

City of Capitola Agenda



Mayor: Kristen Petersen
Vice Mayor: Yvette Brooks
Council Members: Jacques Bertrand
Ed Bottorff
Sam Storey

CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, JUNE 11, 2020

7 PM

NOTICE OF REMOTE ACCESS ONLY:

In accordance with the current Shelter in Place Order from Santa Cruz County Health Services and Executive Order N-29-20 from the Executive Department of the State of California, the City Council meeting will not be physically open to the public and in person attendance cannot be accommodated.

To watch:

1. Online <http://capitolaca.igam2.com/Citizens/Default.aspx>
2. Spectrum Cable Television channel 8
3. Zoom Meeting (link below)

To submit public comment:

When submitting public comment, one comment (via phone **or** email, not both), per person, per item is allowed. If you send more than one email about the same item, the last received will be read.

1. Zoom Meeting (Via Computer or Phone) Link:
 - A. <https://us02web.zoom.us/j/89240979503?pwd=RFNrN3lwRTNsTE96S3FnN1QyaKFTQT09>
 - § If prompted for a password, enter 432002
 - § Use participant option to “raise hand” during the public comment period for the item you wish to speak on. Once unmuted, you will have up to 3 minutes to speak

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
June 11, 2020

B. Dial in with phone:

- § Before the start of the item you wish to comment on, call any of the numbers below. If one is busy, try the next one
- § **1 669 900 6833**
- § **1 408 638 0968**
- § **1 346 248 7799**
- § Enter the meeting ID number: **892 4097 9503**
- § When prompted for a Participant ID, press #
- § Press *9 on your phone to “raise your hand” when the mayor calls for public comment. Once unmuted, you will have up to 3 minutes to speak

2. Send email:

A. During the meeting, send comments via email to

publiccomment@ci.capitola.ca.us

- § Emailed comments will be accepted for General Government / Public Hearing item.
- § Emailed comments on each General Government/ Public Hearing item will be accepted after the start of the meeting until the Mayor announces that public comment for that item is closed.
- § Emailed comments should be a maximum of 450 words, which corresponds to approximately 3 minutes of speaking time.
- § Each emailed comment will be read aloud for up to three minutes and/or displayed on a screen.
- § Emails received by publiccomment@ci.capitola.ca.us outside of the comment period outlined above will not be included in the record.

CLOSED SESSION – 6:15 PM
CITY MANAGER’S OFFICE

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

CONFERENCE WITH LABOR NEGOTIATORS
(Gov’t Code § 54957.6)

Negotiators: Jamie Goldstein, Larry Laurent

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

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

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

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

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
June 11, 2020

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Jacques Bertrand, Ed Bottorff, Yvette Brooks, Sam Storey, and Mayor Kristen Petersen

2. REPORT ON CLOSED SESSION

3. ADDITIONAL MATERIALS

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

4. ADDITIONS AND DELETIONS TO AGENDA

5. PUBLIC COMMENTS

Directions for how to submit public comment are on page 1 of this agenda

6. CITY COUNCIL / STAFF COMMENTS

City Council Members/Staff may comment on matters of a general nature or identify issues for staff response or future council consideration. No individual shall speak for more than two minutes.

7. CONSENT CALENDAR

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

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

- A. Consider the May 28, 2020, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Consider the City's Investment Policy
RECOMMENDED ACTION: Confirm the City's Administrative Policy Number III-1, Investment Policy as recommended by the Finance Advisory Committee.
- C. Consider the Adoption of a Resolution Setting the Fiscal Year 2020/2021 Appropriation Limit
RECOMMENDED ACTION: Adopt the resolution.
- D. Consider a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2020-21
RECOMMENDED ACTION: Adopt the proposed resolution of intention that provides notification of the City's intent to levy business improvement assessments for Fiscal Year 2020/2021; receiving the annual report and proposed budget of the CVWBIA; setting the date for a public hearing to be held on Thursday, June 25, 2020; and outlining noticing requirements.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

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

- A. Receive Update on the City's Pandemic Response
RECOMMENDED ACTION:
 - 1. Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action.
 - 2. Approve a resolution ratifying Emergency Order 4-2020, which allows for outdoor activities and encroachments for businesses operating in compliance with social distancing requirements.

- B. Consider the Fiscal Year 2020/2021 Budget and Capital Improvement Program for the City of Capitola
RECOMMENDED ACTION: Approve the Resolution adopting the Fiscal Year 2020/21 City Budget and Capital Improvement Program.

- C. Receive Community Survey Results
RECOMMENDED ACTION: Receive report and provide direction to staff regarding potential measures to place on November 2020 ballot.

- D. Consider Fee Schedule for Fiscal Year 2020-21
RECOMMENDED ACTION: Conduct the noticed public hearing on the proposed City Fee Schedule for Fiscal Year 2020/2021 and adopt the proposed Resolution amending the current fee schedule.

- E. Continue Zoning Code Update Discussion
RECOMMENDED ACTION: Continue discussion about the Zoning Code and Local Coastal Plan update to the regular City Council meeting on July 23, 2020.

9. ADJOURNMENT

Note: Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that court action within ninety (90) days following the date on which the decision becomes final as provided in Code of Civil Procedure §1094.6. Please refer to code of Civil Procedure §1094.6 to determine how to calculate when a decision becomes "final." Please be advised that in most instances the decision become "final" upon the City Council's announcement of its decision at the completion of the public hearing. Failure to comply with this 90-day rule will preclude any person from challenging the City Council decision in court.

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

Agenda and Agenda Packet Materials: The City Council Agenda and the complete Agenda Packet are available for review on the City's website: www.cityofcapitola.org and at Capitola City Hall prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue,

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
June 11, 2020

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 Agendas/Videos.**" Archived meetings can be viewed from the website at any time.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: City Manager Department

SUBJECT: Consider the May 28, 2020, City Council Regular Meeting Minutes

RECOMMENDED ACTION: Approve minutes.

DISCUSSION: Attached for City Council review and approval are the minutes of the regular meeting of May 28, 2020.

ATTACHMENTS:

1. 5-28 draft

Report Prepared By: Chloe Woodmansee
Interim City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

6/5/2020

**DRAFT CAPITOLA CITY COUNCIL
REGULAR MEETING MINUTES
THURSDAY, MAY 28, 2020 - 7 PM**

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Member Ed Bottorff: Remote, Council Member Jacques Bertrand: Remote, Council Member Sam Storey: Remote, Mayor Kristen Petersen: Remote, Vice Mayor Yvette Brooks: Remote.

2. REPORT ON CLOSED SESSION

There was no reportable action during closed session.

3. ADDITIONAL MATERIALS

A. Item 8.A – 68 public comment emails

B. item 8.E – one public comment email

4. ADDITIONS AND DELETIONS TO AGENDA

5. PUBLIC COMMENTS – NONE

6. CITY COUNCIL / STAFF COMMENTS

Mayor Petersen and Councilmember Bottorff paid their respects to former City Manager Steve Burrell, who recently passed away. Staff and Council held a moment of silence for his memory.

Vice-Mayor Brooks asked about Capitola businesses repurposing parking areas for outdoor dining. Staff replied that this topic would be covered during the COVID-19 Update (item 8.A).

Councilmember Bertrand suggested Staff create a section in the minutes clearly identifying Council's requests for future agenda items.

Recreation Division Head Bryant-Leblond announced that the Recreation Center is currently tented for termite treatment and encouraged members of the public to apply for summer program scholarships.

Requested Items for Future Agendas:

1) Update on beach grading and lagoon closure (Vice-Mayor Brooks, Councilmember Storey)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
May 28, 2020

7. CONSENT CALENDAR

MOTION:	APPROVE AND ADOPT AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jacques Bertrand
SECONDER:	Sam Storey
AYES:	Bottorff, Bertrand, Storey, Petersen, Brooks

- A. Consider the May 14, 2020, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Approval of City Check Registers Dated April 10, April 17, and April 24, 2020.
RECOMMENDED ACTION: Approve check registers.
- C. LEAP HCD Grant Resolution
RECOMMENDED ACTION: Adopt a Resolution authorizing the City Manager to apply for a Local Early Action Planning (LEAP) Grant to update the City's Inclusionary Housing Ordinance and execute the grant if awarded.
- D. Second Hearing for CDBG-CV Grant Resolution
RECOMMENDED ACTION: Hold second public hearing for the Community Development Block Grant Coronavirus Response (CDBG-CV) application requesting up to \$250,000 of CDBG-CV grant funds and reutilizing \$80,632.35 of CDBG program income funds (total \$330,632) for three COVID-19 related relief programs.
- E. Consider Award of a Project Management and Inspection Contract for the Park Avenue Storm Damage Repair Project
RECOMMENDED ACTION: Authorize the City Manager to enter into a contract with Cal Engineering and Geology for Construction Management Services for the Park Avenue Storm Damage Repair Project in the amount of \$66,860.
- F. Art and Cultural Commission Annual Report [1010-60]
RECOMMENDED ACTION: Receive report.

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

- A. Receive Update on the City's Pandemic Response
RECOMMENDED ACTION:
1. Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action.
 2. Consider options to allow outdoor dining on the Esplanade when allowed by County Health Orders

City Manager Goldstein presented the staff report and emphasized that enforcing the current beach closure has been a challenge since Memorial Day weekend.

Community Development Director Herlihy presented on outcomes of the Business Recovery Task Force's first meeting. She also presented two different plans for closing parts of the Esplanade, and allowing restaurants to utilize on-street parking spaces for outdoor dining, if the County's

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
May 28, 2020

variance application is approved by the State. She outlined both Option 1, a partial closure of the Esplanade to vehicle traffic; and Option 2, a full closure of the Village with no traffic allowed other than emergency vehicles and daily loading/unloading.

Councilmember Bertrand asked about Option 1 and checked that with one-way traffic, current road markings would still be accurate.

Vice-Mayor Brooks clarified that any business that applies for an administrative permit and is approved could participate in outdoor dining options, including those outside of Capitola Village. The Vice-Mayor asked that any fees associated with this permit be waived.

Councilmember Storey asked if the County's variance application would affect the beach closure. City Manager Goldstein said it is likely that the beach closure will remain in effect indefinitely. Councilmember Storey asked for clarification about parking for the Capitola Hotel under any plan that would block traffic along the Esplanade; and suggested that the additional parking near Esplanade Park be removed and the road closed to allow for social distancing in that area.

Councilmember Bottorff alerted staff that the proposed Option 1 map neglected to provide outdoor space for Bella Roma and the Cork and Fork.

City Manager Goldstein announced that the Esplanade between Zelda's and Esplanade Park is considered a beach parkway under the current County Health Order, which renders the area off-limits for sitting, gathering, and outdoor dining.

During the public comment period:

Sean Fyock emailed to ask when vacation rentals will reopen.

Josh Fisher emailed in favor of Option 1.

Julie Kenney emailed her support for grading the beach.

Dennis Norton spoke in favor of Option 2.

Hannah Smalltree said that she supports any action that will open the Village and help local businesses.

Mr. Patel, owner of the Capitola Hotel, said he tentatively supported Option 1, but still had concerns about the ability for his business to provide parking to hotel guests.

Nathan Cross expressed concern about both options and suggested a compromised approach.

Carin Hannah said that most Village business owners agree upon Option 1 and that the BIA was excited about the possibility of its implementation.

Councilmember Bottorff said that though he loves the idea of closing the Esplanade completely to vehicle traffic, now is not the time to do so. He agreed with waiving permit fees, extending permits so the Hotel can have guest parking, and otherwise supported Option 1. He also asked Staff to reopen all available parking lots and suggested implementing an "express lane" for cars with no stopping or parking is allowed.

Councilmember Bertrand thanked the public for their input and said he supported Option 1, with a chance for adaptation and change in the future. He also agreed with waiving permit fees.

Councilmember Storey said he agrees to opening available parking lots, waiving the permit fees, and allowing the Hotel to have parking for guests. He announced concern about the ability to

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
May 28, 2020

promote social distancing with the beach still closed. He asked staff to compromise between the two Options to allow for the public to comply with current health orders and suggested that the end of Esplanade Road be closed to vehicle traffic.

Vice-Mayor Brooks asked Chief McManus about the safety of each Option, to which he responded that both options are safe but present different challenges. Vice-Mayor Brooks asked Councilmember Storey to clarify his vision regarding closing the end of Esplanade Road and requested that Fire Chief Hall speak to the safety of both Options. Fire Chief Hall explained that the concern with Option 2 is that the full road closure may encourage gatherings and discourage social distancing. He stated that Option 1 would be easier to work with regarding emergency response times. Vice-Mayor Brooks recommended Option 1, supported waiving fees, and asked that Staff revisit these decisions after the changes have been implemented to review their impacts. She stressed that there should be continuity of design for all the businesses' outdoor dining areas.

Mayor Petersen said that she was in favor of Option 1, agreed that permit fees should be waived and that the Hotel should be allowed permits for guest parking. She also asked that public parking on Cliff Drive be opened and that the Village parking limit be returned to three hours. The Mayor expressed concern with the possibility of COVID-19 cases rising and emphasized the significance of social distancing.

Councilmember Storey responded to the Vice-Mayor's earlier question and clarified that he'd like to see the end of Esplanade Road closed to effectively make Esplanade Park bigger, so the public has room to spread out and social distance.

Councilmember Bottorff said he supported Option 1 but did not want to extend Esplanade Park as it would become a gathering place. He then made a motion:

MOTION:	1) MAKE DETERMINATION THAT HAZARDS STILL EXIST; 2) DIRECT STAFF TO MOVE FORWARD WITH OPTION 1 (PARTIALLY CLOSING ESPLANADE ROAD TO VEHICULAR TRAFFIC, ALLOWING RESTAURANTS TO IMPLEMENT OUTDOOR DINING) AND: - OPEN ALL PUBLIC PARKING LOTS - RETURN VILLAGE PARKING LIMIT 3 HOURS - ALLOW THE CAPITOLA HOTEL A PARKING VARIANCE - EMPHASIZE FACIAL-COVERING REQUIREMENTS
RESULT:	AMMENDED
MOVER:	Ed Bottorff
SECONDER:	Jacques Bertrand

Councilmember Storey asked who would be enforcing the facial-covering requirement. Staff clarified that this is a County Order and that business owners are responsible for enforcing it. Councilmember Bottorff said he wanted the Order emphasized, not an increase in its enforcement.

Vice-Mayor Brooks asked for a friendly amendment to Councilmember Bottorff's motion. He and Councilmember Bertrand accepted:

Attachment: 5-28 draft (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
May 28, 2020

MOTION:	1) MAKE DETERMINATION THAT HAZARDS STILL EXIST; 2) DIRECT STAFF TO MOVE FORWARD WITH OPTION 1 (PARTIALLY CLOSING ESPLANADE ROAD TO VEHICULAR TRAFFIC, ALLOWING RESTAURANTS TO IMPLEMENT OUTDOOR DINING) AND: - OPEN ALL PUBLIC PARKING LOTS - RETURN VILLAGE PARKING LIMIT TO 3 HOURS - ALLOW THE CAPITOLA HOTEL A PARKING VARIANCE - EMPHASIZE FACIAL-COVERING REQUIREMENTS - WAIVE ALL ASSOCIATED PERMIT FEES - IMPLEMENT A MONTHLY CHECK-IN TO ENSURE PARTICIPANTS' COMPLIANCE
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff
SECONDER:	Jacques Bertrand
AYES:	Bottorff, Bertrand, Storey, Petersen, Brooks

B. Capitola Village Wharf Business Improvement Area (CVWBIA) Update
RECOMMENDED ACTION: Receive update report.

Carin Hannah provided an update on the BIA's activity per Vice-Mayor Brooks' request.
There was no public comment.

RESULT:	RECEIVE REPORT
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C. Receive Monterey Bay Community Power Presentation
RECOMMENDED ACTION: Receive update report.

Staff introduced Lina Williams, representative of Monterey Bay Community Power, who gave a brief presentation on the organization's annual achievements.
There was no public comment.

RESULT:	RECEIVE REPORT
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D. Continue Zoning Code Update Discussion
RECOMMENDED ACTION: Continue discussion about the Zoning Code and Local Coastal Plan update to the next City Council meeting on June 11, 2020.

City Manager Goldstein recommended this item be continued during Item 4.

Attachment: 5-28 draft (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
May 28, 2020

MOTION:	CONTINUE DISCUSSION
RESULT:	CONTINUED [JUNE 11, 2020, MEETING]
MOVER:	Ed Bottorff
SECONDER:	Jacques Bertrand
AYES:	Bottorff, Bertrand, Storey, Petersen, Brooks

E. Consider Options for Ordinance Temporarily Prohibiting Tenant Evictions Due to COVID-19
RECOMMENDED ACTION: Receive report.

City Manager Goldstein presented the staff report.

There was no public comment.

City Attorney Zutler read suggested changes to the Ordinance: change from Sonoma to Santa Cruz County Health Department on page 94 in the packet and change the date from May 31 to June 1 on page 95 of the packet.

Councilmember Bertrand asked Staff if they had any feedback from local landlords or renters.

MOTION:	ALTERNATIVE RECOMMENDATION TO ADOPT URGENCY ORDINANCE WITH THE CHAGNES READ BY THE CITY ATTORNEY EXTENDING THE MORATORIUM AND SEND A LETTER OF SUPPORT FOR SENATE BILL 1410
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Yvette Brooks
SECONDER:	Sam Storey
AYES:	Bottorff, Bertrand, Storey, Petersen, Brooks

F. Consider Awarding a Contract for the Summer Beach Shuttle Service
RECOMMENDED ACTION: Approve a contract with MV Transportation for Summer Beach Shuttle operations. In response to the on-going COVID-19 pandemic it is anticipated that shuttle service under this contract will be cancelled for the 2020 summer season and shuttle service will resume in May of 2021.

Public Works Director Jesberg presented the staff report and emphasized that the contract will not be for service this summer due to the pandemic and local beach closures.

Councilmember Storey asked about the separate hourly rate for service during the Art & Wine Festival.

Councilmember Bottorff asked if the contract would cost less since it would be starting later in the year than usual, Director Jesberg agreed and explained that the City pays on a per-day basis, so the cost depends on how much work the contract is for.

There was no public comment.

Attachment: 5-28 draft (Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES
May 28, 2020

MOTION:	APPROVE CONTRACT WITH MV TRANSPORTATION
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Sam Storey
SECONDER:	Jacques Bertrand
AYES:	Bottorff, Bertrand, Storey, Petersen, Brooks

9. ADJOURNMENT

The meeting was closed at 9:30 PM.

Kristen Petersen, Mayor

ATTEST:

Chloé Woodmansee, Interim City Clerk

DRAFT

Attachment: 5-28 draft (Approval of City Council Minutes)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: Finance Department

SUBJECT: Consider the City's Investment Policy

RECOMMENDED ACTION: Confirm the City's Administrative Policy Number III-1, Investment Policy as recommended by the Finance Advisory Committee.

BACKGROUND: California Government Code §53630 et seq. contains State requirements for the deposit of City funds. Government Code §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. This resolution was then incorporated into the City's Administrative Policies. California Government Code requires a city to annually review its investment policy.

DISCUSSION: The California Debt and Investment Advisory Committee annually updates the Local Agency Investment Guidelines which lists the allowable investment options for local public agencies. The City's Investment Policy states that the investment policy, or any modification thereof, shall be formulated by the City Treasurer and approved by the City Council. Understanding the 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

At the May 5, 2020, Finance Advisory Committee (FAC) Special Meeting the committee reviewed the investment policy and recommended confirming the policy without any changes. The City's current Investment Policy and Investment Portfolio comply with all applicable state laws.

FISCAL IMPACT: None

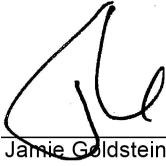
ATTACHMENTS:

1. III-1 Investment Policy (PDF)

Report Prepared By: Jim Malberg
Finance Director

City investment policy
June 11, 2020

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020



ADMINISTRATIVE POLICY

Number: III-1
Issued: May 9, 1996
Revised: August 9, 2001
Revised: June 13, 2019
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 Obligations
3. U.S. Agency Obligations
4. Negotiable Certificates of Deposit
5. 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 30% of total portfolio at time of investment.
- B. Maturity date of securities shall not be more than five years from date of purchase.
- C. Issuer must be FDIC insured and not more than \$250,000 may be invested into any one bank to ensure FDIC insurance on all invested funds.

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.



 Jim Malberg, City Treasurer

Attachment: III-1 Investment Policy (City investment policy)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: Finance Department

SUBJECT: Consider the Adoption of a Resolution Setting the Fiscal Year 2020/2021 Appropriation Limit

RECOMMENDED ACTION: Adopt the resolution.

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, which has been amended twice, 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.

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.

The State Constitution requires that prior to June 30 of each year, Council ratify the 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 State Department of Finance transmit an estimate of the percentage change in population to local governments. Capitola uses this percentage change in population factor for January 1, 2020, in conjunction with the County-issued “Change in California Per Capita Income” to calculate the Appropriation Factor used to determine the limit.

The 2020-21 calculation is:

Annual %				
change in City				
Population	Change in		FY 2019-20	FY 2020-21
minus	California per	Appropriation	Appropriation	Appropriation
Exclusions	capita Income	Factor	Limit	Limit
	x	=	x	=
0.9978	1.0373	1.0350	\$ 30,045,461	\$ 31,097,593

The 2020-21 Proposed Budget tax revenues are:

Appropriation Limit
June 11, 2020

Source of Tax Revenue	2020-21 Proposed Budget
Sales Tax (1%)	\$ 4,602,000
District Taxes (Measures O & F)	1,717,755
Property Tax and In-Lieu	2,748,440
Transient Occupancy Tax	475,800
Document Transfer Tax	63,637
Franchise Taxes	560,000
Business License Tax	290,000
Cannabis Retail Tax	375,000
Interest Income from tax revenue	2,000
Total Tax Revenue	\$ 10,834,632

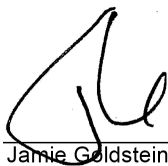
The 2020-21 percent of appropriations limit used is:

Fiscal Year ended:	2018-19	2019-20	2020-21
Appropriations Limit	\$ 29,150,257	\$ 30,045,461	\$ 31,097,593
Tax revenue	\$ 12,736,440	\$ 13,413,269	\$ 10,834,632
Remaining to limit	\$ 16,413,817	\$ 16,632,192	\$ 20,262,961
% of limit used	43.69%	44.64%	34.84%
Limit vs. prior year	\$ 1,012,943	\$ 895,204	\$ 1,052,132
Incr./.(Decr.) vs. pr. yr.	3.6%	3.1%	3.5%

FISCAL IMPACT: The appropriations limit increased \$1,051,132, or 3.5%, to \$31 million from Fiscal Year 2019/20 to Fiscal Year 2020/21.

Report Prepared By: Mark Sullivan
Senior Accountant

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020

Appropriation Limit
June 11, 2020

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING THE 2020-21 FISCAL YEAR APPROPRIATION LIMIT PURSUANT
TO ARTICLE XIII B 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 2020-21 Fiscal Year Appropriation Limit shall be \$31,097,353 calculated as follows:

Population change within the city:	0.9978
Change in California per capita Income	1.0373

2019-20 Appropriation Limit:	\$ 30,045,461
Adjustment Factor	x 1.0350
2020-21 Appropriation Limit:	<u>\$ 31,097,593</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, 2020, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Kristen Petersen, Mayor

ATTEST:

Chloe Woodmansee, Interim City Clerk



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: Finance Department

SUBJECT: Consider a Resolution of Intention to Levy Business Improvement Assessments for Fiscal Year 2020-21

RECOMMENDED ACTION: Adopt the proposed resolution of intention that provides notification of the City's intent to levy business improvement assessments for Fiscal Year 2020/2021; receiving the annual report and proposed budget of the CVWBIA; setting the date for a public hearing to be held on Thursday, June 25, 2020; and outlining noticing requirements.

BACKGROUND: In June 2005, the City of Capitola adopted Ordinance No. 889, now codified at Capitola Municipal Code Chapter 5.10, which established the Capitola Village and Wharf Business Improvement Area (CVWBIA) to generate revenue for the exclusive purpose of promoting business in the CVWBIA. State law requires certain annual actions and a public hearing to continue this assessment district.

DISCUSSION: In accordance with state law, the CVWBIA is required to submit an annual plan each year for assessments to be levied in the CVWBIA. The annual report, Exhibit A to the proposed Resolution (Attachment 1), was prepared by the CVWBIA. It fulfills the requirement for Fiscal Year 2020/2021 and is submitted for Council review and approval. In addition, in order to continue levying the assessment, the City Council must, on an annual basis, adopt a resolution of intention notifying the business owners of the pending assessment, hold a public hearing, and adopt a resolution levying the assessment. In November 2018, voters approved Measure J, which increased the transient occupancy tax (TOT) from 10% to 12%. 20% of the TOT increase is designated for local business groups for marketing and community improvements. The proposed CVWBIA budget includes \$14,500 of TOT revenues for FY 2020-21.

Assessments have been reduced by 25% due to the COVID-19 pandemic and its devastating effects on the local economy. Additionally, gift certificates have been eliminated for all categories except for hotels/motels/inns and the 10% late payment fee has been removed

The annual report also outlines the CVWBIA's Fiscal Year 2020/2021 planned activities, goals, and proposed budget. These include:

- Increasing the number of year-round visits;
- Increasing the number of people who stay, shop and dine;

BIA Intent to Levy Business
June 11, 2020

- Improving ease of access to information via newsletters, the internet and print advertising;
- Providing fun, family-oriented events throughout the year;
- Improving and enhancing the appearance of the Village in cooperation with the City;
- Enhancing the ability of the CVWBIA to serve as a liaison between business owners, private and government agencies, and the City; and
- Increasing awareness outside of our community about the uniqueness of Capitola.

Pursuant to state law, staff recommends the City Council adopt the proposed resolution of intention providing notification of the City's intent to levy business improvement assessments for Fiscal Year 2020/2021; receiving the annual report and proposed budget of the CVWBIA; setting the date for a public hearing to be held on Thursday, June 25, 2020; and outlining noticing requirements.

A representative of the CVWBIA will attend the meeting; however, the CVWBIA's presentation will be made at the public hearing on June 25.

A notice of public hearing (Attachment 2) will be sent to each business in the area following this meeting, along with a copy of the adopted resolution of intention.

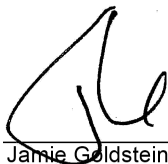
FISCAL IMPACT: There is no fiscal impact to the City. CVWBIA billing and accounts payable costs incurred by the City are offset by assessment revenues. The City and CVWBIA have reviewed amounts charged by the City for these services and agree that they are reasonable.

ATTACHMENTS:

1. BIA Exhibit A (PDF)
2. CVWBIA mailed notice FY20-21 Public Hearing (PDF)

Report Prepared By: Mark Sullivan
Senior Accountant

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020

RESOLUTION NO. _____

**RESOLUTION OF INTENTION OF THE CITY COUNCIL
OF THE CITY OF CAPITOLA
TO LEVY BUSINESS IMPROVEMENT ASSESSMENTS
FOR FISCAL YEAR 2020/2021**

WHEREAS, the Capitola Village and Wharf Business Improvement Area (“CVWBIA”) has prepared a report to the City of Capitola for Fiscal Year 2020/2021 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.

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

1. The Annual Report and Proposed Fiscal Year 2020/2021 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 2020/2021.

3. The proposed activities authorized by Capitola Municipal Code Chapter 5.10 are described in the afore-referenced CVWBIA Annual Report. The activities financed from these funds include promotional information, media announcements, and advertising in regional magazines, broadcast services, and websites.

4. The Business Improvement Area is bounded per the map referenced in Municipal Code §5.10.020 and included in Ordinance 1003. The CVWBIA boundaries are not being altered this year.

5. The Annual Report of the CVWBIA and proposed assessments for Fiscal Year 2020/2021 attached as Exhibit A and on file with the City Clerk provide a full and detailed description of the improvements and activities to be provided during Fiscal Year 2020/2021 and the proposed assessments to be levied upon the businesses within the area.

6. The Capitola City Council will hold a public hearing in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California, at 7 p.m. on Thursday, June 25, 2020, 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.

7. The City Clerk is directed to give notice of the public hearing to consider the levy of business improvement assessments for Fiscal Year 2020/2021 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.

BIA Intent to Levy Business
June 11, 2020

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 within its boundaries.

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, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kristen Petersen, Mayor

ATTEST:

Chloé Woodmansee, Interim City Clerk

EXHIBIT A

Resolution No. **XXXX**

Annual Report & Proposed Fiscal Year 2020-2021 Budget CVWBIA Assessment Basis CVWBIA Business Listing and Assessment Method

Mission Statement

The objective of the CVWBIA is to provide a unified organization to promote, stimulate and improve the business conditions in the designated area, primarily during the shoulder season, September – May. The belief is that if the lodging properties and short-term rentals are full, the rest of the businesses in the area will benefit.

This can be achieved by the CVWBIA continuing to fund activities and projects that will:

- Improve access to information regarding the businesses and services provided by the Village and Wharf BIA to likely visitors to the area via newsletters, the internet and print advertising.
- 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 partnership with the City of Capitola.
- Enhance the ability of the CVWBIA to serve as a liaison between the business community and local governments.

Last fiscal year the CVWBIA began to receive a portion of the Transient Occupancy Tax (TOT) collected by the city and made commitments based on projected TOT revenues. Due to the COVID-19 pandemic and required closure of short-term transient rentals, TOT revenue projections were not met. The CVWBIA will need to be flexible with this year's budget due to the uncertainty of future TOT revenues.

Because all businesses had to close or greatly alter their business model due to the COVID-19 pandemic, FY 20-21 assessments will be reduced by 25%.

As the CVWBIA begins its fifteenth year we face unusual challenges. We will continue and expand successful programs from prior years, which include the following:

1. **Website** – We maintain an up to date, mobile compatible, website (www.capitolavillage.com) for ease of use and connectivity to BIA member's businesses, lodging and short-term rentals. Each member has a unique page with links to their individual websites. There is a schedule of events and other helpful features. Visitors can sign up on the site to receive newsletters and enter contests to win gift certificates from member businesses.
2. **Social Media** – The Communications Manager creates a monthly newsletter, manages all our social media channels, maintains our website, and tracks performance. Our email newsletters are sent to over 7,000 subscribers each month. Our Facebook page has over 15,870 fans with

our top 5 cities being: San Jose, Santa Cruz, Modesto, Sacramento, and Capitola. Our Instagram is growing the fastest with over 11,390 active followers with an average of 500 profile visits to our account every week. Our newest channel, Twitter, currently has almost 900 followers and continues to grow each month. The purpose of the Communication Manager is to collectively promote the Capitola Village businesses and to be a resource for ongoing growth. Our Village Ambassador continues to develop relationships with our members to facilitate sharing their promotions and announcements with our social media contacts.

3. **Print Advertising** – While placing an emphasis on our social media development, there is still a need for carefully placed advertising in quality visitor publications. We are constantly monitoring these publications for the ones with the most effective online presence. The CVWBIA will continue to co-op with Visit Santa Cruz to promote Capitola Village and Wharf in their visitor magazine, their map and on their website.
4. **Village Brochures** – We print 25,000 brochures and distribute them throughout Santa Cruz County. We contract with Certified Display Service. This company has exclusive rights to lobby racks in the hotels, resorts and visitor centers in the county. These brochures are also available in various places of business throughout the Village and Wharf. We feel it is important to make visitors to other areas in the county aware of Capitola Village and Wharf through these brochures. Additionally, there are distribution locations at the Gilroy Visitors Center on Hwy 101, San Jose Airport and the Monterey Airport.
5. **Branding and Logo Development** – Our updated logo will replace our old logo in all ads and communications.
6. **Sip and Stroll** – Last year we held three Sip and Stroll events. Each event sold out with up to 20 tasting stations. The events are self-supporting and the proceeds were donated to various local non-profits. This event benefited all the businesses in the village. We hope to be able to hold up to three Sip and Stroll events in November, February and May.
7. **Winter Festivities** – A tree lighting ceremony, community caroling and window decorating contest are components of the winter festivities with other events in the planning stages.
8. **Membership Breakfast** – These breakfasts are an opportunity to inform members about current activities and receive valuable input. Educational presentations, as well as reports by city representatives, are given at these breakfasts.
9. **Public Works** – The CVWBIA contributes annually to the City of Capitola Public Works Department. Our contribution is used to help maintain the Village and Wharf.
10. **Chamber of Commerce** – The CVWBIA contributes annually to support community interest projects and events in the Village.

Capitola Village & Wharf Business Improvement Area Assessment Basis

The method of assessment classifies businesses within the CVWBIA boundaries into nine categories:

1. Retail / Service businesses
2. Restaurant - Full Bar
3. Restaurant - Beer and Wine
4. Restaurant - No Alcohol
5. Wine/Beer Service
6. Seasonal Food Service
7. Office and Professional businesses / Specialty
8. Short-term Rental businesses
9. Hotel / Motel / Inn businesses

Assessment fees are assigned to these nine business categories by number of full-time equivalent employees, a flat rate, and a per unit amount. Registered non-profits are exempt from assessment fees.

The following table shows the assessment fees for the proposed CVWBIA.

Business Category	Number of Full-Time Equivalent Employees*		
	0 – 5 employees	6 – 10 employees	More than 10 employees
Retail / Service	\$315	\$630	N/A
Restaurant Full Bar	N/A	\$720	\$1,080
Restaurant Beer and Wine	\$367	\$682	\$1,042
Restaurant No Alcohol	\$315	\$630	N/A
	Flat Fee		
Wine/Beer Service	\$315		
Office / Professional / Specialty	\$90		
Short-term Rental**	\$135		
Seasonal Food Service	\$210		
	Per Unit Fee		
Hotel / Motel / Inn	\$270 per unit		

Footnote* “Full-time employee” is an employee 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. (i.e. “fulltime equivalents”)

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.

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	Amount due WITHOUT In-lieu/trade	In-lieu/trade	Amount due paid by 8/31/20
Retail/Service (0 - 5 Employees)	\$315	\$0	\$315
Retail/Service (6 - 10 Employees)	\$630	\$0	\$630
Restaurant Full Bar (0 - 10 Employees)	\$720	\$0	\$720
Restaurant Full Bar (11+ Employees)	\$1,080	\$0	\$1,080
Restaurant Beer & Wine (0 - 5 Employees)	\$367	\$0	\$367
Restaurant Beer & Wine (6 - 10 Employees)	\$682	\$0	\$682
Restaurant Beer & Wine (11+ Employees)	\$1,042	\$0	\$1,042
Restaurant No Alcohol (0 - 5 Employees)	\$315	\$0	\$315
Restaurant No Alcohol (6 - 10 Employees)	\$630	\$0	\$630
Wine/Beer Service	\$315	\$0	\$315
Office / Professional /Specialty	\$90	\$0	\$90
Hotel / Motel / Inn	\$270 per unit	50%	\$135 per unit
Short-term Rental	\$135	\$0	\$135
Seasonal Food Service	\$210	\$0	\$210

Associate Membership. CVWBIA is authorized to accept “associate membership” financial contributions from businesses outside the CVWBIA with approval of the board. The category and assessment will be the same as if the business is within the CVWBIA area.

New Business Assessment. Assessments 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 it 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.

Late Charge. No late charge will be assessed with the FY 20-21 dues.

Delinquencies. CVWBIA has a clear policy relative to delinquent assessments. Businesses that have not paid their assessment by October 31, 2020, will be removed from the CVWBIA website and brochure. Assessments that have not been paid by January 31, 2021, will be sent to collections.

Capitola Village & Wharf Business Improvement Area

Estimated Actual for FY 2019-2020 and Proposed Budget for FY 2020-2021

	FY 18/19	FY 19/20	FY 20/21	FY 20/21	FY 20/21
	Actual	Estimated Actual	Assessment Budget	TOT Budget	Total Budget
Beginning Fund Balance	\$ 22,241	\$ 29,018	\$ 45,534		\$ 45,534
Revenues					
BIA Assessment Revenues - Village*	\$ 58,013	\$ 58,953	\$ 53,951		\$ 53,951
Assessment Associate	1,440	1,400	1,080		1,080
BIA Assessment Revenues - Trade**	12,255	13,105	-		-
BIA Assessment Late Fees	448	488	-		-
TOT Revenue	12,989	22,000		14,500	14,500
Sip N' Stroll	15,044	9,525	24,000		24,000
Cookie Walk			5,000		5,000
Interest Revenue	862	1,015			-
Total Revenues	\$ 101,052	\$ 106,485	\$ 84,031	\$ 14,500	\$ 98,531
Total Source of Funds	\$ 123,293	\$ 135,503	\$ 129,565	\$ 14,500	\$ 144,065
Expenditures					
Chamber Services	\$ 3,000		\$ 3,000		\$ 3,000
Charitable Donations			6,000		6,000
CDS Direct Distribution	2,780	1,532	2,780		2,780
Doubtful Accounts	1,496		2,000		2,000
Insurance	2,121	1,667	2,000		2,000
Office Supplies	1,297	1,241	1,500		1,500
Storage Unit	264	1,326	1,700		1,700
Renewal		497	800		800
Total Administration	\$ 10,957	\$ 6,264	\$ 19,780	\$ -	\$ 19,780
City Accounting Services	\$ 4,200	\$ 4,200	\$ 4,200		\$ 4,200
City Public Works	3,000	3,000	3,000		3,000
Total City Services	\$ 7,200	\$ 7,200	\$ 7,200	\$ -	\$ 7,200
Ambassador	\$ 3,640	\$ 6,250	\$ 7,500		\$ 7,500
Communications Manager	8,540	18,300	15,000		15,000
Directories Printing	5,904	3,502	500	2,500	3,000
VSC TV Partnership	2,974		-		-
VSC Newsletter			2,000		2,000
VSC Travel Guide	2,474	4,323	2,800		2,800
VSC Map	475	495	500		500
Trade Certificates Used	12,255	13,105			-
Holiday - Advertising	1,800	2,020			-
ABC TV		5,000			-
Miscellaneous TV/theater		500			-
Miscellaneous Print	649		2,000		2,000
Monterey Travel Magazine	599		600		600
Print Explore	1,000		1,000		1,000
Print Summer Magazine	540		-		-
San Francisco Guide		1,200			-
Social Media Boost	1,039	4,400	3,000		3,000
Website Management	1,315	660	1,000		1,000
Yellow Bus Market Identification	14,000		-		-
Village Enhancement				7,000	7,000
Total Marketing	\$ 57,204	\$ 59,754	\$ 35,900	\$ 9,500	\$ 45,400
Holiday - Events/Décor	\$ 4,920	\$ 1,820	\$ -	\$ 5,000	\$ 5,000
Holiday Trees	1,908	832	-		-
Sip N' Stroll - Cookie Walk	9,990	14,100	7,500		7,500
Total Special Events	\$ 16,818	\$ 16,752	\$ 7,500	\$ 5,000	\$ 12,500
Light Pole Banners	\$ 2,096	\$ -	\$ -		\$ -
Total Expenditures	\$ 94,275	\$ 89,970	\$ 70,380	\$ 14,500	\$ 84,880
Ending Fund Balance	\$ 29,018	\$ 45,534	\$ 59,185	\$ -	\$ 59,185

Attachment: BIA Exhibit A (BIA Intent to Levy Business)

Capitola Village & Wharf Business Improvement Area Budget Discussion

The CVWBIA will begin Fiscal Year 2020-2021 with an estimated fund balance of \$45,534.

Revenues: The proposed revenue is derived from the CVWBIA business roster and corresponding assessment rates.

Expenditures:

Summary. The proposed expenditures are divided into these categories: Administration \$19,780, City Services \$7,200, Marketing \$45,400 and Special Events \$12,500.

The following is a roster of open businesses in the assessment area as of June 1, 2020.

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

Business Type	Assessment Method	Estimate Assessment	
AM = Associate Member	Associate Member	AM	\$1,080
F1 = Restaurant Full Bar	Per employee category: 6-10 EEs, >10 EEs	F1	\$8,280
F2 = Restaurant Beer & Wine	Per employee category: 0-5 EEs, 6-10 EEs, >10 EEs	F2	\$2,936
F3 = Restaurant No Alcohol	Per employee category: 0-5 EEs, 6-10 EEs	F3	\$3,150
F4 = Wine & Beer Service	Flat fee	F4	\$1,575
F5 = Seasonal Food	Flat fee	F5	\$210
H = Hotel/Motel/Inn	Flat fee per unit or room	H	\$13,770
O = Office/Professional	Flat fee	O	\$2,160
R = Retail/Service	Per employee category: 0-5 EEs, 6-10 EEs	R	\$13,230
SR = Short Term Rental	Flat fee per unit	SR	\$8,640
		Total	\$55,031

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY20/21 Est. Size</u>	<u>FY20/21 Est. Amt Due</u>
504 Bay Avenue	Gayle's Bakery & Rosticceria	AM	> 10	\$1,080
1400 Wharf Road	Wharf House Restaurant	F1	0 - 10	\$720
231 Esplanade Suite 102	Sotola Bar & Grill	F1	0 - 10	\$720
209B Esplanade	Bay Bar & Grill	F1	0 - 10	\$720
211 Esplanade	The Sand Bar	F1	0 - 10	\$720
1750 Wharf Road	Shadowbrook Restaurant	F1	11+	\$1,080
203 Esplanade	Zelda's	F1	11+	\$1,080
110 Monterey Avenue	Britannia Arms Pub & Rest.	F1	11+	\$1,080
231 Esplanade #101	Margaritaville	F1	11+	\$1,080
215 Esplanade	Paradise Beach Grille	F1	11+	\$1,080
316 Capitola Avenue	Bella Roma Café	F2	0 - 5	\$367

Attachment: BIA Exhibit A (BIA Intent to Levy Business)

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY20/21 Est. Size</u>	<u>FY20/21 Est. Amt Due</u>
123 Monterey Avenue	El Toro Bravo	F2	0 - 5	\$367
210 Monterey Avenue #1	Thai Basil	F2	0 - 5	\$367
200 Monterey Avenue #3	Geisha Japanese Restaurant & Tea House	F2	0 - 5	\$367
207 Esplanade	Sea Side Siam	F2	0 - 5	\$367
115 San Jose Avenue Ste #6	Caruso's Tuscan Cuisine	F2	0 - 5	\$367
427 Capitola Avenue	Avenue Café	F2	0 - 5	\$367
201 Esplanade Unit A	Tacos Moreno 3	F2	0 - 5	\$367
231 Esplanade #100	Mr. Toots Coffee & Tea	F3	0 - 5	\$315
200 Monterey Avenue #1	Souza's Ice Cream & Candy	F3	0 - 5	\$315
201 Monterey Avenue #C	Castagnola Deli & Café	F3	0 - 5	\$315
200 Monterey Avenue #2	Mijos Taqueria	F3	0 - 5	\$315
115 San Jose Avenue	Santa Cruz Poke, Inc.	F3	0 - 5	\$315
115 San Jose Avenue Suite #107	The Daily Grind Coffee & Bottle Shop	F3	0 - 5	\$315
209A Esplanade	Pizza My Heart	F3	6 - 10	\$630
104 Stockton	Beach Break by Marianne's	F3	6 - 10	\$630
103 Stockton Avenue	Armida Winery	F4		\$315
312-B Capitola Avenue	Cork and Fork LLC	F4		\$315
115 San Jose Avenue Suite #G	Capitola Wine Bar & Merchants	F4		\$315
401 Capitola Avenue	Capitola Tap House	F4		\$315
111 Capitola Avenue	English Ales Brewers, Inc.	F4		\$315
107 San Jose Avenue Suite #8	Left Coast Sausage Worx	F5		\$210
1500 Wharf Road	Venetian Hotel	H	19	\$5,130
5000 Cliff Drive	Capitola Beach Suites aka Harbor Lights	H	10	\$2,700
250 Monterey Avenue	Inn at Depot Hill	H	12	\$3,240
210 Esplanade	Capitola Hotel	H	10	\$2,700
312E Capitola Avenue	57 Design Inc.	O		\$90
312D Capitola Avenue	Beach House Rentals	O		\$90
301 Capitola Avenue	David Lyng & Associates	O		\$90
411 Capitola Avenue	Fuse Architects	O		\$90
415 Capitola Avenue	James B. Colip Insurance	O		\$90
201 Monterey Avenue Suite H	Landmark Properties	O		\$90
314 Capitola Avenue	Katz & Lapidés	O		\$90
331 Capitola Avenue #B	Michael Lavigne Real Estate	O		\$90
331 Capitola Avenue Suite K	Newman & Marcus,LLP	O		\$90
413 Capitola Avenue	Richard Emigh, Land Use	O		\$90
331 Capitola Avenue #D	Suess Insurance Agency	O		\$90
321 Capitola Avenue	Vice Salon	O		\$90
208 San Jose Avenue	Capitola Surf & Paddle	O		\$90
220 Capitola Avenue	Psychic Mermaid	O		\$90
331 Capitola Avenue	Capitola Village Real Estate	O		\$90
314 Capitola Ave	Law Offices of Sam Storey	O		\$90
425 Capitola Avenue Suite #1	Bodhi Addiction Treatment and Wellness	O		\$90

Attachment: BIA Exhibit A (BIA Intent to Levy Business)

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY20/21 Est. Size</u>	<u>FY20/21 Est. Amt Due</u>
314 Capitola Avenue	John H. McSpadden	O		\$90
314 Capitola Avenue	Miles J. Dolinger, Attorney at Law	O		\$90
112 Stockton Avenue Suite B	Visions by Sheena	O		\$90
331 Capitola Avenue	Capitola Village Massage	O		\$90
207 Monterey Avenue Suite 100	Yellow Bus	O		\$90
107 Stockton Avenue	Dream Catch Properties	O		\$90
855 Monterey Avenue #E	Santa Cruz Balsamics	O		\$90
1400 Wharf Road	JFS Inc. dba Capitola Boat & Bait	R	0 - 5	\$315
131 Monterey Avenue	MRA Sales, dba Capitola Beach Co.	R	0 - 5	\$315
417 Capitola Avenue	Betsy's Summerhouse Antiques	R	0 - 5	\$315
217 Capitola Avenue	Big Kahuna Hawaiian Shirts	R	0 - 5	\$315
209 Capitola Avenue	Craft Gallery	R	0 - 5	\$315
207 Capitola Avenue	Craft Gallery Annex	R	0 - 5	\$315
114 Stockton Avenue	Euphoria Rio Mix	R	0 - 5	\$315
110 Capitola Avenue #2	Free to Ride	R	0 - 5	\$315
219 Capitola Avenue	Hot Feet	R	0 - 5	\$315
201 Monterey Avenue #B	Kickback	R	0 - 5	\$315
120 Stockton Avenue	Latta	R	0 - 5	\$315
202 Capitola Avenue	Nubia Swimwear	R	0 - 5	\$315
204 Capitola Avenue	Oceania	R	0 - 5	\$315
107 Capitola Avenue	Phoebe's	R	0 - 5	\$315
116 San Jose Avenue	Rainbow City Limit	R	0 - 5	\$315
216 Capitola Avenue	Slap Happy	R	0 - 5	\$315
214 Capitola Avenue	Super Silver	R	0 - 5	\$315
117 Capitola Avenue	Surf n Shack	R	0 - 5	\$315
120 San Jose Avenue	Sweet Asylum	R	0 - 5	\$315
122 Capitola Avenue	Yvonne	R	0 - 5	\$315
115 San Jose Avenue	Southstar PM, Inc. - Parking at the Mercantile	R	0 - 5	\$315
120 Monterey Avenue	Uchiyama - Swenson - Parking at the Theater	R	0 - 5	\$315
112 Capitola Avenue Suite 100	Lumen Gallery	R	0 - 5	\$315
115 Capitola Avenue	Capitola Reef	R	0 - 5	\$315
409 Capitola Avenue	Art Inspired	R	0 - 5	\$315
115 San Jose Avenue Suite L	Om Rhythms	R	0 - 5	\$315
112 Stockton Avenue	Sea Level T's	R	0 - 5	\$315
215 Capitola Avenue	Vanity by the Sea	R	0 - 5	\$315
116 Stockton Avenue	Xandra Swimwear	R	0 - 5	\$315
300 Capitola Avenue	Quality Market	R	0 - 5	\$315
109 Capitola Avenue	Capitola Seashells	R	0 - 5	\$315
208 Monterey Avenue	Jade Allen	R	0 - 5	\$315
205 Capitola Avenue	Capitola Candy Company	R	0 - 5	\$315
126 San Jose Avenue	Pueblo Viejo Imports	R	0 - 5	\$315
110 Capitola Avenue	Mia Bella Boutique	R	0 - 5	\$315

Attachment: BIA Exhibit A (BIA Intent to Levy Business)

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY20/21 Est. Size</u>	<u>FY20/21 Est. Amt Due</u>
101 Capitola Avenue	The Zero Shop now ETHOS SANTA CRUZ	R	0 - 5	\$315
201 Monterey Avenue #A	Village Sea Glass	R	0 - 5	\$315
309 Capitola Avenue	Curated	R	0 - 5	\$315
121 San Jose Avenue	Tony Pagliaro Photography	R	0 - 5	\$315
115 San Jose Avenue	Mercantile Arcade	R	0 - 5	\$315
115 San Jose Avenue #A	Carousel Taffy & Treats	R	0 - 5	\$315
210 Capitola Avenue	Cotton + Rye	R	0 - 5	\$315
222 San Jose Avenue	Avonne Stone Jacobs, Judy Jacobs	SR	1	\$135
303 Cherry Way	Cal & Carla Cornwell	SR	1	\$135
305 Riverview Avenue	Capitola Pelican House	SR	1	\$135
1500 Wharf Road #5	Colleen Merle Lund	SR	1	\$135
1500 Wharf Road #14	Erline Mello	SR	1	\$135
318 Capitola Avenue #2	Fred & Sharon Andres	SR	1	\$135
215 Monterey Avenue #A	Greg & Maxine Sivaslian	SR	1	\$135
206 Monterey Avenue	Jay & Pamela Chesavage	SR	1	\$135
5005 Cliff Drive #3	Jean Ladoucour	SR	1	\$135
301 Cherry Way	Jeff & Kathie Gaylord	SR	1	\$135
208 Monterey Avenue C	Pat Castagnola	SR	1	\$135
327 Riverview Avenue A	Paulo Franca	SR	1	\$135
1500 Wharf Road #7	Viola M Carr	SR	1	\$135
1500 Wharf Road #3	Watson Family Limited Partnership (Mike Newell)	SR	1	\$135
1500 Wharf Road #1	Bob Coe	SR	1	\$135
1500 Wharf Road #20	Leonard Tyson	SR	1	\$135
4960 Cliff Drive #2	Tim & Stacy Hopkins	SR	1	\$135
1500 Wharf Road #11	Jeri Chestnut	SR	1	\$135
225 San Jose Avenue	Michelle & Stephen Murphy	SR	1	\$135
318 Capitola Avenue #1	Janet Lau	SR	1	\$135
1500 Wharf Road #2	Albert Ribisi & Mary Scolari	SR	1	\$135
318 Capitola Avenue #4	Deborah Cohen	SR	1	\$135
206 California Avenue	Vito Mazzarino	SR	1	\$135
409 Riverview Avenue	Creekside Cottage	SR	1	\$135
417 Riverview Avenue	Bridget Taylor	SR	1	\$135
309 Cherry Avenue	Pan American Investments	SR	1	\$135
102 Lawn Way	Craig & Mimi French	SR	1	\$135
5005 Cliff Drive #6	Alanna Harvey	SR	1	\$135
1500 Wharf Road #9	Grandma's Nest	SR	1	\$135
211 Stockton Avenue #1	Bookman Rental Property	SR	1	\$135
317 Riverview Avenue	BHR Property Management	SR	1	\$135
112 Capitola Avenue #200	BHR Property Management	SR	1	\$135
119 Lawn Way	Barbara Reding	SR	1	\$135
208 Stockton Avenue	John McEnergy	SR	1	\$135

Attachment: BIA Exhibit A (BIA Intent to Levy Business)

<u>Business Address</u>	<u>Business Name</u>	<u>TYPE</u>	<u>FY20/21 Est. Size</u>	<u>FY20/21 Est. Amt Due</u>
105 Park Place	Capitola Village Deco Beach House	SR	1	\$135
214 California Avenue	Talbot Family	SR	1	\$135
4995 Cliff Drive #A	Chris Rasmussen	SR	1	\$135
1500 Wharf Road #16	Jacqui Rice Property Management	SR	1	\$135
115 San Jose Avenue	BHR Property Management	SR	1	\$135
318 Riverview Avenue	JDT Capital, LLC	SR	1	\$135
105 Lawn #4	105 Lawn Way #4	SR	1	\$135
4995 Cliff Drive #B	Jennifer Rayborn	SR	1	\$135
421 Riverview Avenue	Steven D. Owens & Lois Wilco- Owen	SR	1	\$135
323 Riverview Avenue	John Kinstler Memorial Riverview Rentals	SR	1	\$135
317 & 327 Riverview Avenue B	Steve & Linda Woodside	SR	2	\$270
5005 Cliff Dr #4, 314 Riverview Ave	Sue Norris	SR	2	\$270
109 Cherry Avenue Units A & B	Bill & Julie Kenney	SR	2	\$270
209 Stockton Avenue A & B	Castillo Properties	SR	2	\$270
4980 Cliff Drive Unit A & B	Steve Pericone	SR	2	\$270
207 San Jose Avenue A & B	Surf City Rentals	SR	2	\$270
397 & 399 Riverview Avenue	Castellanos Properties - Windmill Properties	SR	2	\$270
402 Bluegum Avenue A & B	Autumn Troung	SR	2	\$270
207 Monterey Avenue #200 & 201	207 Monterey Avenue #200 & 201	SR	2	\$270
201 Monterey Avenue #1 & #2	Beach House Rentals	SR	2	\$270
				\$55,031

Attachment: BIA Exhibit A (BIA Intent to Levy Business)



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, 2020
 Hearing Time: 7 p.m.
 Hearing Place: City Hall Council Chambers
 420 Capitola Avenue, Capitola
 remote access only

The Capitola City Council notifies you of a public hearing regarding the annual renewal of the Capitola Village and Wharf Business Improvement Area (CVWBIA) and establishing the fee assessments for fiscal year 2020-2021. In the renewal plan, assessments have been reduced by 25% due to the COVID-19 pandemic and its effects on the local economy. Additionally, gift certificates have been eliminated for all categories except for hotels/motels/inns and the 10% late payment fee has been removed.

The Capitola City Council will hold the public hearing in the City Hall Council Chambers after 7 p.m. on Thursday, June 25, 2020, and will receive any oral or written protests or endorsements of the proposed business improvement assessments (remote participation only is available at this time). If written protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses that will pay 50 percent or more of the assessments, assessments will not be levied, and the procedure will be terminated and will not be reconsidered until one full year has elapsed.

If you have any questions, please contact CVWBIA Board Member Carin Hanna at 831-475-4466 or the City of Capitola Finance Department at 831-475-7300.

DATED: June 12, 2020

CITY OF CAPITOLA
 Chloé Woodmansee,
 Interim City Clerk

Attachment: CVWBIA mailed notice FY20-21 Public Hearing (BIA Intent to Levy Business)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: City Manager Department

SUBJECT: Receive Update on the City's Pandemic Response

RECOMMENDED ACTION:

1. Make the determination that all hazards related to the worldwide spread of the coronavirus (COVID-19) as detailed in Resolution No. 4168 adopted by the City Council on March 12, 2020, still exist and that there is a need to continue action.
2. Approve a resolution ratifying Emergency Order 4-2020, which allows for outdoor activities and encroachments for businesses operating in compliance with social distancing requirements.

BACKGROUND: On May 26, the Santa Cruz County Health Officer issued a modified Order aligning prior shelter in place orders with applicable State Orders to fully join the State in Stage 2 and continue to move with the state through Stage 3 and 4 of the Resilience Roadmap. Specific to Santa Cruz County, and in exception to the State's Stage 2, beach and lodging restrictions remain in effect. This order is set to expire on July 1, 2020, unless it is extended, rescinded, superseded, or amended by the Health Officer.

On May 30, the Santa Cruz County Health Officer issued a supplemental Order authorizing all business operations and actives allowed under Stage 2 of the State's Resilience Roadmap. This order was possible as the State of California approved Santa Cruz County's variance application, also on May 30, 2020.

As of June 5, there are 221 cases of COVID-19 in Santa Cruz County and there have been two deaths.

DISCUSSION: Due to the City's emergency declaration and the County's Shelter in Place order, City departments continue to implement strategies to protect the community and employees while maintaining essential levels of service to the public.

On May 28, City Council provided direction to staff regarding temporary rules to facilitate safe reopening for segments of the economy. Emphasis was placed on outdoor dining for local businesses and streamlining this process to aid businesses while following State provided guidelines and social distancing requirements. In response to this direction, the City issued Emergency Order 4-2020 (Attachment 1) on June 2.

Emergency Order 4-2020 establishes an administrative permit process so that businesses can apply for temporary outdoor activities and encroachment agreements to create outdoor dining

COVID-19 Emergency- Update 6
June 11, 2020

areas; allows businesses to utilize private parking areas for other uses; allows tasting rooms to serve food with over the counter permits; allows businesses to get over the counter permits to install temporary take out windows; opens the upper and lower Beach and Village parking lots; increases parking times in the Village to three hours; and allows for designated 15 minute parking zones in the Village for curbside pickup.

The temporary activities allowed under Order 4-2020 must be removed after the order is lifted. The order does not eliminate the need for a building permit if one would normally be required. The Order states that building permits and design review is required for any permanent exterior alterations, if such is required pursuant to Capitola Municipal Code. A resolution to ratify this Order is included as Attachment 2.

On Thursday, May 4, City staff deployed street barriers to begin to allow outdoor dining in designated zones.

On June 3, City Council held a special meeting to provide staff direction on the implementation of the Soquel Creek and Lagoon Management Plan for summer 2020. At that meeting, Council unanimously approved the implementation of the Soquel Creek and Lagoon Management Plan. Work to close the lagoon and grade the beach will begin Monday, June 8.

Further updates on the regional and local coronavirus response will be provided in a verbal report at the meeting.

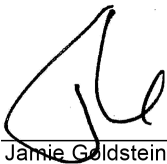
FISCAL IMPACT: Anticipated reductions in Sales Tax and Transient Occupancy Tax as a result of this health crisis and shelter in place order is substantial.

ATTACHMENTS:

1. Emergency Order 4-2020
2. ratifying emergency order 4-2020 outdoor dining

Report Prepared By: Chloe Woodmansee
Interim City Clerk

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020

DIRECTOR OF EMERGENCY SERVICES ORDER NO. 4-2020

AN ORDER OF THE DIRECTOR OF EMERGENCY
SERVICES (CITY MANAGER) OF THE CITY OF
CAPITOLA REGARDING OUTDOOR ACTIVITIES AND
ENCROACHMENTS FOR BUSINESSES OPERATING IN
COMPLIANCE WITH SOCIAL DISTANCING
REQUIREMENTS

WHEREAS, on March 26, 2020, the City Council of the City of Capitola declared the existence and anticipated spread of COVID-19 to be an emergency situation, as defined in California Government Code Section 54956.6, because it severely impairs public health and safety;

WHEREAS, on March 26, 2020, the City Council further declared the existence and anticipated spread of COVID-19 to be a local emergency, as defined by the California Emergency Services Act (California Government Code Sections 8634, 8550, *et seq.*);

WHEREAS, Government Code Section 8634 empowers the Director of Emergency Services to promulgate orders and regulations necessary to provide for the protection of life and property;

WHEREAS, Capitola Municipal Code Section 8.08.050A designates the City Manager as the Director of Emergency Services; and

WHEREAS, on March 16, 2020, the County of Santa Cruz Health Department issued a Countywide shelter in place order that required individuals to isolate in their places of residence, except as needed for the performance of essential activities; and

WHEREAS, on March 19, 2020, the Governor of the State of California ("Governor") issued Executive Order N-33-20, which provides that individuals living in the State of California are required to stay at home except as needed to maintain continuity of operations of the critical infrastructure sectors; and

WHEREAS, since that time, many retail establishments and restaurants in the City have been entirely shut down or engaged in limited operations, resulting in a loss of income and economic stability for members of our community; and

WHEREAS, on March 31, 2020, the County of Santa Cruz Health Department extended the March 16 shelter in place order that required individuals to isolate in their places of residence, except as needed for the performance of essential activities including modification to allow a portion of the construction industry to open; and

WHEREAS, on April 30, 2020, the County of Santa Cruz Health Department issued an Order extending the March 31 shelter in place order's requirements for all residents, and provided modifications to the prior order concerning beach, lodging, and business restrictions, and;

WHEREAS, on May 6, 2020, the Santa Cruz County Health Officer issued a Supplemental Order directing all individuals living in the County to continue sheltering at their place of residence, relaxing restrictions on low-risk businesses consistent with direction from the State of California, and aligning the County Orders with applicable State Orders;

WHEREAS, on May 8, 2020, the Governor issued a “Resilience Roadmap” that included guidance, by industry and including social distancing requirements, for reopening certain segments of the economy. The Roadmap indicated that “curbside retail,” which includes but is not limited to bookstores, jewelry stores, toy stores, clothing stores, shoe stores, home and furnishing stores, sporting goods stores, antique stores, music stores, and florists, may open with curbside pickup and delivery only, until further notice. The guidance for the “Retail” segment further includes detailed guidelines for maintaining a safe environment for workers and customers;

WHEREAS, on May 26, 2020, the County of Santa Cruz Health Department issued an Order extending the May 31, 2020, April 29, 2020, and May 6, 2020 Orders to allow certain businesses to re-open and allow expanded recreational activities;

WHEREAS, on May 29, 2020, the County of Santa Cruz issued an Order authorizing all business operations as consistent with Stage 2 in the “Resilience Roadmap”;

WHEREAS, Capitola Municipal Code Section 12.56.090 prohibits the installation of private improvements or obstructions within the public right of way;

WHEREAS, Capitola Municipal Code Section 17.21.060.A requires an applicant to obtain a conditional use permit from the Planning Commission for adding a take-out window to an existing restaurant use located in the Central Village zoning district;

WHEREAS, Capitola Municipal Code Section 17.21.060.L requires an applicant to obtain a conditional use permit from the Planning Commission for outdoor activity such as outdoor seating for restaurant or other food establishment located in the Central Village zoning district

WHEREAS, Capitola Municipal Code Section 17.24.040 (inside coastal zone) requires personal service establishments, limited repair services, and small retail businesses to conduct business entirely within enclosed buildings and Section 17.24.060 requires an applicant to obtain a conditional use permit from the Planning Commission for a restaurant, including expansion of the restaurant to include outdoor seating, for properties located in the Neighborhood Commercial zoning district;

WHEREAS, Capitola Municipal Code Section 17.27.040 (inside coastal zone) requires all retail and personal services establishment uses to be conducted entirely within an enclosed building within the Community Commercial zoning district;

WHEREAS, Capitola Municipal Code Sections 17.21.060, 17.22.050, 17.24.060, 17.24.060, and 17.36.060 (inside coastal zone) require a conditional use permit for restaurant including food services in conjunction with tasting rooms;

WHEREAS, Capitola Municipal Code Sections 17.20.020 and 17.24.020 require a minor use permit for take-out food and beverage pursuant to Section 17.96.180 within Commercial and Mixed-Use zoning district outside the Coastal Zone,

WHEREAS, Capitola Municipal Code Section 17.51.015.F (outside Coastal Zone) and Section 17.76.010.A. (outside Coastal Zone) specifies that no parking or loading facility may be reduced in capacity unless sufficient replacement capacity is provided.

WHEREAS, Capitola Municipal Code Section 17.96.170 requires an administrative permit and encroachment permit for temporary outdoor dining areas located on a public sidewalk or other area within the public right-of-way within the Community Commercial, Regional Commercial, and Mixed-Use Neighborhoods located outside the Coastal Zone;

WHEREAS, these requirements may prevent retailers, restaurants, and personal service establishments from being able to immediately and effectively provide customers alternatives to inside shopping and dining;

WHEREAS, as non-essential businesses are permitted to re-open pursuant to State and County orders, laws, and/or guidance, the City wishes to suspend certain permit and license requirements in order to facilitate business operations in a manner that is consistent with social distancing requirements, and protects the health and safety of the citizens of Capitola;

WHEREAS, the City of Capitola recognizes that the safety and security of our community is inextricably linked to the safety and security of our economy, and wishes to allow businesses to re-open and recover as soon as possible, while remaining compliant with applicable State and County Orders, and mindful of public health and safety concerns; and

WHEREAS, the City has an important governmental interest in maintaining a thriving business community and protecting the health, safety, and economic welfare of its citizens and businesses; and

WHEREAS, a safe and controlled re-opening of the Capitola economy, consistent with the State and County Orders, is necessary to provide for the protection of life and property.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED by the Director of Emergency Services of the City of Capitola that, effective June 1, 2020:

SECTION 1. Outdoor Activities Permitted. To facilitate the reopening of businesses in a manner that is consistent with State and local social distancing requirements, all City of Capitola laws, regulations and/or policies that would otherwise

prohibit businesses from engaging in their business activities outside, including those specifically referenced in this Order, are hereby suspended.

SECTION 2. Eligible Businesses and Compliance with State and County Orders. This Order only applies to those businesses that require outdoor space in order to effectively operate while complying with State and local social distancing requirements. Nothing in this Order shall authorize a particular business, that is not otherwise authorized to do so, to operate outside unless and until that business is authorized to operate pursuant to State and County Orders. All businesses must be in full compliance with all State and County Orders regarding reopening and operation in order to comply with this Order.

SECTION 3. Temporary COVID-19 Allowance for Tasting Rooms to contract with food vendor to sell dine-in meals. To be eligible to engage in wine or beer tasting activities pursuant to this Order, businesses that serve alcohol shall be required to offer sit-down, dine-in meals. Alcohol can only be sold in the same transaction as a meal.

Tasting rooms that do not provide sit-down meals themselves, but can contract with another vendor to do so, can serve dine-in meals provided both businesses follow the California Department of Public Health and CAL/OSHA COVID-19 Industry Guidance for Dine-In Restaurants and alcohol is only sold in the same transaction as a meal.

To facilitate the reopening of tasting rooms in a manner that is consistent with State and local social distancing requirements and industry guidance, all City of Capitola laws, regulations and/or policies that would otherwise prohibit tasting rooms from providing dine meals are hereby suspended.

SECTION 4. Temporary COVID-19 Outdoor Activities and Encroachment Agreement. To be eligible to engage in outdoor activities pursuant to this Order, businesses shall be required to enter into a Temporary COVID-19 Outdoor Activities and Encroachment Agreement (hereinafter the "Outdoor Activities Agreement") attached hereto and incorporated herein by reference.

The Director of Emergency Operations (hereinafter the "Director") or his designee shall be authorized to enter into an Outdoor Activities Agreement with the applicant and shall be entitled to seek the review of any City staff regarding any and all site-specific considerations related to the proposed outdoor activities. The Director may choose to enter into an Outdoor Activities Agreement on any terms he deems necessary, including but not limited to modifications to the proposed location of outdoor activities, to ensure ongoing protection of the public health and safety of the City.

The City shall only enter into an Outdoor Activities Agreement that authorizes activities that are consistent with State and County orders regarding essential businesses.

SECTION 5. Encroachment Into Public Right-of-Way. To streamline the issuance of temporary rights of encroachment into the public right-of-way, the City hereby amends its encroachment permit and agreement process as follows:

1. The following requirements set forth in the Capitola Municipal Code Chapter 12.56 regarding encroachment permits and encroachment agreements shall not apply to businesses seeking to encroach into the public right of way for purposes of conducting business in compliance with State and local social distancing requirements: CMC § 12.56.0050; 12.56.060; 12.56.070; 12.56.090.

2. Businesses seeking to encroach into the public right way for purposes of conducting business in compliance with State and local social distancing requirements, shall execute an Outdoor Activities Permit in lieu of obtaining (1) encroachment permits and encroachment agreements required by CMC Chapter 12.56.060.

SECTION 6 Expansion of Use on Private Property Owned or Leased by Applicant. To streamline the issuance of temporary rights of restaurant take-out windows and outdoor dining areas within private property owned or leased by applicant, the City hereby amends its administrative and conditional use permit processes as follows:

1. The following requirements set forth in the Capitola Municipal Code Chapters 17.21; 17.24, and 17.27 for businesses located inside Coastal Zone, and Chapters 17.20.020 and 17.24.020 requiring use permits shall not apply to businesses seeking to expand into private property adjacent to the primary use for purposes of conducting business in compliance with State and local social distancing requirements: CMC § 17.21.060.A; 17.21.060.L; 17.24.040; and 17.27.040 inside Coastal Zone and CMC § 17.20.020; 17.24.020; 17.96.170; and 17.96.180 outside the Coastal Zone,

2. Businesses seeking to expand in to private property adjacent to the primary use for purposes of conducting business in compliance with State and local social distancing requirements, shall execute an Outdoor Activities Agreement in lieu of obtaining (1) temporary sidewalk dining administrative use permits by CMC Chapter 17.96.170 (outside coastal zone); (2) temporary use and structure administrative permits by CMC Chapter 17.96.180 (outside coastal zone); and/or (3) conditional use permit by CMC Chapter 17.60 (inside coastal zone) and Chapter 17.124 (outside coastal zone).

3. To enter into this Agreement, an applicant must comply with the applicable City of Capitola COVID-19 Temporary Outdoor Activities and Encroachment Agreement Guidance, available at www.cityofcapitola.org..

SECTION 7. Reduction in Parking Allowed. To conducting business in compliance with State and local social distancing requirements, parking areas may be reduced in capacity.

1. The following requiremets set forth in the Capitola Municipal Code Chapter 17.51 and 17.76 requiring sufficient replacement parking when parking is reduced shall not apply to businesses seaking to expand into private property adjacent to the primary use for purposes of conducting business in compliance with State and local social distancing requirements. CMC § 17.51.015.F (inside Coastal Zone) and 17.76.010.A. (outside Coastal Zone)

SECTION 7. No Interference with Private Property. Nothing in this Order relieves a business from any obligations or laws requiring consent of adjacent property owners for use of private property. Businesses seeking to operate outdoors shall obtain consent of any private property owners whose property will be used for outdoor operations.

SECTION 8. Building Permit and Design Review Required. Nothing in this Order relieves a business from the requirement to obtain a building permit for outdoor activities if a building permit would otherwise be required, nor does this order relieve a business from complying with all provisions of the Building Code, including but not limited to, maximum occupancy requirements. Nothing in this Order relieves a business from the requirement to obtain a conditional use permit and undergo design review for permanent exterior alterations if such design review is required pursuant to the City of Capitola CMC § 17.87 Historic Features Ordinance (inside Coastal Zone) or §17.84 Historic Preservation ordinance (outside Coastal Zone), except that temporary installments, including but not limited to, tents, fencing, barriers, windows, and enclosures, may be authorized to facilitate proposed outdoor activities and removed to the original state after the Shelter in Place order is lifted.

SECTION 9. County Permits. Nothing in this Order relieves a business from the requirement to obtain any and all County permits regarding the provision of food and dining services.

SECTION 10 State Permits. Nothing in the Order relieves a business from the requirement to obtain any and all State permits regarding the provisions of serving and/or selling alcoholic beverages.

SECTION 11. Parking in the Village. Parking in the Capitola Village shall be modified as follows:

- Both the Upper and Lower Beach and Village parking lots shall be re- opened to the public on June 4, 2020 in conjunction with dining in the right-of-way.
- Public parking on Cliff Drive west of the Village shall be re-opened immediately upon issuance of this Order.
- The maximum allowed time to park in Capitola Village will be restored to 3 hours on June 4, 2020.
- Designated curbside pickup parking spaces will be limited to 15 minutes maximum.

SECTION 11. Violations of Order. Any violation of this Order or any other local, State, or Federal law shall constitute an imminent threat to the public health and is hereby declared to be a public nuisance and shall be subject to enforcement as such; violations of this order may result in the immediate termination of an Outdoor Activities Agreement and the cessation of any activities authorized by said Agreement and this Order.

SECTION 12. Effective Date of Order. This Order shall become effective on the date signed by the Director of Emergency Operations for the City of Capitola and shall expire when repealed or upon a declared termination of the state of emergency regarding COVID-19 by the Capitola City Council. This Order shall only apply to the extent

businesses are authorized to operate pursuant to State and County orders regarding essential businesses.

SECTION 13. The City Clerk shall certify the adoption of this Order and shall cause a certified Order to be filed in the Office of the City Clerk.

PASSED and ADOPTED this 2nd day of June 2020.

Attest:



Chloe Woodmansee, Interim City Clerk



Jamie Goldstein, Director of Emergency Services/City Manager
City of Capitola

Attachment: Emergency Order 4-2020 (COVID-19 Emergency- Update 6)

TEMPORARY COVID-19 OUTDOOR ACTIVITIES AND ENCROACHMENT AGREEMENT

1. Business Identification

Business Name (Permittee): _____
Mailing Address: _____
Business Address: _____
Business Phone: _____
Business Email: _____

2. Type of Business [Check one]

Restaurant
Retail
Other Please Describe _____

3. Proposed Outdoor Activity and/or Encroachment [Check one or more if Business Proposes to Use Public Right-of-Way for Outdoor Activities]

Outdoor Dining
Take-Out Window for Restaurant Use
Other Please Describe _____

Note: To enter into this Agreement, an applicant must comply with City of Capitola COVID-19 Temporary Outdoor Activities and Encroachment Agreement Guidance, available at www.cityofcapitola.org, for each activity listed above.

4. Will proposed outdoor activity require the use of private property not owned or leased by Permittee? Yes No

If response to above question is yes, has Permittee obtained all required authorizations (including but not limited to written agreements, licenses, and/or leases) to use said private property? Yes No

5. Proposed Activities. All proposed activities shall comply with the COVID-19 Temporary Use Permit Guidance published by the City of Capitola. To show compliance, please provide the following information on separate attachment: (1) a description of the business, (2) proposed outdoor activities, (3) a description of all improvements, structures and/or materials to be used to facilitate outdoor activities, (4) description of area in which proposed outdoor activities will take place along with a drawing, map or other visual depiction showing said area, improvements, structures and/or materials to be placed in said area.

6. Requested Start Date of Outdoor Activities: _____

7. Duration of Outdoor Activities. Initial agreement will be in place through September 30, 2020, with automatic monthly extensions through the life of the State or County mandated social distancing requirements.

Attachment: Emergency Order 4-2020 (COVID-19 Emergency- Update 6)

8. Amendments to Proposal by City and/or Additional Terms of Agreement [To be Completed by City]:

9. Terms of Agreement:

A. Permittee agrees to accept all responsibility for loss or damage to any person or entity and to indemnify, hold harmless, and defend and release the City of Capitola, its agents, and employees from and against any and all liability actions, claims, damages, costs, or expenses which may be asserted by any person or entity, including Permittee, arising out of or in connection with the willful act or negligence of Permittee engaging in the activities associated with this Agreement, whether or not there is concurrent negligence on the part of the City, but excluding liability due to the sole active negligence or sole willful misconduct of the City.

B. The City reserves the right to order the removal or relocation of the improvements listed in paragraphs 3-6, above, at Permittee's cost in the event same is required by the City and/or a Utility. Whether or not said removal or relocation is required shall be left to the unfettered discretion of the City and/or a Utility. Permittee hereby grants to the City the right to remove or relocate said improvements and to come upon Permittee's land to effect said removal or relocation if deemed necessary by the City and/or a Utility. Permittee waives any claim or right he/she/it may have for inverse condemnation, damages, or loss of income or business resulting from said removal. However, the City will be responsible for repairing any physical damage caused to Permittee's structure(s) or property by the City's but not a Utility's removal or relocation of said improvements. Upon removal or relocation of said improvements, all rights of Permittee under this agreement and the permit itself shall terminate.

C. Permittee shall comply with all applicable local, State, and Federal laws and regulations at all times during the effective period of this agreement, including but not limited to laws regarding the obstruction of vehicular traffic, the Americans with Disabilities Act and County health laws regarding provision of food services.

D. If Permittee's proposed activities encroach into public right-of-way and/or a public easement, Permittee shall procure and maintain for the duration of this Agreement, and furnish, along with this Agreement, proof of insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement, as set forth in this section. The cost of such insurance shall be borne by Permittee. Permittee's whose activities do not encroach into public right-of-way and/or a public easement, shall not be required to obtain said insurance.

Minimum Scope of Insurance. Permittee shall obtain and all times during duration of this Outdoor Activities Agreement maintain coverage at least as broad as:

(a) Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

(b) Workers' Compensation insurance as required by the State of California and Employer's Liability insurance (for Permittees with employees).

(c) Property insurance against all risks of loss to any tenant improvements or betterments.

Permittee shall maintain limits no less than:

(a) General Liability: **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

(b) Employer's Liability: **\$1,000,000** per accident for bodily injury or disease.

(c) Property Insurance: Full replacement cost with no coinsurance penalty provision.

Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Permittee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions.

The general liability policy is to contain, or be endorsed to contain, the following provisions:

(a) The City, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of ownership, maintenance or use of the premises/property owned by or leased to the Permittee.

(b) The Permittee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Permittee's insurance and shall not contribute with it.

(c) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII unless prior approval is received from the City Attorney.

E. If Permittee proposes to sell or serve alcohol as a part of a its outdoor activities, Permittee shall furnish, along with this Agreement, proof of a liquor liability coverage endorsement or policy.

F. Violation of Agreement. Any violation of this Agreement or any other local, State, or Federal law shall constitute an imminent threat to the public health and is hereby declared to be a public nuisance and shall be subject to enforcement as such; violations of this Agreement and/or Emergency Order No. _____ may result in the immediate termination of this Agreement and the cessation of any activities authorized by this Agreement and Emergency Order No. _____.

G. No Vested or Ongoing Rights Conferred. Permittee understands and agrees that this Agreement and Order No. _____ confer no vested rights to any ongoing or continued activities, and any and all activities authorized by this Agreement and Order are temporary in nature and granted solely to enable businesses to operate in compliance with State and local orders regarding social distancing and COVID-19. All improvements, structures and installments approved pursuant to this Agreement shall be removed in their entirety upon expiration of this Agreement.

H. Non-Transferable. This Agreement is non-transferable. Only the permittee with whom this Agreement was entered shall be permitted to engage in the activities authorized herein.

I. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations of modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged and duly recorded.

THE UNDERSIGNED AGREES THAT THE PROPOSED ACTIVITIES DESCRIBED ABOVE SHALL BE IN ACCORDANCE WITH AND SUBJECT TO THIS AGREEMENT'S TERMS AND CONDITIONS, CITY OF CAPITOLA EMERGENCY ORDER NO. _____, AND ALL OTHER APPLICABLE LOCAL, STATE AND FEDERAL LAWS, INCLUDING BUT NOT LIMITED TO STATE AND COUNTY EMERGENCY ORDERS REGARDING THE COVID-19 PANDEMIC.

Permittee

Date

Steve Jesberg
Public Works Director
City of Capitola

Date

Katie Herlihy
Communtiy Development Director
City of Capitola

Date

**CONSENT TO USE PRIVATE PROPERTY
FOR TEMPORARY OUTDOOR ACTIVITIES**

[This form must be completed if proposed outdoor activity requires the use of private property which is neither owned nor leased by Permittee]

I, _____, declare that:

1. I am the record title owner of the property located at:
_____, Capitola, California,
(Physical Address)

2. I am aware that the Permittee _____ (Business name) is in the process of entering into a Temporary COVID-19 Outdoor Activities and Encroachment Agreement with the City of Capitola to use my property, described in paragraph 1, for certain outdoor activities described in the Agreement.

3. I consent and agree to use of my property for the outdoor activities described in the Agreement.

Signed this _____ day of _____, 20

(Landowner Signature)

Attachment: Emergency Order 4-2020 (COVID-19 Emergency- Update 6)

RESOLUTION NO. ----

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA RATIFYING
EMERGENCY ORDER 4-2020 OF THE DIRECTOR OF EMERGENCY SERVICES**

WHEREAS, on March 26, 2020, the City Council of the City of Capitola declared the existence and anticipated spread of COVID-19 to be an emergency situation, as defined in California Government Code Section 54956.6, because it severely impairs public health and safety;

WHEREAS, on March 26, 2020, the City Council further declared the existence and anticipated spread of COVID-19 to be a local emergency, as defined by the California Emergency Services Act (California Government Code Sections 8634, 8550, *et seq.*);

WHEREAS, on April 30, 2020, the County of Santa Cruz Health Department issued an Order extending the March 31 shelter in place order's requirements for all residents, and provided modifications to the prior order concerning beach, lodging, and business restrictions, and;

WHEREAS, on May 6, 2020, the Santa Cruz County Health Officer released a Supplemental Order Directing All Individuals Living in the County to Continue Sheltering at their Place of Residence and Relaxing Restrictions on Low-Risk Businesses Consistent with Direction from the State of California, in which she aligned the County Orders with applicable State Orders;

WHEREAS, on May 8, 2020, the Governor issued a "Resilience Roadmap," that included guidance, by industry, for reopening certain segments of the economy. The Roadmap indicated that "curbside retail," which includes but is not limited to bookstores, jewelry stores, toy stores, clothing stores, shoe stores, home and furnishing stores, sporting goods stores, antique stores, music stores, and florists, may open with curbside pickup and delivery only, until further notice. The guidance for the "Retail" segment further includes detailed guidelines for maintaining a safe environment for workers and customers.;

WHEREAS, on May 26, 2020, the County of Santa Cruz Health Department issued an Order extending the May 31, 2020, April 29, 2020, and May 6, 2020 Orders to allow certain businesses to re-open and allow expanded recreational activities;

WHEREAS, on May 29, 2020, the County of Santa Cruz issued an Order authorizing all business operations as consistent with Stage 2 in the "Resilience Roadmap";

WHEREAS, Capitola Municipal Code Section 12.56.090 prohibits the installation of private improvements or obstructions within the public right of way;

WHEREAS, Capitola Municipal Code Section 17.21.060.A requires an applicant to obtain a conditional use permit from the Planning Commission for adding a take-out window to an existing restaurant use located in the Central Village zoning district;

WHEREAS, Capitola Municipal Code Section 17.21.060.L requires an applicant to obtain a conditional use permit from the Planning Commission for outdoor activity such as outdoor seating for restaurant or other food establishment located in the Central Village zoning district

WHEREAS, Capitola Municipal Code Section 17.24.040 (inside coastal zone) requires personal service establishments, limited repair services, and small retail businesses to conduct business entirely within enclosed buildings and Section 17.24.060 requires an applicant to obtain a conditional use permit from the Planning Commission for a restaurant, including expansion of the restaurant to include outdoor seating, for properties located in the Neighborhood Commercial zoning district;

WHEREAS, Capitola Municipal Code Section 17.27.040 (inside coastal zone) requires all retail and personal services establishment uses to be conducted entirely within an enclosed building within the Community Commercial zoning district;

WHEREAS, Capitola Municipal Code Sections 17.21.060, 17.22.050, 17.24.060, 17.24.060, and 17.36.060 (inside coastal zone) require a conditional use permit for restaurant including food services in conjunction with tasting rooms;

WHEREAS, Capitola Municipal Code Sections 17.20.020 and 17.24.020 require a minor use permit for take-out food and beverage pursuant to Section 17.96.180 within Commercial and Mixed-Use zoning district outside the Coastal Zone,

WHEREAS, Capitola Municipal Code Section 17.51.015.F (outside Coastal Zone) and Section 17.76.010.A. (outside Coastal Zone) specifies that no parking or loading facility may be reduced in capacity unless sufficient replacement capacity is provided.

WHEREAS, Capitola Municipal Code Section 17.96.170 requires an administrative permit and encroachment permit for temporary outdoor dining areas located on a public sidewalk or other area within the public right-of-way within the Community Commercial, Regional Commercial, and Mixed-Use Neighborhoods located outside the Coastal Zone;

WHEREAS, these requirements may prevent retailers, restaurants, and personal service establishments from being able to immediately and effectively provide customers alternatives to inside shopping and dining;

WHEREAS, as non-essential businesses are permitted to re-open pursuant to State and County orders, laws, and/or guidance, the City wishes to suspend certain permit and license requirements in order to facilitate business operations in a manner that is consistent with social distancing requirements, and protects the health and safety of the citizens of Capitola;

WHEREAS, the City of Capitola recognizes that the safety and security of our community is inextricably linked to the safety and security of our economy, and wishes to allow businesses to re-open and recover as soon as possible, while remaining compliant with applicable State and County Orders, and mindful of public health and safety concerns; and

WHEREAS, the City has an important governmental interest in maintaining a thriving business community and protecting the health, safety, and economic welfare of its citizens and businesses; and

WHEREAS, a safe and controlled re-opening of the Capitola economy, consistent with the State and County Orders, is necessary to provide for the protection of life and property.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Capitola ratifies Emergency Order 4-2020.

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, 2020, by the following vote:

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

Kristen Petersen
Mayor

ATTEST:

Chloé Woodmansee, Interim City Clerk

Attachment: ratifying emergency order 4-2020 outdoor dining (COVID-19 Emergency- Update 6)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: Finance Department

SUBJECT: Consider the Fiscal Year 2020/2021 Budget and Capital Improvement Program for the City of Capitola

RECOMMENDED ACTION: Approve the Resolution adopting the Fiscal Year 2020/21 City Budget and Capital Improvement Program.

BACKGROUND: The Proposed Fiscal Year (FY) 2020-21 Budget and Planned FY 2021-22 Budget was presented to the City Council at the May 6, 2020, special meeting at which time they received input from the Finance Advisory Committee. The City Council requested additional information that was presented at a second public budget hearing on May 21, 2020, at which time the City Council reviewed updates to the proposed budget and heard public comments.

Following a discussion regarding the allocation of Transient Occupancy Tax revenue restricted for early childhood and youth programming at the May 21 meeting, City Council directed staff to prepare a resolution to adopt the budget.

On June 3, City Council held a Special Meeting to discuss allocating funding to close Soquel Creek and form the lagoon.

DISCUSSION: The General Fund is projected to end Fiscal Year 2019/20 with an estimated \$154,300 fund balance. Pursuant to City Council direction, staff has allocated \$14,800 in FY 2020-21 of restricted transient occupancy tax (TOT) revenue for early childhood and youth programming within the Recreation Division. Following the City Council Special Meeting held on June 3, 2020, staff has also increased the estimated Public Works Contract Services expenditures by \$17,000 in FY 2019-20 and \$26,000 in FY 2020-21 for Lagoon Grading and Soquel Creek Monitoring, and will transfer \$43,000 from the Park Avenue Sidewalk Capital Improvement Project to the General Fund for these expenditures.

Additional revisions made to the FY 2020-21 Proposed Budget since the May 21 public hearing include:

- Added Recreation Events Budget (food truck events – to be held only if revenue neutral and allowed by Health Orders)
 - Increased recreation revenue \$14,000 (\$9,000 in event sponsorships)
 - Increased recreation expenditures \$12,449

Consider 2020/2021 Fiscal Year Budget
June 11, 2020

- Updated Liability Insurance – reduced by \$6,285
- Updated Community Grants for Planned FY 2021-22 budget – to be evaluated as part of next year’s budget adoption process
 - FY 2021-22 Planned program funding of \$275,000 as follows:
 - § \$249,479 from General Fund
 - § \$25,521 from Restricted TOT – Early Childhood and Youth Services Fund
- Updated Contingency Reserve - to be evaluated as part of the FY 2021-22 budget adoption process
 - No transfer in FY 2020-21 (\$165,644)
 - FY 2021-22 Planned transfer of \$879,138 to cover negative general fund balance

The resolution necessary to adopt the Fiscal Year 2020/21 Budget includes the above appropriations and adjustments (Exhibit A), a General Fund overview (Exhibit B), and an estimation of 2020/21 fund balances (Exhibit C). In addition, the FY 2019/20 Proposed Budget is available on the City’s website.

FISCAL IMPACT: The fiscal impact is shown in the attached General Fund overview and fund balance summary.

ATTACHMENTS:

1. Exhibit A - Changes to Proposed Budget (PDF)
2. Exhibit B - General Fund Summary (PDF)
3. Exhibit C - Fund Balance Summary (PDF)

Report Prepared By: Jim Malberg
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020

Consider 2020/2021 Fiscal Year Budget
June 11, 2020

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
ADOPTING THE 2020/2021 FISCAL YEAR CITY BUDGET AND CAPITAL IMPROVEMENT
PROGRAM BUDGET**

WHEREAS, it is necessary to adopt the 2020/2021 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, 2020, through June 30, 2021; and

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the 2020/2021 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 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kristen Petersen, Mayor

ATTEST:

Chloe Woodmansee, Interim City Clerk

Exhibit A

Changes to FY 2020-21 Proposed Budget

FY 2019/20 General Fund Expenditures	Amount
Contract Services - Lagoon Grading/Creek Monitoring	\$ 17,000
	\$ 17,000

FY 2020/21 General Fund Revenue	Amount
Contingency Reserve transfer to General Fund	\$ -
Recreation Events - Event Fees	5,000
Recreation Events - Sponsorships	9,000
General Fund Transfers In - Capital Improvement Fund	43,000
Total	\$ 57,000

FY 2020/21 General Fund Expenditures	Amount
Recreation Events - Wages (hourly & seasonal)	\$ 617
Recreation Events - Contract Services	9,932
Recreation Events - Training & Memberships	1,400
Recreation Events - Supplies	500
Self Insurance Premium - Liability	(6,285)
Contract Services - Lagoon Grading	15,000
Contract Services - Soquel Creek Monitoring	11,000
Total	\$ 32,164

FY 2020/21 Restricted TOT Special Revenue Fund	Amount
Early Childhood & Youth Programming - Recreation	\$ 14,800
Total	\$ 14,800

General Fund Summary

Major Categories	FY17/18 Actual	FY18/19 Actual	FY 19/20 Adopted	FY19/20 Estimated	FY20/21 Proposed	FY21/22 Planned
Revenues						
Taxes	\$ 12,198,312	\$ 12,833,834	\$ 13,104,469	\$ 11,113,257	\$ 10,542,632	\$ 11,916,278
Licenses and permits	680,242	623,076	607,300	620,935	524,850	576,100
Intergovernmental revenues	189,800	119,637	108,000	115,305	62,200	60,200
Charges for services	1,757,663	1,855,473	2,055,925	1,657,437	1,300,831	1,761,954
Fines and forfeitures	556,560	521,939	563,500	517,104	482,900	582,900
Use of money & property	116,268	157,624	96,200	115,857	36,500	41,700
Other revenues	127,844	182,987	111,000	78,896	76,500	43,400
Revenues Totals	\$15,626,689	\$16,294,570	\$16,646,394	\$14,218,791	\$13,026,413	\$14,982,532
Expenditures						
Personnel	\$8,335,863	\$8,982,044	\$9,866,884	\$9,422,431	\$9,027,303	\$9,495,611
Contract services	2,790,989	2,714,577	2,906,368	2,676,237	2,310,399	2,547,730
Training & Memberships	85,108	89,851	128,570	82,644	80,050	92,850
Supplies	544,148	589,981	543,911	500,223	478,875	493,500
Grants and Subsidies	269,884	243,432	269,647	269,647	0	249,479
Capital outlay	7,121	0	0	0	0	0
Internal service fund charges	1,246,350	1,209,105	1,176,081	1,176,081	911,210	1,304,859
Other financing uses	3,622,550	1,733,843	2,304,344	2,004,344	359,383	1,691,144
Expenditures Totals	\$16,902,013	\$15,562,833	\$17,195,805	\$16,131,607	\$13,167,220	\$15,875,173
Impact on Fund Balance	\$ (1,275,324)	\$ 731,737	\$ (549,411)	\$ (1,912,816)	(\$140,807)	\$ (892,641)
Budgetary Fund Balance	\$ 1,335,390	\$ 1,767,127	\$ 1,217,716	\$ (145,690)	\$ 13,503	\$ (879,138)
Employee Down Payment Assistance				\$ 300,000		
Revised Budgetary Fund Balance				\$ 154,310		

	Estimated Balance 7/1/2020	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2021
General Fund	\$ 154,310	\$12,983,413	\$ 43,000	\$ 12,807,837	\$ 359,383	\$ 13,503
Designated Reserves						
Contingency Reserve	\$2,061,346	\$ -	\$ -			\$ 2,061,346
PERS Contingency Reserve	877,088	10,000	-	-	-	887,088
Emergency Reserve	1,374,206	-	-	-	-	1,374,206
Donations	-	-	-	-	-	-
Facility Reserve	527,433	-	-	50,000	-	477,433
Total Designated Reserves	\$ 4,840,073	\$ 10,000	\$ -	\$ 50,000	\$ -	\$ 4,800,073
Debt Service						
Pac Cove Lease Financing	54,798	-	165,066	165,066	-	54,798
Pac Cove Park	(39,185)	-	88,616	88,616	-	(39,185)
Total Debt Service	\$ 15,614	\$ -	\$ 253,682	\$ 253,682	\$ -	\$ 15,614
Capital Improvement Fund	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 43,000	\$ 1,357,000
Internal Service Funds						
Stores	\$ 56,416	\$ -	\$ -	\$ 30,000	\$ -	\$ 26,416
Information Technology	202,911	53,500	-	201,650	-	54,761
Equipment Replacement	476,776	-	-	-	-	476,776
Self-Insurance Liability	75,296	473,020	-	473,000	-	75,316
Workers' Compensation	318,798	388,189	-	388,189	-	318,798
Compensated Absences	(55,701)	-	130,701	75,000	-	-
Total Internal Service Funds	\$ 1,074,496	\$ 914,710	\$ 130,701	\$ 1,167,839	\$ -	\$ 952,067
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 39,544	\$ 100,400	\$ -	\$ 98,000	\$ -	\$ 41,944
TOT Restricted Revenue	1,000	31,720	-	23,250	8,450	1,020
SB1 RMRA	4,713	193,401	-	193,401	-	4,713
RTC Streets	157,616	250,000	-	250,000	-	157,616
Gas Tax	15,364	259,800	-	259,800	-	15,364
Wharf	36,058	88,100	-	88,100	-	36,058
General Plan Update and Maint	122,665	37,500	-	26,000	-	134,165
Green Building Education	152,381	11,250	-	18,000	-	145,631
Public Art	169,041	-	-	28,000	-	141,041
Parking Reserve	737	-	100,000	-	100,000	737
Technology Fee	67,409	9,000	-	9,000	-	67,409
PEG-Public Education and Govt.	75,644	15,500	-	21,000	-	70,144
Capitola Village/Wharf BIA	32,818	-	8,450	-	-	41,268
CDBG Grants	39,813	-	-	-	-	39,813
CDBG Program Income	52,168	-	-	-	-	52,168
Library	(0)	1,962,700	-	1,962,700	-	-
HOME Reuse	207,700	-	-	3,700	-	204,000
Housing Trust	112,647	30,000	-	-	25,000	117,647
Cap Hsg Succ- Program Income	162,922	-	-	57,500	-	105,422
Total Special Revenue Funds	\$ 1,450,240	\$ 2,989,371	\$ 108,450	\$ 3,038,451	\$ 133,450	\$ 1,376,160
Successor Agency	\$ 168,979	\$ -	\$ -	\$ 80,000	\$ -	\$ 88,979
Tot. Fund Balance - All Funds	\$ 9,103,712	\$ 16,897,493	\$ 535,833	\$ 17,397,809	\$ 535,833	\$ 8,603,396

Attachment: Exhibit C - Fund Balance Summary (Consider 2020/2021 Fiscal Year Budget)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: City Manager Department
SUBJECT: Receive Community Survey Results

RECOMMENDED ACTION: Receive report and provide direction to staff regarding potential measures to place on November 2020 ballot.

BACKGROUND: The City Council authorized a contract with Gene Bregman and Associates for a community survey on April 23, 2020. At that meeting, Council directed Gene Bregman to include three topics in the polling calls; 1) establishing utility use tax, 2) increasing the sales tax from 9 to 9.25%, and 3) establishing a permanent tax for ocean protection.

DISCUSSION: The polling results will be helpful as the City considers placing such measures on the ballot for the November 4, 2020 general election.

Mr. Bregman will present the polling results at the meeting.

The deadline to place measures on the ballot is August 7, 2020. There are only two regular Council meetings prior to that date; the June 25 and July 23 meetings. Council must provide direction and adopt the appropriate resolutions before August 7 to ensure any desired measures are placed on the November 4, 2020, ballot.

FISCAL IMPACT: None.

Report Prepared By: Jamie Goldstein
City Manager

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

6/5/2020



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: Finance Department

SUBJECT: Consider Fee Schedule for Fiscal Year 2020-21

RECOMMENDED ACTION: Conduct the noticed public hearing on the proposed City Fee Schedule for Fiscal Year 2020/2021 and adopt the proposed Resolution amending the current fee schedule.

BACKGROUND: The annual budget process includes a review of the City's Fee Schedule. Capitola's current fee schedule is based on the comprehensive fee study adopted on November 24, 2015. The consultant recommended the City review the fee schedule on a yearly basis and implement a Consumer Price Index (CPI) adjustment. The fee schedule has been reviewed annually every year since 2015.

State law requires the City conduct a public hearing where testimony can be taken before any fees are added or existing fees are altered.

DISCUSSION: Best Management Practices (BMPs) recommend conducting a comprehensive fee study every five years. In January 2020, staff began the process of performing a comprehensive fee study with City Council review tentatively planned for late April, to allow for approved fee adjustments beginning in July 2020.

With the onset of the coronavirus (COVID-19) pandemic, staff thought it prudent to slow down the fee study process and not make drastic changes to the fee schedule until the fiscal impacts of COVID-19 are better understood for both the City as well as the community. This modified timeline will allow our business community and residents to receive City services and programs without potential fee increases during these unprecedented fiscal times.

Due to the COVID-19 pandemic and associated fiscal impacts, staff is recommending that fees not be increased by the annual CPI adjustment at this time and that the only amendments be those necessary for adjustments to recreation programs to comply with social distancing protocols.

Recreation Fees: Amendments to the recreation fee schedule include:

- Removing "four weeks" from the Junior Guard resident and non-resident fees as the program will run two-week sessions in 2020 to adhere to social distancing protocols.

Adopt FY 2020-21 Fee Schedule
June 11, 2020

- Including Junior Leader Program; a program the City offered for a number of years, but this year will be more formal, offering job training skills such as CPR and FA certifications. The fee recovers the direct cost of the enhanced program.
- Adding Late Pick-Up Fee of \$1 per minute for Junior Guards and Camp programs to be consistent with Afterschool Program and encourage parents to pick-up children attending the programs in a timely manner.

Animal Service Fees: Animal service fees are set by Santa Cruz County and this Resolution adopts the fee schedule the County has approved for 2020-21.

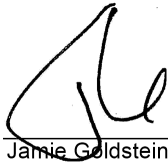
FISCAL IMPACT: The Fiscal Year 2020/21 Budget will incorporate the amended fees and the amended Fee Schedule will go into effect July 1, 2020.

ATTACHMENTS:

1. Exhibit A Fee Schedule (PDF)
2. Exhibit B Animal Service Fees 20-21 (PDF)

Report Prepared By: Jim Malberg
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020

Adopt FY 2020-21 Fee Schedule
June 11, 2020

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE CITY'S FEE SCHEDULE FOR
FISCAL YEAR 2020-2021**

WHEREAS, the Government Code of the State of California, Section 66018 requires local agencies to notice and hold at least one open and public meeting prior to levying a new fee or increasing an existing fee; and

WHEREAS, the City Council of the City of Capitola has held a duly noticed public hearing on June 11, 2020 to consider amending existing fees charged for various City services; and

WHEREAS, the City Council adopted Resolution No. 4036 on November 24, 2015, amending the City Fee Schedule in accordance with the comprehensive fee study also presented to City Council on November 24, 2015; and

WHEREAS, City staff researched and analyzed the cost of services provided by the City and determined the appropriateness of these adjusted rates relative to the cost of providing services; and

WHEREAS, in the past, the City has offered a four-week recreational program at a fee of \$260 for residents and \$325 for nonresidents. At the time, staff analyzed its costs to provide the program and determined the costs well exceeded the fee. Staff has performed that same analysis regarding a two-week program, and has determined in order to comply with the Santa Cruz County Health Officer's social distancing protocols, the cost of providing this service still exceeds the fee; and

WHEREAS, this fee schedule sets forth the City's cost recovery fee programs, which includes minimum deposits against which staff costs, adjusted for overhead, are assessed; and

WHEREAS, such rates must be adjusted from time to time to reflect the true costs of such services; and

WHEREAS, all flat fees, with the exception of those established by law, may be adjusted annually by the Consumer Price Index (CPI) for the San Francisco, Oakland, San Jose area; and

WHEREAS, the City of Capitola will analyze the fee schedule on a yearly basis to ensure hour estimates and staff costs are reasonable; and

WHEREAS, The City Council discussed CPI increases and due to the Coronavirus (COVID-19) pandemic the deferral of the Fiscal Year 2020-2021 CPI increase; and

WHEREAS, the fee schedule for the recreation division has been updated to reflect the actual cost of providing recreations services as described in Exhibit A; and

WHEREAS, the City of Capitola has made available to the public the required data pursuant to Government Code Section 66018 for at least ten days prior to adoption of a revised fee schedule.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola does hereby:

Adopt FY 2020-21 Fee Schedule
June 11, 2020

- Adopt the City of Capitola Fee Schedule pursuant to the changes in Exhibit A attached hereto to become effective on July 1, 2020; and
- Adopt the Animal Services Fees, as set by Santa Cruz County, identified in Exhibit B attached hereto to become effective on July 1, 2020.

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 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kristen Petersen, Mayor

ATTEST:

Chloé Woodmansee, Interim City Clerk

Description	2020/21 Fee Schedule
MISCELLANEOUS FEES	
Administrative Decision Appeal Fee	\$536
Bingo Permit	\$64
Capitola Municipal Code	0.15 / page
Capitola Municipal Code Supplement Service (Per year)	\$0
Copies:	
1-5 copies	\$0
6 or more copies (per copy)	\$0.25 / page
Gov't Code § 81008 (Political Reform Act) statements/reports (Per copy)	\$0.10 / page
Video Tapes, Flash Drive, CD/DVD Production	Cost + \$51.60 1st Hour (Minimum) + \$25.80 / hour
Entertainment Permit Application Fee	\$39
Single Event Permit	\$39
Minor Entertainment Permit	\$166
Regular Entertainment Permit	\$621
Pet Shops and Kennel License Fee (Municipal Code § 5.20.020) set only by ordinance	\$23
Returned Check Fee	\$39
Business License Overpayment Refund Fee (resolution 3532, ord 871)	0 (Set to -0- by Council in 2011)
Business License Late Payment Penalty Admin. Fee	\$35 + 10% each month late
Business License Application Fee (Reso. 3532)	\$39
Business License - Disability Access and Education Fee (State)	\$4
Temporary, Publicly Attended Activities, Application Fee (Municipal Code § 9.36.040)	\$34
Public Art (Total Building Valuation \$250,000 or more) (Municipal Code Chapter 2.58)	2% of TBV or 1% in lieu to City
Notice of Intent to Circulate Initiative Petition (Elections Code § 9103(b))	\$200
Bandstand Rental Fee	\$222 / 4 hrs or \$666 all day / deposit \$1,500
Notary Service Fees (State Code)	
Acknowledgment or proof of a deed, or other instrument, to include the seal and writing of the certificate	\$15 / signature
Administering an oath or affirmation to one person and executing the jurat, including the seal	\$15 / signature
Credit Card Transaction Fee	3%
Electric Vehicle Charging Fee	\$0.50 / hour
Cannabis Annual License Fee	\$2,550
Retail Cannabis Application Fee	\$1,662

Description	2020/21 Fee Schedule
POLICE DEPARTMENT FEES	
<u>Special Event Permit</u>	\$61
Amplified Sound Permit (Municipal Code 9.12.040)	\$30
DUI Cost Recovery Fee (Res. 3533)	Not to exceed \$12,000
Copies of reports: Crime Reports, Special Reports, etc. (Regardless of number of pages)	\$0.25 / page
Copies of: Citations, Code sections, Ordinances, etc.	\$0.25 / page
Bicycle Licenses (New)	\$0
Bicycle Licenses (Renewal)	\$0
Citation Sign-Offs	\$0
Photographs	\$19 + administration fees
VIN verifications	\$16
Video Tapes, Flash Drive, CD/DVD Production	Cost + \$51.60 1st Hour (Minimum) + \$25.80 / hour
Local Fire Arm dealers (set by state)	
New application	set by state
Renewal	set by state
Second Dealers License (set by state)	
Application	set by state
Renewal	set by state
Taxi Fee per application	set by state
Tobacco retail license	\$261
Civil Subpoena (per case) (set by state)	set by state
Parking Permits (separate action by the Council)	
Neighborhoods per year (Resolution No. 3733)	\$25
Village Preferential Permit (Resolution No. 3733)	\$50 per year
Village Employer/Employee Permit (Resolution No. 3733)	\$50 per year
Morning Village Parking Permit (Resolution No. 3715)	\$50 per year
Concealed Weapon Permits (set by state)	
<i>Application</i>	
Standard	set by state
Judicial	set by state
Employment	set by state
<i>Renewal</i>	
Standard	set by state
Judicial	set by state
Employment	set by state
Firearm Surrender Fees (set by state law)	
1-5 guns	set by state
6+guns	set by state
Vehicle Storage per day	\$27
Administrative fee to release Impounded / Stored Vehicle	\$131
Surf School Permit Fee	\$536
<u>Animal Services Fees</u>	
See Exhibit B "Animal Services Fees"	

Description	2020/21 Fee Schedule
PUBLIC WORKS DEPARTMENT FEES	
Encroachment Permits	
Non-Construction Items (includes materials storage within right-of-way road and sidewalk closures)	\$68
Village Sidewalk Encroachment Permit	\$39
Construction Items	
Level A	\$205
Level B	\$454
Level C	\$906
Level D	\$1,473
Level E	\$2,041
Residential Blue Curb Application Fee	\$214
Residential Blue Curb Annual Fee	\$54
Blanket Permits (repair and maintenance of existing facilities)	\$2,266
Private Improvement Permits/Encroachment Agreement	
Applications for Minor Permits	\$226
Applications for Major Permits	\$567
New Memorial Bench	\$1,026
Replacement Memorial Bench	\$500
Memorial Plaque (wharf)	\$770
Memorial Plaque (Grand Ave)	\$770
Replacement Plaque	\$250
Memorial Plaque (tree)	\$500 + Cost of Tree
Memorial Picnic Table	\$1,643
Seasonal Boat Storage Permits	
Seasonal Permit	\$400 per month
Short Term Permit	\$15 per day
Stormwater Development Review Fee	
Stormwater Plan Review Fee	\$112
Large Project Plan Review Deposit	
Tier 2	\$3,402
Tier 3 & 4	\$4,535
Research Fee - 1/2 hour minimum charge	Cost
Information Technology Fee (Resolution No. 3796 adopted 11/12/09)	5% of Permit Fee
Final Map	Cost; \$3,000 min. deposit

Description	2020/21 Fee Schedule
PLANNING FEES	
Administration/Documents	
Continuance Request - Applicant (2+)	\$167
Staff Billing Rate	Cost
Appeals-by Applicant	Cost
Appeals- by City Officials	\$0
Appeals- by Other	\$536
Coastal Development Permit Appeal	\$0
Appeals -Building/Zoning Code Violations	\$536
Records Search/Research/Special Report	Cost
Administrative Permits	
Tree Removal I- Staff -Review	\$136
Tree Removal -- 3 or more trees on a property	\$291
Tree Installation Deposit (Refundable)	\$500 deposit
Commercial Sidewalk/Parking Lot Sale Permit	\$81
Tenant Use Permit (MCUP)--Staff approval	\$82
Transient Rental Occupancy Use Permit	\$567
Home Occupation Use Permit	\$170
Fence Permit- Staff approval	\$46
Fence Permit- PC approval	\$851
Sidewalk vendor permit	\$125
Sidewalk vendor annual refuse fee	\$500
Temporary Sidewalk Dining	\$82
Temporary Use Administrative Permit	\$82
Sign Permits	
Temporary Signs and Banner Permits	\$41
Signs-permit - Staff Review	\$137
Signs- permit - PC Review	\$567
Master Sign Program	Cost; \$3,000 min deposit
Village Sidewalk Sign Permit	\$70
Design Permits	
Residential-Single Family/Minor Design Permit - Staff Review	\$829
Residential-Single Family - PC Review	\$2,836
Residential Multi-Family - PC Review	\$3,967
Commercial - PC Review	\$4,000 deposit
Secondary Dwelling Unit- Staff Review	\$567
Secondary Dwelling Unit- PC Review	\$1,701
Residential Multi-Family/Minor Design Permit - Staff Review	\$2,000 deposit
Commercial Minor Design Permit	\$2,000 deposit
Historic In-Kind Replacement Design Permit	\$500 deposit
Use Permits	
Master Conditional Use Permit	Cost; \$3,500 min. deposit
Conditional Use Permit/Minor Use Permit - Staff Review	\$1,701
Conditional Use Permit - PC approval	Cost; \$3,000 min. deposit
Temporary Use Permit	\$86
Subdivisions	
Certificate of Compliance & Lot Merger	\$567
Boundary Line Adjustment	\$906
Tentative Parcel Map	Cost; \$2,000 min. deposit
Tentative Map	Cost; \$5,000 min. deposit
Revised Map	\$2,000 deposit
Time Extension	\$2,000 deposit
Subdivision Modification	\$2,000 deposit
Plan Amendments	
General Plan Amendment	Cost; \$5,000 min. deposit
Local Coastal Plan Amendment	Cost; \$5,000 min. deposit
Rezone	Cost; \$5,000 min. deposit
Planned Development Rezone	Cost; \$3,500 min. deposit

Attachment: Exhibit A Fee Schedule (Adopt FY 2020-21 Fee Schedule)

Description	2020/21 Fee Schedule
Other Discretionary Permits	
Variance	\$1,701
Coastal Development Permit	\$851
Coastal Permit Exclusion	\$96
Mobile home Park Change of Use or Closure	\$5,000 deposit
Development Agreement	\$10,000 min. deposit
Developer agreement annual review	\$2,500 deposit
Specific Plan	Cost; \$5,000 min. deposit
Permit Time Extension -Staff Review	\$567
Permit Time Extension - PC Review	\$1,701
Permit Amendment (any permit)	50% of original cost
Annexation	Costs+ overhead / \$3,000 min. deposit
Minor Modification	\$1,701
Environmental Review	
Negative Declaration (and Mitigated ND)	Cost; \$2,000 min deposit
EIR Processing	Cost; + 21% of consultant; \$10,000 min deposit
Mitigation/Condition Monitoring Program	Cost + 21%
NEPA Compliance	Cost + 21%
Other Permits/Fees	
Conceptual Review Fee- PC	\$1,701
Conceptual Review Fee- PC and CC	\$2,551
Technical Study Preparation and Review	Cost + 21%
NOTE: Third party review costs to be required as necessary	Cost + 21%
Code Compliance	Double Application Fees
Code Compliance confiscated property recovery fee	\$268
Research Fee - 1/2 hour minimum charge	Cost
Pre-Application Review	\$238
Building Plan Check & Final Inspection	20% of Building Permit Fee
Major Development Project Fee	Cost; \$5,000 min. deposit
Inclusionary Housing	
Inclusionary Housing - Unit Sale	\$567
Inclusionary Housing - Unit Refinance	\$227
Single Family Residence	\$2.50 per square foot
Other Fees and Assessments	
General Plan Maintenance Fee	Total Building Valuation X 0.5%
Information Technology Fee (Resolution No. 3786 adopted 11/12/09)	5% of Permit Fee
Green Building Educational Resource Fund Fee (Municipal Code 17.10.080)	Fee equals .0025 times the overall building permit valuation of the project.
Affordable Housing In-Lieu Fees	
For Sale Housing Developments of two to six units (Municipal Code Chapter 18.02/Reso. 3473) :	
All Units	\$10 per sq. ft.
For Sale Housing Developments of Seven or more units	
#Units	#Units Built
7	1
8-13	1
14	2
15-20	2
21	3
22-27	3
28	4
Rental Multi-Family	\$6 per sq. ft.

NOTES:

- All Fees are non-refundable.
- Deposit accounts are billed on a time and material basis. Additional deposits may be necessary depending on the complexity of the project. Any unused monies in a deposit account will be refunded following case closure.
- The Community Development Director may reduce the total fee/deposit requirements for applications which are unlikely to require the full deposit amounts established herein.
- Applications which include a fee and a deposit payment will be processed with a single deposit account.
- Outside agency fees, including but not limited to County recordation fees, State Fish and Wildlife fees, etc. are charged at cost.
- The Community Development Director may establish a reasonable fee or deposit amount for permit types required by the Capitola Municipal Code or State law which are not included in the fee schedule.
- Flat fee applications are entitled up to two public hearings. Additional public hearings shall be charged to the applicant at cost
- The Community Development Director may designate a project as a Major Development Project if it has a valuation of \$2M+ or is considered technically

Attachment: Exhibit A Fee Schedule (Adopt FY 2020-21 Fee Schedule)

Description	2020/21 Fee Schedule
BUILDING FEES	
The cost of a “combination building permit” shall be 1.5 times the amounts shown in Table 1-A. A “combination building permit” is defined as a permit for a scope of construction work regulated by two or more of the model codes. The model codes are the building code, the plumbing code, the mechanical code and the electrical code.	
The cost of a “building permit” shall be the amounts shown in Table 1-A. A “building permit” is defined as a permit for a scope of construction work regulated solely by a single model code. The model codes are the building code, the plumbing code, the mechanical code and the electrical code.	
TABLE 1-A	
Total Valuation	FEES
\$1.00 to \$500.00	\$26.65
\$501.00 to \$2,000.00	\$26.65 for the first \$500.00 plus \$3.46 for each additional \$100.00 or fraction thereof.
\$2,001.00 to \$25,000.00	\$78.55 for the first \$2,000.00 plus \$15.87 for each additional \$1000.00 or fraction thereof.
\$25,001.00 to \$50,000.00	\$443.56 for the first \$25,000.00 plus \$11.45 for each additional \$1,000.00 or fraction thereof.
\$50,001.00 to \$100,000.00	\$729.81 for the first \$50,000.00 plus \$7.94 for each additional \$1,000.00 or fraction thereof.
\$100,001.00 to \$500,000.00	\$1,126.81 for the first \$100,000.00 plus \$6.36 for each additional \$1,000.00 or fraction thereof.
\$500,001.00 to \$1,000,000.00	\$3,670.81 for the first \$500,000.00 plus \$5.38 for each additional \$1,000.00 or fraction thereof.
\$1,000,001.00 and up	\$6,360.81 for the first \$1,000,000.00 plus \$2.94 for each additional \$1,000.00 or fraction thereof.
Building Plan Check Fee	65% of Building Permit Fee
Reinspection Fee	\$125
Resubmitted Plan Check Fee	106.77 / hr.
Building Permit Extension Fee	\$176
Building Permit Reinstatement Fee	50% of the original, singular building permit fee or combo building permit fee, whichever is applicable to the permit being reinstated
Stop Work Order Fee	2x the singular building permit fee

Attachment: Exhibit A Fee Schedule (Adopt FY 2020-21 Fee Schedule)

Description	2020/21 Fee Schedule
Greywater System Permit	\$0
Electric Vehicle Charging Permits (* Note: These fees were added to the fee schedule for FY2011-12, but will be waived per the Green Energy Incentive Program)	
a. Level I (120 volts)	\$0
b. Level II (208-240 volts)	\$0
c. Level III (480 volts)	\$0
Solar P.V. System	\$0
Solar P.V. System (Commercial Sale/Distribution)	\$0
Solar Hot Water Heater	\$0
Research Fee - 1/2 hour minimum charge	Cost
Information Technology Fee (Resolution No. 3786 adopted 11/12/09)	5% of Permit Fee
Temporary Trailer/Mobile Home Occupancy Permit	\$54
Structural Review of Engineered Plans	cost + 21%
Outside Consultant Plan Review	cost + 21%
<u>Grading Plan Review Fees</u>	
50 cubic yard or less	\$ -
51 to 100 cubic yard	\$ 26.65
101 to 1,000 cubic yards	\$ 41.95
1,001 to 10,000 cubic yards	\$ 54.43
10,001 to 100,000 cubic yards	\$54.44 for first 10,000 plus \$27.79 for each additional 10,000 cubic yards
100,001 to 200,000 cubic yards	\$304.51 for first 100,000 plus \$15.02 for each additional 10,000 cubic yards
200,001 cubic yards or more	\$439.68 for first 200,000 plus \$8.23 for each additional 10,000 cubic yards
<u>Grading Permit Fees</u>	
50 cubic yard or less	\$ 26.65
51 to 100 cubic yard	\$ 41.95
101 to 1,000 cubic yards	\$41.95 for first 100 plus \$19.85 for each additional 100 cubic yards
1,001 to 10,000 cubic yards	\$220.60 for first 1,000 plus \$16.44 for each additional 1,000 cubic yards
10,001 to 100,000 cubic yards	\$368.56 for first 10,000 plus \$74.84 for each additional 10,000 cubic yards
100,001 to 200,000 cubic yards	\$1,042.12 for first 100,000 plus \$41.39 for each additional 10,000 cubic yards

Description	20/21 Fee Schedule
PARKS AND RECREATION FEES	
All fees are evaluated annually to determine if they are competitive with other recreation programs in Santa Cruz County	
Classes	
Negotiated Instructor Activity Fee (Instructor receives 65% of this fee, Department retains 35%)	
Registration Fee - Resident (Capitola Residents Only)	\$18
-Department retains this fee	
Online Registration fee-Department retains this fee	5.5% of Activity Fee
Non-Resident (Anyone residing outside of the City) in addition to Residential Registration Fee	\$15
-Department retains this fee	
Senior Discount	10%
Sports	
League Fees	
Costs + 30% admin fee	
League fees will change depending upon number and type of leagues offered, number of games per league, number of officials, amount of equipment needed, field/site prep and maintenance, and whether or not playoffs & awards are offered. Fees are calculated based on direct costs + 30% admin fee.	
After School	
Teen Club *	\$60/\$70 per week \$12/\$14 per day
K to 6th *	\$75/\$85 per week
* Scholarships may be available	
Late Pick-Up Fee	\$1 per minute
Junior Guards	
4-weeks Resident/non resident	\$260/\$325
Late Pick-Up Fee	\$1 per minute
Regionals	\$93
Camp Capitola	
All day 2 week session, resident/non resident	\$289/\$361
1/2 day resident/non resident	\$146/\$182
All day 1 week session, resident/non resident	\$146/\$182
All day 1 week teen session, resident/non resident	\$260/\$325
Junior Leader program	\$66
Late Pick-Up Fee	\$1 per minute
Extended Care--daily resident/non resident	\$11
Extended Care--weekly resident/non resident	\$52
Transportation fee to Jr. Guards (1st Session / 2nd Session)	\$57
Private Tennis Lessons	
75% of Activity Fee	
Facility Rentals	
Softball & Soccer Fields and Court hourly rental; non profit youth groups/other non profit & Cap residents/all others	\$14/ \$26 / \$34
Jade Street Community Center	
Rooms A&B hourly rent	\$44
Room C hourly rent	\$60
Kitchen hourly rent	\$22
Entire Center hourly rent	\$156
Non profit discount of Jade Street Facility rents	25%
Community Center Deposit	
1 to 50 people	\$100
51 to 150 people	\$250
151 to 250 people	\$500
Lost key fee	\$25
Event vendor fee	\$100 per event
Field Prep and/or additional staffing required to prepare for or supervise the Sports rentals only	\$13 / hr
Notes: Resident include Soquel Union School District	
Costs mean staff costs adjusted for benefits, department overhead, and City overhead as calculated by the City Manager. Costs can also mean direct cost of a consultant. When consultant costs are included 21% of such costs will be charged to cover staff time for contract management. <i>Staff costs do not accrue during an appeal unless appeal is made by applicant.</i>	
Deposits are stated as minimums. Actual deposits depend on the evaluation by staff of an individual project or application. The City Manager may lower minimum deposits if the application or project justifies a lower deposit. When an application involves multiple minimum fees the highest minimum fee applies.	

Attachment: Exhibit A Fee Schedule (Adopt FY 2020-21 Fee Schedule)

Description	2020/21 Fee Schedule
HISTORICAL MUSEUM FEES	
Research Fee - 1/2 hour minimum charge	Cost
Print of an electronically available Photograph in Collection	\$7
Digital Copies of Collection Items	\$20
Scan High Resolution Tiff File of any collection item for a customer	\$24

Proposed 2020-21**Adoption Fees**

Dogs	Puppies 2-6 months	\$195
	Adults 7 mon-6 yrs	\$130
	Sr. Adult 6 yrs+	\$60
Cats	Kittens 2-12 months	\$120
	Adults 1-6 yrs	\$100
	Sr. Adult 6 yrs+	\$55
Rabbits		\$50
Rodents		\$25
Small caged birds		\$25
Exotic birds (i.e. parrots)		\$75
Small Livestock	Goats	\$75
Large Livestock	Cow	\$100
Horse		\$250
Chicken/Rooster		\$10

Adoption Hold Fee, until 5:00 p.m. next business day, not applicable to adoption, non-refundable	Cat	\$20
	Dog	\$25

Adoption fee for rescue/non-profit agencies is equal to the cost of the spay/neuter for only adoptable animals

Adoption fee for rescue/non-profit agencies for Rabbits \$20

Adoption fee for rescue/non-profit agencies include a microchip

Impound Fees

		Altered	* Unaltered
Cat	First Impound	\$ 30	\$ 30 + Penalty \$ 35
	Second Impound	\$ 50	\$ 50 + Penalty \$ 50
	Third Impound	\$ 75	\$ 75 + Penalty \$100
	Fourth/Subsequent	\$ 75	\$ 75 + Penalty \$100
Dog	First Impound	\$ 75	\$ 75 + Penalty \$ 35
	Second Impound	\$ 115	\$115 + Penalty \$ 50
	Third Impound	\$ 195	\$195 + Penalty \$100
	Fourth/Subsequent	\$ 225	\$225 + Penalty \$100

*Unaltered animal penalty fee provided under California Food and Agriculture Code section 30804.7 and 31751.7

Livestock:	Large: First Impound	\$200
	Second/Subsequent	\$250
	Small: First Impound	\$75
	Second/Subsequent	\$125
	A.C. Officer Services	\$75 /hour min.2 hours (after hrs)

Board Fees - Daily

Cats	\$20/day
Dogs	\$25/day
Other	\$25

Proposed 2020-21**License Fees – Dogs**

Altered - one year	\$29	
Unaltered - one year	\$100	with Unaltered Animal Certificate
Late Penalty	\$15	
Senior Citizen (65+) - Altered dog	\$29	
Senior Citizen (65+) - Unaltered dog	\$100	
Potentially Dangerous/Vicious dog	\$200	
Late Penalty for dog licenses for dogs designated Potentially Dangerous, Vicious, Habitual or Public Nuisance.	\$100	
Unaltered Animal Certificate -- one time	\$350	
Exemption from Unaltered Animal Certificate	\$15	plus license fee
Administrative fee for mailed licenses	\$1	
Replacement License Tag Fee	\$5	
Failure to License Penalty (per dog, if impounded)	\$30	

License Fees – Cats

Unaltered Animal Certificate	\$350	
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Quarantine Fees

Home Quarantine (Field Check)	\$75	
Shelter Quarantine	\$50	plus board fees

Service Fees

Microchip/walk-in service	\$15	
Microchip for impounded dogs and cats	\$25	
Dog/Cat trap rental	N/C	
Dog Humane Trap Deposit	\$255	
Cat Humane Trap Deposit	\$70	
Trap Processing Fee	\$10	
Pick-Up Animal in a Trap	\$75	
Pick-Up of Owned Animal	\$75	
Pick-up and Disposal of Deceased Animal on Private Property	\$85	
Use of Livestock Trailer	\$100/\$150	(1st /2nd time)

Medical Fees

Medical groom	\$45	
Medical nail trim	\$15	
Medication dispensed	\$20	
Vet procedure	\$25	
Rabies	\$14	
FVRCP	\$20	
DA2PP	\$20	
Medical bath	\$20	
Wound prep	\$35	
Kitten Package	\$400	
Puppy Package	\$400	
Dental	\$350	

Owner Surrender of Animal Residing in Santa Cruz County

Owner Surrender of Dog	\$0	
Owner Surrender of Cat	\$0	
Owner Surrender of Rabbit	\$0	
Owner Surrender of Exotic (snake, lizard, bird, turtle)	\$0	
small rodents	\$0	
Large livestock	\$0	
small livestock	\$0	
Large Exotic	\$0	

Owner Surrender of Animal Residing Outside of Santa Cruz County

	Proposed 2020-21
Owner Surrender of Dog	\$50
Owner Surrender of Cat	\$35
Owner Surrender of Rabbit	\$25
Owner Surrender of Exotic	\$55
(snake, lizard, bird, turtle)	\$15 - \$35
small rodents	\$10 - \$25
Large livestock	\$100
small livestock	\$75
Large Exotic	\$55
Protective Custody Fee	
Owner Arrest	\$75 /hour min.(2 hours after hrs)
Confiscate/Humane	\$75 /hour min.(2 hours after hrs)
Emergency Hospital	\$25
Owner Requested Euthanasia	\$75 Plus Disposal
Disposal of Owned Dead Animals	\$50
Refund Processing Fee	\$25
Animal Control Officer Services	\$75/hour (2 hr minimum after hours)
Field Return of Owned Animal	\$75
Spay/Neuter Fees for Impounded Animals	
Cats	\$50
Dogs	\$195
Planned Pethood Spay/Neuter Fees	
Dog	\$190
Cat	\$25
Rabbit	\$75
Pit Bulls & Chihuahuas	\$50
Animals over 100 lbs., in heat, pregnant or cryptorchid add	\$35
Animals determined obese by veterinarian add	\$50
*Animals over 100 lbs., in heat, pregnant or cryptorchid – add \$25. Animals determined obese by veterinarian add \$50. Animals over 7 years of age are required to receive a blood panel for an additional \$55. Late drop-off fee (more than 20 minutes) is \$20. Reschedule fee for missed appointments is \$25.	
Fees for Additional Required Services	
Microchip	\$10
License	\$29
Rabies	\$10
Late drop-off fee	\$20
Late pick-up fee	\$40/night
Blood panel for dogs over 7 yrs of age and cats over 10 yrs of age	\$75
Planned Pethood Spay/Neuter Fees for Limited Income*	
Dog	\$50
Cat	\$10
Rabbit	\$50
*Limited income eligibility determined through proof of receipt of government assistance OR through a year-to-date pay stub or W2 tax form that proves the following:	
1 person household--maximum of \$35,350 annual income	
2 person household--maximum of \$40,350 annual income	
3 person household--maximum of \$45,400 annual income	
4 person household--maximum of \$50,400 annual income	
<u>ONE STOP Fees with Purchase of License</u>	
Rabies	\$10
Microchip	\$15

Proposed 2020-21

Nuisance Abatement Appeals Fee (County)	\$75
Non-sufficient Funds Check Fee	\$40
Puppy Training Deposits	\$100-\$200
Training Room Rental Fees	\$22

FINES FOR VIOLATIONS OF ANIMAL ORDINANCE – ADMINISTRATIVE CITATION PROGRAM***Failure to license**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

****Failure to microchip**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

*****Failure to provide rabies vaccination**

First offense in one year	\$100
Second offense in one year	\$200
Third offense in one year	\$500

Failure to display license (each dog)

\$50

******Failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate**

First offense	\$250
Second offense	\$500
Third offense	\$750

Dog running at large, first offense	\$100
Dog running at large, second offense	\$200
Dog running at large, third offense	\$250

Dog off leash, first offense	\$50
Dog off leash, second offense	\$150
Dog off leash, third offense	\$250

Safety of animal in parked vehicle	\$250
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Failure of owner to pick up after dog or cat defecating	\$100
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Habitual noisy animals (6.12.090)	\$100
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Permitting livestock to trespass, per offense	\$200
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All first offense recommended penalties not subject to cure will be reduced by 50% if they are paid in full by 5:00 p.m. of the first business day following issuance.

*Citations for failure to license will be dismissed if cured within 7 calendar days, including day of issuance

**Citations for failure to microchip will be dismissed if cured within 7 calendar days, including day of issuance.

***Citations for failure to provide rabies vaccination will be dismissed if cured within 7 days, including day of issuance.

****Citations for failure to spay or neuter dog or cat over 6 months, unless owner holds unaltered animal certificate, will be dismissed if ASA receives evidence that animal was spayed or neutered within 30 calendar days, including day of issuance.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JUNE 11, 2020

FROM: Community Development
SUBJECT: Continue Zoning Code Update Discussion

RECOMMENDED ACTION: Continue discussion about the Zoning Code and Local Coastal Plan update to the regular City Council meeting on July 23, 2020.

BACKGROUND: City Council adopted a new zoning code on January 25, 2018. The zoning code must also be certified by the Coastal Commission prior to taking effect in the coastal zone, which makes up two-thirds of the land area in Capitola. On May 14, 2020, the City Council provided direction on a list of Coastal Commission staff edits and continued the discussion and public hearing to the May 28, 2020 hearing. At the May 28 meeting, Council voted to continue the discussion to the next regular Council meeting scheduled for June 11. Staff is now requesting the item be continued to the regular City Council meeting on July 23, 2020.

DISCUSSION: The following table includes the pending items for discussion:

	Topic	Code Section	Page #
1	Monarch Cove Inn	Section 17.28; Table 17.28-1 Footnote 12	28-4
2	Village Onsite-Parking	Section 17.76.040.3	76-8 & 76-9
3	Future Village Hotel Height	Section 17.88.050.B.2.a	88-3

These remaining three items will be placed on the July 23, 2020, City Council agenda. After receiving direction on all three items, an updated version of the zoning code, with all City Council recommendations, will be prepared and published for adoption hearings. Due to the extensive changes during Council review, the updated draft requires a second review and recommendation by Planning Commission prior to the final adoption by City Council.

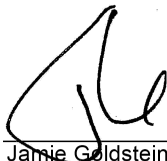
CEQA: An Addendum to the General Plan Update Environmental Impact Report (EIR) was adopted with the Zoning Code update on January 25, 2018, and continues to be applicable.

FISCAL IMPACT: None.

Report Prepared By: Katie Herlihy
Community Development Director

Continuing Zoning Code
June 11, 2020

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

6/5/2020