Session Minutes;
2. Draft May 28, 2015, Regular City Council Minutes.

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

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**SPECIAL JOINT BUDGET STUDY SESSION
CAPITOLA CITY COUNCIL/SUCCESSOR AGENCY
TO THE FORMER REDEVELOPMENT AGENCY
JOINT BUDGET STUDY SESSION MINUTES
WEDNESDAY, MAY 20, 2015 – 6:00 PM**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

City Treasurer Christine McBroom was absent

2. ADDITIONAL MATERIALS (None provided)

3. PUBLIC COMMENT (None provided)

4. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Clerk Sneddon stated that a blood drive will be held on June 5th at the Jade Street Community Center. In addition, she stated that the City is recruiting for three seats on the Capitola Historical Museum Board.

Council Member Termini stated that he is on the Monterey Bay Unified Air Pollution Control District (District) Board of Directors. He has been requested to provide nominations for an appointment to the District's Board Advisory Committee.

Council Member Harlan stated that the Capitola Historical Museum will be open on Memorial Day (Monday, May 25th). In addition, she stated that Save Our Shores will be doing a Capitola beach cleanup on Tuesday, May 26th from 9 AM to 11 AM.

5. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Presentation of the proposed 2015/2016 Fiscal Year Budget for the City of Capitola General Fund, the Capitola Successor Agency, and an overview of the Capital Improvement Program.

Finance Director Welch presented this item.

City Manager Goldstein stated that there are two non-general fund budget adjustments that are being proposed to be included in the final 2015/2016 Fiscal Year Budget: (1) \$40,000 from a escrow fund resulting from a settlement agreement between the City and the Soquel Union Elementary School District (District) related to the Jade Street Preschool; the District recommends the funds be for radar speed display signs; and (2) \$8,000 increase (gas tax) for additional radar speed signs beyond the Jade Street neighborhood as requested by the District. In addition, he reviewed upcoming steps in the adoption of the final 2015/2016 Fiscal Year Budget.

Council Member Norton requested an update on the following City projects (Public Works Director Jesberg provided updates on these projects):

- Clares Street Traffic Calming Project;
- Stockton Avenue and Esplanade Intersection Improvements;
- 38th Avenue Design Improvement Project.

Item #: 8.A. Attach 1.pdf

**MINUTES OF THE SPECIAL JOINT BUDGET STUDY SESSION
COUNCIL/SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY
WEDNESDAY, MAY 20, 2015**

Council Member Norton suggested that staff look into increasing the City's Contingency and Emergency Reserves Funds.

Council Member Harlan requested that staff contact the Santa Cruz County Flood Control & Water Conservation District (Zone 5) regarding their budget for maintaining the City's storm drains.

Council Member Harlan suggested that the City provide funding for a Capitola Library's 16th birthday celebration; she requested that the Planning Commission review the City's future capital improvement projects; she suggested that the City obtain trail markers to be installed in the City limits along the Monterey Bay Sanctuary Scenic Rail Trail; she suggested funding for the Capitola Historical Museum to undertake oral histories; and she requested the re-establishment of public disaster preparation education.

Council Member Bottorff requested an update regarding Esplanade sidewalk cleaning and to consider agendizing a fee structure to cover the sidewalk cleaning costs. In addition, he requested a cost analysis to mediate flooding issues that occur during the rainy season in front of Vice Salon (309 Capitola Avenue). He requested that staff determine the cost of putting restrooms at Monterey Park.

Council Member Bertrand provided comments regarding the need for Esplanade sidewalk cleaning.

Council Member Termini suggested staff investigate dumpster design standards and guidelines.

6. ADJOURNMENT

Meeting adjourned at 7:30 PM

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

Dennis Norton, Mayor

**CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES**

THURSDAY, MAY 28, 2015 - 7:00 PM

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

City Treasurer Christine McBroom was present.

Mayor Norton requested a moment of silence in remembrance of former City Attorney John Marlo.

2. REPORT ON CLOSED SESSION (There was no closed session held)

3. ADDITIONAL MATERIALS (None provided)

4. ADDITIONS AND DELETIONS TO AGENDA

City Clerk Sneddon stated that the following additional material was received after publishing this agenda packet:

- One additional material from City staff regarding conceptual design for Rispin Park (***Item 8.A.***)
- Two communications from the following regarding establishing a City Outreach Committee (***Item 8.C.***)
 1. Mick Routh
 2. Nels Westman

5. PUBLIC COMMENTS

Darrel Johnson and Jane Schwickerath, Seniors Council of Santa Cruz and San Benito Counties (Seniors Council) Board Member, thanked the City Council for supporting the Seniors Council.

John Doane, County resident, Vista Homeowners Association member, stated concerns regarding the recent exploding smart meters in Capitola.

Bruce Tanner, local resident, stated concerns with the recent explosion of the smart meters in the City.

Marilyn Garrett, local resident, stated that she opposes wireless radiation and stated concerns regarding smart meters exploding.

Margaret Kinstler, Capitola Village Resident's Association (CVRA) representative, stated that she is present at this evening's Council meeting to report back to the CVRA.

The following local residents stated their opposition for the proposed skate park at Monterey Park:

- Richard Lippi
- Doug Bowman
- Dan Steingrube
- Mike Sanders
- Craig Curtis
- Helen Bryce
- Marilyn Warter

CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, May 28, 2015

Community Development Director Grunow provided an update regarding the planning and public meeting process for the proposed skate park at Monterey Park. He stated that the City received a completed application for the proposed skate park at Monterey Park. Staff is finalizing a contract with an environmental consultant to prepare the necessary CEQA documents; there will be an Architectural and Site Review Committee public meeting; the Environment Impact Report will be prepared and released for public review in late fall or early winter; a Notice of Preparation Scoping Meeting will be scheduled this summer to solicit the scope on the environmental impact report.

Ron Graves, local resident, expressed concern over the cracks in the flume which are causing sink holes. He recommended the City look into lining the flume as soon as possible.

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

City Manager Goldstein announced there will be a Mayor-Select Committee Civic Center Parking Structure Workshop held on June 23, 2015, at the New Brighton Middle School Performing Arts Center.

Council Member Termini stated that the Capitola Rod and Custom Classic Car Show will be held on June 6th and 7th.

Council Member Bertrand stated that a blood drive will be held on June 5th at the Jade Street Community Center.

Mayor Norton thanked Save Our Shores and local tourists for keeping the beaches clean.

7. CONSENT CALENDAR

- A. Consider approving the May 14, 2015, Regular City Council Minutes.
- B. Approval of City Check Register Reports dated April 17, 2015; April 24, 2015; May 1, 2015; May 8, 2015; and May 15, 2015. [300-10]
- C. Adoption of **Resolution No. 4020** approving a Sick Leave Policy for Part-time, Temporary, and Seasonal Employees. [100-10]

ACTION

Motion made by Council Member Termini, seconded by Council Member Bottorff, to approve the Consent Calendar Items 7.A., 9.B., and 9.C. The motion was passed.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Consider the conceptual design for Rispin Park. [275-20]
Mike Arnone, Michael Arnone + Associates Landscape Architecture, provided a presentation regarding this item.
Barbara Bernie, Grace Street resident, provided comments regarding this item.
Richard Lippi, local resident, commented on the conceptual design for Rispin Park; specifically regarding the reflecting pool, and the decomposed granite for the pathways. In addition, he stated concerns regarding potential vandalism at Rispin Park.
Dan Steingrube, local resident, provided comments supporting the conceptual design for Rispin Park.
Brion Springsock, local resident, commented on the value of removing portions of the existing wall along Wharf Road to increase public's visibility from the street.

CAPITOLA CITY COUNCIL ACTION MINUTES – Thursday, May 28, 2015

Ron Graves, local resident, stated that there are size options for the proposed bocce ball court at Rispin Park.

ACTION Motion made by Council Member Bottorff, seconded by Council Member Harlan, to approve the conceptual project scope as proposed for Rispin Park with the exclusion of the wall design; authorize City staff to initiate CEQA review; to direct the Art and Cultural Commission to select the design for the tables and benches at Rispin Park; and include a bocce ball court in conceptual design. The motion was passed unanimously.

ACTION Motion made by Council Member Termini, seconded by Council Member Bertrand to approve the wall design as proposed in the conceptual design for Rispin Park. The motion carried with the following vote: AYES: Council Members Bottorff, Bertrand, and Termini. NOES: Mayor Norton. ABSENT: None. ABSTAIN: None.

B. Presentation regarding the draft Climate Action Plan and request to initiate public review. [430-25]

Amie Forest, Commission on the Environment (COE) member, stated that the COE is in the process of developing a plan to assist staff in the implementation of the proposed Climate Action Plan.

ACTION Motion made by Council Member Bertrand, seconded by Council Member Bottorff, to authorize staff to initiate public review of the draft Climate Action Plan. The motion was passed unanimously.

C. Consider establishing a City Outreach Committee. [110-10]

Margaret Kinstler, Capitola Village Resident's Association (CVRA) representative, stated that the CVRA could forward information regarding the proposed City Outreach Committee to their 320 CVRA members.

There was City Council consensus to not form a City Outreach Committee at this time.

D. Consider sending a letter in opposition to the Governor's Budget Proposal affecting Redevelopment Dissolution (RN#15 09465). [760-10]

ACTION Motion made by Council Member Termini, seconded by Council Member Bottorff, to approve sending a letter in opposition to the Governor's Budget Proposal affecting Redevelopment Dissolution. The motion was passed unanimously.

9. ADJOURNMENT

Meeting adjourned at 9:45 PM.

Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

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**ACTION MINUTES
CAPITOLA PLANNING COMMISSION
THURSDAY, JUNE 4, 2015
7 P.M. CITY COUNCIL CHAMBERS**

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ed Newman, Gayle Ortiz, TJ Welch and Susan Westman and Chairperson Linda Smith

2. ORAL COMMUNICATIONS

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

3. APPROVAL OF MINUTES

- A. **May 7, 2015, Draft Planning Commission Minutes**

ACTION: Approved 5-0

4. CONSENT CALENDAR

- A. **2185 41st Avenue #15-083 APN: 034-192-02**

Sign Permit for a new awning with signs for a dentist's office in the CC (Community Commercial) Zoning District.

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

Environmental Determination: Categorical Exemption

Property Owner: Dr. Mike Raffo

Representative: Christian Nielsen, filed: 5/11/15

ACTION: Approved 5-0

- B. **3555 Clares Street Suite TT #15-079 APN: 034-261-59**

Conditional Use Permit for sale of beer and wine at an existing restaurant (Roux Dat) in the Community Commercial (CC) zoning district.

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

Environmental Determination: Categorical Exemption

Property Owner: Bob Rivers (Brown Ranch Properties)

Representative: Chad Glassley, filed: 4/30/15

ACTION: Approved 5-0

5. PUBLIC HEARINGS

A. 429 Riverview Avenue #13-179 APN: 035-121-034

Design Permit, Conditional Use Permit, and Variance to setback requirements for an addition to an existing historic single family home in the R-1 (Single Family) zoning district. This application requires a Coastal Development permit which is appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

Environmental Determination: Exempt

Property Owner: Mike and Cindy Reardon

Representative: Derek Van Alstine, filed 12/19/13

ACTION: Approved 5-0

B. 1601 41st Avenue #15-067 APN: 034-151-20

Design Permit and Conditional Use Permit for expansion of nursery, exterior remodel, permanent and seasonal outdoor displays, and height exception for a 16-foot high fence for Orchard Supply Hardware in the Community Commercial (CC) zoning district.

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

Environmental Determination: Categorical Exemption

Property Owner: Ow Trusts

Representative: Nicholas De Torres, filed 4/16/15

ACTION: Approved 5-0 excluding the seasonal outdoor display

C. 809 Bay Avenue #15-074 APN: 035-021-43

Design Permit and Conditional Use Permit for a private outdoor seating area and onsite sale and consumption of beer and wine for the Nob Hill grocery store located in the CC (Community Commercial) Zoning District.

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

Environmental Determination: Categorical Exemption

Property Owner: Redtree Properties

Representative: Michael Gates, filed: 4/22/15

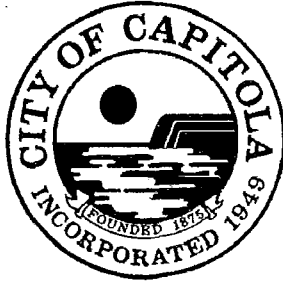
ACTION: Approved 4-1

6. DIRECTOR'S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT

Adjourned at 8:56 p.m. to the special meeting of the Planning Commission to be held on Monday, June 22, 2015, at 6 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: FINANCE DEPARTMENT

SUBJECT: CONSIDER THE ADOPTION OF A RESOLUTION SETTING THE FISCAL YEAR
2015-2016 APPROPRIATION LIMIT

RECOMMENDED ACTION: Adopt a Resolution setting the Fiscal Year 2015-2016 Appropriation Limit as required by Article XIII B of the California Constitution.

BACKGROUND: On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Initiative, establishing Article XIII B of the State Constitution. This proposition places annual limits on the appropriation of tax proceeds that can be made, based on the 1978-79 base year, and adjusted each year for population growth and cost-of-living factors. It precludes state and local government from retaining "excess" revenues above the appropriation limit, and requires the State to reimburse local government for the cost of certain mandates. Two subsequent initiatives, Proposition 98 in 1988 and Proposition 111 in 1990, modify the appropriation limit requirements. Proposition 98 amends the methodology for allocation of excess revenues. Proposition 111 changes the population growth and cost-of-living factors to be used in calculating the limit, adds additional exempted items, and further adjusts allocation of excess revenues.

The appropriations limit on the amount of revenue that can be spent applies only to tax proceeds. Charges for services, fees, grants, loans, donations, and other non-tax based proceeds are excluded. Exemptions are also made for voter approved debt, debt that existed prior to January 1, 1979, and for the cost of compliance with Court or Federal Government mandates.

The State Constitution requires that prior to June 30 of each year, Council ratify calculation factors and set the City's appropriations limit for the following fiscal year.

DISCUSSION: The Appropriations Limit for a given fiscal year is established in the months preceding the beginning of that fiscal year. California Revenue and Taxation Code, Section 2227, mandates that the Department of Finance transmit an estimate of the percentage change in population, "Annual Percent Change in Population Minus Exclusions", to local governments. Each local jurisdiction uses this percentage change in population factor for January 1, 2015, in conjunction with the County-issued "Local Nonresidential Property Value Increment By Fund" or "Change in California Per Capita Income" to calculate the Appropriation Factor used in determining the Limit.

Item #: 8.C. Staff Report.pdf

AGENDA STAFF REPORT: SETTING THE 2015-2016 APPROPRIATION LIMIT
JUNE 11, 2015

The 2015-16 calculation is:

	Annual % change in County Population minus Exclusions	X	Change in California per capita Income	=	Appropriation Factor	X	FY 2014-15 Appropriation Limit	=	FY 2015-16 Appropriation Limit
2015-16	1.0048	X	1.0382	=	1.0432	X	\$24,471,912	=	\$25,528,692

The proposed 2015-16 Budget tax revenues are:

Source of Tax Revenue	2015-16 Budget (Proposed)
Sales Tax and Triple Flip (1%)	\$ 5,325,900
District Taxes (Measures D and O)	2,164,000
Property Tax and In-Lieu	1,972,500
Transient Occupancy Tax	1,280,200
Franchise Taxes	526,900
Business License Tax	283,700
Interest Income from tax revenue	1,380
Total Tax Revenue	<u>\$ 11,554,580</u>

The 2015-16 percentage of appropriations limit used is:

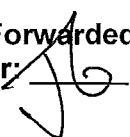
For Fiscal Year ended:	2013-14	2014-15	2015-16
Appropriations Limit	\$ 24,220,024	\$ 24,471,912	\$ 25,528,692
Tax revenue	\$ 10,522,830	\$ 11,099,418	\$ 11,554,580
Remaining to limit	\$ 13,697,194	\$ 13,372,494	\$ 13,974,112
% of limit used	43.45%	45.36%	45.26%
	\$ 1,295,250 5.7%	\$ 251,888 1.0%	\$ 1,056,780 4.3%

FISCAL IMPACT: The appropriations limit for FY2015-16 is \$1,056,780 or 4.3% higher than fiscal FY2014-15.

ATTACHMENTS:

1. Draft Resolution

Report Prepared By: Lonnie Wagner, Accountant II
Approved By: Mark Welch, Finance Director

Reviewed and Forwarded
By City Manager: 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING THE 2015-2016 FISCAL YEAR APPROPRIATION LIMIT PURSUANT
TO ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION**

WHEREAS, before June 30 of each year, the City Council must select the factors to calculate the appropriation limit for the ensuing fiscal year and set the appropriation limit accordingly.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2015-16 Fiscal Year Appropriation Limit shall be \$ 25,528,692 calculated as follows:

Population change within the city:	1.0048
Change in California per capita Income	1.0382
2014-15 Appropriation Limit:	\$ 24,471,912
Adjustment Factor (1.0048 x 1.0382)	x <u>1.0432</u>
2015-16 Appropriation Limit:	<u>\$ 25,528,692</u>

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 11th day of June, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: FINANCE DEPARTMENT

SUBJECT: CONFIRMATION OF CITY'S INVESTMENT POLICY

RECOMMENDED ACTION: Confirm the City's Investment Policy (Administrative Policy Number III-1; Revised March 27, 2014), or provide direction to staff regarding any recommended changes.

BACKGROUND: California Government Code (GC) §53630 et seq contains State requirements for the deposit of City funds. GC § 53635 requires that all money belonging to, or in the custody of, a local agency be deposited in certain allowable instruments. The current Investment Policy was approved by the City Council on August 9, 2001, by adoption of Resolution No. 3149 affirming the City's Investment Policy, and was incorporated into the City's Administrative Policies. A copy of the Investment Policy, which was confirmed by the City Council on May 24, 2012, is attached.

DISCUSSION: The GC requires cities to review its Investment Policy on an annual basis. The purpose of this item is to provide the City Council with an opportunity to review its policy and either reaffirm the Investment Policy or provide direction to staff for recommended changes. The City's current Investment Policy and Investment Portfolio comply with all applicable state law requirements.

FISCAL IMPACT: None

ATTACHMENTS

1. Administrative Policy III-1: Investment Policy (Confirmed 3/27/14)

Report Prepared By: Lonnie Wagner
Accountant II

Reviewed and Forwarded
By City Manager: _____

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ADMINISTRATIVE POLICY

Number: III-1

Issued: May 9, 1996

Revised: August 9, 2001

Jurisdiction: City Council

INVESTMENT POLICY

The policy for the investment of public funds shall at all times conform, by law, to Section 53601, et seq., of the California Government Code. In order of importance, the investment policy shall:

1. Provide for the safety of the funds
2. Assure the liquidity of the funds
3. Acquire earnings of the funds

This investment policy, or any modification thereof, shall be formulated by the City Treasurer and approved by the City Council and copies made available upon request.

The Treasurer's investment portfolio contains pooled investments of funds by both the City and of benefit assessment districts within the City. The earnings from pooled investments are shared proportionately with each investor.

City investment funds shall only be invested in the following permitted investments:

1. State of California Local Agency Investment Fund
2. U.S. Treasury T-Bills
3. Negotiable Certificates of Deposit
4. Guaranteed Investment Contracts (GIC) of AAA quality, for a term not to exceed fifteen (15) months*

The following limitations shall apply to permitted investments:

T-Bills: Total dollar investment not to exceed 60% of total portfolio at time of investment:

Certificates of Deposit:

- A. Total dollar investment not to exceed 20% of total portfolio at time of investment.
- B. Maturity date of securities shall not be more than 365 days from date of purchase.
- C. Issuer must be one of top 20 national or state chartered banks, one of top 20 state or federal savings associations, or one of top 10 state licensed foreign banks as compiled by American Banker from Merrill Lynch.
- D. CD's may be purchased only from the issuer, a federal or state chartered bank, a federal or state association, or a brokerage firm designated as a primary dealer by the Federal Reserve Bank.
- E. The deposit shall not exceed the total of the paid-up capital and the surplus of any depository bank, nor shall the deposit exceed the net worth of any depository association.

City funds placed in a qualified Other Post Employment Benefit (OPEB) Trust Fund for retiree healthcare can be invested in accordance with Government Codes 53620-53622.


Christine McBroom, City Treasurer

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: CONSIDER REPEALING RESOLUTION NO. 4018 AND ADOPTING A REVISED RESOLUTION AMENDING THE CLASSIFICATION PLAN TO ADD PREVIOUSLY AUTHORIZED SENIOR MECHANIC TO THE MID-MANAGEMENT EMPLOYEES BARGAINING GROUP

RECOMMENDED ACTION: Repeal Resolution No. 4018 and approve the revised draft Resolution to add the previously authorized Senior Mechanic position to the Mid-Management Employees Bargaining Group and to amend the Mid-Management Employees Memorandum of Understanding to include the Senior Mechanic.

BACKGROUND: On April 9, 2015, the Council approved Resolution No. 4018, which created the Senior Mechanic Position. The position was mistakenly added to the Association of Capitola Employees Group instead of the Mid-Management Employees Bargaining Group. The revised draft Resolution corrects that mistake.

DISCUSSION: The Senior Mechanic position was re-created during the Fiscal Year 2014/2015 Budget and has recently been filled internally by an existing employee. The City Council will need to repeal Resolution No. 4018 and approve the revised draft Resolution and amend the Mid-Management Employees Memorandum of Understanding to include the Senior Mechanic position.

FISCAL IMPACT: No fiscal impact. This position is fully funded in the budget and is staffed.

ATTACHMENT:

1. Resolution No. 4018
2. April 9, 2015, Senior Mechanic Staff Report
3. Draft Resolution (includes job description - Exhibit A)

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded
by City Manager: 

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RESOLUTION NO. 4018

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
APPROVING A NEW CLASSIFICATION AND AMENDING THE JOB DESCRIPTION FOR
THE POSITION OF SENIOR MECHANIC, AND AMENDING THE MEMORANDUM OF
UNDERSTANDING BETWEEN THE ASSOCIATION OF CAPITOLA EMPLOYEES AND CITY
OF CAPITOLA ADDING THE SENIOR MECHANIC POSITION AND RELATED SALARY
SCHEDULE AND BENEFITS EFFECTIVE 3/15/2015**

WHEREAS, Section 2.44.030 of the Capitola Municipal Code establishes the City Manager as the personnel officer, and authorizes him to prepare class specifications which shall become effective upon Council approval; and

WHEREAS, the Capitola City Council discussed the work program and level of staff resources of the Public Works Department during the Fiscal Year 2014-2015 Budget, and authorized the creation and funding of an Senior Mechanic position; and

WHEREAS, the position and job description was approved in the Fiscal Year 2014-2015 Budget by the City Council without the accompanying required Resolution, and

WHEREAS, an amended job description for the classification of Senior Mechanic is attached as Exhibit "A" and herein incorporated by reference; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola does hereby approve the amended job description for the classification of Senior Mechanic, which will be placed in the Association of Capitola Employees and will be Fair Labor Standard Act (FLSA) Non-Exempt.

BE IT FURTHER RESOLVED by the City Council that the Association of Capitola Employees Memorandum of Understanding be amended to include the Senior Mechanic classification and salary as listed below effective March 15, 2015.

	A	B	C	D	E
SENIOR MECHANIC	\$4,758	\$4,996	\$5,246	\$5,508	\$5,783

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 9th day of April, 2015, by the following vote:

AYES: Council Members Bertrand, Harlan, and Termini, and Vice Mayor Bottorff, and Mayor Norton

NOES: None

ABSENT: None

ABSTAIN: None



Dennis Norton, Mayor

ATTEST:

 CMC
Susan Sneddon, City Clerk

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CITY COUNCIL AGENDA REPORT

MEETING OF APRIL 9, 2015

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: CONSIDER A RESOLUTION AMENDING THE CLASSIFICATION PLAN TO ADD PREVIOUSLY AUTHORIZED SENIOR MECHANIC, AND AMEND THE ASSOCIATION OF CAPITOLA EMPLOYEES MEMORANDUM OF UNDERSTANDING

RECOMMENDED ACTION: Adopt a Resolution amending the Classification Plan to add the previously authorized Senior Mechanic position, and amending the Association of Capitola Employees Memorandum of Understanding adding the position.

BACKGROUND: As part of the Fiscal Year 2014/2015 budget process the City Council authorized the re-creation of the Senior Mechanic position and authorized the funding for the position. The Senior Mechanic position existed in the past; however it has been filled by a contract employee for a number of years. The historical job description was not available, so it became necessary to re-create the job description. A Resolution to re-create the position and job description, and add it to the classification system is required as part of the process.

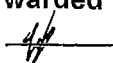
DISCUSSION: The Senior Mechanic position was re-created during the Fiscal Year 2014/2015 Budget and has recently been filled internally by an existing employee. The City Council will need to approve the attached draft Resolution and amend the Association of Capitola Employees Memorandum of Understanding to include the Senior Mechanic position.

FISCAL IMPACT: No fiscal impact. This position is fully funded in the budget and is staffed.

ATTACHMENT:

1. Draft Resolution

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded
by City Manager: 

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RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
APPROVING A NEW CLASSIFICATION AND AMENDING THE JOB DESCRIPTION FOR
THE POSITION OF SENIOR MECHANIC, AND AMENDING THE MEMORANDUM OF
UNDERSTANDING BETWEEN THE MID-MANAGEMENT EMPLOYEES BARGAINING
GROUP AND CITY OF CAPITOLA ADDING THE SENIOR MECHANIC POSITION AND
RELATED SALARY SCHEDULE AND BENEFITS EFFECTIVE JULY 1, 2015**

WHEREAS, Section 2.44.030 of the Capitola Municipal Code establishes the City Manager as the personnel officer, and authorizes him to prepare class specifications which shall become effective upon Council approval; and

WHEREAS, the Capitola City Council discussed the work program and level of staff resources of the Public Works Department during the Fiscal Year 2014-2015 Budget, and authorized the creation and funding of an Senior Mechanic position; and

WHEREAS, the position and job description was approved in the Fiscal Year 2014-2015 Budget by the City Council without the accompanying required Resolution, and

WHEREAS, an amended job description for the classification of Senior Mechanic is attached as Exhibit "A" and herein incorporated by reference; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola does hereby approve the amended job description for the classification of Senior Mechanic, which will be placed in the Mid-Management Employees Group and will be Fair Labor Standard Act (FLSA) Non-Exempt.

BE IT FURTHER RESOLVED by the City Council that the Mid-Management Employees Group Memorandum of Understanding be amended to include the Senior Mechanic classification and salary as listed below effective July 1, 2015.

	A	B	C	D	E
SENIOR MECHANIC	\$4,758	\$4,996	\$5,246	\$5,508	\$5,783

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 11th day of June, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

EXHIBIT "A"
CITY OF CAPITOLA
SENIOR MECHANIC

GENERAL PURPOSE

The Senior Mechanic is the lead mechanic and is responsible for the operation, scheduling, and maintenance of City vehicles and equipment. The Senior Mechanic supervises the Mechanic position and provides leadership to the Fleet Division of Public Works

SUPERVISION RECEIVED

Works under the close supervision of the Public Works Superintendent and the Public Works Director.

SUPERVISION EXERCISED

Exercises close supervision on assigned mechanics or maintenance crews assigned to the fleet division

ESSENTIAL DUTIES AND RESPONSIBILITIES

Plans, coordinates, and prioritizes a variety of activities including day to day routine maintenance, short and long term goals, annual objectives, special projects, and crisis situations and oversees and participates in their execution.

Coordinates vehicle and equipment maintenance with Public Works and Police Department personnel to insure they are properly maintained to adequately service the City.

Maintains all vehicle information including acquisition date, annual mileage, and all maintenance and service records

Performs major and minor maintenance on vehicles and equipment.

Checks fuel, lubrication, cooling, battery, and hydraulic system fluid levels and replenishes as necessary. Pressure lubricates equipment, packs bearings, drains and fills reservoirs with specific lubricant.

Inspects automobiles, trucks, and related equipment to locate and determine the extent of necessary overhaul or repair.

Checks tire wear, ensures proper tire inflation. Rotates repairs and maintains tires.

Ensures the working environment in the garage and equipment yard is safe and clean. Assists in the implementation of garage policies and procedures.

Washes and cleans equipment as needed.

Installs and adjusts headlights.

Operates vehicles and equipment to aid in diagnostics; pick up and deliver vehicles and parts.

RESOLUTION NO. _____

Coordinates work with commercial shops for specialized repair work as necessary.

Welds and performs body work and paints equipment as needed. Senior mechanic may perform related work as required.

DESIRED MINIMUM QUALIFICATIONS

Education and Experience:

Graduation from high school diploma or GED equivalent plus five years specialized experience and training in mechanics, maintenance management, or a closely related fields.

Necessary Knowledge, Skills and Abilities:

- (A) Knowledge of the principles and techniques of personnel supervision, motivation and training; standard practices, equipment and materials used in park, landscape, street and facility maintenance; occupational hazards and safety procedures.
- (B) Knowledge of mechanical parts of automotive equipment, lubricants and fuels and their proper use, internal combustion and diesel engines, welding equipment, air tools, grinders, drill press, multimeters and engine hoist.
- (C) Skill in operation of tools and equipment.
- (D) Ability to understand and follow oral and written instructions; change and repair tires for light and heavy equipment; drive automotive equipment safely; lift heavy automotive parts and tools; maintain cooperative working relationships with those contacted in the course of work; and be willing to work other than an 8-hour shift.

Ability to plan, supervise, schedule and evaluate work of employees; ability to communicate effectively, orally and in writing, and relate well to the public, superiors, subordinates and other departments of the City; ability to develop new ideas for equipment and manpower efficiency and beautification and preservation of streets, parks and facilities; ability to keep records and prepare reports; ability to carry out Department policies and procedures; ability to work in a safe, productive manner and indoctrinate subordinates in safe work practices; ability to operate department equipment and vehicles.

SPECIAL REQUIREMENTS

Possession of a valid California Motor Vehicle Operator's Class C license is required. Possession of a valid California Motor Vehicle Operator's Class B license is desired.

TOOLS AND EQUIPMENT USED

Motorized vehicles for mechanical testing purposes, power and hand tools and equipment for vehicle and mechanical system work; mechanic's tools including jacks, hydraulic lifts, air tools, and other tools required for minor repairs and routine maintenance of motorized vehicles; electronic vehicle diagnostic equipment; personal computer, calculator, phone; mobile or portable radio.

PHYSICAL DEMANDS

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to use hands to finger, handle, feel or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl. The employee is occasionally required to walk, sit and talk or hear. The employee must frequently lift and/or move up to 25 pounds, and occasionally lift weights up to 100 pounds. Specific vision abilities required by this job include close vision, color vision, and the ability to adjust focus.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee frequently works near moving mechanical parts or in outside weather conditions. The employee is occasionally exposed to wet and/or humid conditions, fumes, toxic or caustic chemicals. The noise level in the work environment is moderately noisy.

SELECTION GUIDELINES

Formal application, rating of education and experience; oral interview and reference check; job related tests may be required.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

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

Effective:

Revised: 3/2015



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: POLICE DEPARTMENT

SUBJECT: AUTHORIZE THE POLICE DEPARTMENT TO REPLACE DEPARTMENT ISSUED HANDGUNS AND AMEND THE FISCAL YEAR 2014-2015 BUDGET BY APPROPRIATING \$5,634.48 FROM THE STATE SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND (SLESF) UNASSIGNED FUND BALANCE TO COMPLETE THE PROJECT

RECOMMENDED ACTION: Authorize the Police Department to replace department issued handguns and amend the Fiscal Year 2014-2015 budget by appropriating \$5,634.48 from the State Supplemental Law Enforcement Services Fund (SLESF) Unassigned Fund Balance for the purchase to complete the project; and approve a budget adjustment.

BACKGROUND: The California Legislature passed the "State Supplemental Law Enforcement Services Fund" (SLESF) Bill. This Bill is also known as the "Citizens Option for Public Safety" (COPS). Funds from the grant are to be exclusively used for supporting front line law enforcement and cannot be used to supplant existing funding. Funds from this program must be used for personnel and/or equipment. The Police Department was granted \$100,000 in Fiscal Year 2014/2015 and has \$95,125 available for use.

DISCUSSION: In 2009, the Police Department purchased new duty weapons to outfit sworn staff. As part of the purchase, small mounted flashlights were added as an officer safety tool. The Department recently discovered that the flashlights, which are mounted on the frame of the weapon, cause undue pressure on the spring and creates a malfunction after the weapon is fired after one round. To remedy this issue, the manufacturer offers two solutions: 1) Replace the existing duty weapon to a different caliber which will not affect the spring when the flashlight is mounted; or 2) Continually replace the spring before it malfunctions every year or two. Option 2 is not feasible because it does not eliminate the malfunction and it is unpredictable when the malfunction could occur. By replacing the existing handguns, the department eliminates the malfunction capability completely. The manufacturer has agreed to provide the City with a credit on our returned firearms.

FISCAL IMPACT: This project has no impact on the General Fund. Sufficient funds are available in the Unassigned SLESF Fund Balance.

ATTACHMENTS:

1. Budget adjustment
2. Invoice

Report Prepared By: Rudy Escalante
Chief of Police

Reviewed and Forwarded
By City Manager 

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City of Capitola Budget Adjustment Form



Date 6/1/2015

Requesting Department Police

Administrative Council

Item #
Council Date: 6/11/2015
Council Approval

Revenues		
Account #	Account Description	Increase/Decrease
Total		\$0

Expenditures		
Account #	Account Description	Increase/Decrease
1300-00-00-000-4450.500	Supplies - General Supplies	\$5,634
Total		\$5,634

Net Impact (5,634)

Purpose: Replacement Handguns

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

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L.C. ACTION POLICE SUPPLY, LTD. CREDIT MEMO
 1088 NORTH FIRST STREET
 SAN JOSE, CALIFORNIA 95112
 TEL: (408) 294-COPS (2677)
 FAX: (408) 294-6444

INVOICE

INVOICE NO.
331031
INVOICE DATE
05/22/15

SOLD TO:
 CAPITOLA POLICE DEPT
 422 CAPITOLA AVE
 CAPITOLA

CA 95010

SHIP TO:
 CAPITOLA POLICE DEPT
 422 CAPITOLA AVE
 CAPITOLA

CA 95010

CUST. NO.	YOUR P.O. NO.	QTY	ITEM NO.	DESCRIPTION	PRICE PER	AMOUNT
2725	GLOCKS TRADES	1			NET 20 DAYS	43955/00
ORDERED	QTY RECEIVED	QTY B.O.	ITEM NO.	DESCRIPTION	PRICE PER	AMOUNT
28-	28-		99000025	USED GLOCK 622 NS GEN3 W/ RAIL 3 MAGS. NIGHTSIGHTS	200.00000	5600.00-
1-	1-		99000045	USED GLOCK 622 NS GEN2 NO RAIL W/ 3 MAGS. NIGHTSIGHTS PISTOL	170.00000	170.00-
1-	1-		99000045	USED GLOCK 622 NS GEN2 NO RAIL W/ 2 MAGS. NIGHTSIGHTS PISTOL	160.00000	160.00-
* PAYMENT BALANCE DUE AT \$ 3634.48 ON THIS TRADE TRANSACTION. THANK YOU.						
SHIPPING INSTRUCTIONS				AMOUNTS NOT PAID WHEN DUE SHALL BE SUBJECT TO A SERVICE FEE AND/OR LATE CHARGES OF 18% PER YEAR OR THE LEGAL MAXIMUM.	SUB TOTAL	\$ 930.00-
SPECIAL NOTES				FED. ID#77-0421145	SALES TAX	
				RETURNS SUBJECT TO A 25% RE-STOCKING CHARGE SUBJECT TO ADDITIONAL TERMS OF SALE ON REVERSE SIDE OF THIS INVOICE.	SHIP/HAND	
					TOTAL	\$ 930.00-

EVERYTHING SUPPLIED EXCEPT *The Officer*

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: POLICE DEPARTMENT

SUBJECT: ACCEPT A STATE OF CALIFORNIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL GRANT IN THE AMOUNT OF \$12,893

RECOMMENDED ACTION: Accept State of California Department of Alcoholic Beverage Control (ABC) grant funds in the amount of \$12,893. The revenue and expenditures will be included in the Fiscal Year 2015/2016 budget.

BACKGROUND: Each fiscal year, the ABC awards grants through their Grant Assistance to Local Law Enforcement Program to assist local law enforcement agencies with their goals in reducing alcohol-related crimes through training, prevention, community involvement, and enforcement.

DISCUSSION: The Police Department has experienced a significant increase in alcohol-related citations and arrests, as well as graffiti vandalism at ABC licensed establishments over the past three years. In addition, there have been numerous changes among the licensed establishments in the City, including one new licensed business. The department applied for and was awarded an ABC grant for \$12,893 to be used for officer overtime and supplies to expand our efforts in addressing underage and adult alcohol-related problems in the community. The grant funds will give the department the resources needed to have officers available on an overtime basis to provide training to staff and licensees, to increase enforcement, and to ensure licensee compliance with ABC regulations, to effectively reduce alcohol-associated juvenile and adult crime in the City of Capitola.

FISCAL IMPACT: This will not require additional General Fund resources. All of the funds received from this grant will be used for staff overtime and grant-related travel and supplies. The revenue and expenses will be included in the Fiscal Year 2015/2016 budget.

ATTACHMENTS:

1. ABC Grant Award Letter

Report Prepared By: Denice Pearson
Administrative/Records Analyst

Reviewed and Forwarded
By City Manager 

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DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

3927 Lennane Drive, Suite 100
Sacramento, CA 95834
(916) 419-2500



May 19, 2015

Chief Rudy Escalante
Capitola Police Department
422 Capitola Avenue
Capitola, CA 95010

Dear Chief Escalante:

Congratulations! Your agency has been selected by the Department of Alcoholic Beverage Control to receive funding for your 2015/2016 GAP grant proposal in the amount of \$12,893. We look forward to working with your department to meet the goals and objectives in your proposal.

A grant contract will be forthcoming within the next couple of weeks which requires a resolution from your agency's governing body. A sample resolution was included in the Request for Proposal packet. **Due to the fact that these resolutions have to be put on your governing body's calendar, we ask that you do this as soon as possible.**

We are planning a two and a half-day training conference July 7-9, 2015, at the Embassy Suites Monterey Bay – Seaside. The conference can accommodate two attendees from each agency and it is recommended that your Project Director and the officer assigned to the grant program attend.

This conference will offer valuable training in alcohol enforcement and will also be an excellent opportunity for the officers and deputies from your agency to meet and share information with others. Attendees are encouraged to utilize a pre-registration session on Monday, July 6, from 4:00 – 5:00 p.m. in order to expedite the registration on the next day.

A block of rooms at a special conference rate of \$176.00 plus tax has been reserved for grant agency participants.¹ **PLEASE NOTE THAT ATTENDEES MUST MAKE RESERVATIONS BY THE HOTEL'S DEADLINE OF JUNE 12, 2015**, to guarantee the special room rate or availability. There will be a \$225.00 registration fee per person for the

¹ Based on the State regulations we are unable to reimburse those agencies that are within a 50 mile radius from the Embassy Suites Monterey Bay - Seaside. The distance is based on the agency's physical headquarters address. Agency(s) that fall in this category is: **Capitola Police Department**. Travel reimbursable costs for the aforementioned agency(s) will be limited to the registration fee only.

May 19, 2015

Page 2

training that is reimbursable through the grant. Space at the hotel is limited and late registrants may be referred to nearby hotels.

Participants must contact the Embassy Suites Hotel **directly** to make reservations. Below are two options:

1. Online – <https://resweb.passkey.com/go/DepartmentofABC>. *This link is specific to the Alcoholic Beverage Control GAP Conference, or*
2. Call – (831) 393-1115 main desk at Embassy Suites Monterey Bay – Seaside, or 1-800-EMBASSY (800-362-2779) and ask for the **ABC Grant Assistance Program** discount rate.

Due to the short time frame for registering at the hotel, your prompt attention is appreciated. The special room rate will only be available until June 12, 2015, or until the group block is sold out, whichever comes first. We have also enclosed a conference registration form to be filled out and returned using the same time frame.

If you have any questions, please call Grant Coordinator Suzanne Pascual at (916) 419-2572.

Sincerely,


Timothy Gorsuch
Director

Enclosure

Cc: Sergeant Marquis Booth, Project Director



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: APPROVAL THE SELECTION OF STEPFORD, INC. AS THE INFORMATION TECHNOLOGY SUPPORT SERVICES VENDOR; AND APPROVE BUDGET ADJUSTMENT

RECOMMENDED ACTION: Approve the selection of Stepford, Inc. as information technology support services vendor in the amount not to exceed \$70,000 for Fiscal Year 2015/2016; and approve a budget adjustment.

BACKGROUND: The City of Capitola has been supported by an Information Systems Specialist staff person for the past 12 years. That employee took a new position with the City in January 2015. With the City's reliance on information technology to meet the needs of its employees and constituents, it is important to re-establish more robust and responsive daily support for the City's information technology infrastructure.

After receiving quotes for services, it was determined that Stepford, Inc. was the best fit for the City. Stepford, Inc. has significant experience with small to mid-size cities and public safety agencies throughout the Bay Area. The employees that will be assigned to the City have passed the State Department of Justice (DOJ) background checks required to work in the Police Department.

The engagement will be managed by the City Manager's Department and will include regular updates and performance assessments.

DISCUSSION: Staff received quotes for service from multiple vendors and interviewed three for the contract. Each firm had experience with local jurisdictions and with the technology employed at the City. Each proposal included remote support for the City and some included off regular on-site hours to support staff.

After a careful review of each firm's qualifications and proposals, staff is recommending awarding the contract to Stepford, Inc. Two of the primary differences in vendors were the cost of the proposal and that Stepford, Inc. has employees that have current DOJ background checks which will allow them to work in the Police Department without delay. References provided have been extremely positive of the work of Stepford, Inc.

FISCAL IMPACT: The proposed contract is for a not to exceed amount of \$70,000 is for Fiscal Year 2015/2016. The funds have been budgeted for 2015/2016, but funds need be transferred from the budgeted permanent wages in the City Manager's Department to Contract Services in the Information Technology Fund.

ATTACHMENTS:

1. Agreement and Service Level Agreement with Stepford, Inc.
2. Budget Adjustment

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded
By City Manager: 

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Customer Service Level Agreement

1. Agreement

This Agreement is established between the City of Capitola, California ("the Client"), a California municipal government agency, and STEPFORD, Inc., ("the Vendor"), a California corporation. The Client hereby engages the services of the Vendor upon the terms and conditions of this Agreement.

2. Term and Termination

This Agreement shall remain in full force and effect for a one (1) year term commencing from the date of execution of this Agreement. The Client or Vendor may terminate this Agreement without cause, except for communications services, by giving thirty (30) days prior written notice of termination sent to the stated address. This Agreement may be extended by mutual agreement of both parties.

3. Compensation

For all services rendered by the Vendor as described in Schedule A, Description of Services, the Client shall pay the Vendor the compensation in the amount(s) and according to the schedule and terms described in Schedule B, Compensation Agreement. The Vendor shall submit invoices for payment. Receipt of an invoice by the Client is not required for payment to be due. Payments shall not be subject to withholding and other applicable taxes. The Vendor as an independent contractor shall provide its own insurance and be responsible for tax reporting.

4. Task/Scope of Work

The Vendor is engaged to provide products and perform the services specified in Schedule A, Description of Services, for the purpose of maintaining hardware and software related to the Client's information processing systems.

5. Disclosure of Information

The Vendor agrees that the Vendor will not, during the Vendor's services to the Client or thereafter, disclose to any person or other entity or use for the Vendor's own benefit information acquired by the Vendor in any manner as to any process, method, formula, trade secret, invention, experiment, research or marketing data or plans possessed, used, made or conducted by the Client. The Vendor agrees that the Vendor will not, during the Vendor's services to the Client or thereafter, disclose to any person or other entity or use for the Vendor's own benefit information acquired by the Vendor in any manner received by the Client as a trade secret from any third party.

Upon termination of the Vendor's services, the Vendor will promptly deliver to the Client all notes, documents, drawings, plans and other papers obtained by the Vendor from the Client and all memoranda, drawings and notes made by the Vendor and all copies thereof in any way relating to the Client's business.

In the event of a breach or threatened breach by the Vendor of the provisions of this paragraph, the Client shall be entitled to an injunction restraining the Vendor from disclosing, in whole or in part, the information the Vendor has agreed not to disclose and/or from rendering any services to any person or other entity to whom such information, in whole or in part, has been disclosed or is threatened to be disclosed.

The Client agrees that the Client will not, during the Vendor's services to the Client or thereafter, disclose to any person or other entity or use for the Client's own benefit information acquired by the Client in any manner as to any proprietary process, method, formula, trade secret, invention, experiment, research or marketing data or plans possessed, used, made or conducted by the Vendor. The Client agrees that the Client will not, during the Vendor's services to the Client or thereafter, disclose to any person or other entity or use for the Client's own benefit information acquired by the Client in any manner received by the Vendor as a trade secret from any third party except to the extent that Client determines that such disclosure is required by the requirements of the California Public Records Act (Cal. Govt. Code §6250, et seq). In the event of such a determination, Client shall give Vendor at least three (3) business days advance written notice of its intent to make such disclosure so that Vendor may, should it choose to do so, seek a protective order or other relief from the superior court to prevent such disclosure. The provisions of Section 12 regarding prevailing party attorneys' fees shall not apply to any such action brought pursuant to this Section.

In the event of a breach or threatened breach by the Client of the provisions of this paragraph, the Vendor shall be entitled to an injunction restraining the Client from disclosing, in whole or in part, the information the Client has agreed not to disclose and/or from rendering any services to any person or other entity to whom such information, in whole or in part, has been disclosed or is threatened to be disclosed.

6. Relationship Between Parties

The parties to this Agreement agree the relationship created by this Agreement is that of client and contractor. The Vendor is not an agent or employee of the Client and is not entitled to the benefits provided by the Client to its employees, including but not limited to health insurance, worker's compensation, unemployment insurance and pension plans.

7. Place Services to be Performed

Services to be provided by the Vendor under this Agreement may be performed at any facility which affords the Vendor the resources requisite to performance of tasks specified in Schedule A, Description of Services. When performed at a location required by the Client, time will be billed in increments of one (1) hour. For all other locations, time will be billed in increments of fifteen (15) minutes.



Customer Service Level Agreement

8. Time Devoted to Work

In the performance of the Vendor's services, the number of hours the Vendor is to work during any given period will be entirely within the Vendor's control. The Client will rely upon the Vendor to work such number of hours as is reasonably necessary to fulfill the spirit and purpose of this Agreement. The Client may restrict hours of access to the Client's facilities as necessary for any reason.

9. Right of Client to Inspect

The Vendor, as an independent contractor, shall have the authority to control and direct the performance of the work performed under this Agreement. The work shall be subject to the Client's general right of inspection and supervision to secure the satisfactory completion thereof in accordance with the plans and specifications. At no time will the Client be granted access to the Vendor's facilities, records, equipment, data or internal communications of any kind.

10. Notices

Any notice to be given under this Agreement shall be deemed given only if it is in writing and personally delivered to the other party or received by certified mail at the other party's business address.

11. Entire Agreement

This Agreement contains the entire understanding of the parties. It may not be modified orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, modification, discharge or extension is sought. This Agreement cancels all other agreements currently in place between the Client and the Vendor, including the Vendor's employees, agents, business partners, vendors, associates, contractors or any other party with whom the Vendor is engaged in business with the Client.

12. Dispute Resolution and Attorney's Fees

The parties cannot file any lawsuit nor institute any legal action against each other without first making a good faith attempt to resolve any disputes arising from this Agreement through mediation. The party raising a dispute shall notify the other of the dispute in writing, which notice shall either be sent via facsimile or e-mail. The parties shall mutually agree upon a mediator and shall share the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS") or its successor in interest. JAMS shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators by JAMS and the mediator thereafter remaining shall hear the dispute. Unless mutually agreed by the parties in writing, the selection of mediators and the mediation shall occur with twenty (20) days from the date notice is given. Each party shall bear their own costs and attorneys fees if mediation is successful in resolving the dispute. However, if mediation is unsuccessful in resolving the dispute between the parties, and, thereafter, an action is brought by either party to enforce this Agreement, then the prevailing party shall be entitled to recover all court costs, expert fees, and attorney's fees incurred in bringing the action. "Prevailing party" within the meaning of this section shall include a party who dismisses an action in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action.

13. Assignment

Work performed under this Agreement may not be assigned by the Vendor without the Client's prior, written consent, which shall not be unreasonably withheld. The Vendor may employ or contract persons to assist in carrying out this Agreement with the consent of the Client. The Vendor shall have sole and complete control over the activities of all persons to whom work is assigned.

All vendor staff working at Client must be approved by the Client. Vendor staff must meet security requirements defined by the Client

14. Recruitment Services

For the purpose of this Agreement, the term "Vendor personnel" refers to the Vendor's employees, agents, business partners, vendors, associates, contractors and all parties with whom the Client is engaged in business. During the term of this Agreement, the Vendor will make personnel available to the Client for the purpose of providing the services described herein. The Vendor has a significant investment in training and equipment to facilitate the services provided and the grooming of personnel to become familiar with the Client's technology platform, personnel, facilities, culture, industry and business processes. In the event that the Client solicits, accepts or receives services from any Vendor personnel while there is an active relationship between the Vendor and the Vendor personnel or for a period of up to one year subsequent to the termination of the relationship between the Vendor and the Vendor personnel, the Client agrees to pay the Vendor a recruitment fee defined as an amount equivalent to fifty percent (50%) of the total value of this Agreement defined in Schedule B – Compensation Agreement, Total Value.



Customer Service Level Agreement

15. Limitation of Liability

The Vendor and Vendor personnel shall not in any case be liable for any non-willful special, incidental, consequential, indirect or punitive damages even if the Vendor has been advised of the possibility of such damages. The Vendor is not responsible for lost profits or revenue, loss of use of any component or system, loss of data, costs of re-creating lost data, the cost of any substitute equipment or services. This limitation of liability applies to the Client and its employees, agents, business partners, vendors, associates, contractors and all parties with whom the Client 1) communicates in any manner or 2) is engaged in business.

16. Proof of Insurance

The Vendor will provide certificates of insurance as requested.

The scope of insurance coverage will include, at a minimum:

1. Insurance Services Office Commercial Liability coverage (Occurrence Form CG 0001).
2. Insurance Services office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California.

The limits of insurance will include, at a minimum:

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

Errors and Omissions is not carried as it is not applicable to the Vendor's business.

The insurance provider used by the Vendor is State Farm.

17. Waiver and Severability

No waiver of any breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provisions herein. If any provision of this Agreement is held by any Court to be invalid, void or unenforceable by action of law or in equity, the remaining provision shall continue in full force and effect.



Customer Service Level Agreement

IN WITNESS WHEREOF, the parties listed below have executed this Agreement.

STEPFORD, Inc.
1160 Industrial Road, Unit 9
San Carlos, California 94070

By _____
Name Dianna Laines
Title President

Date _____

City of Capitola
420 Capitola Avenue
Capitola, California 95010

By _____
Name Jamie Goldstein
Title City Manager

Date _____



Customer Service Level Agreement

Schedule A – Description of Services

1. **Technical Services – Non-Recurring**

The Vendor will provide the following non-recurring services upon the start of this Agreement:

- 1.1 Review of major infrastructure components including servers, switches, routers, firewalls, backup systems, phone system, wireless network management interfaces, service ticket system, operating systems, business critical applications, third-party services and any other items to be managed by Vendor in the course of providing the services listed in Technical Services – Recurring under this Agreement.
- 1.2 Verify credentials required to access and manage all major infrastructure components listed above.
- 1.3 Documentation of all information gathered during the review process.
- 1.4 Development of a topology map identifying all networking components and servers.
- 1.5 Review of business continuity and disaster recovery plans and recommendations for establishing or improving these plans.
- 1.6 In conjunction with the Client, develop policies, procedures and schedule for ongoing support.

2. **Technical Services – Recurring**

The Vendor will provide the following services on a recurring basis:

- 2.1 Monitor private communications services used by the Client.
- 2.2 Monitor public Internet services used by the Client.
- 2.3 Monitor servers, services, and disk space used by the Client.
- 2.4 Provide diagnostics as required to determine the cause of problems experienced on the technology platform. Remedial action to correct problems related to technology owned by the Client may be requested and will be provided as requested. If remedial action requires services not provided under this Agreement, those services may be provided as Additional Services described herein.
- 2.5 Interface with communications carriers, manufacturers, facilities management and other parties responsible for maintaining third-party resources used by the Client.
- 2.6 Monitor all remotely accessible equipment at the Client premises for operational integrity and report alerts to the Client.
- 2.7 Maintenance of computer hardware including servers, storage systems and networking components.
- 2.8 Maintenance of specific software (service packs, updates, hot fixes) including Microsoft Windows Server, Microsoft SQL Server, Microsoft Exchange Server, Microsoft Windows, Microsoft Office, data backup software, malware protection.
- 2.9 Maintenance and administration of network switches, routers and security appliances.
- 2.10 Maintenance and administration of network security appliances and related services.
- 2.11 Security, network administration and monitoring for Microsoft Active Directory.
- 2.12 Microsoft SQL database administration.
- 2.13 Microsoft Exchange 365 cloud-based administration.
- 2.14 VMware and Hyper-V management and maintenance.
- 2.15 Telephone system administration.
- 2.16 Cellular phone/PDA services and related applications.
- 2.17 Administration of office equipment such as FAX, scanners and copiers.
- 2.18 Software licensing and product lifecycle management.
- 2.19 Liaison with all other vendors and service providers to consolidate and streamline support.

3. **Equipment Co-location**

No services to be provided.

4. **Hardware as a Service**

No services to be provided.

5. **Software as a Service**

No services to be provided.

6. **Internet Services – Non-Recurring**

No services to be provided.

7. **Internet Services – Recurring**

No services to be provided.

8. **Point-to-Point Communications Services – Non-Recurring**

No services to be provided.

9. **Point-to-Point Communications Services – Recurring**

No services to be provided.

10. **External SPAM Filtering and E-mail Queuing**

No services to be provided.



Customer Service Level Agreement

Schedule A – Description of Services

11. **Printer Maintenance**
No services to be provided.
12. **Additional Services**
The Client may request services not described above to be performed by the Vendor at any time.
13. **Emergency Response**
No services to be provided. The Client may request emergency response.
14. **Hours of Operation and Service Delivery**
 - 14.1 Services will be performed Monday through Friday, exclusive of holidays, between the hours of 9:00AM and 5:00PM. These hours are defined as normal business hours. All other hours are defined as overtime hours.
 - 14.2 Holidays include New Years Day (2 days), Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving (2 days) and Christmas (2 days). When a regularly scheduled appointment is not provided due to a holiday and the appointment cannot be rescheduled, a credit will be applied.
 - 14.3 A maximum of twenty-four (24) hours of service will be provided by the Vendor at the Client's premises each month under the terms and conditions of this Agreement. There is no maximum number of hours of on-site service that may be requested each month on the Client's premises.
 - 14.4 A sufficient number of hours of on-site labor will be provided to complete the tasks and services described herein but will not exceed the maximum specified under the terms and conditions of this Agreement. Additional services may be requested by the Client and will be billed in addition to the fees defined in this Agreement. Additional services are subject to agreement by the Vendor and will be scheduled dependent on resource availability.
 - 14.5 Remote help desk services consisting of E-mail, phone and remote desktop support will be recorded in increments of fifteen (15) minutes. All remote support during normal is included in the fees defined in Schedule B – Compensation Agreement, technical Services – Recurring.
 - 14.6 On-site services performed at the Client's premises during normal business hours will be recorded in one (1) hour increments with a minimum of one (1) hour per visit.
 - 14.7 On-site services performed at the Client's premises outside of normal business hours will be recorded in one (1) hour increments with a minimum of two (2) hours per visit.
 - 14.8 No travel time will be charged except where required by 3rd party providers and agreed upon in advance by the Client.
15. **Exclusions**
There are no exclusions to services that may be requested under this Agreement. The Vendor reserves the right to decline to provide any services not specifically included in this Agreement.
16. **Response time**
 - 16.1 The Vendor will attempt to respond by telecommunications facilities to requests for service within four business hours of receipt of the request. Those facilities may include but are not limited to telephone, FAX and electronic messaging.
 - 16.2 When emergency on-site service is required, the vendor will attempt to respond within one business day of the receipt of the request for service.
 - 16.3 The Vendor is not responsible for the integrity of communications facilities used by either the Vendor or the Client for communications services used for service requests or responses to service requests.
 - 16.4 The Vendor will make every reasonable effort to respond within the times specified herein. Failure on the part of the Vendor to respond within the times specified herein due to circumstances beyond the Vendor's control shall in no way be interpreted as a material breach of the terms and conditions of this Agreement.



Customer Service Level Agreement

Schedule B – Compensation Agreement

1. Technical Services – Non-Recurring

For services described herein defined in Schedule A, Description of Services, Technical Services – Non-Recurring, the Client will pay the Vendor the sum of one thousand five hundred dollars (\$1,500.00) upon acceptance and execution of this Agreement.

2. Technical Services – Recurring

For services described herein defined in Schedule A, Description of Services, Technical Services - Recurring, the Client will pay the Vendor the sum of five thousand dollars (\$5,000.00) for each month during the term of this Agreement.

3. Equipment Collocation

No services to be provided.

4. Hardware as a Service

No services to be provided.

5. Software as a Service

No services to be provided.

6. Internet Services – Non-Recurring

No services to be provided.

7. Internet Services - Recurring

No services to be provided.

8. Point-to-Point Communications Services – Non-Recurring

No services to be provided.

9. Point-to-Point Communications Services - Recurring

No services to be provided.

10. External SPAM Filtering and E-mail Queuing

No services to be provided.

11. Printer Maintenance

No services to be provided.

12. Additional Services

For work performed which is not defined in Schedule A, Description of Services, the Client will pay the Vendor one hundred fifty-five dollars (\$155.00) for each hour of service performed during normal business hours and two hundred seventy-five dollars (\$275.00) for each hour of service performed during overtime hours. Unless defined otherwise in Schedule A, Emergency Response, work performed during overtime hours will be billed in increments of one (1) hour and a minimum of two (2) hours will be billed per incident.

For services requested which are contracted to third parties, rates for those services will be quoted at the time services are requested.

13. Emergency Response

No services to be provided.

16. Payment Schedule

Payment for services defined in Schedule A, Description of Services will be delivered to the Vendor prior to the first day of the calendar month for which services are to be rendered. If payment is not received by that time, all services will be billed at the Vendor's prevailing hourly rates in effect at the time the services are performed. The current prevailing rates are one hundred ninety-five dollars (\$195.00) for each hour of service performed during normal business hours and three hundred seventy-five dollars (\$375.00) for each hour of service performed during overtime hours.

17. Payment Method

Payment will be made by corporate check in US currency.

18. Terms and Late Fees

The Client will remit payment for all invoices received from the Vendor within thirty (30) days of receipt. For all invoices not paid within thirty (30) days of receipt, the Client agrees to pay 1.5% of the unpaid balance per month. Late fees will apply to all overdue invoices presented to the Client including invoices for products or services not defined in this Agreement.



Customer Service Level Agreement

Schedule C – Privacy Policy and Security

Privacy is very important to the Vendor. Accordingly, the Vendor has developed this Policy in order for The Client to understand how we collect, use, communicate and disclose and make use of confidential and proprietary information and materials (“**Confidential Information**”). The following outlines the Vendor’s privacy policy.

- In the performance of services outlined in the Service Level Agreement which exists between the Vendor and The Client, the Vendor agrees that the Vendor and its agents and personnel may have access to or collect Confidential Information belonging to or disclosed by The Client, whether disclosed electronically, orally, in writing, or by display which is not generally disclosed to or known by public, concerning or pertaining to the business of The Client. The Confidential Information may include, without limitation, trade secrets, data, reports, methods, techniques, procedures, processes, methodologies, forecast, plans, employee information and The Client information. The Vendor agrees that such Confidential Information is commercially valuable to The Client or is otherwise confidential and proprietary to The Client.
- The Vendor agrees that nothing in the Service Level Agreement which exists between the Vendor and The Client grants to it any license, right, title or interest in or to the Confidential Information, except as expressly set forth herein. The Client reserves all rights to its Confidential Information not expressly granted in the Service Level Agreement which exists between the Vendor and The Client.
- The Vendor routinely collects some Confidential Information for the purpose of facilitating or arranging financing, leasing, product registration, support agreements, 3rd party services and other processes related to the performance of services outlined in the Service Level Agreement which exists between the Vendor and The Client. Before or at the time of collecting Confidential Information, the Vendor will identify the purposes for which Confidential Information is being collected.
- The Vendor shares Confidential Information only when necessary to fulfill our obligations defined in the Service Level Agreement which exists between the Vendor and The Client, at the request of The Client to facilitate support of their business processes or when required by law. Upon request, the Vendor will make readily available to The Client information regarding disclosure of Confidential Information including all parties to which information has been disclosed and the business purpose for the disclosure.
- The Vendor will collect and use Confidential Information solely with the objective of fulfilling those purposes defined in the Service Level Agreement which exists between the Vendor and The Client except as required by law.
- The Vendor will only retain Confidential Information as long as necessary for the fulfillment of the purposes defined in the Service Level Agreement which exists between the Vendor and The Client except as required by law.
- The Vendor will collect Confidential Information only by lawful means and, except where required by law, with the knowledge or consent of The Client.
- All Confidential Information collected will be relevant to the purposes for which it is to be used, and, to the extent necessary for those purposes, will be accurate, complete, and up-to-date.
- The Vendor agrees to hold such Confidential Information in the strictest confidence. The Vendor shall use reasonable efforts to protect the confidentiality of Confidential Information but in no event any less care than the Vendor takes to protect its own Confidential Information, and will cause others to protect such Confidential Information no less than to the extent set forth herein. The Vendor agrees to provide The Client with such further assurances as reasonably requested by The Client from time to time.
- The Vendor will make readily available to The Client information about our policies and practices relating to the management of Confidential Information.

The Vendor is committed to conducting our business in accordance with these principles in order to ensure that the confidentiality of Confidential Information is protected and maintained.



Customer Service Level Agreement

Schedule C – Privacy Policy and Security

Health Information Privacy

Definitions

Catch-all definition: The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

- a. Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Stepford.
- b. Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered Entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Premier Dermatology.
- c. HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

Obligations and Activities of Business Associate

Business Associate agrees to:

- a. Not use or disclose protected health information other than as permitted or required by the Agreement or as required by law;
- b. Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement;
- c. Report to covered entity any use or disclosure of protected health information not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware;
- d. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information;
- e. Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

Term and Termination

- a. Termination for Cause. Business associate authorizes termination of this Agreement by covered entity, if covered entity determines business associate has violated a material term of the Agreement.
- b. Obligations of Business Associate Upon Termination. Upon termination of this Agreement for any reason, business associate shall destroy all protected health information received from covered entity. Business associate shall retain no copies of the protected health information.
- c. Survival. The obligations of business associate under this Section shall survive the termination of this Agreement.



Customer Service Level Agreement

Schedule D – Contact and Escalation List

Contacting STEPFORD:

<i>Methods of Contact</i>		
Hours	24x7x365 Including Holidays	Details
Telephone	650-598-9990 (Local) 800-HLP-U-NET (800-457-8638 Toll-Free)	Used to communicate urgent issues, for example: <ul style="list-style-type: none"> • Server, network, or application unavailable • A user is unable to perform their job duties
Email	Techsupport@stepford.com	Users can send email requests for non-urgent matters that require attention, but are not business impacting, for example: <ul style="list-style-type: none"> • Administrative requests (user adds, moves, changes) • Scheduling personnel resources • General questions
FAX	650-598-0179 (FAX)	For transmitting documents that can not be sent via email, for example: <ul style="list-style-type: none"> • Vendor agreements • Client addendums • Secure information such as passwords
Website	http://www.stepford.com	Provides general information about STEPFORD Services
<i>Issue Escalation (in order of Contact)</i>		
Operations Manager	Techsupport@stepford.com or Christopher.Conover@stepford.com O - (650) 598-9990 C - (650) 222-0465	If at any time you are not receiving an excellent level of service please request to be escalated to the Operations Manager or you may contact Chris Conover directly.
Technical Support Manager	Techsupport@stepford.com or Jim.Fruuen@stepford.com O - (650) 598-9990 C – (650) 222-2888	The Technical Support Manager can respond to any questions regarding the SLA, special projects, or support issues not addressed by managed services staff.
CEO	Sales@stepford.com or Dianna.Laines@stepford.com O - (650) 598-9990 C - (650) 222-2822	If unable to reach anyone listed above – Dianna Laines, the STEPFORD CEO and Sales Manager, may be contacted directly.



Date 6/5/2015

Requesting Department City Manager

Administrative Council

Item # 8.I.
 Council Date 6/11/2015
 Council Approval 6/11/2015

Revenues		
Account #	Account Description	Increase/Decrease
Total		-

Expenditures		
Account #	Account Description	Increase/Decrease
1000-10-11-000-4110.000	Wages Permanent	(70,000)
2211-00-00-000-4315.101	CS-Info Tech Contracts Info tech	70,000
Total		-

Net Impact -

Purpose: Transfer budgeted funds from wages to contract services for Information Systems support

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: CITY MANAGER'S DEPARTMENT

SUBJECT: CONSIDER AUTHORIZING CITY MEMBERSHIP IN THE MONTEREY BAY ECONOMIC PARTNERSHIP (MBEP) FOR FISCAL YEAR 2015/2016, AND APPROVE BUDGET ADJUSTMENT

RECOMMENDED ACTION: Authorize the City to join the Monterey Bay Economic Partnership and amend the Fiscal Year 2014-15 budget by appropriating \$5,000 for membership costs, and approve a budget adjustment.

BACKGROUND: The Monterey Bay Economic Partnership (MBEP) is a regional nonprofit, membership organization consisting of public, private and civic entities located throughout the counties of Monterey, San Benito and Santa Cruz. Its mission is to create a thriving region with quality jobs, excellent education, and a high quality of life for all residents while preserving the natural beauty and healthy lifestyle we all share. The group incorporated in 2014 out of collaboration of Monterey County cities that were seeking to regionally consider economic development issues.

Members of that initial partnership soon realized their original vision should be extended to other cities, counties, agencies and private sector partners so that we present ourselves regionally as a united, seamless group with the objective of enhancing economic development within the Monterey Bay area disregarding the specific gain of any one entity.

Today MBEP hosts two regional events a year to bring stakeholders together around common themes and issues in order to report on the health of the economy and foster public-private partnerships. In addition, MBEP plans to organize local focus groups, which will be small group gatherings to create action plans around economic and community development issues for specific areas.

DISCUSSION: Locally, the cities of Santa Cruz, Watsonville, Salinas, and Gonzalez have committed to become members of MBEP. Membership in MBEP supports its overall mission, and allows MBEP to:

- Foster job creation and expansion;
- Catalyze opportunities for the region;
- Forge new pathways for all stakeholders;
- Allows us to bring people together to find solutions to regional issues.

Membership also entitles the City to participate in the regional focus groups, select project support from MBEP staff (e.g. coordination of city plans on a regional level), and access to MBEP regional data including interactive charts and graphs.

FISCAL IMPACT: Membership costs \$5,000 per year for cities with a population of less than 50,000. This staff report would authorize membership fees for Fiscal Year 2015/2016. Sufficient funds are available in the General Fund for this expenditure. Membership in future years would be considered as part of the annual budget process.

ATTACHMENT:

1. Invitation to join Monterey Bay Economic Partnership
2. Budget Adjustment

Report Prepared By: Jamie Goldstein
City Manager

Reviewed and Forwarded
by City Manager: 

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Monterey Bay
ECONOMIC PARTNERSHIP

33180 Imjin Rd. Suite 104b, Marina, CA 93933 831.915.2806

Attention Capitola City Council:

The Monterey Bay Economic Partnership (MBEP), EIN# 47-1379810, would like to invite you to be a member of our organization as a strategic partner. We are on our way to being the leading voice for thoughtful economic development in the region. Your annual membership of \$5,000 allows MBEP to foster job creation and expansion, catalyze opportunities for the region, forge new pathways for all stakeholders and allows us to bring people together to find solutions to regional issues in Monterey, San Benito and Santa Cruz Counties.

We are very pleased that so many distinguished leaders have come together to explore opportunities and solutions as our board of directors:

Dr. George Blumenthal, Chancellor, University of California, Santa Cruz (UCSC)
Bud Colligan, Founder and CEO, South Swell Ventures and Co-Chair, MBEP
Ray Corpuz, City Manager, Salinas
Larry deGhetaldi M.D., President, Palo Alto Medical Foundation in Santa Cruz
Gary Griggs, Distinguished Professor of Earth Sciences and Director, Institute of Marine Sciences, UCSC
Claude Hoover, Owner, Veritas Real Estate
Lorri Koster, Chairman and CEO, Mann Packing Company
Mary Ann Leffel, President, Monterey County Business Council
René Mendez, City Manager, Gonzales and Co-Chair, MBEP
Dr. Eduardo Ochoa, President, California State University Monterey Bay
George Ow, Jr., Chairman and CEO, Ow Family Properties
Nina Simon, Executive Director, Museum of Art and History, Santa Cruz
Bruce Taylor, Chairman and CEO, Taylor Farms
Brad van Dam, President and CEO, Marich Confectionery

Thank you for your consideration. As President of the Monterey Bay Economic Partnership, I look forward to collaborating with the City of Capitola as an important entity and strategic partner in our community and region. Together I believe we can draw attention to the importance of reliable and accessible data.

Best Regards,

Jennifer Dossett
President, MBEP

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: FINANCE DEPARTMENT

SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 5.10 OF THE MUNICIPAL CODE PERTAINING TO THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA

RECOMMENDED ACTION: Approve the first reading of an Ordinance amending Chapter 5.10 of the Municipal Code pertaining to the Capitola Village and Wharf Business Improvement Area (CVWBIA).

BACKGROUND: On May 12, 2005, the City Council adopted Resolution No. 3453, a Resolution of Intention, (Attachment 1) establishing the CVWBIA. On June 23, 2005, City Council adopted Ordinance No. 889 (Attachment 2) adding Chapter 5.10 to the Capitola Municipal Code (CMC) which includes a description of the area boundary and a description of the method and basis for assessment with a breakdown by business classification.

DISCUSSION: Staff recommends that Chapter 5.10 of the CMC be amended to remove outdated information and add new reference information. The recommendations are as follows:

1. CMC § 5.10.030 entitled "Resolution of Intention" referencing Resolution No. 3453 (adopted on May 12, 2005) be deleted; with text added indicating that the Resolution of Intention will be adopted annually.
2. The following assessment due date referenced in CMC § 5.10.050 entitled "Business Improvement Assessments" be removed.

For the initial assessment, the assessment shall be due as determined by the city manager, but in no case later than June 30, 2006.

3. Exhibit A (CVWBIA Map) to be replaced with the amended CVWBIA Map.
4. Exhibit B (Business Addresses and Assessment Method) be removed.

FISCAL IMPACT: Not applicable.

ATTACHMENTS:

1. Resolution No. 3453
2. CMC Excerpt
3. Proposed Ordinance

Report Prepared By: Susan Sneddon, CMC
City Clerk

Reviewed and Forwarded
By City Manager: 

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RESOLUTION NO. 3453**RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF
CAPITOLA TO INITIATE PROCEEDINGS FOR THE ESTABLISHMENT
OF THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA
PURSUANT TO THE PARKING AND BUSINESS IMPROVEMENT AREA LAW OF
1989 IN ORDER TO LEVY ASSESSMENTS FOR IMPROVEMENTS AND ACTIVITIES
FOR THE BENEFIT OF BUSINESSES LOCATED IN THE CAPITOLA VILLAGE
AND WHARF AREA OF THE CITY OF CAPITOLA****CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA**

The City Council of the City of Capitola ("the City"), California, hereby resolves as follows:

1. The City Council of the City of Capitola, pursuant to authority granted by the Parking and Business Improvement Area Law of 1989, California Streets & Highways Code sections 36500 et seq., hereby proposes to initiate proceedings to form an assessment district pursuant to said statute (hereinafter referred to as the "Act") and to assess the costs thereof upon the businesses benefited by the improvements and activities described in Exhibit "A," attached hereto, all in connection with the proposed Capitola Village and Wharf Business Improvement Area (the "Assessment District").
2. The costs and expenses of said contemplated improvements and activities are to be chargeable upon said assessment district, the exterior boundaries of which are the exterior boundaries of the area commonly known as the Capitola Village and Wharf and as more particularly shown on a map thereof, attached hereto as Appendix "B" to Exhibit "A," which indicates by a boundary line the extent of the territory to be included in the proposed Assessment District. Said map shall govern for all details as to the extent of said Assessment District.
3. The Assessment District shall be officially known and referred to as the Capitola Village and Wharf Business Improvement Area.
4. The types of improvements and activities proposed to be funded by the levy of assessments on the businesses located in the Assessment District are as set forth in Exhibit "A" attached hereto and incorporated herein by reference.
5. Except where funds are otherwise available to underwrite said improvements and activities, an annual assessment will be levied to pay for all improvements and activities (listed in Exhibit "A" attached hereto) within the Assessment District. The annual assessments will be collected in a single annual installment by the Finance Department of the City of Capitola or pursuant to a contract let by the City of Capitola and overseen by the Finance Department of the City of Capitola.
6. The proposed method and basis of levying the assessment shall be as delineated in Appendix C of Exhibit "A" attached hereto.

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Resolution No. 3453

7. New businesses will not be exempt from the levy of the assessment; however, their first annual installment will be pro-rated to correspond to the percentage of the year they are engaging in business.

8. The parties to pay assessments pursuant to the formation of the Assessment District shall be those persons or entities who own businesses within the Assessment District. As used herein, the term "business" shall be defined as set forth in Streets and Highways Code section 36507 i.e. "Business" means all types of businesses and includes financial institutions and professions."

9. The public interest and convenience will be served by initiating these Assessment District proceedings in that the improvements and activities to be financed through assessments derived from the Assessment District will generally result in the continued and increased revitalization of the Capitola Village and Wharf Area, specifically shopping, commerce and tourism, thereby, in turn, resulting in a stronger tax base for the City of Capitola. The assessee-business owners will be particularly benefited from the establishment of the Assessment District inasmuch as the improvements and activities to be financed through the assessments derived from the Assessment District will serve to sustain and enhance the profitability and market value of businesses in the Assessment District through the implementation of the improvements and activities described in Exhibit "A" and the administrative costs of managing the Assessment District including costs associated with such tasks as the collection of assessments, the procurement of insurance, the procurement of legal advice, and the cost of corresponding through the mail with businesses that are part of the Assessment District.

10. Notice is hereby given that on Thursday, June 9, 2005 at the hour of 7:00 p.m. or as soon thereafter as the matter may be heard, at the City Council Chambers of the City of Capitola, 420 Capitola Avenue, Capitola, CA 95010, a public hearing will be conducted on the formation of the Assessment District and the levy of the proposed assessments. At the public hearing the City Council shall hear and consider all oral or written protests concerning: the establishment of the Assessment District; the extent of the Assessment District; or the furnishing of specified types of activities and improvements within the Assessment District. The City Council shall also consider all such written protests filed with the City Clerk. Each protest shall identify the business in which the person subscribing the protest has an ownership interest and, if the subscribing person is not shown on the official records of the City as the owner of the business, written evidence that the subscribing person is the owner of the business. If written protests are received from the owners of businesses in the proposed Assessment District who will pay fifty percent (50%) or more of the assessments to be levied and protests are not withdrawn so as to reduce the protest to less than fifty percent (50%), no further proceedings to create the Assessment District, as set forth in this Resolution of Intention, shall be taken for a period of one (1) year from the date of the finding of a majority protest by the City Council. However, if the majority protest is only against the funding of a specified type or types of improvement or activity within the Assessment District, these types of improvements or activities shall be eliminated and the Assessment District may be formed subject to this qualification.

Resolution No. 3453

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I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 12th day of May, 2005, by the following vote:

AYES: Council Members Termini, Norton, Harlan, Nicol. and Mayor Arthur

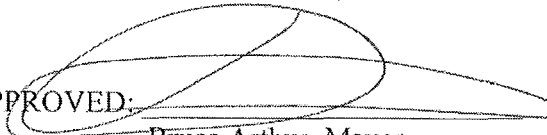
NOES: None

ABSENT: None

ABSTAIN: None

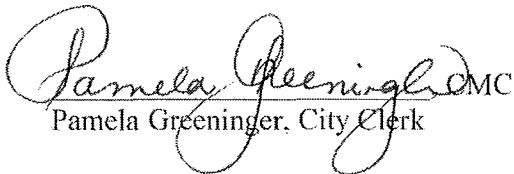
DISQUALIFIED: None

APPROVED:



Bruce Arthur, Mayor

ATTEST:



Pamela Greeninger, City Clerk

EXHIBIT A***Improvements and Activities***

With the goal of increasing tourism for the Capitola Village and Wharf areas, the proposed Capitola Village and Wharf Business Improvement Area (CVWBIA) will serve primarily as a marketing agent for the Village and Wharf businesses, and the activities of the CVWBIA will predominantly be related to achieving the objective of Marketing the Capitola Village and Wharf Area. In addition improvements, events and other activities will be funded by this district. These goals and objectives can be achieved by funding activities and improvements that will:

- Increase the number of year round visits to the businesses within the District, emphasizing the period of October through May of each year.
- Increase the numbers of people who stay, shop, and dine in the village of Capitola including not only Santa Cruz County residents, but California residents from the following counties at all times of the year:
 - Monterey
 - Santa Clara
 - San Benito
 - Fresno
 - Merced
 - Stanislaus
 - Alameda
 - San Mateo
 - Sonoma
 - Marin
 - Contra Costa
 - San Joaquin
 - Sacramento
- Improve the ease of access to information regarding the businesses and services provided by the Village and Wharf BIA to likely visitors to the area.
- Provide fun, family-oriented events throughout the year emphasizing the attributes of the Village and Wharf, by working in partnership with the Capitola Chamber of Commerce.
- Work with the City of Capitola to improve the appearance of the Village and Wharf through a variety of methods.
- Serve as a liaison between individual business owners, local governments, and private agencies, including the City of Capitola.
- Plan to provide services and training for business owners to guarantee a uniformly positive experience for those who visit the CVWBIA.

The first year of operation for the "Capitola Village & Wharf Business Improvement Area" will focus on the formation of the organization as a whole, electing its board or representatives, billing and collection of fees levied, and the initial activities identified in the proceeding section of this document. These efforts are significant in effort and will be accomplished by business owners and/or their designated representatives. Little monies are available for hiring of part-time staff.

Programs for the CVWBIA to accomplish the above will include some or all of the following:

1. The CVWBIA will establish a 24 hour per day, 7 day per week toll-free telephone number answering service to accommodate potential visitors' calls for information from across the United States as well as the rest of the world. Information packets detailing each and every business within the CVWBIA will be mailed to anyone requesting such information.

The purchase and maintain two existing websites:

- a. www.capitolavillage.org
- b. www.capitolavillage.net

These two web sites will prominently display information provided by each business located within the boundaries of the CVWBIA

2. Advertisement through various types of media including print and broadcast.
3. Event planning services
4. Capitola Chamber of Commerce fulfillment services
5. District and City administration
6. Various village maintenances activities including but not limited to: trash pick up, sidewalk cleaning, beautification projects such as flowers, painting murals, or painting public improvements.
7. Replacement village tree planting.
8. Landscaping at entry points to the business improvement area.
9. Procurement of additional event banners or replacement of existing worn banners.
10. Extending the Thanksgiving and Christmas holiday free parking in metered spaces.
11. Procurement of additional "city" style benches throughout the BIA.

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Resolution No. 3453

12. Improving the “pedestrian “ signage warning motorists that the village is a pedestrian zone.

13. Additional sidewalk cleaning or maintenance.

Additional future activities depend upon identifying and collecting additional revenue from BIA members or by soliciting donations and participation from affiliate members of the CVWBIA.

ASSESSMENT BASIS

The method of assessment breaks down the businesses within the proposed boundary map into four categories:

1. Retail / Service businesses.
2. Restaurant/Bar/Take-out food and beverage businesses.
3. Office and Professional businesses.
4. Hotel / Motel / short-term rental businesses.

These four business categories are further broken down by number of employees for the first two categories, a flat fee for the third category, and a small daily fee for the Lodging/Motel/Short-term Rental businesses.

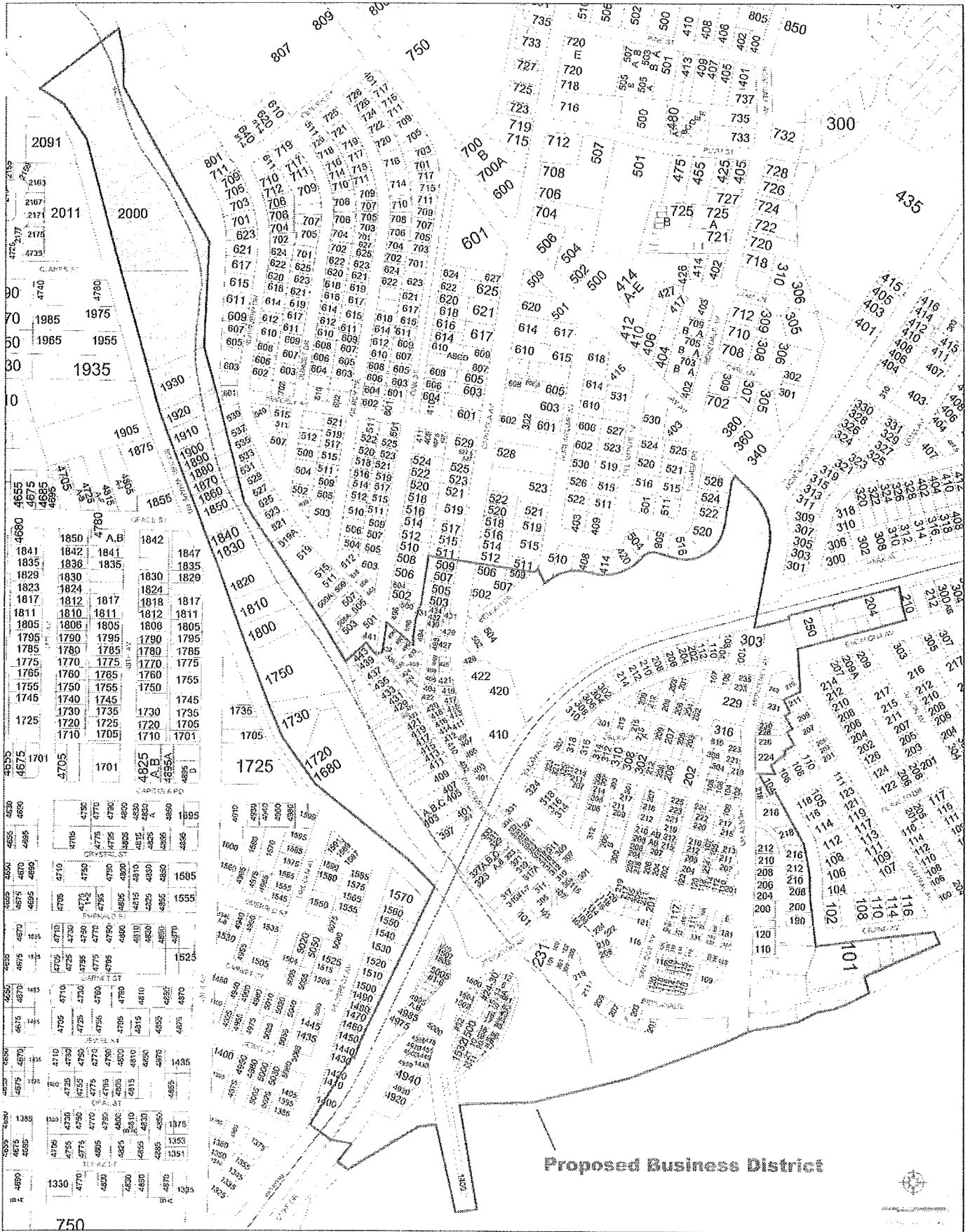
The following table represents the proposed method of collection and fee determination for the proposed CVWBIA.

Business Category	Number of Full-Time Equivalent Employees		
	0 – 5 employees	6 – 10 employees	More than 10 employees
Retail / service	\$420.	\$840.	\$1260.
Restaurant / Bar / Take-out	\$480.	\$960.	\$1440.
Office / Professional	\$120.		
Hotel / Motel / Short-term Rental	\$360 per unit		

Footnote* A full-time employee is considered one who works 2000 hours per year or more. Multiple part-time employees are combined into a single full-time employee for the basis of this assessment calculation. Appendix “C” assessment values for the first two categories were based upon estimates made by the original steering committee Approved by the City Council of Capitola.



City of Capitola - Proposed Business District



APPENDIX C

6728

Capitola Village and Wharf Business Improvement Area
Business Addresses and Assessments

STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS
502 Beulah	Resident	X			
504 Beulah	Resident	X			
507 Beulah	Resident	X			
509 Beulah	Resident	X			
402 Blue Gum	Short Term Rental	H	2	\$720	Bailey Properties
404 Blue Gum	Resident	X			
406 Blue Gum	Resident	X			
408 Blue Gum	Resident	X			
409 Blue Gum	Resident	X			
428 Blue Gum	Resident	X			
430 Blue Gum	Resident	X			
431 Blue Gum	Resident	X			
432 Blue Gum	Resident	X			
434 Blue Gum	Resident	X			
206 California Ave	Short Term Rental	H	1	\$360	Vacations by the Sea
207 California Ave	Resident	X			
208 California Ave	Resident	X			
211 California Ave	Resident	X			
214 California Ave	Resident	X			
215 California Ave	Resident	X			
190 Camino Del Mec	Resident	X			
200 Camino Del Mec	Resident	X			
208 Camino Del Mec	Resident	X			
210 Camino Del Mec	Resident	X			
212 Camino Del Mec	Resident	X			
216 Camino Del Mec	Resident	X			
218 Camino Del Mec	Resident	X			
107 Capitola Ave	Phoebe's	R	4	\$420	
109 Capitola Ave	Sally Bookman Gallery	R	4	\$420	
110 Capitola Ave	Avije Fashion Gallery	R	4	\$420	
110 Capitola Ave	White Crane Winery	R	4	\$420	
110 Capitola Ave	The Outpost	R	4	\$420	
111 Capitola Ave	Ray-Diant Clothing Co.	R	4	\$420	
115 Capitola Ave	Capitola Reef	R	4	\$420	
117 Capitola Ave	Echo From the Woods	R	4	\$420	
118 Capitola Ave	Unoccupied				
122 Capitola Ave	Yvonne	R	4	\$420	
201 Capitola Ave	Village Mouse	R	4	\$420	
202 Capitola Ave	Rain or Shine	R	4	\$420	
204 Capitola Ave	Oceania	R	4	\$420	
205 Capitola Ave	Chocolate Bar	R	4	\$420	
207 Capitola Ave	Craft Gallery Annex	R	4	\$840	
209 Capitola Ave	Friends	R	4	\$420	
210 Capitola Ave	Hour Place	R	4	\$420	
212 Capitola Ave	Shanti	R	4	\$420	
212 Capitola Ave	Vanessa	R	4	\$420	

STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6729
214 Capitola Ave	Super Silver	R	4	\$420		
215 Capitola Ave	Nubia Swimwear	R	4	\$420		
216 Capitola Ave	Ashley Fine Art	R	4	\$420		
218 Capitola Ave	Peter Hubback	O	1	\$120		
220 Capitola Ave	Build a Bear	R	4	\$420		
219 Capitola Ave	Hot Feet	R	4	\$420		
219A Capitola Ave	Short Term Rental	H	1	\$360		
300 Capitola Ave	Quality Market	R	4	\$420		
300B Capitola Ave	Resident	X				
301 Capitola Ave	David Lyng & Associates	O		\$120		
307 Capitola Ave #1	Mark Thomas	H	4	\$1,440		
309 Capitola Ave	NLB-TJS Wash & Dry	R	4	\$420		
311 Capitola Ave	Grinds	F	4	\$480		
312A Capitola Ave	PH Diamonds	R	4	\$420		
312B Capitola Ave	Buck's World	R	4	\$420		
312C Capitola Ave	Red Poppy	R	4	\$420		
312D Capitola Ave	Beach House Rentals	H	14	\$5,040		
312E Capitola Ave	57 Design Inc.	O		\$120		
314 Capitola Ave	Katz & Lapidis	O		\$120		
316 Capitola Ave	Bella Roma	F	8	\$840		
318 Capitola Ave #1	at least 2 are STR	H	2	\$720	Beach House Rentals	
320 Capitola Ave	Resident	X				
321 Capitola Ave	Capitola Vacations.com	H	1	\$360		
321 Capitola Ave	Pacific Gallery	R	4	\$420		
321 Capitola Ave	Resident	X				
324 Capitola Ave	Resident	X				
331A Capitola Ave	Adventure Group LLC	O		\$120		
331B Capitola Ave						
331C Capitola Ave						
331D Capitola Ave	Interior Design	R	4	\$420		
331E Capitola Ave	Woodward Childs	O		\$120		
331F Capitola Ave	Advanced Ingredients	O		\$120		
331K Capitola Ave	Newman, Marcus,Clarenba	O		\$120		
331L Capitola Ave						
401 Capitola Ave	Resident	X				
403 Capitola Ave	Resident	X				
405 Capitola Ave	Central Fire District	X				
407 Capitola Ave	Resident	X				
409A Capitola Ave	Betsy's Summerhouse Ant.	R	4	\$420		
409B Capitola Ave	Resident	X				
410 Capitola Ave	Capitola Museum	X				
411 Capitola Ave	City of Capitola	X				
413 Capitola Ave	Richard Emigh, Land Use	O		\$120		
415 Capitola Ave	James B. Colip Insurance	O		\$120		
417 Capitola Ave	Soquel Creek Gallery	R	4	\$420		
419 Capitola Ave #1	Resident	X				
420 Capitola Ave	City of Capitola	X				
421A Capitola Ave	Resident	X				
421B Capitola Ave	Heritage Properties	O		\$120		
422 Capitola Ave	Resident	X				

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STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6730
425 Capitola AveA	Evan S. Tarsky DPM	O		\$120		
425 Capitola AveB	office	O		#####		
425 Capitola AveC	office	O		\$120		
426 Capitola Ave	Resident	X				
427 Capitola Ave	OD's Kitchen	F	4	\$480		
429 Capitola Ave	Resident	X				
431 Capitola Ave	Resident	X				
502 Capitola Ave	Resident	X				
503 Capitola Ave	Village Surf Shop	R	4	\$480		
505 Capitola Ave	Resident	X				
506 Capitola Ave	Resident	X				
507 Capitola Ave	Resident	X				
509 Capitola Ave	Resident	X				
102 Cherry Way	Resident	X				
104 Cherry Way	Resident	X				
106 Cherry Way	Resident	X				
108 Cherry Way	Resident	X				
109 Cherry Way #A-	Short Term Rental	H	2	\$720	Vacations by the Sea	
202 Cherry Way #1-	Resident	X				
206 Cherry Way	Resident	X				
207 Cherry Way #1-	at least 2 are STR	H	2	\$720	Vacations by the Sea	
208 Cherry Way	Resident	X				
212 Cherry Way	Resident	X				
301 Cherry Way	Resident	X				
302 Cherry Way	Resident	X				
303 Cherry Way	Short Term Rental	H	1	\$360	Vacations by the Sea	
307 Cherry Way #A	Resident	X				
307 Cherry Way #B	Short Term Rental	H	1	\$360	Vacations by the Sea	
308 Cherry Way	Resident	X				
309 Cherry Way	Short Term Rental	H	1	\$360	4084483407 Lois/Steve applcust@aol.	
310 Cherry Way	Resident	X				
312 Cherry Way	Resident	X				
312 Cherry Way	Resident	X				
314 Cherry Way	Resident	X				
316 Cherry Way	Resident	X				
317 Cherry Way	Resident	X				
318 Cherry Way	Resident	X				
319 Cherry Way	Resident	X				
321 Cherry Way	Resident	X				
323 Cherry Way	Resident	X				
325 Cherry Way	Resident	X				
4920 Cliff Dr #A-B	Resident	X				
4930 Cliff Dr	Resident	X				
4940 Cliff Dr	Resident	X				
4950 Cliff Dr	Resident	X				
4960 Cliff Dr	Resident	X				
4970 Cliff Dr	Resident	X				
4975 Cliff Dr	Resident	X				
4980 Cliff Dr	Resident	X				
4985 Cliff Dr	Resident	X				

STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6731
4995 Cliff Dr	Resident	X				
5000 Cliff Dr	Harbor Lights Motel	H	15	\$5,400		
5005 Cliff Dr #1-6	Short Term Rental	H	6	\$2,160		
110 Esplanade	Resident	X				
112 Esplanade	Resident	X				
114 Esplanade	Resident	X				
116 Esplanade	Short Term Rental	H	1	\$360	Beach House Rentals	
118 Esplanade	Resident	X				
120 Esplanade	Resident	X				
201 Esplanade	Il Parata	F	8	\$960		
201 Esplanade	Resident	X				
203 Esplanade	Zelda's	F	12	\$1,440		
207 Esplanade	Beach House Rest.	F	8	\$960		
208 Esplanade	Dahlia	R	4	\$420		
209A Esplanade	Pizza My Heart	F	8	\$960		
209B Esplanade	Anchor Bar	F	8	\$960		
210 Esplanade	Capitola Hotel	H	7	\$2,520		
211 Esplanade	Fog Bank Bar & Grille	F	12	\$1,440		
215 Esplanade	Paradise Beach Grille	F	12	\$1,440		
224 Esplanade	Surf Shack	R	4	\$420		
231 Esplanade # 10	Mr. Toots	F	8	\$960		
231 Esplanade #101	Margaritaville	F	12	\$1,440		
231 Esplanade #200	Resident	X				
231 Esplanade #201	Resident	X				
231 Esplanade #300	Resident	X				
231 Esplanade #301	Resident	X				
100 Fanmar #1-4	Resident	X				
104 Fanmar	Resident	X				
105 Fanmar	Resident	X				
107 Fanmar	Resident	X				
108 Fanmar	Resident	X				
110 Fanmar	Resident	X				
112 Fanmar	Resident	X				
201 Fanmar	Resident	X				
202 Fanmar	Resident	X				
203 Fanmar	Resident	X				
204 Fanmar	Resident	X				
206 Fanmar	Resident	X				
208 Fanmar	Resident	X				
209 Fanmar	Resident	X				
210 Fanmar	Resident	X				
212 Fanmar	Resident	X				
214 Fanmar	Resident	X				
301 Fanmar	Resident	X				
302 Fanmar	Resident	X				
304 Fanmar	Resident	X				
306 Fanmar	Resident	X				
308 Fanmar	Resident	X				
310 Fanmar	Resident	X				
104 Lawn Way	Resident	X				

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STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6732
105 Lawn Way #1-4	Resident	X				
106 Lawn Way	Resident	X				
110 Lawn Way	Resident	X				
111 Lawn Way	Resident	X				
114 Lawn Way	Short Term Rental	H	1	\$360		
115 Lawn Way	Resident	X				
116 Lawn Way	Short Term Rental	H	1	\$360		
118 Lawn Way	Resident	X				
119 Lawn Way	Resident	X				
120 Lawn Way	Resident	X				
109 Monterey #1-10	Short Term Rental	H	?	\$360	some managed by VBS	
109 Monterey #11A,	Short Term Rental	H	?	\$360	some managed by BHR	
110 Monterey	Lido	F	12	\$1,440		
120 Monterey	Capitola Theatre	R				
123 Monterey	El Toro Bravo	F	8	\$960		
127 Monterey	Cruz'n	R	4	\$420		
131 Monterey	Clothes Garden	R	4	\$480		
200 Monterey #1	Souza's Ice Cream & Cand	F	4	\$480		
200 Monterey #1A	Polka Dots	R	4	\$420		
200 Monterey #2	Tacqueria Baja	F	4	\$480		
200 Monterey #3	Paradise Sushi	F	8	\$960		
201 Monterey #A	Moulon Rouge	R	4	\$420		
201 Monterey #B	Kickback	R	4	\$420		
201 Monterey #C	Shears to You	R	4	\$420		
201 Monterey #D	Four Seasons Marketing	O		\$120		
201 Monterey #E	Suess Insurance Agency	O		\$120		
201 Monterey #G	Fuse Architects	O		\$120		
201 Monterey #H	Jim Reding/Landmark	O		\$120		
204 Monterey	Resident	X				
206 Monterey	Short Term Rental	H	1	\$480		
207 Monterey	empty lot					
208B Monterey	Havana Village	R	4	\$420		
208A Monterey	Avalon Visions	R	4	\$420		
208C Monterey	Short Term Rental	H	1	\$360		
210 Monterey #1	Thai Basil	F	4	\$480		
210 Monterey #2	Thai Basil Office	X				
210 Monterey #3	Short Term Rental	H	1	\$360		
211A Monterey	Resident	X				
211B Monterey	Resident	X				
212 Monterey #1-4	At least 1 is STR	H	1	\$360	464-4627	
213 Monterey #1-3	at least 2 are STR	H	2	\$720	Bailey Properties 688-7009	
215 Monterey	Vacations by the Sea	H	26	9,360		
215 1/2 Monterey	Beauty Treatments, Inc	O		\$120		
216 Monterey	Resident	X				
217 Monterey #A-B	Short Term Rental	H	2	\$720	Vacations by the Sea	
218 Monterey	Resident	X				
219 Monterey	Resident	X				
221 Monterey	Resident	X				
223 Monterey	Resident	X				
224 Monterey	Resident	X				

STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6733
226 Monterey	Resident	X				
228 Monterey	Resident	X				
229 Monterey	Resident	X				
230 Monterey	Resident	X				
231 Monterey	Resident	X				
233 Monterey	Resident	X				
235 Monterey	Resident	X				
240 Monterey #1-6	Resident	X				
250 Monterey	Inn at Depot Hill	H	12	\$4,320		
105 Park Place	Resident	X				
107 Park Place	Short Term Rental	H	1	\$360		
304 Riverview Ave	Resident	X				
305 Riverview Ave	Short Term Rental	H	1	\$360	Peter Hubback	
310 Riverview Ave	Short Term Rental	H	1	\$360	Cheshire Realty	
311 Riverview Ave	Resident	X				
312 Riverview Ave	Short Term Rental	H				
314 Riverview Ave	Short Term Rental	H	1	\$360	Beach House Rentals	
315 Riverview Ave #	Resident	X			An Anchorage Place	
317 Riverview Ave A	Resident	X				
317 Riverview Ave B	Resident	X				
318 Riverview Ave	Resident	X				
319 Riverview Ave	Resident	X				
320 Riverview Ave	Resident	X				
321 Riverview Ave	Resident	X				
322 Riverview Ave	Resident	X				
323 Riverview Ave A	Resident	X				
323 Riverview Ave B	Resident	X				
324 Riverview Ave	Resident	X				
326 Riverview Ave	Resident	X				
327 Riverview Ave A	Short Term Rental	H	1	\$360	Beach House Rentals	
327 Riverview Ave B	Short Term Rental	H	1	\$360	Beach House Rentals	
327 Riverview Ave C	Short Term Rental	H	1	\$360	Beach House Rentals	
328 Riverview Ave	Resident	X				
329 Riverview Ave	Short Term Rental	H	1	\$360		
330 Riverview Ave	Resident	X				
331 Riverview Ave	Resident	X				
332 Riverview Ave	Resident	X				
333 Riverview Ave	Resident / Short Term Rent	X				
334 Riverview Ave	Resident	X				
397 Riverview Ave	Jim Castellanos (no sign)	H	1	\$360		
399 Riverview Ave	Jim Castellanos (no sign)	H	1	\$360		
401 Riverview Ave	Resident	X				
402 Riverview Ave	Robert Henry (no sign)	H	1	\$360		
403 Riverview Ave	Resident	X				
405 Riverview Ave A	Forbes Property	H	1	\$360	Kendall Potter Mann	
405 Riverview Ave B	Forbes Property	H	1	\$360	Kendall Potter Mann	
405 Riverview Ave C	Forbes Property	H	1	\$360	Kendall Potter Mann	
407 Riverview Ave A	Michael Pirnik	H	1	\$360	408-842-0030	
409 Riverview Ave	Resident	X				
410 Riverview Ave	Timothy Boverman (no sign)	H	1	\$360		

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STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6734
412 Riverview Ave	Resident	X				
413 Riverview Ave	Resident	X				
414 Riverview Ave A	Resident	X				
415 Riverview Ave	Tom Mader (no sign)	H	1	\$360		
416 Riverview Ave	James Ciolino (no sign)	H	1	\$360		
417 Riverview Ave	Michael Taylor (no sign)	H	1	\$360		
418 Riverview Ave	Resident	X				
419 Riverview Ave	Lowell Bookman (no sign)	H	1	\$360		
420 Riverview Ave	Resident	X				
421 Riverview Ave	Resident	X				
422 Riverview Ave	Resident	X				
423 Riverview Ave	Resident	X				
424 Riverview Ave	Resident	X				
424 1/2 Riverview Av	Resident	X				
425 Riverview Ave	Resident	X		\$360		
426 Riverview Ave	Resident	X				
427 Riverview Ave	Resident	X				
428 Riverview Ave	Resident	X				
429 Riverview Ave	Resident	X				
431 Riverview Ave	Resident	X				
432 Riverview Ave	Resident	X				
433 Riverview Ave	Resident	X				
435 Riverview Ave	Resident	X				
437 Riverview Ave	Resident	X				
439 Riverview Ave	Resident	X				
441 Riverview Ave	Resident	X				
443 Riverview Ave	Resident	X				
488 Riverview Dr	Resident	X				
489 Riverview Dr	Resident	X				
493 Riverview Dr	Resident	X				
494 Riverview Dr	Resident	X				
495 Riverview Dr	Resident	X				
497 Riverview Dr	Resident	X				
498 Riverview Dr	Resident	X				
499 Riverview Dr	Resident	X				
109 San Jose Ave	Resident	X				
115 San Jose Av	Capitola Coffee Roasters	F	4	\$480		
115 San Jose Av	Capitola Seashells	R	4	\$420		
115 San Jose Av	In the Raw	R	4	\$420		
115 San Jose Av	Caruso's	F	4	\$480		
115 San Jose Av	Oasis	R	4	\$420		
115 San Jose Av	Panache Bath & Body Shop	R	4	\$420		
115 San Jose Av	Manx	R	4	\$420		
115 San Jose Av	Nails on the Beach	R	4	\$420		
115 San Jose Av #D	Unoccupied					
115 San Jose Av	Buckhart's Candy	F	4	\$480		
115 San Jose Av	Resident	X				
116 San Jose Av	Rainbow City Limit	R	4	\$420		
121 San Jose Av	Thomas Kincade Gallery	R	4	\$420		
120 San Jose Av	Laurens	R	4	\$420		

STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6735
122 San Jose Av #2-	Resident	X				
126 San Jose Av	Craft Gallery	R	8	\$840		
204 San Jose Av #1-	Resident	X				
207 San Jose Av #1-	Resident	X				
208 San Jose Av	Piano Store	R	4	\$420		
208B San Jose Av	Resident	X				
212 San Jose Av #1-	Resident	X				
215 San Jose Av	Short Term Rental	H	1	\$360	BeachBungalow.com 469-6161	
216 San Jose Av	Resident	X				
217 San Jose Av	Resident	X				
219 San Jose Av	Resident	X				
220 San Jose Av #1-	Resident	X				
221 San Jose Av	Resident	X				
222 San Jose Av	Short Term Rental	H	1	\$360	Beach House Rentals	
223 San Jose Av	Resident	X				
224 San Jose Av	Short Term Rental	H	1	\$360	Beach House Rentals	
225 San Jose Av	Short Term Rental	H	1	\$360		
304 San Jose Av	Resident	X				
308 San Jose Av	Resident	X				
310 San Jose Av	Resident	X				
316 San Jose Av	Armida Winery	R	4	\$420		
104 Stockton Av	Café Violette	F	4	\$480		
105 Stockton Av	Ashley Fine Art	R	4	\$420		
107 Stockton Av	Dogmatic Fine Art	R	4	\$420		
108 Stockton Av #1-	Resident	X				
110 Stockton Av	European Childrens Clothin	R	4	\$420		
112 Stockton Av	Sea Level T's	R	4	\$420		
114 Stockton Av	Euphoria Rio Mix	R	4	\$420		
115 Stockton Av	David Lyng & Associates	O		\$120		
116 Stockton Av	Turtle Shells	R	4	\$420		
118 Stockton Av	Capitola Dreams Swimwear	R	4	\$420		
120 Stockton Av	Latta	R	4	\$420		
204 Stockton Av	Short Term Rental	H	1	\$360	Vacations by the Sea	
206 Stockton Av	Short Term Rental	H	1	\$360	477-1089	
208 Stockton Av	Resident	X				
209 Stockton Av	Resident	X				
210 Stockton Av	Resident	X				
211 Stockton Av	Resident	X				
212 Stockton Av	Resident	X				
216 Stockton Av	Resident	X				
217 Stockton Av	Resident	X				
202 Terrace Way	Resident	X				
203 Terrace Way	Resident	X				
204 Terrace Way	Resident	X				
205 Terrace Way	Resident	X				
206 Terrace Way	Resident	X				
207 Terrace Way	Resident	X				
208 Terrace Way	Resident	X				
209 Terrace Way	Resident	X				
212 Terrace Way	Resident	X				

Item #: 9.B. Attach 1.pdf

STREET ADDRESS	BUSINESS NAME	TYPE	SIZE	\$\$	MAIL ADDRESS	6736
215 Terrace Way A	Resident	X				
215 Terrace Way B	Resident	X				
219 Terrace Way	Resident	X				
1400 Wharf Rd	Wharf House Rest.	F	8	\$840		
1400 Wharf Rd	Capitola Boat & Bait	R	4	\$420	15 Municipal Wharf, Santa Cruz, CA	95060
1435 Wharf Rd	Resident	X				
1445 Wharf Rd	Resident	X				
1455 Wharf Rd	Resident	X				
1475 Wharf Rd	Resident	X				
1500 Wharf Rd	Venetian Hotel	H	15	\$5,400		
1500 Wharf Rd	Venetian Condos #1-23 & 3	H	24	\$7,680	need individual owners	
1502 Wharf Rd	Resident	X				
1504 Wharf Rd #1-2	Resident	X				
1505 Wharf Rd	Resident	X				
1507 Wharf Rd	Resident	X				
1509 Wharf Rd	Resident	X				
1680 Wharf Rd	Resident	X				
1720 Wharf Rd	Shadowbrook Rest.	F	12	1,440		
1730 Wharf Rd	Resident	X				
1750 Wharf Rd	Resident	X				
1800 Wharf Rd	Resident	X				
1810 Wharf Rd	Resident	X				
1820 Wharf Rd	Resident	X				
1830 Wharf Rd	Resident	X				
1840 Wharf Rd	Resident	X				
1850 Wharf Rd	Resident	X				
1860 Wharf Rd	Resident	X				
1870 Wharf Rd	Resident	X				
1880 Wharf Rd	Resident	X				
1890 Wharf Rd	Resident	X				
1900 Wharf Rd	Resident	X				
1910 Wharf Rd	Resident	X				
1920 Wharf Rd	Resident	X				
1930 Wharf Rd #1-6	Resident	X				
2010 Wharf Rd	Rispin Mansion	X				
Esplanade Park	Capitola Beach Company	R	4	\$420	1360 49TH Ave, Capitola ,CA	95010
	Bailey Properties	H	?	\$360EA	106 Aptos Beach Dr, Aptos, CA	96003
	Cheshire Realty	H	?	\$360EA	107 Aptos Beach Dr, Aptos, CA	96003
	Cypress Realty	H	?	\$360EA	2-2596 East Cliff Dr, Santa Cruz,	95062

R=RETAIL/SERVICE
 F=FOOD
 O=OFFICE
 H=SHORT TERM RENT
 X=EXEMPT

Chapter 5.10

CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA

Sections:

- 5.10.010 Statement of purpose.
- 5.10.020 Capitola Village and Wharf business improvement area.
- 5.10.030 Resolution of intention.
- 5.10.040 Time and place of public hearing/ protests.
- 5.10.050 Business improvement assessments.

5.10.010 Statement of purpose.

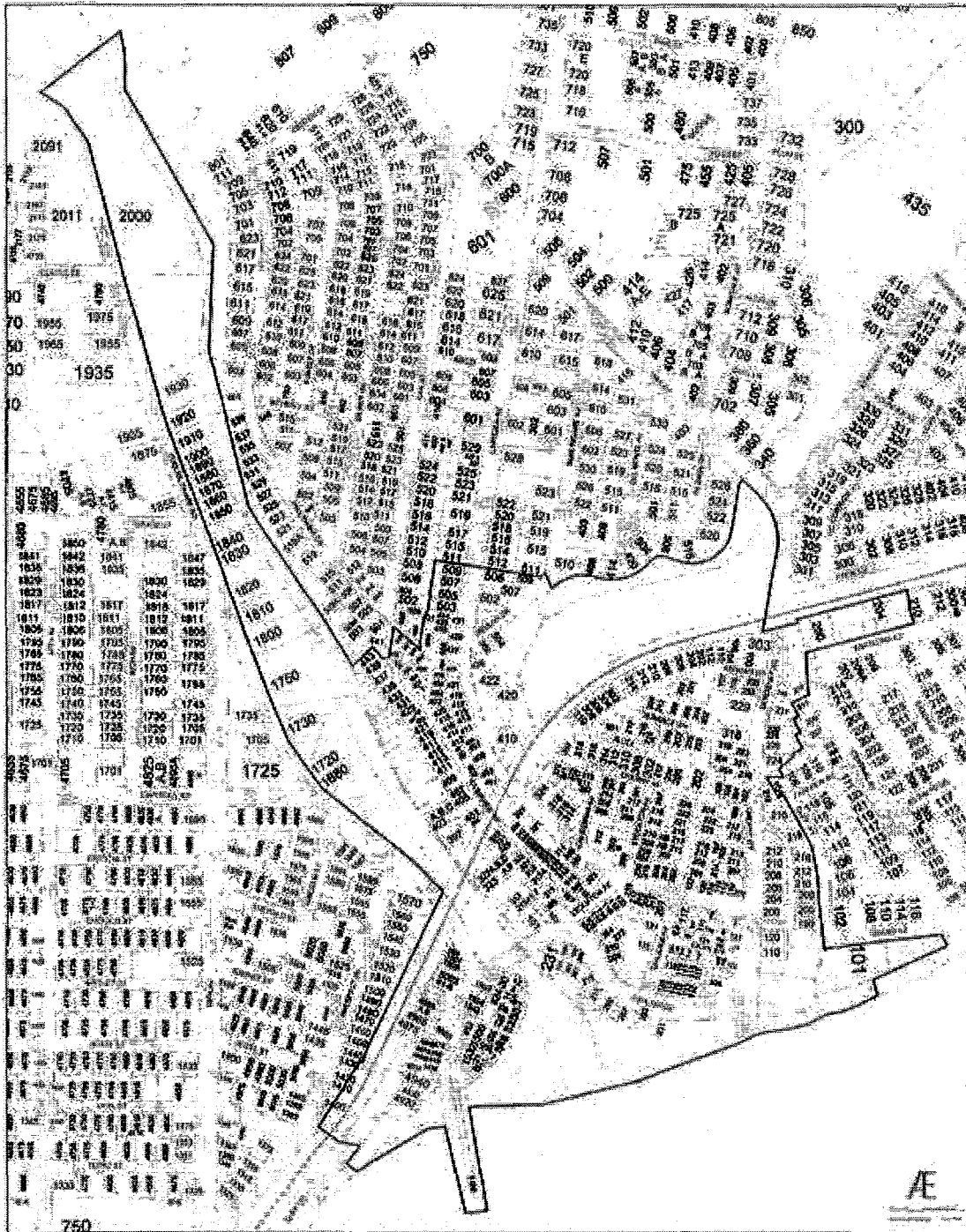
The ordinance codified in this chapter is adopted pursuant to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Sections 36500 et seq. Said ordinance is adopted in order to generate revenue for the exclusive purpose of promoting business in the Capitola Village and Wharf business improvement area. Revenue generated from the levy of assessments provided for in this chapter shall be used within the Capitola Village and Wharf business improvement area only and shall not be used to provide improvements or activities outside the business improvement area or for any purpose other than the purposes specified in the resolution of intention, or as may be modified by the city council at the public hearing concerning the establishment of the business improvement area. In adopting said ordinance, the city council finds that the businesses and the property within the Capitola Village and Wharf business improvement area will be benefited by the improvements and activities funded by the assessments levied and that all businesses benefited by the levy of such assessments will likewise be benefited from the tourist visits generated by the improvements and activities funded by the assessments. (Ord. 889 § 1, 2005)

5.10.020 Capitola Village and Wharf business improvement area.

There is established a business improvement area designated as the Capitola Village and Wharf business improvement area within the area bounded by the map identified as Exhibit A in this section.

Exhibit A

 **Capitola Village & Wharf Business Improvement Area**



(Ord. 889 § 1, 2005)

Capitola Municipal Code
Chapter 5.10 CAPITOLA VILLAGE AND WHARF
BUSINESS IMPROVEMENT AREA

Council of the City of Capitola to Initiate Proceedings for the Establishment of the Capitola Village and Wharf Business Improvement Area Pursuant to the Parking and Business Improvement Area Law of 1989 in Order to Levy Assessments for Improvements and Activities for the Benefit of Businesses Located in the Capitola Village and Wharf Area of the City of Capitola," city of Capitola Resolution No. 3453. (Ord. 889 § 1, 2005)

5.10.040 Time and place of public hearing/ protests.

A duly noticed and agendized public hearing concerning the establishment of the Capitola Village and Wharf business improvement area was conducted in accordance with all applicable laws and procedures by the Capitola city council at its regularly scheduled June 9, 2005 city council meeting. At the meeting, the city council heard and considered all oral and written protests concerning the establishment of the business improvement area, the extent of the business improvement area, and the specified types and activities and improvements within the business improvement area. Upon completion of the public hearing, the city council determined that protests received from the owners of businesses in the proposed business improvement area had not been received from the owners of businesses in the proposed business improvement area who will pay fifty percent or more of the assessments to be levied and that, accordingly, the submission of written and oral protests did not bar the city council's formation of the Capitola Village and Wharf business improvement area. (Ord. 889 § 1, 2005)

5.10.050 Business improvement assessments.

An annual assessment, which shall be in addition to any general business license tax of the city, shall be imposed upon all businesses in the Capitola Village and Wharf business improvement area, in accordance with the assessment method identified in this section. The business improvement area does not contain separate benefit zones. Business improvement assessments are based on the degree of benefit derived by the businesses. The assessments shall be levied to pay for all improvements and activities within the business improvement area. The businesses subject to business improvement area assessments pursuant to this chapter are subject to any amendments that may hereafter be made to this chapter or to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code Sections 36500 et seq. The method and basis for levying assessments in the business improvement area, and the business classification structure for the levy of the assessments, is as set forth in the resolution of intention identified in Section 5.10.030 and as further identified in the Capitola Village and Wharf business improvement area business addresses and assessment method and identified as Exhibit B. The assessment rate shall be as adopted by the city council by resolution. The initial assessment rate is as identified in the resolution of intention as may be modified by the public hearing concerning the establishment of the business improvement area. The time and manner of collecting assessments shall be as determined by the city manager except that it is established that, for all but the initial assessment, assessments are due on June 30th of each year. For the initial assessment, the assessment shall be due as determined by the city manager, but in no case later than June 30, 2006.

EXHIBIT B

Capitola Village and Wharf Business Improvement Area

Business Addresses and Assessment Method

Street Address	Business Name	Type	Size	Mail Address
502 Beulah	Resident	X		
504 Beulah	Resident	X		
507 Beulah	Resident	X		
509 Beulah	Resident	X		
402 Blue Gum	Short Term Rental	H	2	Bailey Properties
404 Blue Gum	Resident	X		
406 Blue Gum	Resident	X		

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Street Address	Business Name	Type	Size	Mail Address
404 Blue Gum	Resident	X		
406 Blue Gum	Resident	X		
408 Blue Gum	Resident	X		
409 Blue Gum	Resident	X		
428 Blue Gum	Resident	X		
430 Blue Gum	Resident	X		
431 Blue Gum	Resident	X		
432 Blue Gum	Resident	X		
434 Blue Gum	Resident	X		
206 California Avenue	Short Term Rental	H	1	Vacations by the Sea
207 California Avenue	Resident	X		
208 California Avenue	Resident	X		
211 California Avenue	Resident	X		
214 California Avenue	Resident	X		
215 California Avenue	Resident	X		
190 Camino Del Medio	Resident	X		
200 Camino Del Medio	Resident	X		
208 Camino Del Medio	Resident	X		
210 Camino Del Medio	Resident	X		
212 Camino Del Medio	Resident	X		
216 Camino Del Medio	Resident	X		
218 Camino Del Medio	Resident	X		
107 Capitola Avenue	Phoebe's	R	4	
109 Capitola Avenue	Sally Bookman Gallery	R	4	
110 Capitola Avenue	Avije Fashion Gallery	R	4	
110 Capitola Avenue	White Crane Gallery	R	4	
110 Capitola Avenue	The Outpost	R	4	
111 Capitola Avenue	Ray-Diant Clothing Company	R	4	
115 Capitola Avenue	Capitola Reef	R	4	
117 Capitola Avenue	Echo from the Woods	R	4	
118 Capitola Avenue	Unoccupied			
122 Capitola Avenue	Yvonne	R	4	
201 Capitola Avenue	Village Mouse	R	4	

Street Address	Business Name	Type	Size	Mail Address
202 Capitola Avenue	Rain or Shine	R	4	
204 Capitola Avenue	Oceania	R	4	
205 Capitola Avenue	Chocolate Bar	R	4	
207 Capitola Avenue	Craft Gallery Annex	R	4	
209 Capitola Avenue	Friends	R	4	
210 Capitola Avenue	Hour Place	R	4	
212 Capitola Avenue	Shanti	R	4	
212 Capitola Avenue	Vanessa	R	4	
214 Capitola Avenue	Super Silver	R	4	
215 Capitola Avenue	Nubia Swimwear	R	4	
216 Capitola Avenue	Ashley Fine Art	R	4	
218 Capitola Avenue	Peter Hubback	O	1	
220 Capitola Avenue	Build a Bear	R	4	
219 Capitola Avenue	Hot Feet	R	4	
219A Capitola Avenue	Short Term Rental	H	1	
300 Capitola Avenue	Quality Market	R	4	
300B Capitola Avenue	Resident	X		
301 Capitola Avenue	David Lyng and Associates	O		
307 Capitola Avenue #1-4	Mark Thomas	H	4	
309 Capitola Avenue	NLB-TJS Wash and Dry	R	4	
311 Capitola Avenue	Grinds	F	4	
312A Capitola Avenue	PH Diamonds	R	4	
312B Capitola Avenue	Buck's World	R	4	
312C Capitola Avenue	Red Poppy	R	4	
312D Capitola Avenue	Beach House Rentals	H	14	
312E Capitola Avenue	57 Design Inc.	O		
314 Capitola Avenue	Katz and Lapidés	O		
316 Capitola Avenue	Bella Roma	F	8	
318 Capitola Avenue #1-5	at least 2 are STR	H	2	Beach House Rentals
320 Capitola Avenue	Resident	X		
321 Capitola Avenue	Capitola Vacations.com	H	1	
321 Capitola Avenue	Pacific Gallery	R	4	
321 Capitola Avenue	Resident	X		

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Street Address	Business Name	Type	Size	Mail Address
324 Capitola Avenue	Resident	X		
331A Capitola Avenue	Adventure Group LLC	O		
331B Capitola Avenue				
331C Capitola Avenue				
331D Capitola Avenue	Interior Design	R	4	
331E Capitola Avenue	Woodward Childs	O		
331F Capitola Avenue	Advanced Ingredients	O		
331K Capitola Avenue	Newman, Marcus, Clarenbach	O		
331L Capitola Avenue				
401 Capitola Avenue	Resident	X		
403 Capitola Avenue	Resident	X		
405 Capitola Avenue	Central Fire District	X		
407 Capitola Avenue	Resident	X		
409A Capitola Avenue	Betsy's Summerhouse Ant.	R	4	
409B Capitola Avenue	Resident	X		
410 Capitola Avenue	Capitola Museum	X		
411 Capitola Avenue	City of Capitola	X		
413 Capitola Avenue	Richard Emigh, Land Use	O		
415 Capitola Avenue	James B. Colip Insurance	O		
417 Capitola Avenue	Soquel Creek Gallery	R	4	
419 Capitola Avenue #1-2	Resident	X		
420 Capitola Avenue	City of Capitola	X		
421A Capitola Avenue	Resident	X		
421B Capitola Avenue	Heritage Properties	O		
422 Capitola Avenue	Resident	X		
425 Capitola Avenue	Evan S. Tarsky DPM	O		
425 Capitola Avenue	office	O		
425 Capitola Avenue	office	O		
426 Capitola Avenue	Resident	X		
427 Capitola Avenue	OD's Kitchen	F	4	
429 Capitola Avenue	Resident	X		
431 Capitola Avenue	Resident	X		
502 Capitola Avenue	Resident	X		

Street Address	Business Name	Type	Size	Mail Address
503 Capitola Avenue	Village Surf Shop	R	4	
505 Capitola Avenue	Resident	X		
506 Capitola Avenue	Resident	X		
507 Capitola Avenue	Resident	X		
509 Capitola Avenue	Resident	X		
102 Cherry Way	Resident	X		
104 Cherry Way	Resident	X		
106 Cherry Way	Resident	X		
108 Cherry Way	Resident	X		
109 Cherry Way #A-B	Short Term Rental	H	2	Vacations by the Sea
202 Cherry Way #1-7	Resident	X		
206 Cherry Way	Resident	X		
207 Cherry Way #1-4	at least 2 are STR	H	2	Vacations by the Sea
208 Cherry Way	Resident	X		
212 Cherry Way	Resident	X		
301 Cherry Way	Resident	X		
302 Cherry Way	Resident	X		
303 Cherry Way	Short Term Rental	H	1	Vacations by the Sea
307 Cherry Way #A	Resident	X		
307 Cherry Way #B	Short Term Rental	H	1	Vacations by the Sea
308 Cherry Way	Resident	X		
309 Cherry Way	Short Term Rental	H	1	4084483407 Lois/Steve aplcust@aol.com
310 Cherry Way	Resident	X		
312 Cherry Way	Resident	X		
312 Cherry Way	Resident	X		
314 Cherry Way	Resident	X		
316 Cherry Way	Resident	X		
317 Cherry Way	Resident	X		
318 Cherry Way	Resident	X		
319 Cherry Way	Resident	X		
321 Cherry Way	Resident	X		
323 Cherry Way	Resident	X		
325 Cherry Way	Resident	X		

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Street Address	Business Name	Type	Size	Mail Address
4920 Cliff Drive #A-B	Resident	X		
4930 Cliff Drive	Resident	X		
4940 Cliff Drive	Resident	X		
4950 Cliff Drive	Resident	X		
4960 Cliff Drive	Resident	X		
4970 Cliff Drive	Resident	X		
4975 Cliff Drive	Resident	X		
4980 Cliff Drive	Resident	X		
4985 Cliff Drive	Resident	X		
4995 Cliff Drive	Resident	X		
5000 Cliff Drive	Harbor Lights Motel	H	15	
5005 Cliff Drive #1-6	Short Term Rental	H	16	
110 Esplanade	Resident	X		
112 Esplanade	Resident	X		
114 Esplanade	Resident	X		
116 Esplanade	Short Term Rental	H	1	Beach House Rentals
118 Esplanade	Resident	X		
120 Esplanade	Resident	X		
201 Esplanade	II Parata	F	8	
201 Esplanade	Resident	X		
203 Esplanade	Zelda's	F	12	
207 Esplanade	Beach House Restaurant	F	8	
208 Esplanade	Dahlia	R	4	
209A Esplanade	Pizza My Heart	F	8	
209B Esplanade	Anchor Bar	F	8	
210 Esplanade	Capitola Hotel	H	7	
211 Esplanade	Fog Bank Bar and Grille	F	12	
215 Esplanade	Paradise Beach Grille	F	12	
224 Esplanade	Surf Shack	R	4	
231 Esplanade #100	Mr. Toots	F	8	
231 Esplanade #101	Margaritaville	F	12	
231 Esplanade #200	Resident	X		
231 Esplanade #201	Resident	X		

Street Address	Business Name	Type	Size	Mail Address
231 Esplanade #300	Resident	X		
231 Esplanade #301	Resident	X		
100 Fanmar #1-4	Resident	X		
104 Fanmar	Resident	X		
105 Fanmar	Resident	X		
107 Fanmar	Resident	X		
108 Fanmar	Resident	X		
110 Fanmar	Resident	X		
112 Fanmar	Resident	X		
201 Fanmar	Resident	X		
202 Fanmar	Resident	X		
203 Fanmar	Resident	X		
204 Fanmar	Resident	X		
206 Fanmar	Resident	X		
208 Fanmar	Resident	X		
209 Fanmar	Resident	X		
210 Fanmar	Resident	X		
212 Fanmar	Resident	X		
214 Fanmar	Resident	X		
301 Fanmar	Resident	X		
302 Fanmar	Resident	X		
304 Fanmar	Resident	X		
306 Fanmar	Resident	X		
308 Fanmar	Resident	X		
310 Fanmar	Resident	X		
104 Lawn Way	Resident	X		
105 Lawn Way #1-4	Resident	X		
106 Lawn Way	Resident	X		
110 Lawn Way	Resident	X		
111 Lawn Way	Resident	X		
114 Lawn Way	Short Term Rental	H	1	
115 Lawn Way	Resident	X		
116 Lawn Way	Short Term Rental	H	1	

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Street Address	Business Name	Type	Size	Mail Address
118 Lawn Way	Resident	X		
119 Lawn Way	Resident	X		
120 Lawn Way	Resident	X		
109 Monterey #1-10	Short Term Rental	H	?	Some managed by VBS
109 Monterey #11A, 11B	Short Term Rental	H	?	Some managed by BHR
110 Monterey	Lido	F	12	
120 Monterey	Capitola Theatre	R		
123 Monterey	El Toro Bravo	F	8	
127 Monterey	Cruz'n	R	4	
131 Monterey	Clothes Garden	R	4	
200 Monterey #1	Souza's Ice Cream and Candy	F	4	
200 Monterey #1A	Polka Dots	R	4	
200 Monterey #2	Tacqueria Baja	F	4	
200 Monterey #3	Paradise Sushi	F	8	
201 Monterey #A	Moulon Rouge	R	4	
201 Monterey #B	Kickback	R	4	
201 Monterey #C	Shears to You	R	4	
201 Monterey #D	Four Seasons Marketing	O		
201 Monterey #E	Suess Insurance Agency	O		
201 Monterey #G	Fuse Architects	O		
201 Monterey #H	Jim Reding/Landmark	O		
204 Monterey	Resident	X		
206 Monterey	Short Term Rental	H	1	
207 Monterey	Empty lot			
208B Monterey	Havana Village	R	4	
208A Monterey	Avalon Visions	R	4	
208C Monterey	Short Term Rental	H	1	
210 Monterey #1	Thai Basil	F	4	
210 Monterey #2	Thai Basil Office	X		
210 Monterey #3	Short Term Rental	H	1	
211A Monterey	Resident	X		
211B Monterey	Resident	X		
212 Monterey #1-4	At least 1 is STR	H	1	464-4627

Street Address	Business Name	Type	Size	Mail Address
213 Monterey #1-3	At least 2 are STR	H	2	Bailey Properties 688-7009
205 Monterey	Vacations by the Sea	H	26	
215 1/2 Monterey	Beauty Treatments, Inc.	O		
216 Monterey	Resident	X		
217 Monterey #A-B	Short Term Rental	H	2	Vacations by the Sea
218 Monterey	Resident	X		
219 Monterey	Resident	X		
221 Monterey	Resident	X		
223 Monterey	Resident	X		
224 Monterey	Resident	X		
226 Monterey	Resident	X		
228 Monterey	Resident	X		
229 Monterey	Resident	X		
230 Monterey	Resident	X		
231 Monterey	Resident	X		
233 Monterey	Resident	X		
235 Monterey	Resident	X		
240 Monterey #1-6	Resident	X		
250 Monterey	Inn at Depot Hill	H	12	
105 Park Place	Resident	X		
107 Park Place	Short Term Rental	H	1	
304 Riverview Avenue	Resident	X		
305 Riverview Avenue	Short Term Rental	H	1	Peter Hubback
310 Riverview Avenue	Short Term Rental	H	1	Cheshire Realty
311 Riverview Avenue	Resident	X		
312 Riverview Avenue	Short Term Rental	H		
314 Riverview Avenue	Short Term Rental	H	1	Beach House Rentals
315 Riverview Avenue #1-7	Resident	X		An Anchorage Place
317 Riverview Avenue #A	Resident	X		
317 Riverview Avenue #B	Resident	X		
318 Riverview Avenue	Resident	X		
319 Riverview Avenue	Resident	X		
320 Riverview Avenue	Resident	X		

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Street Address	Business Name	Type	Size	Mail Address
321 Riverview Avenue	Resident	X		
322 Riverview Avenue	Resident	X		
323 Riverview Avenue #A	Resident	X		
323 Riverview Avenue #B	Resident	X		
324 Riverview Avenue	Resident	X		
326 Riverview Avenue	Resident	X		
327 Riverview Avenue #A	Short Term Rental	H	1	Beach House Rentals
327 Riverview Avenue #B	Short Term Rental	H	1	Beach House Rentals
327 Riverview Avenue #C	Short Term Rental	H	1	Beach House Rentals
328 Riverview Avenue	Resident	X		
329 Riverview Avenue	Short Term Rental	H	1	
330 Riverview Avenue	Resident	X		
331 Riverview Avenue	Resident	X		
332 Riverview Avenue	Resident	X		
333 Riverview Avenue	Resident / Short Term Rental	X		
334 Riverview Avenue	Resident	X		
397 Riverview Avenue	Jim Castellanos (no sign)	H	1	
399 Riverview Avenue	Jim Castellanos (no sign)	H	1	
401 Riverview Avenue	Resident	X		
402 Riverview Avenue	Robert Henry (no sign)	H	1	
403 Riverview Avenue	Resident	X		
405 Riverview Avenue #A	Forbes Property	H	1	Kendall Potter Mann
405 Riverview Avenue #B	Forbes Property	H	1	Kendall Potter Mann
405 Riverview Avenue #C	Forbes Property	H	1	Kendall Potter Mann
407 Riverview Avenue #A-B	Michael Pirnik	H	1	408-842-0030
409 Riverview Avenue	Resident	X		
410 Riverview Avenue	Timothy Boverman (no sign)	H	1	
412 Riverview Avenue	Resident	X		
413 Riverview Avenue	Resident	X		
414 Riverview Avenue #A-B	Resident	X		
415 Riverview Avenue	Tom Mader (no sign)	H	1	
416 Riverview Avenue	James Ciolino (no sign)	H	1	
417 Riverview Avenue	Michael Taylor (no sign)	H	1	

Street Address	Business Name	Type	Size	Mail Address
418 Riverview Avenue	Resident	X		
419 Riverview Avenue	Lowell Bookman (no sign)	H	1	
420 Riverview Avenue	Resident	X		
421 Riverview Avenue	Resident	X		
422 Riverview Avenue	Resident	X		
423 Riverview Avenue	Resident	X		
424 Riverview Avenue	Resident	X		
424 1/2 Riverview Avenue	Resident	X		
425 Riverview Avenue	Resident	X		
426 Riverview Avenue	Resident	X		
427 Riverview Avenue	Resident	X		
428 Riverview Avenue	Resident	X		
429 Riverview Avenue	Resident	X		
431 Riverview Avenue	Resident	X		
432 Riverview Avenue	Resident	X		
433 Riverview Avenue	Resident	X		
435 Riverview Avenue	Resident	X		
437 Riverview Avenue	Resident	X		
439 Riverview Avenue	Resident	X		
441 Riverview Avenue	Resident	X		
443 Riverview Avenue	Resident	X		
488 Riverview Drive	Resident	X		
489 Riverview Drive	Resident	X		
493 Riverview Drive	Resident	X		
494 Riverview Drive	Resident	X		
495 Riverview Drive	Resident	X		
497 Riverview Drive	Resident	X		
498 Riverview Drive	Resident	X		
499 Riverview Drive	Resident	X		
109 San Jose Avenue	Capitola Coffee Roasters	F	4	
115 San Jose Avenue	Capitola Seashells	R	4	
115 San Jose Avenue	In the Raw	R	4	
115 San Jose Avenue	Caruso's	F	4	

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Street Address	Business Name	Type	Size	Mail Address
115 San Jose Avenue	Oasis	R	4	
115 San Jose Avenue	Panache Bath and Body Shop	R	4	
115 San Jose Avenue	Manx	R	4	
115 San Jose Avenue	Nails on the Beach	R	4	
115 San Jose Avenue #D	Unoccupied			
115 San Jose Avenue	Buckhart's Candy	F	4	
115 San Jose Avenue	Resident	X		
116 San Jose Avenue	Rainbow City Limit	R	4	
121 San Jose Avenue	Thomas Kincade Gallery	R	4	
120 San Jose Avenue	Laurens	R	4	
122 San Jose Avenue #2-6	Resident	X		
126 San Jose Avenue	Craft Gallery	R	8	
204 San Jose Avenue #1-2	Resident	X		
207 San Jose Avenue #1-2	Resident	X		
208 San Jose Avenue	Piano Store	R	4	
208B San Jose Avenue	Resident	X		
212 San Jose Avenue #1-4	Resident	X		
215 San Jose Avenue	Short Term Rental	H	1	BeachBungalow.com 469-6161
216 San Jose Avenue	Resident	X		
217 San Jose Avenue	Resident	X		
219 San Jose Avenue	Resident	X		
220 San Jose Avenue #1-2	Resident	X		
221 San Jose Avenue	Resident	X		
222 San Jose Avenue	Short Term Rental	H	1	Beach House Rentals
223 San Jose Avenue	Resident	X		
224 San Jose Avenue	Short Term Rentals	H	1	Beach House Rentals
225 San Jose Avenue	Short Term Rentals	H	1	Beach House Rentals
304 San Jose Avenue	Resident	X		
308 San Jose Avenue	Resident	X		
310 San Jose Avenue	Resident	X		
316 San Jose Avenue	Armida Winery	R	4	
104 Stockton Avenue	Cafe Violette	F	4	
105 Stockton Avenue	Ashley Fine Art	R	4	

Street Address	Business Name	Type	Size	Mail Address
107 Stockton Avenue	Dogmatic Fine Art	R	4	
108 Stockton Avenue #1-4	Resident	X		
110 Stockton Avenue	European Childrens Clothing	R	4	
112 Stockton Avenue	Sea Level T's	R	4	
114 Stockton Avenue	Euphoria Rio Mix	R	4	
115 Stockton Avenue	David Lyng and Associates	O		
116 Stockton Avenue	Turtle Shells	R	4	
118 Stockton Avenue	Capitola Dreams Swimwear	R	4	
120 Stockton Avenue	Latta	R	4	
204 Stockton Avenue	Short Term Rental	H	1	Vacations by the Sea
206 Stockton Avenue	Short Term Rental	H	1	477-1089
208 Stockton Avenue	Resident	X		
209 Stockton Avenue	Resident	X		
210 Stockton Avenue	Resident	X		
211 Stockton Avenue	Resident	X		
212 Stockton Avenue	Resident	X		
216 Stockton Avenue	Resident	X		
217 Stockton Avenue	Resident	X		
202 Terrace Way	Resident	X		
203 Terrace Way	Resident	X		
204 Terrace Way	Resident	X		
205 Terrace Way	Resident	X		
206 Terrace Way	Resident	X		
207 Terrace Way	Resident	X		
208 Terrace Way	Resident	X		
209 Terrace Way	Resident	X		
212 Terrace Way	Resident	X		
215 Terrace Way #A	Resident	X		
215 Terrace Way #B	Resident	X		
219 Terrace Way	Resident	X		
1400 Wharf Road	Wharf House Restaurant	F	8	
1400 Wharf Road	Capitola Boat and Bait	R	4	15 Municipal Wharf, Santa Cruz, CA 95060
1435 Wharf Road	Resident	X		

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Street Address	Business Name	Type	Size	Mail Address
1445 Wharf Road	Resident	X		
1455 Wharf Road	Resident	X		
1475 Wharf Road	Resident	X		
1500 Wharf Road	Venetian Hotel	H	15	
1500 Wharf Road	Venetian Condos #1-23, 32	H	24	Need individual owners
1502 Wharf Road	Resident	X		
1504 Wharf Road #1-2	Resident	X		
1505 Wharf Road	Resident	X		
1507 Wharf Road	Resident	X		
1509 Wharf Road	Resident	X		
1680 Wharf Road	Resident	X		
1720 Wharf Road	Shadowbrook Restaurant	F	12	
1730 Wharf Road	Resident	X		
1750 Wharf Road	Resident	X		
1800 Wharf Road	Resident	X		
1810 Wharf Road	Resident	X		
1820 Wharf Road	Resident	X		
1830 Wharf Road	Resident	X		
1840 Wharf Road	Resident	X		
1850 Wharf Road	Resident	X		
1860 Wharf Road	Resident	X		
1870 Wharf Road	Resident	X		
1880 Wharf Road	Resident	X		
1890 Wharf Road	Resident	X		
1900 Wharf Road	Resident	X		
1910 Wharf Road	Resident	X		
1920 Wharf Road	Resident	X		
1930 Wharf Road #1-6	Resident	X		
2010 Wharf Road	Rispin Mansion	X		
Esplanade Park	Capitola Beach Company	R	4	1360 49th Avenue, Capitola, CA 95010
	Bailey Properties	H	?	106 Aptos Beach Drive, Aptos, CA 96003
	Cheshire Realty	H	?	107 Aptos Beach Drive, Aptos, CA 96003

Capitola Municipal Code
 Chapter 5.10 CAPITOLA VILLAGE AND WHARF
 BUSINESS IMPROVEMENT AREA

Business Category	Assessment Method
R = Retail/Service	Per Employee Category: 0-5; 6-10; >10 employees
F = Food	Per Employee Category: 0-5; 6-10; >10 employees
O = Office/Professional	Per Business
H = Short Term Rental; Hotel; Motel	Per Unit or Room
X = Exempt	No Assessment
The Assessment Rate will be determined by Resolution of the City Council.	

(Ord. 889 § 1, 2005)

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ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF CAPITOLA ADDING
CHAPTER 5.10 TO THE CAPITOLA MUNICIPAL CODE ESTABLISHING
THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA**

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

Section 1. Chapter 5.10 is hereby added to the Capitola Municipal Code to read as follows:

“Chapter 5.10
Capitola Village and Wharf Business Improvement Area

Sections:

- 5.10.010 Statement of Purpose
- 5.10.020 Capitola Village and Wharf Business Improvement Area
- 5.10.030 Resolution of Intention
- 5.10.040 Time and Place of Public Hearing/Protests
- 5.10.050 Business Improvement Assessments

5.10.010 Statement of Purpose.

This Chapter is adopted pursuant to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code sections 36500 et seq. This Chapter is adopted in order to generate revenue for the exclusive purpose of promoting business in the Capitola Village and Wharf Business Improvement Area. Revenue generated from the levy of assessments provided for in this Chapter shall be used within the Capitola Village Wharf and Business Improvement Area only and shall not be used to provide improvements or activities outside said Business Improvement Area or for any purpose other than the purposes specified in the Resolution of Intention, or as may be modified by the City Council at the public hearing concerning the establishment of said Business Improvement Area. In adopting this Chapter, the City Council hereby finds that the businesses and the property within the Capitola Village and Wharf Business Improvement Area will be benefited by the improvements and activities funded by the assessments hereby levied and that all businesses benefited by the levy of said assessments will likewise be benefited from the tourist visits generated by the improvements and activities funded by said assessments.

5.10.020 Capitola Village and Wharf Business Improvement Area.

There is hereby established a Business Improvement Area designated as the Capitola Village and Wharf Business Improvement Area within the area bounded as identified by the map attached to this chapter and identified as Exhibit A.

5.10.030 Resolution of Intention.

~~The assessment method and rates to Levy Business Improvement Assessments for each Fiscal Year are set On May 12, 2005 at a regular and duly noticed public City Council meeting the Capitola City Council, in accordance with all applicable laws, procedures and noticing requirements adopted in a "Resolution of Intention of the City Council of the City of Capitola to Initiate Proceedings for the Establishment of the Capitola Village and Wharf Business Improvement Area Pursuant to the Parking and Business Improvement Area Law of 1989 in Order to Levy Assessments for Improvements and Activities for the Benefit of Businesses Located in the Capitola Village and Wharf Area of the City of Capitola," City of Capitola Resolution No. 3453, adopted annually. (Ord 889 §-1, 2005)~~

5.10.040 Time and Place of Public Hearing/Protests.

A duly noticed and agendized public hearing concerning the establishment of the Capitola Village and Wharf Business Improvement Area was conducted in accordance with all applicable laws and procedures by the Capitola City Council at its regularly scheduled June 9, 2005 City Council meeting. At said meeting, the City Council heard and considered all oral and written protests concerning the establishment of the Business Improvement Area, the extent of the Business Improvement Area, and the specified types and activities and improvements within the Business Improvement Area. Upon completion of the public hearing, the City Council determined that protests received from the owners of businesses in the proposed Business Improvement Area had not been received from the owners of businesses in said proposed Business Improvement Area who will pay 50 percent or more of the assessments to be levied and that, accordingly, the submission of written and oral protests did not bar the City Council's formation of the Capitola Village and Wharf Business Improvement Area.

5.10.050 Business Improvement Assessments.

An annual assessment, which shall be in addition to any general business license tax of the City of Capitola, shall be imposed upon all businesses in the Capitola Village and Wharf Business Improvement Area, in accordance with the assessment method identified in this section. The Business Improvement Area does not contain separate benefit zones. Business improvement assessments are based on the degree of benefit derived by said businesses. The assessments shall be levied to pay for all improvements and activities within the Business Improvement Area. The businesses subject to Business Improvement Area assessments pursuant to this Chapter are subject to any amendments that may hereafter be made to this Chapter or to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code sections 36500 et seq. The method and basis for levying assessments in the Business Improvement Area, and the business classification structure for the levy of said assessments, is as set forth in the Resolution of Intention identified hereinabove and as further identified in the Capitola Village and Wharf Business Improvement Area Business Addresses and Assessment Method and identified as Exhibit B. The assessment rate shall be as adopted by the City Council by resolution. The initial assessment rate is as identified in the Resolution of Intention as may be modified by the public hearing concerning the establishment of said Business Improvement Area. The time and manner of collecting assessments shall be as determined by the City Manager except that it is hereby established that, for all but the initial assessment, assessments are due annually pursuant to the specific invoices on June 30 of each year. For the initial assessment, the assessment shall be due as determined by the City Manager, but in no case later than June 30, 2006.

Section 2. This Ordinance shall take effect and be in force thirty (30) days after final adoption.

This Ordinance was introduced on the 11th day of June, 2015, and was passed and adopted by the City Council of the City of Capitola on the ___ day of ___, 2015, by the following vote:

AYES:
NOES
ABSENT:
ABSTAIN:

APPROVED: _____
Dennis Norton, Mayor

ATTEST: _____, CMC
Susan Sneddon, City Clerk

Capitola Village & Wharf Business Improvement Area



**PROPOSED AREA
TO BE REMOVED
FROM THE CVWBA**



EXHIBIT B

Capitola Village and Wharf Business Improvement Area

-Business Addresses and Assessment Method

Street Address	Business Name	Type	Size	Mail Address
502 Beulah	Resident	X		
504 Beulah	Resident	X		
507 Beulah	Resident	X		
509 Beulah	Resident	X		
402 Blue Gum	Short Term Rental	H	2	Bailey Properties
404 Blue Gum	Resident	X		
406 Blue Gum	Resident	X		
408 Blue Gum	Resident	X		
409 Blue Gum	Resident	X		
428 Blue Gum	Resident	X		
430 Blue Gum	Resident	X		
431 Blue Gum	Resident	X		
432 Blue Gum	Resident	X		
434 Blue Gum	Resident	X		
206 California Avenue	Short Term Rental	H	1	Vacations by the Sea
207 California Avenue	Resident	X		
208 California Avenue	Resident	X		
211 California Avenue	Resident	X		
214 California Avenue	Resident	X		
215 California Avenue	Resident	X		
190 Camino Del Medio	Resident	X		
200 Camino Del Medio	Resident	X		
208 Camino Del Medio	Resident	X		
210 Camino Del Medio	Resident	X		
212 Camino Del Medio	Resident	X		
216 Camino Del Medio	Resident	X		
218 Camino Del Medio	Resident	X		
107 Capitola Avenue	Phoebe's	R	4	
109 Capitola Avenue	Sally Bookman Gallery	R	4	

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Street Address	Business Name	Type	Size	Mail Address
110 Capitola Avenue	Avije Fashion Gallery	R	4	
110 Capitola Avenue	White Crane Gallery	R	4	
110 Capitola Avenue	The Outpost	R	4	
111 Capitola Avenue	Ray-Diant Clothing Company	R	4	
115 Capitola Avenue	Capitola Reef	R	4	
117 Capitola Avenue	Echo from the Woods	R	4	
118 Capitola Avenue	Unoccupied			
122 Capitola Avenue	Yvonne	R	4	
201 Capitola Avenue	Village Mouse	R	4	
202 Capitola Avenue	Rain or Shine	R	4	
204 Capitola Avenue	Oceania	R	4	
205 Capitola Avenue	Chocolate Bar	R	4	
207 Capitola Avenue	Craft Gallery Annex	R	4	
209 Capitola Avenue	Friends	R	4	
210 Capitola Avenue	Hour Place	R	4	
212 Capitola Avenue	Shanti	R	4	
212 Capitola Avenue	Vanessa	R	4	
214 Capitola Avenue	Super Silver	R	4	
215 Capitola Avenue	Nubia Swimwear	R	4	
216 Capitola Avenue	Ashley Fine Art	R	4	
218 Capitola Avenue	Peter Hubbaek	O	1	
220 Capitola Avenue	Build a Bear	R	4	
219 Capitola Avenue	Hot Feet	R	4	
219A Capitola Avenue	Short Term Rental	H	1	
300 Capitola Avenue	Quality Market	R	4	
300B Capitola Avenue	Resident	X		
301 Capitola Avenue	David Lyng and Associates	O		
307 Capitola Avenue #1-4	Mark Thomas	H	4	
309 Capitola Avenue	NLB TJS Wash and Dry	R	4	
311 Capitola Avenue	Grinds	F	4	
312A Capitola Avenue	PH Diamonds	R	4	
312B Capitola Avenue	Buek's World	R	4	
312C Capitola Avenue	Red Poppy	R	4	

Street Address	Business Name	Type	Size	Mail Address
312D Capitola Avenue	Beach House Rentals	H	14	
312E Capitola Avenue	57 Design Inc.	O		
314 Capitola Avenue	Katz and Lapidus	O		
316 Capitola Avenue	Bella Roma	F	8	
318 Capitola Avenue #1-5	at least 2 are STR	H	2	Beach House Rentals
320 Capitola Avenue	Resident	X		
321 Capitola Avenue	Capitola Vacations.com	H	1	
321 Capitola Avenue	Pacific Gallery	R	4	
321 Capitola Avenue	Resident	X		
324 Capitola Avenue	Resident	X		
331A Capitola Avenue	Adventure Group LLC	O		
331B Capitola Avenue				
331C Capitola Avenue				
331D Capitola Avenue	Interior Design	R	4	
331E Capitola Avenue	Woodward Childs	O		
331F Capitola Avenue	Advanced Ingredients	O		
331K Capitola Avenue	Newman, Marcus, Clarenbach	O		
331L Capitola Avenue				
401 Capitola Avenue	Resident	X		
403 Capitola Avenue	Resident	X		
405 Capitola Avenue	Central Fire District	X		
407 Capitola Avenue	Resident	X		
409A Capitola Avenue	Betsy's Summerhouse Ant.	R	4	
409B Capitola Avenue	Resident	X		
410 Capitola Avenue	Capitola Museum	X		
411 Capitola Avenue	City of Capitola	X		
413 Capitola Avenue	Richard Emigh, Land Use	O		
415 Capitola Avenue	James B. Colip Insurance	O		
417 Capitola Avenue	Soquel Creek Gallery	R	4	
419 Capitola Avenue #1-2	Resident	X		
420 Capitola Avenue	City of Capitola	X		
421A Capitola Avenue	Resident	X		
421B Capitola Avenue	Heritage Properties	O		

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Street Address	Business Name	Type	Size	Mail Address
422 Capitola Avenue	Resident	X		
425 Capitola Avenue	Evan S. Tarsky DPM	O		
425 Capitola Avenue	office	O		
425 Capitola Avenue	office	O		
426 Capitola Avenue	Resident	X		
427 Capitola Avenue	OD's Kitchen	F	4	
429 Capitola Avenue	Resident	X		
431 Capitola Avenue	Resident	X		
502 Capitola Avenue	Resident	X		
503 Capitola Avenue	Village Surf Shop	R	4	
505 Capitola Avenue	Resident	X		
506 Capitola Avenue	Resident	X		
507 Capitola Avenue	Resident	X		
509 Capitola Avenue	Resident	X		
102 Cherry Way	Resident	X		
104 Cherry Way	Resident	X		
106 Cherry Way	Resident	X		
108 Cherry Way	Resident	X		
109 Cherry Way #A-B	Short Term Rental	H	2	Vacations by the Sea
202 Cherry Way #1-7	Resident	X		
206 Cherry Way	Resident	X		
207 Cherry Way #1-4	at least 2 are STR	H	2	Vacations by the Sea
208 Cherry Way	Resident	X		
212 Cherry Way	Resident	X		
301 Cherry Way	Resident	X		
302 Cherry Way	Resident	X		
303 Cherry Way	Short Term Rental	H	4	Vacations by the Sea
307 Cherry Way #A	Resident	X		
307 Cherry Way #B	Short Term Rental	H	4	Vacations by the Sea
308 Cherry Way	Resident	X		
309 Cherry Way	Short Term Rental	H	4	4084483407 Lois/Steve appleust@aol.com
310 Cherry Way	Resident	X		
312 Cherry Way	Resident	X		

Street Address	Business Name	Type	Size	Mail Address
312 Cherry Way	Resident	X		
314 Cherry Way	Resident	X		
316 Cherry Way	Resident	X		
317 Cherry Way	Resident	X		
318 Cherry Way	Resident	X		
319 Cherry Way	Resident	X		
321 Cherry Way	Resident	X		
323 Cherry Way	Resident	X		
325 Cherry Way	Resident	X		
4920 Cliff Drive #A-B	Resident	X		
4930 Cliff Drive	Resident	X		
4940 Cliff Drive	Resident	X		
4950 Cliff Drive	Resident	X		
4960 Cliff Drive	Resident	X		
4970 Cliff Drive	Resident	X		
4975 Cliff Drive	Resident	X		
4980 Cliff Drive	Resident	X		
4985 Cliff Drive	Resident	X		
4995 Cliff Drive	Resident	X		
5000 Cliff Drive	Harbor Lights Motel	H	15	
5005 Cliff Drive #1-6	Short Term Rental	H	16	
110 Esplanade	Resident	X		
112 Esplanade	Resident	X		
114 Esplanade	Resident	X		
116 Esplanade	Short Term Rental	H	1	Beach House Rentals
118 Esplanade	Resident	X		
120 Esplanade	Resident	X		
201 Esplanade	H Parata	F	8	
201 Esplanade	Resident	X		
203 Esplanade	Zelda's	F	12	
207 Esplanade	Beach House Restaurant	F	8	
208 Esplanade	Dahlia	R	4	
209A Esplanade	Pizza My Heart	F	8	

Street Address	Business Name	Type	Size	Main Address
209B Esplanade	Anchor Bar	F	8	
210 Esplanade	Capitola Hotel	H	7	
211 Esplanade	Fog Bank Bar and Grille	F	12	
215 Esplanade	Paradise Beach Grille	F	12	
221 Esplanade	Surf Shack	R	4	
231 Esplanade #100	Mr. Toats	F	8	
231 Esplanade #101	Margaritaville	F	12	
231 Esplanade #200	Resident	X		
231 Esplanade #201	Resident	X		
231 Esplanade #300	Resident	X		
231 Esplanade #301	Resident	X		
100 Fannar #1-4	Resident	X		
104 Fannar	Resident	X		
105 Fannar	Resident	X		
107 Fannar	Resident	X		
108 Fannar	Resident	X		
110 Fannar	Resident	X		
112 Fannar	Resident	X		
201 Fannar	Resident	X		
202 Fannar	Resident	X		
203 Fannar	Resident	X		
204 Fannar	Resident	X		
206 Fannar	Resident	X		
208 Fannar	Resident	X		
209 Fannar	Resident	X		
210 Fannar	Resident	X		
212 Fannar	Resident	X		
214 Fannar	Resident	X		
301 Fannar	Resident	X		
302 Fannar	Resident	X		
304 Fannar	Resident	X		
306 Fannar	Resident	X		
308 Fannar	Resident	X		

Street Address	Business Name	Type	Size	Mail Address
310 Fannar	Resident	X		
104 Lawn Way	Resident	X		
105 Lawn Way #1-4	Resident	X		
106 Lawn Way	Resident	X		
110 Lawn Way	Resident	X		
111 Lawn Way	Resident	X		
114 Lawn Way	Short Term Rental	H	1	
115 Lawn Way	Resident	X		
116 Lawn Way	Short Term Rental	H	1	
118 Lawn Way	Resident	X		
119 Lawn Way	Resident	X		
120 Lawn Way	Resident	X		
109 Monterey #1-10	Short Term Rental	H	?	Some managed by VBS
109 Monterey #11A, 11B	Short Term Rental	H	?	Some managed by BHR
110 Monterey	Lido	F	12	
120 Monterey	Capitola Theatre	R		
123 Monterey	El Toro Bravo	F	8	
127 Monterey	Cruz'n	R	4	
131 Monterey	Clothes Garden	R	4	
200 Monterey #1	Souza's Ice Cream and Candy	F	4	
200 Monterey #1A	Polka Dots	R	4	
200 Monterey #2	Taqueria Baja	F	4	
200 Monterey #3	Paradise Sushi	F	8	
201 Monterey #A	Moulon Rouge	R	4	
201 Monterey #B	Kickback	R	4	
201 Monterey #C	Shears to You	R	4	
201 Monterey #D	Four Seasons Marketing	O		
201 Monterey #E	Suess Insurance Agency	O		
201 Monterey #G	Fuse Architects	O		
201 Monterey #H	Jim Reding/Landmark	O		
204 Monterey	Resident	X		
206 Monterey	Short Term Rental	H	1	
207 Monterey	Empty lot			

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Street Address	Business Name	Type	Size	Mail Address
208B Monterey	Havana Village	R	4	
208A Monterey	Avalon Visions	R	4	
208C Monterey	Short Term Rental	H	1	
210 Monterey #1	Thai Basil	F	4	
210 Monterey #2	Thai Basil Office	X		
210 Monterey #3	Short Term Rental	H	1	
211A Monterey	Resident	X		
211B Monterey	Resident	X		
212 Monterey #1-4	At least 1 is STR	H	1	464-4627
213 Monterey #1-3	At least 2 are STR	H	2	Bailey Properties 688-7009
205 Monterey	Vacations by the Sea	H	26	
215 1/2 Monterey	Beauty Treatments, Inc.	O		
216 Monterey	Resident	X		
217 Monterey #A-B	Short Term Rental	H	2	Vacations by the Sea
218 Monterey	Resident	X		
219 Monterey	Resident	X		
221 Monterey	Resident	X		
223 Monterey	Resident	X		
224 Monterey	Resident	X		
226 Monterey	Resident	X		
228 Monterey	Resident	X		
229 Monterey	Resident	X		
230 Monterey	Resident	X		
231 Monterey	Resident	X		
233 Monterey	Resident	X		
235 Monterey	Resident	X		
240 Monterey #1-6	Resident	X		
250 Monterey	Inn at Depot Hill	H	12	
405 Park Place	Resident	X		
407 Park Place	Short Term Rental	H	1	
304 Riverview Avenue	Resident	X		
305 Riverview Avenue	Short Term Rental	H	1	Peter Hubback
310 Riverview Avenue	Short Term Rental	H	1	Cheshire Realty

Street Address	Business Name	Type	Size	Mail Address
311 Riverview Avenue	Resident	X		
312 Riverview Avenue	Short Term Rental	H		
314 Riverview Avenue	Short Term Rental	H	+	Beach House Rentals
315 Riverview Avenue #1-7	Resident	X		An Anchorage Place
317 Riverview Avenue #A	Resident	X		
317 Riverview Avenue #B	Resident	X		
318 Riverview Avenue	Resident	X		
319 Riverview Avenue	Resident	X		
320 Riverview Avenue	Resident	X		
321 Riverview Avenue	Resident	X		
322 Riverview Avenue	Resident	X		
323 Riverview Avenue #A	Resident	X		
323 Riverview Avenue #B	Resident	X		
324 Riverview Avenue	Resident	X		
326 Riverview Avenue	Resident	X		
327 Riverview Avenue #A	Short Term Rental	H	+	Beach House Rentals
327 Riverview Avenue #B	Short Term Rental	H	+	Beach House Rentals
327 Riverview Avenue #C	Short Term Rental	H	+	Beach House Rentals
328 Riverview Avenue	Resident	X		
329 Riverview Avenue	Short Term Rental	H	+	
330 Riverview Avenue	Resident	X		
331 Riverview Avenue	Resident	X		
332 Riverview Avenue	Resident	X		
333 Riverview Avenue	Resident / Short Term Rental	X		
334 Riverview Avenue	Resident	X		
397 Riverview Avenue	Jim Castellanos (no sign)	H	+	
399 Riverview Avenue	Jim Castellanos (no sign)	H	+	
401 Riverview Avenue	Resident	X		
402 Riverview Avenue	Robert Henry (no sign)	H	+	
403 Riverview Avenue	Resident	X		
405 Riverview Avenue #A	Forbes Property	H	+	Kendall Potter Mann
405 Riverview Avenue #B	Forbes Property	H	+	Kendall Potter Mann
405 Riverview Avenue #C	Forbes Property	H	+	Kendall Potter Mann

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Street Address	Business Name	Type	Size	Mail Address
407 Riverview Avenue #A-B	Michael Pirnik	H	4	408-842-0030
409 Riverview Avenue	Resident	X		
410 Riverview Avenue	Timothy Boverman (no sign)	H	4	
412 Riverview Avenue	Resident	X		
413 Riverview Avenue	Resident	X		
414 Riverview Avenue #A-B	Resident	X		
415 Riverview Avenue	Tom Mader (no sign)	H	4	
416 Riverview Avenue	James Ciolino (no sign)	H	4	
417 Riverview Avenue	Michael Taylor (no sign)	H	4	
418 Riverview Avenue	Resident	X		
419 Riverview Avenue	Lowell Bookman (no sign)	H	4	
420 Riverview Avenue	Resident	X		
421 Riverview Avenue	Resident	X		
422 Riverview Avenue	Resident	X		
423 Riverview Avenue	Resident	X		
424 Riverview Avenue	Resident	X		
424 1/2 Riverview Avenue	Resident	X		
425 Riverview Avenue	Resident	X		
426 Riverview Avenue	Resident	X		
427 Riverview Avenue	Resident	X		
428 Riverview Avenue	Resident	X		
429 Riverview Avenue	Resident	X		
431 Riverview Avenue	Resident	X		
432 Riverview Avenue	Resident	X		
433 Riverview Avenue	Resident	X		
435 Riverview Avenue	Resident	X		
437 Riverview Avenue	Resident	X		
439 Riverview Avenue	Resident	X		
441 Riverview Avenue	Resident	X		
443 Riverview Avenue	Resident	X		
488 Riverview Drive	Resident	X		
489 Riverview Drive	Resident	X		
493 Riverview Drive	Resident	X		

Street Address	Business Name	Type	Size	Mail Address
494 Riverview Drive	Resident	X		
495 Riverview Drive	Resident	X		
497 Riverview Drive	Resident	X		
498 Riverview Drive	Resident	X		
499 Riverview Drive	Resident	X		
109 San Jose Avenue	Capitola Coffee Roasters	F	4	
115 San Jose Avenue	Capitola Seashells	R	4	
115 San Jose Avenue	In the Raw	R	4	
115 San Jose Avenue	Caruso's	F	4	
115 San Jose Avenue	Oasis	R	4	
115 San Jose Avenue	Panache Bath and Body Shop	R	4	
115 San Jose Avenue	Manx	R	4	
115 San Jose Avenue	Nails on the Beach	R	4	
115 San Jose Avenue #D	Unoccupied			
115 San Jose Avenue	Buekhart's Candy	F	4	
115 San Jose Avenue	Resident	X		
116 San Jose Avenue	Rainbow City Limit	R	4	
121 San Jose Avenue	Thomas Kincaid Gallery	R	4	
120 San Jose Avenue	Laurens	R	4	
122 San Jose Avenue #2-6	Resident	X		
126 San Jose Avenue	Craft Gallery	R	8	
201 San Jose Avenue #1-2	Resident	X		
207 San Jose Avenue #1-2	Resident	X		
208 San Jose Avenue	Piano Store	R	4	
208B San Jose Avenue	Resident	X		
212 San Jose Avenue #1-4	Resident	X		
215 San Jose Avenue	Short Term Rental	H	4	BeachBungalow.com 469-6161
216 San Jose Avenue	Resident	X		
217 San Jose Avenue	Resident	X		
219 San Jose Avenue	Resident	X		
220 San Jose Avenue #1-2	Resident	X		
221 San Jose Avenue	Resident	X		
222 San Jose Avenue	Short Term Rental	H	4	Beach House Rentals

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Street Address	Business Name	Type	Size	Mail Address
223 San Jose Avenue	Resident	X		
224 San Jose Avenue	Short Term Rentals	H	1	Beach House Rentals
225 San Jose Avenue	Short Term Rentals	H	1	Beach House Rentals
304 San Jose Avenue	Resident	X		
308 San Jose Avenue	Resident	X		
310 San Jose Avenue	Resident	X		
316 San Jose Avenue	Armida Winery	R	4	
404 Stockton Avenue	Cafe Violette	F	4	
405 Stockton Avenue	Ashley Fine Art	R	4	
407 Stockton Avenue	Dogmatic Fine Art	R	4	
408 Stockton Avenue #1-4	Resident	X		
410 Stockton Avenue	European Childrens Clothing	R	4	
412 Stockton Avenue	Sea Level T's	R	4	
414 Stockton Avenue	Euphoria Rio Mix	R	4	
415 Stockton Avenue	David Lyng and Associates	O		
416 Stockton Avenue	Turtle Shells	R	4	
418 Stockton Avenue	Capitola Dreams Swimwear	R	4	
420 Stockton Avenue	Latta	R	4	
204 Stockton Avenue	Short Term Rental	H	1	Vacations by the Sea
206 Stockton Avenue	Short Term Rental	H	1	477-1089
208 Stockton Avenue	Resident	X		
209 Stockton Avenue	Resident	X		
210 Stockton Avenue	Resident	X		
211 Stockton Avenue	Resident	X		
212 Stockton Avenue	Resident	X		
216 Stockton Avenue	Resident	X		
217 Stockton Avenue	Resident	X		
202 Terrace Way	Resident	X		
203 Terrace Way	Resident	X		
204 Terrace Way	Resident	X		
205 Terrace Way	Resident	X		
206 Terrace Way	Resident	X		
207 Terrace Way	Resident	X		

Street Address	Business Name	Type	Size	Mail Address
208 Terrace Way	Resident	X		
209 Terrace Way	Resident	X		
212 Terrace Way	Resident	X		
215 Terrace Way #A	Resident	X		
215 Terrace Way #B	Resident	X		
219 Terrace Way	Resident	X		
1400 Wharf Road	Wharf House Restaurant	F	8	
1400 Wharf Road	Capitola Boat and Bait	R	4	15 Municipal Wharf, Santa Cruz, CA 95060
1435 Wharf Road	Resident	X		
1445 Wharf Road	Resident	X		
1455 Wharf Road	Resident	X		
1475 Wharf Road	Resident	X		
1500 Wharf Road	Venetian Hotel	H	15	
1500 Wharf Road	Venetian Condos #1-23, 32	H	24	Need individual owners
1502 Wharf Road	Resident	X		
1504 Wharf Road #1-2	Resident	X		
1505 Wharf Road	Resident	X		
1507 Wharf Road	Resident	X		
1509 Wharf Road	Resident	X		
1680 Wharf Road	Resident	X		
1720 Wharf Road	Shadowbrook Restaurant	F	12	
1730 Wharf Road	Resident	X		
1750 Wharf Road	Resident	X		
1800 Wharf Road	Resident	X		
1810 Wharf Road	Resident	X		
1820 Wharf Road	Resident	X		
1830 Wharf Road	Resident	X		
1840 Wharf Road	Resident	X		
1850 Wharf Road	Resident	X		
1860 Wharf Road	Resident	X		
1870 Wharf Road	Resident	X		
1880 Wharf Road	Resident	X		
1890 Wharf Road	Resident	X		

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Street Address	Business Name	Type	Size	Mail Address
4900 Wharf Road	Resident	X		
4910 Wharf Road	Resident	X		
4920 Wharf Road	Resident	X		
4930 Wharf Road #1-6	Resident	X		
2010 Wharf Road	Rispin Mansion	X		
Esplanade Park	Capitola Beach Company	R	4	4360 49th Avenue, Capitola, CA 95010
	Bailey Properties	H	?	406 Aptos Beach Drive, Aptos, CA 96003
	Cheshire Realty	H	?	407 Aptos Beach Drive, Aptos, CA 96003
	Cypress Realty	H	?	2 2596 E. Cliff Drive, Santa Cruz, CA 95062

Business Category	Assessment Method
R = Retail/Service	Per Employee Category: 0-5; 6-10; >10 employees
F = Food	Per Employee Category: 0-5; 6-10; >10 employees
O = Office/Professional	Per Business
H = Short Term Rental: Hotel: Motel	Per Unit or Room
X = Exempt	No Assessment
The Assessment Rate will be determined by Resolution of the City Council.	

(Ord. 889 § 1, 2005)



CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: FINANCE DEPARTMENT

SUBJECT: CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA
FISCAL YEAR 2015-2016 ASSESSMENTS

RECOMMENDED ACTION: Adopt the proposed Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2015-2016, to provide the following:

- Receive the annual report and proposed Fiscal Year 2015-2016 Budget prepared by the Capitola Village and Wharf Business Improvement Area;
- Set a public hearing to receive oral or written protests on the levy of the assessments for Fiscal Year 2015-2016 for Thursday, June 25, 2015, at 7:00 p.m.;
- Direct the City Clerk to give required notice in the newspaper; and
- Direct the Capitola Village and Wharf Business Improvement Area to give required notice to each proposed affected business.

NOTE: Included in the June 11, 2015, City Council Agenda packet is the introduction of an Ordinance amending Chapter 5.10 of the Capitola Municipal Code.

BACKGROUND: In 2005 the City Council adopted Resolution No. 3453, a Resolution of Intention, (Attachment 1) establishing the Capitola Village and Wharf Business Improvement Area (CVWBIA), and adopted Ordinance No. 889 (Attachment 2) adding Chapter 5.10 to the Capitola Municipal Code (CMC) which includes a description of the area boundary and a description of the method and basis for assessment with a breakdown by business classification.

DISCUSSION: In accordance with State law, the CVWBIA is required to submit an annual plan for each year in which assessments are to be levied in the CVWBIA. The annual report, Exhibit A to the proposed Resolution, was prepared by the CVWBIA and fulfills the requirement for Fiscal Year 2015-2016 and is submitted for Council review. The annual report, which must be, and is, on file in the City Clerk's office, may be modified by the Council and then approved. For Fiscal Year 2015-2016, the CVWBIA Annual Report proposes to end the assessment area at 427 Capitola Avenue (see proposed boundary map), increase assessment rates by 10%, and offer a 10% discount to businesses that pay by the due date.

The CVWBIA is proposing to slightly modify their assessment area by removing properties as shown in the revised CVWBIA boundary map (Attachment 3). A list of addresses being removed from the CVWBIA is provided in the annual report (Attachment 1)

Item #: 9.C. Staff Report.pdf

6-11-15 AGENDA REPORT

CAPITOLA VILLAGE & WHARF BUSINESS IMPROVEMENT AREA FY 15-16 ASSESSMENT

The annual report also outlines the CVWBIA's Fiscal Year 2015-2016 planned activities and proposed budget. Activities for Fiscal Year 2015-2016 include:

- Increasing the number of year round visits;
- Increasing the number of people who stay, shop and dine;
- Improving ease of access to information with printed brochures/directories;
- Providing fun family-oriented events throughout the year; and
- Improving and enhancing the appearance of the Village in cooperation with the City.

The action to be taken by the City Council at this time is to adopt the proposed Resolution. In addition to providing notification of the City's intent to levy business improvement assessments for Fiscal Year 2015-2016, the Resolution receives the annual report and proposed budget of the CVWBIA; sets the date for a public hearing to be held on Thursday, June 25, 2015; and, pursuant to Streets & Highways Code Section 36523 (a) and (b), the Resolution sets forth noticing requirements and directs the City Clerk to publish the Resolution of Intention in the Santa Cruz Sentinel Newspaper once, at least seven days before the public hearing, and directs the CVWBIA to give notice of the public hearing by mailing a completed copy of the Resolution of Intention to each business owner in the area within 7 days of the Council's adoption of the Resolution.

A representative of the CVWBIA will be in attendance at the meeting in the event council members have questions; however, the CVWBIA's presentation will be made at the public hearing on June 25, 2015.


The CVWBIA has prepared a Notice of Public Hearing (Attachment 2) that will be sent to each business in the area, along with a certified copy of the Council's Resolution.

FISCAL IMPACT: There is no fiscal impact to the City. CVWBIA billing and accounts payable costs incurred by the City are reimbursed by the CVWBIA. The City and CVWBIA have reviewed amounts charged by the City for these services and agree that they are reasonable.

ATTACHMENTS:

1. Draft Resolution (includes Exhibit A, Annual Report & Proposed Fiscal Year 2015-2016 Budget);
2. Draft Notice of Public Hearing;
3. Revised Boundary Map.

Report Prepared By: Mark Sullivan
Senior Accountant

Reviewed and Forwarded
By City Manager: 

RESOLUTION NO. _____

**RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF CAPITOLA
TO LEVY BUSINESS IMPROVEMENT ASSESSMENTS
FOR FISCAL YEAR 2015/2016**

WHEREAS, the Capitola Village and Wharf Business Improvement Area ("CVWBIA") has prepared a report to the City of Capitola for Fiscal Year 2015/2016 pertaining to the Business Improvement Area assessments for the CVWBIA under California Streets and Highways Code §36533; and

WHEREAS, Capitola Municipal Code §5.10.050 requires annual assessments to be imposed within the CVWBIA pursuant to a formula set forth in City Council Resolution; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAPITOLA AS FOLLOWS:

1. The Annual Report and Proposed Fiscal Year 2015/2016 Budget of the CVWBIA pertaining to business improvement assessments, as presented in Exhibit "A" attached hereto, is received.
2. The City Council intends to levy and collect assessments within the CVWBIA for Fiscal Year 2015/2016.
3. The proposed activities authorized by Capitola Municipal Code Chapter 5.10 are described in the afore-referenced CVWBIA Annual Report. These activities include a variety of promotional activities, including village maintenance and beautification programs, and extended holiday parking programs. A number of promotional information media announcements and publications will also be financed from these funds, including regional magazine advertising, broadcast advertising and website advertising.
4. The Business Improvement Area is bounded per the map of the CVWBIA reproduced as Exhibit "A" to Capitola Municipal Code §5.10.020 and included in the Municipal Code. The proposed CVWBIA boundaries are being altered to end at 427 Capitola Avenue.
5. The Annual Report of the CVWBIA is presented in Exhibit "A" attached hereto. The proposed assessments will be calculated under the formula for assessment found in Capitola City Council Resolution No. 3546 adopted May 25, 2006. This formula is based on the classification of benefited businesses and the businesses' number of full-time equivalent employees. The proposed renewal plan requests an assessment increase of 10% and a discount of 10% for assessments paid on time by the due date.
6. The Capitola City Council will hold a public hearing in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California, at the hour of 7:00 p.m., on Thursday, June 25, 2015, to receive any oral or written protests or endorsements to the regularity or sufficiency of the proposed business improvement assessments. If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the assessments, assessments will not be levied, the procedure will be terminated and will not be reconsidered until one full year has elapsed.

Item #: 9.C. Attach 1.pdf

RESOLUTION NO. _____

7. The City Clerk is directed to give notice of the public hearing to consider the levy of business improvement assessments for Fiscal Year 2015-2016 by publishing this Resolution of Intention in a newspaper of general circulation in the City once, at least seven days prior to the public hearing.

8. The CVWBIA Advisory Committee is directed to give notice of the public hearing to each business owner in the area by mailing a copy of the Council's Resolution of Intention to each business.

I HEREBY CERTIFY that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 11th day of June, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dennis Norton, Mayor

ATTEST: _____
Susan Sneddon, City Clerk

EXHIBIT A

(Resolution No. _____)

**Annual Report & Proposed Fiscal Year 2015-2016 Budget
CVWBIA Assessment Basis
CVWBIA Business Listing and Assessment Method**

Activities

The Capitola Village and Wharf Business Improvement Area (“CVWBIA” or “District”), serves as the primary marketing agent for the Village and Wharf businesses with the goal of increasing tourism and promoting the Capitola Village and Wharf areas. All of the activities of the CVWBIA relate to achieving the single objective of marketing the Capitola Village and Wharf Area. Informational brochures for visitors, an attractive and active website linked to Village and Wharf merchants, a Village map identifying locations of Village and Wharf merchants, newsletters, advertising programs, holiday events and Village betterment projects are key focuses of the District. This District is the primary source of funding for the promotion of the Village and Wharf. These goals and objectives can be achieved by the CVWBIA continuing to fund activities and projects that will:

- Increase the number of year-a-round visits to the businesses within the District, emphasizing the period of October through May of each year.
- Increase the number of people who stay, shop, and dine in the Village and on the Wharf of Capitola.
- Improve the ease of access to information regarding the businesses and services provided by the Village and Wharf BIA to likely visitors to the area via the Internet and printed brochure/directories.
- Provide fun, family-oriented events throughout the year emphasizing the attributes of the Village and Wharf, by working in partnership with the Capitola/Soquel Chamber of Commerce.
- Improve and enhance the appearance of the Village and Wharf in concert with the City of Capitola.
- Enhance the ability of the CVWBIA to serve as a liaison between individual business owners, local governments, and private agencies, including the City of Capitola.

As the CVWBIA begins its tenth year, we will continue and expand successful programs from prior years, which include the following:

1. **Village Directories.** Over 85,000 directories are printed and distributed annually.
2. **Directory Distribution.** The CVWBIA has contracted with Certified Folder Display Service for distribution of 55,000 brochures in San Jose, Santa Clara and San Francisco and 20,000 brochures in Santa Cruz. This is the company with exclusive rights to lobby racks in all the hotels, resorts, motels and visitor centers.

3. **Website Presence.** We maintain a very attractive website (www.capitolavillage.com) for ease of use and connectivity to local businesses. The website has a complete directory of all businesses in the boundaries of the CVWBIA with pictures and links to their individual websites. There is a history of Capitola written by Carolyn Swift, Capitola Museum Coordinator. There is a schedule of events for the year with contact information. The walking tour of Capitola Village is also on the site. Articles with colorful descriptions of Village businesses and activities have been added. There are two ways for the CVWBIA to capture email addresses for future correspondence with visitors to the web site. Email address information is captured via the contest to win a vacation in Capitola Village and visitors are asked to sign up at merchants' shops throughout the Village and Wharf.
4. **Volunteers.** The CVWBIA members participate with the Capitola/Soquel Chamber of Commerce and volunteer at the various events they put on in the Village.
5. **Holiday Activities.** The CVWBIA works with the Chamber and the City on the Christmas Holiday decorations. The CVWBIA hosts a Tree Lighting Ceremony, Community Caroling, and provides Holiday music throughout the Village. The CVWBIA also provides lights for trees throughout the Village as well for houses on Depot Hill that participate in the Holiday decorations.
6. **Advertising.** The CVWBIA placed advertisements in travel magazines that have paid off at many different levels. The CVWBIA will continue co-op with the Santa Cruz County Conference and Visitors Council advertising in print, on television and radio, which highlights Capitola.
7. **Membership Breakfast.** The quarterly breakfasts are an opportunity to keep the members informed.
 - a. We have been offering educational presentations on social networking, search engine optimization and other aspects of marketing on the Internet.
 - b. We have had the City Manager, City Chief of Police, Council Members and Director of Public Works as guest speakers to keep our membership informed and investigate how we could better partner with the City to address issues in the Village.
8. **Public Works.** The CVWBIA contributes annually to the City of Capitola Public Works Department. Our contribution is used to help maintain the Village.
9. **Chamber of Commerce.** The CVWBIA contributes annually to support community interest projects.
10. **Activities.** The CVWBIA members support many community events including the Rod & Classic Car Show, Wednesday night concerts, Begonia Festival and various other activities in the Village.

Capitola Village & Wharf Business Improvement Area Assessment Basis

The method of assessment breaks down the businesses within the proposed boundary map into six categories:

1. Retail / Service businesses
2. Restaurant / Bar / Take-out food and beverage businesses
3. Office and Professional businesses / Specialty
4. Hotel / Motel / Inn businesses
5. Short-term Rental businesses
6. Seasonal Foods

These six business categories are further broken down by number of employees for the first two categories, a flat fee for the third, fifth and sixth categories, and a per unit fee for the Hotel/Motel/Inn businesses. Registered non-profits are exempt from assessment.

The following table represents the proposed method of collection and fee determination for the proposed CVWBIA. The amounts in the table below are 10% higher than the prior year, but a 10% discount is being offered to businesses that pay their assessment by the due date.

Business Category	Number of Full-Time Equivalent Employees*		
	0 – 5 employees	6 – 10 employees	More than 10 employees
Retail / Service	\$462	\$924	\$1,386
Restaurant / Bar / Take-out	\$528	\$1,056	\$1,584
Office / Professional / Specialty	\$132		
Hotel / Motel / Inn	\$396 per unit		
Short-term Rental**	\$198		
Seasonal Food Service	\$308		

Footnote* “Full-time employee” is considered one who works 2,000 hours per year or more. Multiple part-time employees are combined into a single full-time employee for the basis of this assessment calculation.

Footnote** “Short-term rental” businesses are defined as those dwellings which, at least once per fiscal year, are rented to a tenant for a tenancy of less than thirty days.

See In-Lieu Payments/Trades Program on the next page.

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In-Lieu Payments/Trades. The City Manager is authorized to approve “in lieu” assessment payments in the form of Gift Certificates from CVWBIA retail, food or lodging business members whereby these businesses tender retail, restaurant and lodging gift certificates for use by the CVWBIA in connection with its promotional activities. The amount of “in lieu” assessment payments will be fixed per category, with exceptions that may be authorized by the City Manager.

Business Category	Assessment	Cash	In-lieu/Trade
Retail/Service (0 - 5 Employees)	\$462	\$387	\$75
Retail/Service (6 - 10 Employees)	\$924	\$774	\$150
Restaurant/Bar (0 - 5 Employees)	\$528	\$453	\$75
Restaurant/Bar (6 - 10 Employees)	\$1,056	\$906	\$150
Restaurant/Bar (11+ Employees)	\$1,584	\$1,359	\$225
Office / Professional /Specialty	\$132	\$132	\$0
Hotel / Motel / Inn	\$396 per unit	50%	50%
Short-term Rental	\$198	\$198	\$0
Seasonal Food Service	\$308	\$308	\$0

Associate Membership. CVWBIA is authorized to accept “associate membership” financial contributions from businesses outside the CVWBIA, which might wish to participate in the CVWBIA’s promotional activities, but are not subject to the CVWBIA assessments.

New Business Assessment. Assessment will be prorated by the quarter in which a business opens. “In Lieu” payments will be accepted.

Business Closing. A business notifying the CVWBIA before the end of the first quarter of the fiscal year (September 30th) that the business will close before December 31st will be exempt from paying the assessment for that fiscal year. If the business does not close before December 31st, it must pay the year's assessment in full.

Discount. There will be a 10% discount for paying the assessment by the due date of August 31, 2015.

Delinquencies. CVWBIA has a clear policy relative to delinquent assessments. Businesses that have not paid their assessment by October 31, 2015, will be removed from the CVWBIA website and brochure. Assessments that have not been paid by January 31, 2016, will be sent to collections.

**Capitola Village & Wharf Business Improvement Area
Estimated Actual for FY 2014-2015 and Proposed Budget for FY 2015-2016**

	FY 13/14 Actual	FY 14/15 Amended	FY 14/15 Est. Actual	FY 15/16 Proposed
Beginning Fund Balance	\$ 2,244	\$ 6,676	\$ 6,676	\$ 9,587
Revenues				
BIA Assessment Revenues - Cash*	54,720	56,000	55,075	74,822
BIA Assessment Discount	-	-	-	(18,822)
BIA Assessment Revenues - Trade**	9,000	9,000	13,000	13,000
Interest Revenue	65	50	62	35
Total Revenues	63,785	65,050	68,137	69,035
Total Source of Funds	\$ 66,029	\$ 71,726	\$ 74,813	\$ 78,622
Expenditures				
Advertising	\$ 47,948	\$ 53,000	\$ 47,539	\$ 66,000
Maintenance - City Public Works	3,000	3,000	3,000	3,000
Billing/Collection - City Accounting	4,200	4,200	4,200	4,200
Capitola Soquel Chamber Of Commerce	3,000	3,000	3,000	3,000
Supplies	1,205	4,000	71	71
Reserve for unpaid dues	-	-	7,416	2,000
Total Use of Funds	59,353	67,200	65,226	78,271
Ending Fund Balance	\$ 6,676	\$ 4,526	\$ 9,587	\$ 351

The following tables provide detail for selected items of the proposed FY 15/16 Budget:

Assessment Revenue Detail*	Proposed FY 15/16
Retail / Service	\$ 21,714
Restaurant / Bar / Take-out	20,592
Office / Professional / Specialty	3,300
Hotel / Motel / Inn	19,404
Short-term Rentals	9,504
Seasonal Foods	308
Subtotal	\$ 74,822

Advertising Detail	Proposed FY 15/16
Gift Certificates**	\$ 13,000
Holiday	6,500
CVC Partnership	6,000
TV/Radio	5,000
CDS Distribution	5,000
Directories Printing	5,000
Consulting-Marketing/Internet	10,500
Website changes	14,000
Printing Explore	1,000
Subtotal	\$ 66,000

* 15/16 Proposed Budget revenues reduced from BIA roster estimates based on prior year actual information

** Gift Certificates are provided from "Trade" revenues

Capitola Village & Wharf Business Improvement Area Budget Discussion

The CVWBIA will begin Fiscal Year 2015-2016 with an estimated fund balance of \$9,587.

Revenues: The proposed revenue is derived from the CVWBIA business listings and proposed assessment rates. The allocation of cash and in-lieu revenue is based upon FY 2014-15 actual.

Expenditures:

Summary. The proposed expenditures include advertising and related services of \$66,000, City Public Works maintenance for beautification of \$3,000, City Accounting Staff of \$4,200 for billing and accounts payable services and \$3,000 for the partnership with the Chamber of Commerce. This year's proposed budget also includes \$2,000 for uncollected assessments.

Advertising is the CVWBIA's principal expenditure.

- **Gift Certificates (\$13,000).** Members may satisfy a portion of their annual fee with gift certificates. These certificates are used to promote specific businesses in the Village through donations to various activities in the Village and promotional incentives to potential visitors to Capitola.
- **TV & Radio Advertising (\$5,000).** While these are a more expensive form of advertising media, we attempt to take advantage of special opportunities with spots that emphasize the Capitola Village.
- **Brochures (\$10,000).** We spend over \$10,000 printing and distributing directories of all members plus special events in the Village. These are very attractive and useful brochures, which are available at all local merchants and in distribution centers throughout the area.
- **Web Site (\$14,000).** Our web site www.capitolavillage.com is ten years old. In 2015-16 the site will be improved to take advantage of new technology and to be compatible with mobile devices.
- **Consulting and Marketing (\$10,500).** The CVWBIA coordinates all marketing programs, maintains a customer list, sends a newsletter to all members and one to "customers", coordinates and maintains our website and maintains a liaison with our members and partners.

The following is a roster of open businesses in the assessment area as of May 29, 2015, and a list of addresses to be removed from the CVWBIA.

**Capitola Village & Wharf Business Improvement Area
Business Listing and Assessment Method**

Business Type	Assessment Method	Estimate Assessment	
F = FOOD	Per Employee Category: 0-5; 6-10; >10 Employees	F	\$ 20,592
H = HOTEL/MOTEL	Per Unit or Room	H	\$ 19,404
O = OFFICE	Per Business	O	\$ 3,300
R = RETAIL/SERVICE	Per Employee Category: 0-5; 6-10; >10 Employees	R	\$ 21,714
SF = SEASONAL FOOD	Per Business	SF	\$ 308
SR = SHORT TERM RENTALS	Per Unit or Room	SR	\$ 9,504
X = EXEMPT	No Assessment	X	\$ -
		Total	\$ 74,822

Business Address	Business Name	Type	FY15/16 Est. Size	FY15/16 Est. Amt. Due
103 Stockton Ave	Armida Winery	F	0 - 5	\$528
427 Capitola Avenue	Avenue Café	F	0 - 5	\$528
209B Esplanade	Bay Bar & Grill	F	0 - 5	\$528
316 Capitola Ave	Bella Roma Café	F	0 - 5	\$528
110 Monterey	Britannia Arms Pub & Rest.	F	6 - 10	\$1,056
311 Capitola Ave	Calyпсо's Cove	F	0 - 5	\$528
201 Monterey #C	Capitola Deli & Café	F	0 - 5	\$528
115 San Jose Avenue Ste #6	Caruso's Tuscan Cuisine	F	0 - 5	\$528
115 San Jose Ave, Ste. #7	CAVA Wine Bar	F	0 - 5	\$528
123 Monterey	El Toro Bravo	F	0 - 5	\$528
200 Monterey #3	Geisha Japanese Restaurant & Tea House	F	0 - 5	\$528
312-B Capitola Avenue	It's Wine Tyme	F	0 - 5	\$528
201 Esplanade	Mr. Kebab & Falafel	F	0 - 5	\$528
231 Esplanade #100	Mr. Toots Coffee & Tea	F	0 - 5	\$528
215 Esplanade	Paradise Beach Grille	F	> 10	\$1,584
209A Esplanade	Pizza My Heart	F	6 - 10	\$1,056
207 Esplanade	Sea Side Siam	F	0 - 5	\$528
115 San Jose Ave, Ste. #1	Seaside Coffee	F	0 - 5	\$528
1750 Wharf Rd	Shadowbrook Restaurant	F	> 10	\$1,584
200 Monterey #1	Souza's Ice Cream & Candy	F	0 - 5	\$528
231 Esplanade #102	Stockton Bridge Grille	F	6 - 10	\$1,056
200 Monterey Avenue #2	Taqueria Baja	F	0 - 5	\$528
210 Monterey #1	Thai Basil	F	0 - 5	\$528
115 San Jose Avenue	The Amazon Smoothie Co.	F	0 - 5	\$528
211 Esplanade	The Sand Bar	F	0 - 5	\$528
105 Stockton	Village Deli	F	0 - 5	\$528
104 Stockton Ave	Village Grill & Creamery	F	0 - 5	\$528
1400 Wharf Rd	Wharf House Restaurant	F	6 - 10	\$1,056
203 Esplanade	Zelda's	F	> 10	\$1,584
107 San Jose Ave, Ste. #8	Moon Doggies	SF	N/A	\$308
210 Esplanade	Capitola Hotel	H	8	\$3,168
5000 Cliff Dr	Harbor Lights Motel	H	10	\$3,960

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Business Address	Business Name	Type	FY15/16 Est. Size	FY15/16 Est. Amt. Due
250 Monterey	Inn at Depot Hill	H	12	\$4,752
1500 Wharf Rd	Venetian Hotel	H	19	\$7,524
312E Capitola Ave	57 Design Inc.	O	N/A	\$132
312D Capitola Ave	Beach House Rentals	O	N/A	\$132
425 Capitola Ave Ste #1	Bodhi Adiction Treatment and Wellness	O	N/A	\$132
421B Capitola Avenue	Capitola Leather	O	N/A	\$132
208 San Jose Ave	Capitola Surf & Paddle	O	N/A	\$132
331 Capitola Ave	Capitola Village Real Estate	O	N/A	\$132
301 Capitola Ave	David Lyng & Associates	O	N/A	\$132
411 Capitola Ae	Fuse Architects	O	N/A	\$132
415 Capitola Ave	James B. Colip Insurance	O	N/A	\$132
314 Capitola Ave	John H. McSpadden	O	N/A	\$132
425 Capitola Ave. #3	Kathy Macdonald Association	O	N/A	\$132
314 Capitola Ave	Katz & Lapides	O	N/A	\$132
4950 Cliff Drive	Kendall & Potter Property Management	O	N/A	\$132
314 Capitola Ave	Law Offices of Sam Storey	O	N/A	\$132
200 Monterey Avenue	Lindemann & Sloan Properties	O	N/A	\$132
331 Capitola Ave. #B	Michael Lavigne Real Estate	O	N/A	\$132
331 Capitola Ave Ste K	Newman & Marcus,LLP	O	N/A	\$132
115 San Jose Ave. Ste N	Nickolas & Emily Jones	O	N/A	\$132
220 Capitola Avenue	Psychic Mermaid	O	N/A	\$132
413 Capitola Ave	Richard Emigh, Land Use	O	N/A	\$132
415 Capitola Ave	SpeechRighter, Inc. (speech therapy)	O	N/A	\$132
314 Capitola Ave	Springwater Wealth Management, LLC	O	N/A	\$132
331 Capitola Ave. #D	Suess Insurance Agency	O	N/A	\$132
309 Capitola Ave.	Vice Salon	O	N/A	\$132
312 Capitola Ave SteC	Violet Blossom Massage	O	N/A	\$132
409 Capitola Ave	Art Inspired	R	0 - 5	\$462
208A Monterey	Avalon Visions	R	0 - 5	\$462
110 Capitola Ave #3	Avijah Fashion Gallery	R	0 - 5	\$462
417 Capitola Ave	Betsy's Summerhouse Antiques	R	0 - 5	\$462
217 Capitola Ave	Big Kahuna Hawaiian Shirts	R	0 - 5	\$462
131 Monterey	Capitola Beach Co.	R	0 - 5	\$462
1400 Wharf Rd	Capitola Boat & Bait	R	0 - 5	\$462
115 Capitola Ave	Capitola Reef	R	0 - 5	\$462
109 Capitola Ave	Capitola Seashells	R	0 - 5	\$462
115 San Jose Ave, Ste. #5	Carousel Taffy	R	0 - 5	\$462
205 Capitola Ave	Chocolate Bar	R	0 - 5	\$462
209 Capitola Ave	Craft Gallery	R	0 - 5	\$462
207 Capitola Ave	Craft Gallery Annex	R	0 - 5	\$462
107 Stockton Ave.	Dogmatic	R	0 - 5	\$462
114 Stockton Av	Euphoria Rio Mix	R	0 - 5	\$462
110 Capitola Ave., #2	Free to Ride	R	0 - 5	\$462
212 Capitola Ave	Gaia Earth Treasures	R	0 - 5	\$462
111 Capitola Avenue	Gallery One	R	0 - 5	\$462
219 Capitola Ave	Hot Feet	R	0 - 5	\$462
210 Capitola Ave	Just Baby Apparel & Gifts	R	0 - 5	\$462

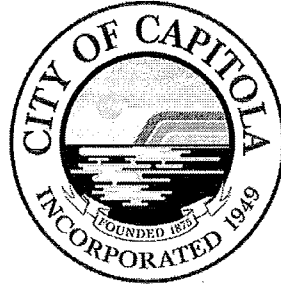
Business Address	Business Name	Type	FY15/16 Est. Size	FY15/16 Est. Amt. Due
201 Monterey #B	Kickback	R	0 - 5	\$462
118 Stockton Ave.	La Vita Company	R	0 - 5	\$462
132 Stockton Ave.	Latta	R	0 - 5	\$462
112 Capitola Ave. Suite, 100	Lumen Gallery	R	0 - 5	\$462
202 Capitola Ave.	Nubia Swimwear	R	0 - 5	\$462
204 Capitola Ave	Oceania	R	0 - 5	\$462
115 San Jose Avenue	Om Rythms	R	0 - 5	\$462
321 Capitola Ave	Pacific Gallery	R	0 - 5	\$462
110 Capitola Ave #1	Panache Bath & Body Shop	R	0 - 5	\$462
115 San Jose Ave.	Parking at the Mercantile	R	0 - 5	\$462
132 Monterey Ave.	Parking at the Theater	R	0 - 5	\$462
107 Capitola Ave	Phoebe's	R	0 - 5	\$462
300 Capitola Ave	Quality Market	R	0 - 5	\$462
116 San Jose Av	Rainbow City Limit	R	0 - 5	\$462
224 Esplanade	RNTF LLC dba Bedroom Desserts	R	0 - 5	\$462
115 San Jose Ave. #J	Sea Breeze Gallery	R	0 - 5	\$462
112 Stockton Av	Sea Level T's	R	0 - 5	\$462
216 Capitola Ave.	Slap Happy	R	0 - 5	\$462
207 Monterey Avenue #100	Stella Boutique/Stella Mitchell	R	0 - 5	\$462
214 Capitola Ave	Super Silver	R	0 - 5	\$462
117 Capitola Ave	Surf n Shack	R	0 - 5	\$462
132 San Jose Ave	Sweet Asylum	R	0 - 5	\$462
121 San Jose Ave	Thomas Kinkade Gallery	R	0 - 5	\$462
215 Capitola Ave	Vanity by the Sea	R	0 - 5	\$462
201 Capitola Ave	Village Mouse	R	0 - 5	\$462
201 Monterey #A	Village Sea Glass	R	0 - 5	\$462
122 Capitola Ave	Yvonne	R	0 - 5	\$462
1500 Wharf Road #2	Albert Ribisi & Mary Scolari	SR	1	\$198
222 San Jose Av	Avonne Stone Jacobs, Judy Jacobs	SR	1	\$198
109 Cherry Ave Units A & B	Bill & Julie Kenney	SR	2	\$396
1500 Wharf Rd. #1	Bob Coe	SR	1	\$198
303 Cherry Way	Cal & Carla Cornwell	SR	1	\$198
305 Riverview Ave.	Capitola Pelican House	SR	1	\$198
209 Stockton A & B	Castillo Properties	SR	2	\$396
207 & 215 San Jose Ave, A & B	Clare St. Laurent	SR	4	\$792
1500 Wharf Rd #5	Colleen Merle Lund	SR	1	\$198
4995 Cliff B	David Johnson	SR	1	\$198
318 Capitola Avenue #4	Deborah Cohen 318 Capitola Ave #4	SR	1	\$198
116 Esplanade #A-B	Dorean Moore	SR	2	\$396
310 Riverview Ave	Eleanor Glover	SR	1	\$198
1500 Wharf Rd #14	Erline Mello	SR	1	\$198
1500 Wharf Rd #8	Everett Eslinger	SR	1	\$198
318 Capitola Ave #2	Fred & Sharon Andres	SR	1	\$198
208 Stockton Ave	George Adzich	SR	1	\$198
215 Monterey #A	Greg & Maxine Sivaslian	SR	1	\$198
206 Monterey	Jay & Pamela Chesavage	SR	1	\$198
5005 Cliff Dr #3	Jean Ladoucour	SR	1	\$198

Item #: 9.C. Attach 1.pdf

Business Address	Business Name	Type	FY15/16 Est. Size	FY15/16 Est. Amt. Due
301 Cherry Way	Jeff & Kathie Gaylord	SR	1	\$198
1500 Wharf Rd #11	Jeri Chestnut	SR	1	\$198
1500 Wharf Rd. #20	Leonard Tyson	SR	1	\$198
212 Monterey	Lesa & Warren Paboojan	SR	1	\$198
5005 Cliff Dr #6	Lindsay Eshleman	SR	1	\$198
1500 Wharf Rd. #6 1/2	Mary Russell, Sylvia Nurre, Rosemary Schaffer	SR	1	\$198
407 Riverview Ave	Michael Pirnik	SR	1	\$198
225 San Jose Av	Michelle & Stephen Murphy	SR	1	\$198
318 Capitola Ave #5	Mike & Karen McCormick "A Beach Condo"	SR	1	\$198
208 Monterey C	Pat & Frank Castagnola	SR	1	\$198
327 Riverview Ave A	Paulo Franca	SR	1	\$198
318 Capitola Ave #1	Randy Hayes	SR	1	\$198
231 Esplanade #301	Robert Chestnut	SR	1	\$198
109 Monterey #4	Sharon Dougan	SR	1	\$198
317 Riverview Ave B	Steve & Linda Woodside	SR	1	\$198
5005 Cliff Dr #4, 314 Riverview Ave	Sue Norris	SR	2	\$396
41056 Cliff Dr. #2	Tim & Stacy Hopkins	SR	1	\$198
5005 Cliff Drive Unit 1	Tom & Susan Baines	SR	1	\$198
1500 Wharf Rd #7	Viola M Carr	SR	1	\$198
1500 Wharf Rd #3,4	Watson Family Limited Partnership (Mike Newell)	SR	2	\$396

The CVWBIA is proposing to remove the following addresses from the assessment area:

- 502 Beulah Dr. – Resident / No assessment**
- 506 Beulah Dr. – Resident / No assessment**
- 507 Beulah Dr. – Resident / No assessment**
- 509 Beulah Dr. – Resident / No assessment**
- 430 Blue Gum Ave. – Resident / No assessment**
- 431 Blue Gum Ave. – Resident / No assessment**
- 432 Blue Gum Ave. – Resident / No assessment**
- 434 Blue Gum Ave. – Resident / No assessment**
- 429 Capitola Ave. – Resident / No assessment**
- 431 Capitola Ave. – Resident / No assessment**
- 503 Capitola Ave. – Suzi's / Retail \$462 assessment**
- 505 Capitola Ave. – Resident / No assessment**
- 507 Capitola Ave. – Resident / No assessment**
- 509 Capitola Ave. – Resident / No assessment**
- 488 Riverview Dr. – Resident / No assessment**
- 494 Riverview Dr. – Resident / No assessment**



NOTICE OF PUBLIC HEARING

ANNUAL RENEWAL OF THE CAPITOLA VILLAGE AND WHARF BUSINESS IMPROVEMENT AREA

Hearing Body: Capitola City Council
Hearing Date: Thursday, June 25, 2015
Hearing Time: 7:00 PM
Hearing Place: City Hall Council Chambers
420 Capitola Avenue, Capitola

The Capitola City Council hereby notifies you of a Public Hearing regarding the Annual Renewal of the Capitola Village and Wharf Business Improvement Area (CVWBIA) for Fiscal Year 2015-2016. The renewal plan includes a request for increase in assessments of 10% and a discount of 10% for assessments paid on time by the due date. It also requests a reduction in the CVWBIA boundaries to end at 427 Capitola Avenue. The report states the amount of "in lieu" assessment payments to be accepted from CVWBIA retail, food or lodging business members whereby these businesses tender retail, restaurant and lodging gift certificates for use by the CVWBIA in connection with its promotional activities.

For a copy of the budget or details of the annual renewal, contact the Capitola Village and Wharf Business Improvement Area Board Member Carin Hanna at 831-475-4466 or by email at capitolavillage1@gmail.com.

The Capitola City Council will hold the public hearing in the City Hall Council Chambers after the hour of 7:00 p.m. on Thursday, June 25, 2015, and will receive any oral or written protests or endorsements to the regularity or sufficiency of the proposed business improvement assessments. If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the assessments, assessments will not be levied, the procedure will be terminated and will not be reconsidered until one full year has elapsed.

If you have any questions concerning the foregoing, please contact the Capitola Village and Wharf Business Improvement Area Board of Directors at 831-854-2350 or City Manager Jamie Goldstein at 831-475-7300.

DATED: June 11, 2015

CITY OF CAPITOLA
Susan Sneddon, City Clerk

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Capitola Village & Wharf Business Improvement Area



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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: CITY MANAGER AND FINANCE DEPARTMENTS

SUBJECT: ADOPTION OF THE 2015/2016 FISCAL YEAR BUDGET FOR THE CITY OF CAPITOLA

RECOMMENDED ACTION: Approve the Resolution adopting the Final 2015/2016 Fiscal Year City, and Capital Improvement Program (CIP) Budget.

BACKGROUND: On May 8, 2015, the proposed Fiscal Year 2015/2016 Budget was distributed. The City Council/Successor Agency held joint public budget hearings on May 20, 2015, and June 3, 2015, to review the draft budget, receive public comment, and receive input from the Finance Advisory Committee. At the June 3, 2015, budget hearing, City Council directed staff to prepare a Resolution to adopt the budget with General Fund adjustments and the reallocation of the General Fund Unrestricted Fund Balance.

Details regarding these changes, along with internal corrections are included with the Resolution (Attachment 1).

DISCUSSION: At the June 3, 2015, City Council meeting, staff was directed to prepare a draft Resolution to adopt the proposed budget with the following adjustments including the Alcoholic Beverage Control Grant.

FY 15/16 General Fund Adopted Budget	Adjustment Amount
Add a Police Officer Position	130,000
Eliminate a Community Services Officer Position	(85,000)
Community Groups Corrections	6,340
Transfer to the Information Technology Fund	(51,340)
Alcoholic Beverage Control Grant	12,893
Net Difference – General Fund	(\$0)

With revenue collections exceeding expenditures, the General Fund has a positive Fiscal Year 2014/2015 ending fund balance of \$934,500. The Council and Finance Advisory Committee discussed the possible uses of the additional funds. At the June 3, 2015, Joint Council Successor Agency Meeting, the Council directed staff to prepare the budget adoption Resolution to include the allocation of the fund balance.

Item #: 9.D. Staff Report.pdf

JUNE 11, 2015, CITY COUNCIL STAFF REPORT
 2015/2016 FISCAL YEAR BUDGET

FY 14/15 General Fund Balance Allocation	Adjustment Amount
PERS Contingency Reserve Fund	300,000
Capital Improvement Plan Fund	
Rispin Park	100,000
Tennis Court Reconstruction	50,000
Village Sidewalk Replacement Program	50,000
Bike Facilities Projects	60,000
Pump House Area Pathway Design	20,000
Village Drainage Assessment (one site)	10,000
Sanctuary Trail Markers	10,000
Facilities Fund Transfer	50,000
General Fund Reserve Usage	
Esplanade one year Enhanced Cleaning Pilot Program	15,000
Arts & Cultural Commission: Plein-air Event	3,500
Potential TOT Claim Refund	TBD
General Fund Balance Allocations	668,500

The Council recommended the creation of a PERS Contingency Reserve Fund to be created in Fiscal Year 2015/2016.

The Resolution necessary to adopt the Fiscal Year 2015/2016 Budget details adjustments/corrections and estimated fund balances as presented in the attachments (Exhibits A, B, and C). This schedule also includes the corresponding transfers related to the preceding table.

FISCAL IMPACT: The fiscal impact by adopting the City Budget is represented in the attached General Fund Overview and Summary by Fund. The Fiscal Year 2015/2016 Adopted Budget, excluding the \$668,500 distribution of fund balance, represents a balanced General Fund budget. The Fiscal Year 2015/2016 net operating surplus is anticipated to be \$521, excluding the re-appropriation of the Fiscal Year 2014/2015 Fund Balance, with a projected General Fund balance of \$266,521.

ATTACHMENTS:

1. Draft Resolution
2. Proposed Budget Adjustments (Exhibit A to Resolution)
3. General Fund Overview(Exhibit B to Resolution)
4. Summary by Fund (Exhibit C to Resolution)

Report Prepared By: Mark Welch
 Finance Director

**Reviewed and Forwarded
 by City Manager:** 

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADOPTING THE 2015/2016 FISCAL YEAR CITY BUDGET
AND CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

WHEREAS, it is necessary to adopt the 2015/2016 Fiscal Year Budget for all City funds and Capital Improvement Program; and

WHEREAS, the City Council has conducted budget study sessions, has heard and considered public comments, and has modified the proposed budget accordingly, and wishes to adopt such budget for the Fiscal Year July 1, 2015 through June 30, 2016; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2015/2016 Fiscal Year Budget is hereby adopted as amended, including Exhibit A (Changes to Proposed Budget), Exhibit B (General Fund Overview), and Exhibit C (Summary by Fund) to this Resolution; and

BE IT FURTHER RESOLVED that the Finance Director is directed to enter the budget into the City's accounting records in accordance with appropriate accounting practices, and the City Manager, with the Finance Director's assistance, shall assure compliance therewith.

I HEREBY CERTIFY that the foregoing Resolution was passed and adopted by the City Council of the City of Capitola on the 11th day of June, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk

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EXHIBIT A

CHANGES TO PROPOSED BUDGET

FY15/16 Budget Amendments		
FY 15/16 Revenues /Resources	Acct #	Amount Incr./((Decr.))
City/School District Trust Fund	1200-00-00-000-3700.300	\$ 40,000.00
PD ABC (Alcoholic Beverage Control) Grant	1000-20-20-000-3310.100	12,893.00
Transfer in from General Fund (PERS Contingency Fund)	1011-00-00-000-3910.100	300,000.00
Transfer in from General Fund (Facilities)	1025-00-00-000-3910.100	50,000.00
Transfer in from General Fund (CIP)	1200-00-00-000-3910.100	300,000.00
Transfer in from General Fund (IT Fund)	2211-00-00-000-3910.100	(51,340.00)
Total Revenue Changes - All Funds		\$ 651,553.00
FY 15/16 Expenditures/Transfers	Acct #	Amount
GF: Add Police Officer Position	1000-20-20-000-41xx.xxx	130,000
GF: Remove Community Services Officer Positions	1000-20-20-000-41xx.xxx	(85,000)
GF: Companion for Life/Lifeline	1000-10-18-000-4600.432	5,140
GF: Dientes Community Dental Care	1000-10-18-000-4600.425	1,200
CIP: School District Trust Fund Expenditure	1200-00-00-000-4390.400	40,000
Gas Tax: Speed Signs	1310-00-00-000-4355.393	8,000
GF: Alcoholic Beverage Control Grant	1000-20-20-000-41xx.xxx	12,893
GF: Transfer out to IT Fund	1000-99-99-000-4910.111	(51,340)
FY 14/15 Fund Balance		
PERS Contingency Fund Transfer	1000-99-99-000-4910.111	300,000
Capital Improvement Fund Transfer	1000-99-99-000-4910.200	300,000
Capital Improvement Fund	1200-00-00-000-4390.400	300,000
Facilities Fund Transfer	1025-99-99-000-4910.104	50,000
Esplanade one year Enhanced Cleaning Pilot Program	1000-30-30-000-4375.520	15,000
GF: Arts & Cultural Commission: Plein-air Event	1000-50-52-000-4370.203	3,500
Total Expenditure/Transfer Changes - All Funds		\$ 1,029,393
FY16/17 Planned		
FY16/17 Expenditure	Acct #	Amount
Total Expenditure Changes - All Funds		\$ -

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EXHIBIT B

GENERAL FUND OVERVIEW

Major Categories	FY 14/15 Adopted	FY 14/15 Estimated	FY 15/16 Proposed	FY 16/17 Planned
Revenues				
Taxes	\$11,098,500	\$11,380,100	\$11,603,200	\$11,909,100
Licenses and permits	254,450	251,150	247,950	249,450
Intergovernmental revenues	168,700	236,400	178,793	166,100
Charges for services	1,921,400	1,990,900	1,940,700	1,973,000
Fines and forfeitures	718,800	748,700	720,000	720,000
Use of money & property	51,800	53,900	59,100	59,500
Other revenues	70,400	67,325	67,400	66,500
Revenues Totals	\$ 14,284,050	\$ 14,728,475	\$ 14,817,143	\$ 15,143,650
Expenditures				
Personnel	\$7,985,744	\$7,803,557	\$8,453,075	\$8,713,191
Contract services	2,725,130	2,908,871	2,751,000	2,777,950
Training & Memberships	83,545	82,600	93,225	92,025
Supplies	550,000	555,728	561,400	565,950
Grants and Subsidies	269,763	269,763	277,296	275,000
Capital outlay	10,000	5,000	5,000	5,000
Internal service fund charges	850,647	850,647	954,500	999,500
Other financing uses	2,270,025	2,395,025	2,389,626	1,682,566
Expenditures Totals	\$ 14,744,854	\$ 14,871,191	\$ 15,485,122	\$15,111,182
Impact on Fund Balance ⁽¹⁾	\$ (460,804)	\$ (142,716)	\$ (667,979)	\$ 32,468
Budgetary Fund Balance	\$ 616,412	\$ 934,500	\$ 266,521	\$ 298,989

(1) Impact on Fund Balance negative due to the allocation of the FY 14/15 ending fund balance

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EXHIBIT C

SUMMARY BY FUND

	Estimated Balance 07/01/2015	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 06/30/2016
General Fund	\$ 934,500	\$ 14,817,143	\$ -	\$ 13,095,496	\$ 2,389,626	\$ 266,521
Designated Reserves						
Contingency Reserve	\$ 1,803,946	\$ -	\$ 89,400	\$ -	\$ -	\$ 1,893,346
PERS Contingency Reserve	-	-	300,000	-	-	300,000
Emergency Reserve	1,049,206	-	213,000	-	-	1,262,206
Donations	-	10,000	-	-	-	10,000
Facility Reserve	87,000	-	150,000	-	-	237,000
Total Designated Reserves	\$ 2,940,152	\$ 10,000	\$ 752,400	\$ -	\$ -	\$ 3,702,552
Debt Service						
Pension Obligation Bond	\$ 485,567	\$ -	\$ 669,204	\$ 669,204	\$ -	\$ 485,567
Pac Cove Lease Financing	330,106	-	165,066	165,066	-	330,106
Pac Cove Park	30,254	-	89,400	89,375	-	30,279
OPEB Trust	43,408	-	38,600	-	-	82,008
Total Debt Service	\$ 889,335	\$ -	\$ 962,270	\$ 923,645	\$ -	\$ 927,960
Capital Improvement Fund	\$ 1,565,404	\$ 40,000	\$ 1,000,000	\$ 1,040,000	\$ -	\$ 1,565,404
Internal Service Funds						
Stores	\$ 8,209	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ 8,209
Information Technology	93,013	82,128	25,000	187,000	-	64,481
Equipment Replacement	126,204	60,000	50,000	120,000	-	116,204
Self-Insurance Liability	103,341	344,500	100,000	344,500	-	203,341
Workers Compensation	321,853	385,000	-	385,000	100,000	221,853
Compensated Absences	72,874	130,500	-	105,500	-	97,874
Total Internal Service Funds	\$ 725,494	\$ 1,037,128	\$ 175,000	\$ 1,177,000	\$ 100,000	\$ 711,962
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 157,931	\$ 100,200	\$ -	\$ 61,700	\$ -	\$ 196,431
SCCACT-SCC Anti-Crime Team	-	85,076	-	85,076	-	-
Gas Tax	121,322	222,000	-	277,900	-	73,422
Wharf	93,764	86,200	-	86,150	-	93,814
General Plan Update and Maint	82,670	80,160	-	158,000	-	4,830
Green Building Education	115,471	8,000	-	36,000	-	87,471
Public Arts Fee	233,128	30,000	-	39,300	-	223,828
Parking Reserve	6,662	100,000	-	100,000	-	6,662
Technology Fee	47,541	9,500	-	16,000	-	41,041
PEG-Public Education and Gov.	43,187	17,050	-	22,500	-	37,737
BIA-Capitola Village-Wharf BIA	4,525	65,000	-	67,200	-	2,325
CDBG Grants	25,459	500,000	-	485,000	-	40,459
CDBG Program Income	(2,470)	-	-	-	-	(2,470)
HOME Reuse	68,807	12,300	-	3,200	-	77,907
Housing Trust	67,576	15,000	-	65,000	-	17,576
Former RDA Low/Mod	490,454	-	-	-	-	490,454
Cap Hsg Succ- Program Income	41,382	-	-	35,000	-	6,382
Total Special Revenue Funds	\$ 1,597,409	\$ 1,330,486	\$ -	\$ 1,538,026	\$ -	\$ 1,397,869
Successor Agency	\$ 207,543	\$ 626,935	\$ -	\$ 402,024	\$ -	\$ 432,454
Total Fund Balance - All Funds	\$ 8,859,837	\$ 17,861,692	\$ 2,889,670	\$ 18,176,191	\$ 2,489,626	\$ 9,004,722

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: CITY MANAGER'S DEPARTMENT
SUBJECT: UPDATE REGARDING STATUS OF LIBRARY JOINT POWERS
AUTHORITY

RECOMMENDED ACTION: Receive report regarding status of Library Joint Power Authority.

BACKGROUND: The City of Capitola participates in two regional Joint Powers Authorities related to library services. Library services in the Capitola are provided through the Library Joint Powers Authority (LJPA), in collaboration with the cities of Santa Cruz, Scotts Valley, and the County of Santa Cruz. Funding for library services is coordinated by the Santa Cruz Library Financing Authority with participation by the four cities and the County.

The LJPA is scheduled to terminate in 2017. With the agreement nearing an end, the LJPB Board appointed a sub-committee to develop recommendations regarding a successor agreement. Any changes to the Joint Powers Agreements require approval from the legislative bodies of all participating members, including the Capitola City Council.

The sub committee's recommendations are summarized in the attached staff report which was presented to the LJPB Board on June 8.

FISCAL IMPACT: None

ATTACHMENT:

1. LJPA June 8, 2015 Staff Report

Report Prepared By: Jamie Goldstein
City Manager

Reviewed and Forwarded
by City Manager: 

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STAFF REPORT

DATE: June 8, 2015

TO: Library Joint Powers Board

THROUGH: Janis O'Driscoll, Interim Library Director

FROM: Jurisdictional Administrators: Steve Ando, Martin Bernal, Jamie Goldstein, Susan Mauriello

RE: Library Joint Powers Agreement

RECOMMENDATION: Accept the draft Library Joint Powers Agreement.

SUMMARY

With the term of the Library Joint Powers Authority (LJPA) agreement nearing an end, the Library Joint Powers Board (LJPB) appointed sub-committee has completed its work in developing a successor agreement and is presenting the draft agreement for the LJPB's information.

BACKGROUND

The four jurisdictions that are party to the LJPA agreement, which governs library operations, have been meeting since October 2013 to work out details of a successor agreement as the current agreement expires in 2017.

The LJPB established a subcommittee in February to work out the details of the operating agreement. That committee concluded in April 2015. Since that time library employees' union representatives were consulted, the parties' legal reviews were conducted and the draft is attached for review.

Concurrently, the five jurisdictions that are party to the Library Financing Authority (LFA) agreement have been discussing how to update the current formula for Maintenance of Effort (MOE) contributions. While this agreement does not expire, the County of Santa Cruz has indicated its intention to withdraw from the LFA if revisions are not satisfactorily achieved.

All parties agree that the search for a new director should not begin until all the issues regarding governance and financing are settled.

DISCUSSION

Governance and Operations Model (LJPA Agreement):

The sub-committee reviewed our regional needs and the governance structure and operation models and of other regional library systems. Based upon this review, the sub-committee drafted a new LJPA. The draft agreement between the cities and County is attached. Below are the major terms of the LJPA agreement:

- **Term and Withdrawal** – The new agreement establishes a 10-year term, similar to the existing agreement. Any party may withdraw by giving one year written notice by July 1.
- **Governance**
 - **Governing Board** – A four-member board comprised of the County Administrative Officer and the three City Managers, or their designees, will constitute the Library Joint Powers Board. The Governing Board is responsible for hiring and supervising the Library Director, overseeing budget and fiscal management, and adopting service levels. The agreement requires the unanimous approval of the Governing Board for specified actions including: adoption of the budget, establishment of library service levels, and approve major financial transactions. In addition the agreement requires unanimous approval of the contract to hire the Library Director.
 - **Library Advisory Commission** – A seven-member board will be responsible for serving as the voice of the community and providing recommendations to the Governing Board and Library Director. The Commission is comprised of registered voters with three from the County (Districts 1, 2 and 5), two from the City of Santa Cruz, one from the City of Capitola and one from the City of Scotts Valley.
- **Staff** – The Library Director will be hired by the Governing Board and serve pursuant to the terms of an employment contract. The LJPA may directly employ library personnel or contract with one or more Parties. With the initial implementation of the new agreement, there will be a contract in place with the City of Santa Cruz to continue the current employment services relationship, including human resources and payroll.
- **Service Levels** – The Governing Board will determine all policies relating to the provision of library services, including hours, organization, staffing levels and type, and other services. The goal is to maintain a 10 branch system that strives to provide equitable service based on agreed upon metrics.

Support Services – The LJPA has the power to hire staff or contract for support services, such as legal and financial services, which will be provided on a cost basis.

Funding Model (LFA Agreement):

In addition, the parties have made significant progress in developing new MOE contributions to amend the LFA agreement. Under the existing agreement, the cities of Santa Cruz and Watsonville contribute a fixed amount from their general funds, and the County Library Fund contributes an amount based on property taxes collected in the unincorporated area and cities of Capitola and Scotts Valley.

Beginning July 1, 2016, the following new provisions have been proposed by County and City staff:

- **Term** – The LFA agreement would be amended to have a five-year term with a cancelation provision based on the LJPA agreement.
- **County Library Fund** – The County would contribute a fixed amount of approximately \$5 million from the County Library Fund annually for five years. The County Board of Supervisors would be responsible for programming any excess property taxes in the Library Fund for Library Fund branches. This would be done in close consultation with the cities of Capitola and Scotts Valley and the Library Director.
- **City of Santa Cruz** – The City of Santa Cruz would contribute an amount that increases by \$70,000 annually for five years. The Santa Cruz City Council would also allocate an additional \$30,000 annually for improvements at City branches in consultation with the Library Director.
- **City of Watsonville** – The City of Watsonville would receive a phased down distribution from the County Library Fund according to a specified schedule. The Watsonville Library and City/County Library System would continue to receive their per capita share of Library Sales Tax.
- **Economic Downturn** – Under the agreement, declining Library Sales Tax would trigger a review of the Maintenance of Effort (MOE) contributions and a process for developing appropriate solutions to attempt to minimize the impact on the Library System.

Next Steps: The agreements will be finalized and brought before the City Councils and the Board of Supervisors for approval in August or September of 2015. Once the LJPA agreement and LFA amendment are approved, the new Library Board will focus its efforts on recruiting the new Library Director, developing a new strategic plan (as the current plan expires in 2015), and looking at the facilities master plan and implementation.

FISCAL IMPACT: None

ATTACHMENTS:
Draft LJPA Agreement

Revised 5/29/2015

**JOINT POWERS AGREEMENT BETWEEN
THE CITY OF SANTA CRUZ AND THE COUNTY OF SANTA CRUZ
AND THE CITIES OF CAPITOLA AND SCOTTS VALLEY,
RELATING TO LIBRARY SERVICES**

This Joint Powers Agreement ("Agreement") is entered into by and among the County of Santa Cruz, a political subdivision of the State of California ("County"), the City of Santa Cruz, a municipal corporation duly organized and existing under the laws of the State of California ("Santa Cruz"), the City of Capitola, a municipal corporation duly organized and existing under the laws of the State of California ("Capitola"), and the City of Scotts Valley, a municipal corporation duly organized and existing under the laws of the State of California ("Scotts Valley"). The parties may be referred to collectively as the "Parties" and individually as a "Party" in this Agreement.

Recitals

Whereas, the Parties executed a Joint Powers Agreement relating to library services with an effective date of June 24, 1996 ("the 1996 Agreement"); and

Whereas, the Agreement was amended for the first time in or about June 1998, amended for the second time in or about November 1999, and amended for the last time in or about June 2007; and

Whereas, the Parties have determined that it would be to their mutual advantage, and in the best interest of their respective citizens, to continue to join together to provide library services under a single comprehensive Santa Cruz City/County Library System ("Library System"); and

Whereas, the Parties desire to modify the terms and conditions under which the Library System is operated and it is intended that this Agreement shall supersede and replace the 1996 Agreement, including all amendments thereto; and

Whereas, in 2008 the County Board of Supervisors and more than two-thirds of voters approved a permanent extension of the ¼ cent sales tax for public library funding purposes; and

Whereas, the County Library Fund is under the jurisdiction of the County and collects property tax funds from the unincorporated areas of the County as well as the cities of Capitola and Scotts Valley, for the provision of library services to the residents in those areas; and

Whereas, the County and the cities of Capitola and Scotts Valley have authority to provide library services within their jurisdictions; and

Whereas, all Parties agree it would be desirable to include all the cities within the County Library Fund in the governance of the Library System; and

Whereas, pursuant to the Joint Exercise of Powers Act (the "Act") set forth in Chapter 5, Division 7 of Title 1 of the Government Code of the State of California (Sections 6500 et seq.), the Parties may contract for the exercise jointly of any power common to all;

Now, therefore, in consideration of the mutual promises and covenants contained herein, the Parties to this Agreement agree as follows:

1. Definitions

Unless the context otherwise requires, the terms defined in this section have the meanings herein specified.

"Act" means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500 of said Code.

"Agreement" means this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Services Authority.

"Cities" means, collectively, the Cities of Santa Cruz, Capitola and Scotts Valley.

"Commissioners" means the members of the Library Advisory Commission, as set forth in Section 5 (B).

"County" means the County of Santa Cruz.

"Directors" means the members of the Governing Board, as set forth in Section 5 (A).

"Jurisdiction" or "Jurisdictions" means the County, Cities or any combination thereof.

"Library System" means the Santa Cruz City/County Library System.

"Parties" means, collectively, all the parties to the Agreement.

"Services Authority" means the joint powers authority created by this Agreement.

Revised 5/29/2015

2. Purpose of Agreement and Parties

The Parties to this Agreement, with the approval of their respective legislative bodies, hereby join together for the purpose of providing extended library services within their communities and by establishing a Library Joint Powers Authority ("Services Authority") to exercise the powers described herein.

3. Powers and Duties

A. Powers of Services Authority.

The Services Authority shall have all powers which a joint powers authority may exercise under the Joint Powers Act (including powers which are common to the Parties in accordance with Section 6502 of the Joint Powers Act), and all powers granted to it as a public agency under the laws of the State of California (including but not limited to the powers set forth in Chapter 12, Division 6, Title 1 of the California Government Code, commencing with Section 5920 of said Code), solely for the purpose of carrying out the purposes for which the Services Authority has been established. The Services Authority is hereby authorized, in its own name, to do all acts necessary to accomplish the following purposes:

- (1) To exercise jointly the common powers of its Parties to provide public library services.
- (2) With the approval of each Party, to participate in financing or refinancing library facilities or services in accordance with State law.
- (3) To make and enter into contracts necessary to the full exercise of its powers.
- (4) To employ agents and employees including attorneys and other professionals.
- (5) To contract for the services of attorneys, administrative support, planners, financial consultants, and other persons as it deems necessary.
- (6) To manage, maintain, operate, lease and use any library facilities.
- (7) To acquire, hold, lease, receive by grant, gift, devise or bequest and dispose of property, equipment and supplies.
- (8) To incur debts, liabilities or obligations subject to limitations herein set forth.
- (9) With the approval of each Party, to levy and collect taxes or assessments and issue debt as may be statutorily authorized.
- (10) With the approval of each Party, to levy and collect special capital assessments as may be statutorily authorized.
- (11) To sue and be sued in its own name.
- (12) To adopt, modify and collect fees and fines.

- (13) To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid necessary for the Services Authority's full exercise of its powers from any agency of the United States of America, the State of California, or any other public or private entity.
- (14) To accept and receive gifts, contributions, donations and bequests of property, funds, services and other forms of assistance as necessary for the Services Authority's full exercise of its powers.
- (15) To administer, to the fullest extent not prohibited by law, any trust declared or created for the Services Authority.
- (16) To receive by grant, gift, devise or bequest and hold in trust or otherwise, property situated in this State or elsewhere and, where not otherwise provided, dispose of the property for the benefit of the Services Authority.
- (17) To perform all acts necessary and properly to carry out fully the purpose of this Agreement and not inconsistent with any other provision of law.
- (18) To join a Joint Powers Authority to pool library services, financing, risk and/or liabilities with other public entities.

B. Limitation on Imposition of Taxes or Assessments.

The provisions of Section 3.A notwithstanding, the Services Authority shall have no power to impose taxes or assessments within any Party's jurisdiction unless the Party's legislative body first passes a resolution consenting to the tax or assessment.

C. Limitation on Issuance of Debt.

The provisions of Section 3.A notwithstanding, the Services Authority shall have no power to issue debt unless the legislative body of each Party first passes a resolution consenting to the issuance of the debt.

D. Additional Powers to be Exercised.

In addition to those powers common to each of the Parties, the Services Authority shall have those powers that may be conferred upon it by subsequently enacted legislation.

E. Restrictions on Exercise of Powers.

The powers of the Services Authority shall be exercised in the manner provided in the Act and as needed to implement the purposes of this Agreement. Only those powers explicitly authorized pursuant to this Agreement may be exercised under this Agreement.

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F. Obligations of Services Authority.

Any obligations of the Services Authority shall not be obligations of the Parties.

4. Term**A. Effective Date.**

This Agreement shall commence on October 1, 2015. The Agreement shall continue for a term of ten (10) years until September 30, 2025.

B. Termination/Withdrawal.

An individual Party may withdraw from this Agreement by the giving of one year written notice no later than July 1 of any given year of its intent to withdraw from the Services Authority effective on July 1 of the next year. Upon withdrawal, such Party shall take on the obligation to provide all library services within its jurisdiction. Withdrawal by the County or the City of Santa Cruz shall terminate the Agreement.

C. Effect of Termination/Withdrawal.

Each Party shall, upon termination or withdrawal, remain liable for the branches within its jurisdiction and its share of any outstanding debt service based on the percentage of the proceeds from the debt which was allocated to each jurisdiction. Taxes or assessments that have been imposed within any Party's jurisdiction will continue and be paid to that Party. In addition, each Party shall remain liable for its proportionate share of legal fees and costs, including payment of open claims made after the termination of the Agreement based upon incidents which occurred when the Agreement was in effect.

5. Board and Commission**A. Governing Board.**

There is hereby created the Library Joint Powers Board ("Governing Board"), which shall be responsible for administering this Agreement and overseeing the day-to-day operations of the Library System. The Governing Board shall consist of the following directors:

- (1) The County Administrative Officer, or his/her designee, from the County of Santa Cruz.
- (2) The City Manager, or his/her designee, from the City of Santa Cruz.

- (3) The City Manager, or his/her designee, from the City of Capitola.
- (4) The City Manager, or his/her designee, from the City of Scotts Valley.

Actions of the Governing Board shall be effective upon approval of a majority of the directors with the exception of the following actions which require the unanimous approval of the directors:

- (1) Financial transactions as set forth in Section 3 (A) (8), Section 3 (A) (9) and Section 3 (A) (10).
- (2) Appointment of the Director of Libraries as set forth in Section 6 (A).
- (3) Contracts with Parties for library personnel as set forth in Section 6 (B).
- (4) Contracts for support services for a period longer than one year as set forth in Section 7.
- (5) Approval of the Final Budget as set forth in Section 8.
- (6) Changes in Board adopted service levels as set forth in Section 10.

The Governing Board shall select a chairperson and a vice-chairperson in January of each year, and shall meet quarterly or more frequently as determined by the Governing Board.

A quorum of the Governing Board shall consist of all directors, or their designee, and shall be necessary to conduct business, except that less than a quorum may adjourn from time to time. The Governing Board may adopt, from time to time, such bylaws, meeting schedules, rules and regulations for the conduct of its meetings as are necessary. The Governing Board shall be governed by the requirements of the Ralph M. Brown Act.

A director shall cease to participate in the Governing Board if she/he ceases to be an employee in the designated capacity of the Party she/he represents, or if the entity ceases to be a Party to this Agreement.

B. Library Advisory Commission.

The Governing Board shall be advised by a Library Advisory Commission ("Commission"). The Commission shall consist of the following commissioners who must be registered voters:

- (1) Three residents of unincorporated Santa Cruz County appointed by and serving at the pleasure of the County Board of Supervisors, with one each from Supervisorial Districts 1, 2 and 5.

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- (2) Two Santa Cruz city residents appointed by and serving at the pleasure of the Santa Cruz City Council.
- (3) One Capitola resident appointed by and serving at the pleasure of the Capitola City Council.
- (4) One Scotts Valley resident appointed by and serving at the pleasure of the Scotts Valley City Council.

Commissioners should reflect the diverse interests of the Library System including representation in the areas of technology, education and business, or other areas identified by the Governing Board. Elected members of each jurisdiction are not eligible for appointment to the Commission.

Each commissioner shall serve a four-year term, except that the terms of the initial commissioners shall be staggered to end at 36 months and 48 months, respectively, so as to ensure continuity among the commissioners. The initial commissioners shall draw lots to establish the lengths of their respective terms. Each commissioner shall be limited to two terms. Commissioners replacing a commissioner mid-term shall be limited to serving one additional term after completion of the remainder of the original term.

The Commission is advisory only and is intended to be a voice of the community to provide advice and feedback to the Governing Board and the Director of Libraries. The Commission will review programs and services and make necessary recommendations as they pertain to the provision of these programs and services.

The Commission shall select a chairperson and a vice-chairperson in January of each year, and shall meet at least quarterly to develop recommendations to the Governing Board on Library System hours, organization and services.

A quorum of the Commission shall consist of a majority of commissioners and shall be necessary to conduct business, except that less than a quorum may adjourn from time to time. The Commission may adopt, from time to time, such bylaws, meeting schedules, rules and regulations for the conduct of its meetings as are necessary. The Commission shall be governed by the requirements of the Ralph M. Brown Act.

6. Employees

A. Director of Libraries.

The Director of Libraries shall be hired by the Services Authority and serve pursuant to the terms of an employment contract. The unanimous approval of the directors of the Governing Board is required to hire the Director of Libraries. The contract between the Director of Libraries and the Services Authority shall

outline details of compensation and benefits. The contract may be administered by a Party under contract with the Services Authority.

The Director of Libraries shall oversee and conduct the day-to-day operations of the Library System. The Director of Libraries shall meet the qualifications of a County Librarian as provided in Chapter 6, Article 2, Section 19142 of the Education Code regarding County Free Libraries and shall also have the duties and responsibilities of a County Librarian as provided in Section 19146 of the Education Code.

The Director of Libraries shall be responsible for the efficient administration and supervision of the Library System. The Director of Libraries shall serve as staff to the Governing Board and Commission, and shall cooperate to assist the directors and commissioners in performing their responsibilities. The Director of Libraries shall cause a notice of this Agreement to be filed with the Secretary of State pursuant to the Act.

The Governing Board shall be responsible for the day to day supervision of the Director of Libraries. The performance of the Director of Libraries shall be appraised annually by the Governing Board, which shall solicit written comments from each director and commissioner.

The Director of Libraries shall upon request make presentations to the Board of Supervisors and City Councils of each jurisdiction to present matters relative to the Library System. In addition, upon request of a Party, the Director of Libraries shall make written and oral reports to the elected body of each Party on the status of public library services.

In addition to the other powers and duties specified in this Agreement, the Director of Libraries shall have the power:

- (1) Under the policy direction of the Governing Board, to plan, organize and direct all Services Authority activities.
- (2) To develop a proposed operating and capital budget.
- (3) To authorize expenditures within the amounts authorized by the Governing Board and subject to the appropriations and limitations of the approved budget.
- (4) To make recommendations to and requests of the Governing Board concerning all matters that are to be performed, done or carried out by the Governing Board.
- (5) To make recommendations to and requests of the Commission concerning all matters that are to be performed, done or carried out by the Commission.
- (6) To have charge of, handle or have access to any property of the Services Authority.

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- (7) To apply and negotiate for and administer grants and subventions from the State or federal governments or other funding sources. All applications requiring matching or contributory funds must be approved by the Governing Board.
- (8) To determine what books and other library materials and equipment shall be purchased, as provided by California Education Code Section 19146, subject to budgetary limitations.
- (9) To serve as the purchasing agent for the Services Authority.
- (10) To hire, supervise, discipline and dismiss as necessary any employees of the Services Authority.
- (11) To work cooperatively with the applicable Parties to hire, supervise, discipline and dismiss as necessary any employees of the Parties contracted to provide staff to the Library System in accordance with the rules and regulations of the contracting Parties.

B. Other Library Staff

The Services Authority may directly employ library personnel or contract with one or more of the Parties to meet the staffing requirements of the Library System. Any contract with a Party or Parties for library staffing shall require the unanimous approval of the directors of the Governing Board. In the event that the Services Authority begins employing library personnel upon termination of any contract with a Party or Parties previously providing library staffing, the Services Authority will be recognized as a Successor Employer to the Party or Parties in accordance with the National Labor Relations Board (NLRB) successor doctrine.

7. Support Services

The Services Authority may obtain support services including legal counsel, accounting, purchasing, treasury, human resources, payroll and other services from the Parties or private entities at cost via the most cost effective and service efficient method available, as determined by the Governing Board. Any such arrangement shall require a written agreement as to the terms and shall require review annually unless a longer term is agreed to by the unanimous approval of the directors of the Governing Board.

8. Annual Budget Process

Each year, the Services Authority shall adopt an annual budget no later than June 30 for the upcoming July 1 to June 30 fiscal year that delineates the planned revenues and expenditures of the Library System.

A. Consideration of Library Service and Budget Priorities.

The annual budget process for the Library System shall commence no later than March 31 for each year with a Governing Board meeting for the purpose of considering the service and budget priorities for the upcoming fiscal year.

B. Development of Proposed Library Budget.

The Director of Libraries shall prepare the proposed operating and capital budget for the upcoming fiscal year ("Proposed Budget").

C. Public Hearing on Proposed Budget.

The Services Authority shall hold a public hearing on the Proposed Budget which shall be held no later than May 31. Copies of the Proposed Budget shall be available for public inspection at least ten days prior to the public hearing.

At the conclusion of the public hearing, the Governing Board shall request such supplemental reports as it deems appropriate and schedule final action on the Proposed Budget for a public meeting to be held no later than June 30.

D. Approval of Final Budget.

Notwithstanding any other provision of this Agreement, the unanimous approval of the directors of the Governing Board shall be required to approve and adopt the Final Library Budget for the upcoming fiscal year. If the Governing Board has not reached agreement by July 1 of the new fiscal year, the previous year's Final Budget will remain in effect until a new budget is approved. However, if the Governing Board has not reached agreement and revenues decline, then the previous year's Final Budget will be in effect with proportionate cuts based on Board adopted service levels.

9. Library Policies

All policies relating to the provision of library services, including hours, organization, staffing levels and type, and other services, shall be determined by the Governing Board with a goal of maintaining a ten (10) branch system that strives to provide equitable service based upon agreed upon metrics. Current policies with respect to the library shall continue in full force and effect until changed by the Governing Board.

10. Finances**A. Revenues.**

The library services provided through this Agreement shall be funded through funds made available to the Services Authority by the Santa Cruz County Library Financing Authority. The Parties agree that any resident of Santa Cruz County, regardless of residence location, shall have free access to the library facilities, materials and services of the Library System.

B. Supplemental Revenues.

Each participating City and the County may supplement revenues to provide for enhanced services at individual library facilities.

C. Treasurer-Controller.

Pursuant to Section 6505.5 and 6505.6 of the Joint Powers Act, the Governing Board will select and contract with an individual (hereinafter "the Treasurer-Controller") to perform the functions of the treasurer and the functions of the auditor of the Services Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. Pursuant to Section 6505.1 of the Joint Powers Act, the Treasurer-Controller shall have custody of, handle and have access to all accounts, funds and money of the Services Authority from whatever source and all records of the Services Authority relating thereto.

The Treasurer-Controller of the Services Authority is hereby designated as the public officer or person who has charge of, handles, or has access to any property of the Services Authority. The Treasurer-Controller shall file an official bond in the amount of \$25,000 as required by Section 6505.1 of the Joint Powers Act; provided, that such bond shall not be required if the Services Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). So long as required by Section 6505 and Section 6505.5 of the Joint Powers Act, every year during the term of this Agreement the Treasurer-Controller of the Services Authority shall prepare or cause to be prepared an independent audit to be made by a certified public accountant, or a public accountant, as required under Sections 6505, 6505.5, and 6505.6 of the Joint Powers Act.

11. Mutual Indemnification and Insurance**A. Mutual Defense and Indemnification of Parties and Employees.**

Except as otherwise specified in this Section, each Party and the Services Authority, respectively, shall defend, indemnify, and hold harmless one

another against any and all claims, actions, losses, liability or expense (including attorney's fees) arising out of, or based upon, the acts or omissions of the Services Authority or any Party in executing the powers of the Services Authority. Notwithstanding the foregoing, to the full extent permitted by law, the Services Authority shall defend, indemnify and hold harmless any Party, including but not limited to a party whose employees serve as staff to the Library System, and any person who is or was a director of the Governing Board, or an officer, employee or other agent of the Services Authority or a Party, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any legal proceeding related to the work of the Services Authority, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Services Authority may, but is not required to, provide for indemnification and defense of a director of the Governing Board, or an officer, employee or other agent of the Services Authority to the extent permitted by law.

B. Liability Insurance.

The Services Authority shall purchase a General Liability Insurance policy with coverage in the minimum amount of \$2,500,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability. The named insured shall be the Services Authority and, accordingly, the Services Authority shall have responsibility for exercising all rights conferred by the insurance policy upon the insured.

C. Casualty Insurance.

Each Party shall insure the Library System buildings situated within their respective jurisdictions against casualty losses. The cost for insuring such buildings shall be considered direct costs, and shall be borne by the Party within whose jurisdiction the building is located, provided, however, that the cost of insurance coverage on the Downtown Branch building shall be shared as a system-wide cost.

D. Uninsured Claims

Any uninsured costs of providing liability defense, including payments for legal fees and costs and including payment of adjusted and settled claims and judgments must be approved by the Parties. Where it is necessary to employ special legal counsel given the nature of the claim, the Services Authority shall select said special legal counsel. Legal counsel shall report to the Services Authority with respect to said claims in recognition of the Services Authority's status as defendant and client. Legal counsel shall therefore enjoy an attorney-client privilege with the Services Authority and the Services Authority shall have the authority to make all decisions for which a client is customarily responsible in

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an attorney-client relationship, including final decisions with respect to the adjustment and settlement of uninsured claims and the rejection of settlement offers.

E. Closed Sessions

All information received by the Governing Board in a closed session related to the information presented to the Governing Board shall remain confidential. In accordance with California Government Code Section 54956.96, however, a director may disclose information obtained in a closed session that has direct financial or liability implications for a Party to the following individuals:

- (1) Legal counsel to that Party for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Party; and
- (2) Other members of the legislative body of that Party present in a closed session of that Party.

12. Distribution of Assets upon Termination/Withdrawal

A. Services Authority Assets.

The Services Authority's assets shall be distributed to the Parties upon the termination of this Agreement or withdrawal by a Party as herein provided. Within one hundred and twenty days (120) after notice of termination of this Agreement, or withdrawal from this Agreement, the Parties shall agree on a method of inventory and valuation of all assets of the Library System to be apportioned to the Parties, and shall cause the completion of such inventory and valuation within six (6) months after notice of termination or withdrawal. The costs of such inventory and valuation shall be a Library System cost under this Agreement. In determining specific assets to be distributed to the Parties, the Parties agree that every effort shall be made to first distribute to each Party those assets then located within that Party's jurisdiction, and ensure the assets are evenly divided based on the then current population ratios of the Parties. The remaining assets shall then be apportioned and distributed as deemed most convenient to the Parties. The Services Authority shall freely share its catalogue and other information regarding library materials with all Parties.

B. Special Collections.

It is understood and agreed that the apportionment and allocation of assets pursuant to this paragraph shall not result in the separation or breaking up of the Downtown Branch reference collection, periodical backfiles, local history collection, or Californian collection. All of these collections and materials shall remain the property of the City of Santa Cruz. Further, the Parties (or, if necessary,

the arbitrator referenced in Section 14) shall honor all special conditions and agreements imposed by donors of special collections to the Library System.

13. Construction of Library Facilities

Whenever a Party remodels, renovates or constructs a facility to be operated by the Services Authority, the Director of Libraries shall advise the Party in all matters regarding the site, design and construction of the facility. The Party and the architects retained by the Party shall consult with the Director of Libraries or his/her designee as often as the latter deems necessary to the proper exercise of his/her responsibilities. The Party shall obtain advance written approval from the Director of Libraries of all plans and specifications, including furnishings, for the inside of the facility.

The Party which selects or approves the architect and oversees the construction of a branch library shall be financially responsible for any and all construction defects and shall have an obligation to correct the defects within a reasonable period following the discovery of the defect.

14. Arbitration

The Parties agree to submit to arbitration in accordance with this paragraph any impasse or other inability to agree upon any of the following matters:

(A) Division and distribution of assets pursuant to Section 12 of this Agreement;

(B) Any other matters which the Parties mutually agree to submit to arbitration.

Upon request in writing by any Party that any of the above-listed matters be submitted to arbitration, the Governing Board shall meet to attempt to resolve the dispute and to agree upon an arbitrator if the dispute is not otherwise resolved. In the event the dispute is not resolved and no agreement is reached on the selection of an arbitrator within thirty days of the request for arbitration, then the Parties shall request the Presiding Judge of the Superior Court of Santa Cruz County appoint an independent arbitrator. Each of the Parties shall pay an equal share of the fees and expenses of the arbitrator.

Except as provided in this Agreement, any arbitration arising hereunder shall be conducted in accordance with the California Arbitration Act (Section 1280, et seq., of the California Code of Civil Procedure.)

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15. Amendments

This Agreement may only be amended with the unanimous consent of the Parties. Any Party proposing to amend this Agreement shall give notice of its intent to propose an amendment at any meeting of the Governing Board at least 60 days prior to the date upon which the proposed amendment, if adopted by the Governing Board, would take effect.

16. Authorization and Execution

By the execution of this Agreement, the Parties hereby authorize their respective counsel to execute such documents as may be necessary to carry out the terms of this Agreement.

This Agreement may be signed in counter parts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

CITY OF SANTA CRUZ

City Manager

Dated: _____

ATTESTED

City Clerk

Approved as to Form:

City Attorney

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COUNTY OF SANTA CRUZ

County Administrative Officer

Dated: _____

ATTESTED

Clerk of the Board of Supervisors

Approved as to Form:

County Counsel

CITY OF SCOTTS VALLEY

City Manager

Dated: _____

ATTESTED

City Clerk

Approved as to Form:

City Attorney

Revised 5/29/2015

CITY OF CAPITOLA

City Manager

Dated: _____

ATTESTED

City Clerk

Approved as to Form:

City Attorney

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CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2015

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: ORDINANCE AMENDING TITLE 15 OF THE MUNICIPAL CODE BY ADDING CHAPTER 15.10 TO PROVIDE AN EXPEDITED, STREAMLINED PERMITTING PROCESS FOR RESIDENTIAL ROOFTOP SOLAR SYSTEMS

RECOMMENDED ACTION: Approve the first reading of an Ordinance adding Chapter 15.10 of the Capitola Municipal Code pertaining to provide an expedited, streamlined permitting process for residential rooftop solar systems.

BACKGROUND: Assembly Bill 2188 (AB 2188) requires all California cities and counties to adopt an administrative ordinance to create a streamlined permitting process for small rooftop solar system installations on or before September 30, 2015. The bill also limits the number of inspections that may be required. These requirements are applicable to solar systems no larger than 10 kilowatts on single-family and two-family dwellings.

AB 2188 also requires the City administer a streamlined process which "substantially conforms" to the permitting process prescribed by the California Solar Permitting Guidebook, which is intended to provide consistent interpretation of Title 24 requirements. This includes providing expedited permit processing, allowing for electronic application filing, and developing standardized solar applications and forms.

DISCUSSION: The City of Capitola already offers free, expedited permit processing for small residential rooftop solar systems through its green energy incentive program adopted by the City Council in January, 2014. The City also accepts electronic applications and is currently in the process of developing standardized applications and forms for residential solar systems. Nonetheless, AB 2188 requires the City to adopt an ordinance to codify its process to streamline small residential solar permitting.

FISCAL IMPACT: None

ATTACHMENTS

1. Draft Ordinance

Report Prepared By: Richard Grunow
Community Development Director

Reviewed and Forwarded
By City Manager: 

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ORDINANCE NO. ____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING TITLE 15 OF THE CAPITOLA MUNICIPAL CODE, ADDING CHAPTER 15.10,
TO PROVIDE AN EXPEDITED, STREAMLINED PERMITTING PROCESS FOR SMALL
RESIDENTIAL ROOFTOP SOLAR SYSTEMS**

WHEREAS, the Capitola City Council recognizes the importance of “green technology” and by this Ordinance, seeks to implement Assembly Bill 2188 by creating an expedited, streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, the City of Capitola is committed to reducing its contributions to greenhouse gas emissions responsible for global climate change; and

WHEREAS, the Capitola City Council wishes to advance the use of solar energy by its citizens and businesses; and

WHEREAS, solar energy creates local jobs and economic opportunity; and

WHEREAS, the Capitola City Council recognizes that rooftop solar energy systems provide reliable energy and pricing for its residents and businesses; and

WHEREAS, it is in the interest of the health, welfare, and safety of the people of Capitola to provide an expedited permitting process to assure the effective deployment of solar technology.

WHEREAS, the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment, the activity is not subject to CEQA (Subdivision (b)(3) of Section 15061 of the California Environmental Quality Guidelines (14 CCR 15000 et seq)).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAPITOLA DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 15.10 is hereby added to the Capitola Municipal Code to read as follows:

Chapter 15.10
Expedited Solar Permitting Ordinance

Sections:

15.10.010	Purpose and Findings
15.10.020	Definitions
15.10.030	Applicability
15.10.040	Solar Energy System Requirements
15.10.050	Applications and Documents
15.10.060	Permit Review and Inspection Requirements

15.10.010 Purpose and Findings

The purpose of the chapter is to provide an expedited, streamlined solar permitting process that complies with the Solar Rights Act and Assembly Bill 2188 (Chapter 521, Statutes 2014, CA Government Code Section 65850.5) in order to achieve timely and cost-effective installations of small residential rooftop solar energy systems. This chapter encourages the use of solar systems by removing unreasonable barriers, minimizing costs to

property owners and the City and expanding the ability of property owners to install solar energy systems. This chapter allows the city to achieve these goals while protecting the public health and safety.

15.10.020 Definitions

As used in this chapter:

- A. "Solar Energy System" means either of the following:
 - 1. Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.
 - 2. Any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.
- B. "Small residential rooftop solar energy system" means all of the following:
 - 1. A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal.
 - 2. A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City, and all state and City health and safety standards.
 - 3. A solar energy system that is installed on a single or two family dwelling.
 - 4. A solar panel or module array that does not exceed the maximum legal building height as defined by the City.
- C. "Electronic submittal" means the utilization of electronic e-mail or submittal via the internet.
- D. "Specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.
- E. "Reasonable restrictions" on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.
- F. "Restrictions that do not significantly increase the cost of the system or decrease its efficiency or specified performance" means:
 - 1. For Water Heater Systems or Solar Swimming Pool Heating Systems: an amount exceeding 10 percent of the cost of the system, but in no case more than one thousand dollars (\$1,000), or decreasing the efficiency of the solar energy system by an amount exceeding 10 percent, as originally specified and proposed.
 - 2. For Photovoltaic Systems: an amount not to exceed one thousand dollars (\$1,000) over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding 10 percent as originally specified and proposed.

15.10.030 Applicability

- A. This chapter applies to the permitting of all small residential rooftop solar energy systems in the city.

- B. Small residential rooftop solar energy systems legally established or permitted prior to the effective date of the ordinance codified in this chapter are not subject to the requirements of this chapter unless physical modifications or alterations are undertaken that materially change the size, type, or components of a small rooftop energy system in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements shall not require a permit.
- C. A conditional use permit and/or design review may be required for properties on the City's list of historic resources as deemed necessary by the Community Development Director.

15.10.040 Solar Energy System Requirements

- A. All solar energy systems shall meet applicable health and safety standards and requirements imposed by the state and the City.
- B. Solar energy systems for heating water in single-family residences and for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined by the California Plumbing and Mechanical Code.
- C. Solar energy systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

15.14.050 Applications and Documents

- A. All documents required for the submission of an expedited solar energy system application shall be made available on the City website.
- B. Electronic submittal of the required permit application and documents by email, or the internet shall be made available to all small residential rooftop solar energy system permit applicants.
- C. The City's Building Division shall adopt a standard plan and checklist of all requirements with which small residential rooftop solar energy systems shall comply to be eligible for expedited review.
- D. The small residential rooftop solar system permit process, standard plan(s), and checklist(s) shall substantially conform to recommendations for expedited permitting, including the checklist and standard plans contained in the most current version of the California Solar Permitting Guidebook adopted by the Governor's Office of Planning and Research.

15.10.060 Permit Review and Inspection Requirements

- A. The Building Official shall implement an administrative, nondiscretionary review process to expedite approval of small residential rooftop solar energy systems. The Building Division shall issue a building permit, the issuance of which is nondiscretionary, within five business days upon receipt of a complete application that meets the requirements of the approved checklist and standard plan. The Building Official may require an applicant to apply for a conditional use permit if the official finds, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety. Such decisions may be appealed to the Planning Commission.

- B. Review of the application shall be limited to the Building Official's review of whether the application meets local, State, and Federal health and safety requirements.
- C. If a conditional use permit is required, the Planning Commission may deny the application if it makes written findings based upon substantive evidence in the record that the proposed installation would have a specific, adverse impact upon public health or safety and there is no feasible method to satisfactorily mitigate or avoid, as defined, the adverse impact. Such findings shall include the basis for the rejection of the potential feasible alternative for preventing the adverse impact. Such decisions may be appealed to the City Council.
- D. Any condition imposed on an application shall be designed to mitigate the specific, adverse impact upon health and safety at the lowest possible cost.
- E. "A feasible method to satisfactorily mitigate or avoid the specific, adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by the City, on another similarly situated application in a prior successful application for a permit. The City shall use its best efforts to ensure that the selected method, condition, or mitigation meets the conditions of subparagraphs (A) and (B) of paragraph (1) of subdivision (d) of Section 714 of the Civil Code defining restrictions that do not significantly increase the cost of the system or decrease its efficiency or specified performance.
- F. The City shall not condition approval of an application on the approval of an association, as defined in Section 4080 of the Civil Code.
- G. If an application is deemed incomplete, a written correction notice detailing all deficiencies in the application and any additional information or documentation required to be eligible for expedited permit issuance shall be sent to the applicant for resubmission.
- H. Only one inspection shall be required and performed by the Building Division for small residential rooftop solar energy systems eligible for expedited review.
- I. The inspection shall be done in a timely manner and should include consolidated inspections.
- J. If a small residential rooftop solar energy system fails inspection, a subsequent inspection is authorized.

Section 2. This Ordinance shall take effect and be in full force on _____, 2015.

This Ordinance was introduced on the 11th day of June, 2015, and was passed and adopted by the City Council of the City of Capitola on the ___ day of _____, 2015, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED: _____
Dennis Norton, Mayor

ATTEST:

_____, CMC
Susan Sneddon, City Clerk