

City of Capitola Agenda

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

Treasurer: Peter Wilk



CAPITOLA CITY COUNCIL REGULAR MEETING

THURSDAY, JULY 27, 2017

7:00 PM

CITY COUNCIL CHAMBERS
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CLOSED SESSION - 6:00 PM CITY MANAGER'S OFFICE

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

PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Govt. Code § 54957(b)]

City Council's Performance Evaluation of the City Attorney

LIABILITY CLAIMS (Govt. Code § 54956.95)

Claimant: Liberty Mutual
Agency claimed against: City of Capitola

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

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

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

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Council Members Kristen Petersen, Michael Termini, Jacques Bertrand, Ed Bottorff, and Mayor Stephanie Harlan

2. PRESENTATIONS

A. Introduction of New Maintenance Worker Nathan Kessler

3. REPORT ON CLOSED SESSION

4. ADDITIONAL MATERIALS

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

5. ADDITIONS AND DELETIONS TO AGENDA

6. PUBLIC COMMENTS

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

7. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

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

8. CONSENT CALENDAR

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

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

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
July 27, 2017

- A. Consider the June 22, 2017, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Approval of City Check Register Reports Dated June 2, June 9, June 16, June 23 and June 30, 2017
RECOMMENDED ACTION: Approve check registers.
- C. Consider Library Naming Policy
RECOMMENDED ACTION: Approve policy.
- D. Consider Capitola Joining the Santa Cruz County Animal Services Authority
RECOMMENDED ACTION: Approve the amended the Santa Cruz County Animal Services Authority (SCCASA) Joint Power Agreement, allowing the City of Capitola to become a full member of the SCCASA.
- E. Response to Civil Grand Jury Report, “Threat of Violence in our Public Schools”
RECOMMENDED ACTION: Accept the recommendations by the Santa Cruz County Civil Grand Jury, and direct the City Clerk to send the completed response packet per California Penal Code 933.05 PC.
- F. Consider Community Action Board Contract for the Emergency Housing Assistance Program
RECOMMENDED ACTION: Approve a two-year, \$50,000 agreement with the Community Action Board of Santa Cruz County, Inc., to administer the City’s Emergency Housing Assistance Program
- G. Consider Housing Programs Professional Services Contract
RECOMMENDED ACTION: Approve the proposed contract with Carolyn Flynn for an amount not to exceed \$26,000 for Fiscal Year 2017-18 for assistance with affordable housing programs, CDBG program administration, grant writing, and grant management.
- H. Consider an Amended Contract for a Hosted Finance System with Tyler Technologies (formerly New World Systems)
RECOMMENDED ACTION: Authorize staff to sign a five-year contract with Tyler Technologies to host City’s finance system.
- I. Consider a Side Letter to the Capitola Police Officers Association Agreement
RECOMMENDED ACTION: Approve a side letter to the existing Memorandum of Understanding between the City of Capitola and the Capitola Police Officers Association establishing a FLSA 207(k) work period of 86 hours in 14 days.
- J. Consider a Contract Amendment to Complete the Anticipated Phase II of the American with Disabilities Act (ADA) Self-Evaluation and Transition Plan
RECOMMENDED ACTION: Authorize the City Manager to amend the existing contract with SZS Consulting Inc. from \$74,955 to \$114,095.

9. 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. Topaz Street Traffic Reduction
RECOMMENDED ACTION: Consider the recommendations of the Traffic and Parking Commission and provide direction to staff regarding neighborhood community outreach to address traffic concerns along Topaz Street in the Jewel Box neighborhood.
- B. Capitola Mall Redevelopment Status Update
RECOMMENDED ACTION: Receive presentation.
- C. Consider RTC Measure D Agreement and Five Year Plan
RECOMMENDED ACTION: Approve a funding agreement with the Santa Cruz County Regional Transportation Commission, authorize the City Manager to sign on behalf of the City, and approve a five-year proposed project list.
- D. Consider Monterey Bay Community Power Credit Shared Responsibility Agreement
RECOMMENDED ACTION: Approve the Shared Responsibility for Credit Support Agreement for Monterey Bay Community Power, direct the Mayor to sign it, and approve the attached budget amendment directing the Finance Department to create the required reserve account.

10. ADJOURNMENT

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

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

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

CAPITOLA CITY COUNCIL REGULAR MEETING AGENDA
July 27, 2017

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

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

Televised Meetings: City Council meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be rebroadcasted at 8:00 a.m. on the Wednesday following the meetings and at 1:00 p.m. on Saturday following the first rebroadcast on Community Television of Santa Cruz County (Charter Channel 71 and Comcast Channel 25). Meetings are streamed "Live" on the City's website at www.cityofcapitola.org by clicking on the Home Page link "**Meeting Video.**" Archived meetings can be viewed from the website at anytime.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: City Manager Department
SUBJECT: Liability Claim of Liberty Mutual

RECOMMENDED ACTION: Deny liability claim.

DISCUSSION: Liberty Mutual has filed a liability claim against the City in the amount of \$3,304.11.

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

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: City Manager Department

SUBJECT: Introduction of New Maintenance Worker Nathan Kessler

DISCUSSION: The City's Public Works Department has a new maintenance worker, Nathan Kessler. He is a resident of Santa Cruz County and has previously worked as a tree trimmer and construction worker for many years. He has also worked for Scarborough Lumber.

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

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/14/2017



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: City Manager Department

SUBJECT: Consider the June 22, 2017, 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 June 22, 2017.

ATTACHMENTS:

1. 6-22-17 draft minutes

Report Prepared By: Linda Fridy
City Clerk

Reviewed and Forwarded by:

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

Jamie Goldstein, City Manager

7/14/2017

**DRAFT CAPITOLA CITY COUNCIL
REGULAR MEETING ACTION MINUTES
THURSDAY, JUNE 22, 2017**

CLOSED SESSION 6 PM

CALL TO ORDER

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

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Govt. Code § 54957(b)]
City Council's Performance Evaluation of the City Attorney**

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

REGULAR MEETING OF THE CAPITOLA CITY COUNCIL - 7 PM

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

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

Treasurer Peter Wilk was present.

2. REPORT ON CLOSED SESSION

City Attorney Tony Condotti said the Council took no reportable action.

3. ADDITIONAL MATERIALS

A. Item 7.H -- Public communication regarding the Climate Mayors Network

B. Item 7.H – Draft minutes of the July 20, 2017, special meeting of the Commission on the Environment

4. ADDITIONS AND DELETIONS TO AGENDA - None

5. PUBLIC COMMENTS - None

6. CITY COUNCIL / CITY TREASURER / STAFF COMMENTS

Treasurer Wilk asked to pull item 7.H from the Consent Calendar.

Council Member Bertrand asked about moving the August 24, 2017, meeting to August 10 since the later date conflicts with a regional housing event. Staff responded that vacation schedules have been set around the existing date. He and Council Member Termini have begun discussions with school district representatives about options for senior recreation uses at Jade Street and Monterey Parks and perhaps even the track at New Brighton Middle School. He asked for a future update on the mall redevelopment.

Council Member Termini praised the recent car show. He responded to recent

communication about buying a "foreign" vehicle, noting that in many cases a foreign brand is made in the United States. He asked staff to consider options for U.S.-made vehicles if available for upcoming equipment purchases. Staff noted that one of the City goals is to buy local, which is reflected in recent purchases from an in-City dealership.

Council Member Petersen reported that the Depot Hill Bluff ad hoc advisory group held its first meeting to begin discussions about the bluff and Grand Avenue pathway. She also said the Community Action Board recently released its community action plan and Santa Cruz County's poverty-related outreach efforts lead the state. She encouraged visits to the museum. She requested a future agenda discussion on youth additions to commissions, and staff said it is developing policies and reviewing changes to bring to Council.

Mayor Harlan, who sits on the Seniors Council, reminded the community that June is elder abuse awareness month and offered a handout. She encouraged participation in the library summer reading program. The Santa Cruz Chamber of Commerce luncheon on June 30 features speaker State Sen. Wiener, who will discuss housing and environmental issues. She asked to add regulating drones to the mid-term work plan.

7. **CONSENT CALENDAR**

MOTION;	APPROVE OR ADOPT ITEMS A THROUGH G AS RECOMMENDED
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

- A. Consider the May 31, 2017, Joint Budget Study Session and June 8, 2017, City Council Regular Meeting Minutes
RECOMMENDED ACTION: Approve minutes.
- B. Receive Planning Commission Action Minutes for the Regular Meeting of June 1, 2017
RECOMMENDED ACTION: Receive minutes.
- C. Approval of City Check Register Reports Dated May 5, May 12, May 19 and May 26, 2017
RECOMMENDED ACTION: Approve check registers.
- D. Consider City Attorney Contract [570-05/500-10 A/C: Atchison, Barisone & Condotti]
RECOMMENDED ACTION: Approve the updated Agreement for City Attorney Services with Atchison, Barisone & Condotti in the amount of \$133,560 and authorize the City Manager to execute the agreement.
- E. Consider Accepting Alcoholic Beverage Control Grant [500-10 A/C: California Alcoholic Beverage Control]
RECOMMENDED ACTION: Adopt **Resolution No. 4082** accepting a State of California Department of Alcoholic Beverage Control grant in the amount of \$16,256 and authorize amending the Fiscal Year 2017-18 general fund operating budget to increase revenues and expenditures by \$16,256.
- F. City Hall Parking Lot Regulations [265-50]
RECOMMENDED ACTION: Receive report on implementation of Capitola Municipal Code Section 10.36.060 regarding City Hall parking lot use.

Attachment: 6-22-17 draft minutes (1878 : Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

June 22, 2017

- G. Declare Three City Vehicles To Be Surplus Property [370-10]
RECOMMENDED ACTION: Declare one Recreation Department and two Police Department vehicles as surplus property and authorize their sale.
- H. Consider Directing the Mayor to join the Climate Mayors Network and Related Actions [430-25]
RECOMMENDED ACTION: Consider a motion to direct the Mayor to join the Climate Mayors, appoint the Community Development Director as policy/climate lead and the Environmental Projects Manager as communications lead, and consider **Resolution No. 4083** in support of the Paris Agreement as recommended by the Climate Mayors network.

This item was pulled from the Consent Calendar and moved to the start of the General Government portion of the agenda by Council consensus.

Commissioner on the Environment (COE) Chair Peter Wilk summarized the commission's discussion, noting existing greenhouse gas (GHG) concerns and local efforts to address them. The COE debated whether the City should participate, acknowledging the potential concern of weighing in on a national/international issue. It ultimately unanimously supported the proposal.

Cathlin Atkinson, resident and member of the COE, said GHG levels and climate change are not just a national issue. Infrastructure and public safety are local issues and climate impacts both.

Council Member Bottorff listed many local and regional efforts to address GHG reductions independent of the Paris Agreement. He does not wish to take what he sees as a partisan position.

Council Member Bertrand referenced the City's Climate Action Plan and goals. He believes that just as Capitola faces sea level rise, other areas face different climate threats, and municipalities must unite to address these.

Council Member Termini concurred that Capitola is on the front line of climate impacts. He supports the recommendation with an additional item in the proposed resolution noting these efforts are addressed in Capitola's existing Climate Action Plan.

Council Member Petersen said this issue does not need to be considered a partisan issue and she supports the efforts outlined in the resolution. This action recommits the Council to local plans.

Mayor Harlan agrees this action was not intended as partisan and sees a need occasionally to refocus on established goals.

MOTION:	DIRECT THE MAYOR JOIN THE CLIMATE MAYORS NETWORK, MAKE THE RECOMMENDED APPOINTMENTS, AND ADOPT THE RESOLUTION WITH THE ADDITION OF ITEM 4. RECOMMITS TO CAPITOLA'S EXISTING CLIMATE ACTION PLAN AS THE VEHICLE TO ACHIEVE THESE GOALS
RESULT:	ADOPTED AS AMENDED [4 TO 1]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Jacques Bertrand, Council Member
AYES:	Jacques Bertrand, Michael Termini, Kristen Petersen, Stephanie Harlan
NAYS:	Ed Bottorff

8. GENERAL GOVERNMENT / PUBLIC HEARINGS

A. Discussion of Library Donation/Naming Parameters [230-10]
RECOMMENDED ACTION: Consider the Library Advisory Commission recommendations regarding the types of naming opportunities the City will consider for the new library, and direct staff to return to City Council with a formal library naming policy later this summer.

City Manager Jamie Goldstein presented the staff report, reviewing the recommendation from the Library Advisory Committee (LAC) during the March joint meeting.

He noted the library project still has a \$1.5 million funding gap. Council needs to balance fundraising goals, offering ways to honor individuals and yet preventing the impression that a public asset is being commercialized.

Council Member Bottorff confirmed that there are about 15 spaces that could be named aside from the building itself, if allowed.

Council Member Bertrand asked how the City would make judgements required in the Library Joint Powers Authority (JPA) policy. City Manager Goldstein responded that the layers of fundraising from Friends to City to JPA would provide review.

Gayle Ortiz, resident and chair of Capitola Friends' fundraising committee and the City's LAC, said the effort will start with large donors then continue into the general public, which may extend beyond groundbreaking. She acknowledged a split decision regarding whether to name the building, but the majority does not favor it. She invited council members to join fundraising efforts and attend an August 12 workshop.

In response to a question from Council Member Bottorff, she said the Friends goal is to net \$350,000 net, which will require raising about \$400,000 overall.

Council Member Termini noted there appears to be consensus about space naming, so the only remaining discussion is the building. He senses little interest in a corporate name, but there is possible consideration of a local family or individual. He suggested setting the building naming rights at \$2 million, with half to construction and half to an endowment.

Council Member Bertrand said the issue is whether the community would support whomever the building is named for. He is comfortable with the vetting process and would welcome that level of support.

Attachment: 6-22-17 draft minutes (1878 : Approval of City Council Minutes)

CAPITOLA CITY COUNCIL REGULAR MEETING MINUTES

June 22, 2017

Council Member Petersen would not like to see a corporate or business name. She would like any potential naming donor to go through the Library Advisory Committee.

Mayor Harlan cannot bring herself to support naming the building after someone.

Council Member Bottorff noted his concerns about the remaining funds needed and is open to reviewing a sizeable donation.

MOTION:	ALLOW NAMING RIGHTS TO INDOOR AND OUTDOOR SPACES AND CONSIDER NAMING THE BUILDING FOR A FAMILY OR INDIVIDUAL WHO DONATES \$2 MILLION, HALF TO CONSTRUCTION COSTS AND HALF TO AN ONGOING SUPPORT ENDOWMENT, PENDING APPROVAL BY ALL LIBRARY OVERSIGHT ENTITIES.
RESULT:	ADOPTED [3 TO 2]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Jacques Bertrand, Council Member
AYES:	Jacques Bertrand, Michael Termini, Kristen Petersen
NAYS:	Ed Bottorff, Stephanie Harlan

- B. Consider a Resolution for the Levy of Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments for Fiscal Year 2017/2018 [140-05]
RECOMMENDED ACTION: Conduct the public hearing and adopt **Resolution No. 4084** levying the Fiscal Year 2017-2018 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget.

City Manager Goldstein and CVWBIA Board Member Carin Hanna reviewed the annual process for making assessments.

Council Member Bertrand confirmed with Board Member Hanna the association's process for annual meetings and increased membership participation.

There was no public comment.

MOTION:	APPROVE THE RESOLUTION LEVYING ANNUAL CVWBIA ASSESSMENTS
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Ed Bottorff, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

- C. Designation of Voting Delegate and Alternate for the 2017 League of California Cities Annual Conference [150-50]
RECOMMENDED ACTION: Designate Capitola's voting delegate and alternate.

Mayor Harlan asked if Council Member Bertrand wished to represent the City again this year. He offered to allow Council Member Petersen the opportunity, which she welcomed.

MOTION:	DESIGNATE COUNCIL MEMBER PETERSEN AS THE VOTING DELEGATE AND COUNCIL MEMBER BERTRAND AS ALTERNATE FOR THE 2017 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ed Bottorff, Council Member
SECONDER:	Michael Termini, Vice Mayor
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

D. Consider the 2017-2018 Salary Schedule [600-10]
RECOMMENDED ACTION: Approve **Resolution No. 4085** authorizing the Fiscal Year 2017/18 annual salary adjustment consistent with existing employee labor agreements.

Assistant to the City Manager Larry Laurent noted the salary schedule reflects a 3.1 percent cost of living increase previously negotiated with employee groups. He added that Classic PERS (Public Employee Retirement System) Members will pay 1.2 percent additional contribution toward pension costs and the City will increase its health insurance contribution by 2.5 percent.

Mayor Harlan read a statement as required by state law declaring that the increase applies to the City Manager and department heads.

MOTION:	APPROVE THE SALARY SCHEDULE RESOLUTION
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Termini, Vice Mayor
SECONDER:	Jacques Bertrand, Council Member
AYES:	Bottorff, Bertrand, Harlan, Termini, Petersen

9. ADJOURNMENT

The meeting was adjourned at 8:32 p.m.

ATTEST:

Stephanie Harlan, Mayor

Linda Fridy, City Clerk

Attachment: 6-22-17 draft minutes (1878 : Approval of City Council Minutes)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Finance Department

SUBJECT: Approval of City Check Register Reports Dated June 2, June 9, June 16, June 23 and June 30, 2017

RECOMMENDED ACTION: Approve check registers.

BACKGROUND: Check registers are attached for:

Account: City Main				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
6/02/2017	86725	86771	51	\$146,016.02
6/09/2017	86772	86820	49	\$74,345.25
6/16/2017	86821	86895	80	\$395,969.93
6/23/2017	86896	86962	67	\$153,826.12
6/30/2017	86963	87048	93	\$232,960.12

The City Main check register dated May 26, 2017, ended with check #86724.

Account: Library				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
6/09/2017	24	24	1	\$1,265
6/23/2017	25	26	2	\$123,733.79

The Library account check register dated May 26, 2017, ended with check #23.

Account: Payroll				
Date	Starting Check #	Ending Check #	Check/EFT Count	Amount
6/09/2017	5126	5131	95	\$147,159.67
6/23/2017	5132	5146	124	\$188,556.05
6/30/2017	5147	5147	1	\$485.63

The Payroll account check register dated May 26, 2017, ended with check #5123.

Payroll check #5124 was an employee's final paycheck, issued on May 24.

Payroll check #5125 was voided.

Following is a list of checks issued for more than \$10,000.00 and a brief description of the

Approval of City Check Registers
July 27, 2017

expenditure:

Check	Issued to	Dept.	Description	Amount
eft447	CalPERS Health	FN	June health insurance	\$59,356.72
eft449	IRS	FN	Federal taxes & Medicare PPE 05-20-17	\$26,524.97
86807	PG&E	PW	Monthly utilities	\$13,725.93
86835	Community Bridges	CM	Grant funding	\$56,662
86837	County of Santa Cruz	CM	Emergency winter shelter cost share	\$25,200
86839	Donald W. Alley	PW	Fish and wildlife monitoring	\$10,061.18
86850	ICMA Retirement Trust	FN	Employee 457 contributions	\$14,232.31
86851	Kimley-Horn and Associates Inc	PW	May engineering consultant services	\$11,462.95
86864	County Auditor-Controller	PD	May citation processing	\$14,077
85874	Soquel Creek Water District	PW	Monthly water fees	\$12,598.20
86882	Wells Fargo Bank	FN	May credit card purchases	\$11,272.12
eft451	CalPERS	FN	PERS contributions PPE 5-20-17	\$46,179.73
eft453	CalPERS	FN	PERS contributions PPE 6-03-17	\$46,043.40
eft455	IRS	FN	Federal taxes & Medicare	\$27,006.31
86901	Atchison Barisone Condotti & Kovacevich	CM	May legal services	\$16,226.93
86921	Granite Rock Company	PW	2016 street rehab. project retention release and Park Ave. K-rail	\$75,684.01
86961	Cresco Equipment Rentals	PW	Cat D6T tractor rental for beach grading	\$12,442.25
26	Noll and Tam Architects	PW	Library design development	\$122,957.79
86963	CalPERS	FN	OPEB trust contribution	\$54,908.44
87010	PG&E	PW	Monthly utilities	\$15,367.86
eft457	CalPERS	FN	PERS contributions PPE 6-17-17	\$46,072.64
eft459	IRS	FN	Federal taxes & Medicare	\$34,615.43

ATTACHMENTS:

1. 06-02-17 City Check Register
2. 06-09-17 City Check Register
3. 06-16-17 City Check Register
4. 06-23-17 City Check Register
5. 06-30-17 City Check Register

Approval of City Check Registers
July 27, 2017

Report Prepared By: Maura Herlihy
Account Technician

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/14/2017

City Checks Issued June 2, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86725	06/01/2017	Open			AMY BOSSO	\$195.00
	Invoice		Date	Description		Amount
	2017-00000884		05/16/2017	Late Spring Instructor Payments 2017 - Reissued		\$195.00
86726	06/02/2017	Open			AFLAC	\$989.14
	Invoice		Date	Description		Amount
	558789		05/31/2017	May supplemental insurance 1001 - Payroll Payables		\$989.14
86727	06/02/2017	Open			BEN IRAO	\$250.70
	Invoice		Date	Description		Amount
	052517		05/25/2017	Boots for Irao		\$250.70
86728	06/02/2017	Open			BTJ ENTERPRISES	\$1,065.32
	Invoice		Date	Description		Amount
	513P		05/24/2017	Twilight concert postcard postage deposit		\$1,065.32
86729	06/02/2017	Open			CALE AMERICA INC.	\$250.00
	Invoice		Date	Description		Amount
	145094		05/23/2017	Service to paystations		\$250.00
86730	06/02/2017	Open			CALIFORNIA COAST UNIFORM COMPANY	\$58.95
	Invoice		Date	Description		Amount
	5411		05/23/2017	Uniform for Noah Sherin Explorer		\$58.95
86731	06/02/2017	Open			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,643.00
	Invoice		Date	Description		Amount
	POA052617		05/26/2017	POA and gym dues PPE 05-20-17 1001 - Payroll Payables		\$1,643.00
86732	06/02/2017	Open			COMMUNITY ACTION BOARD	\$9,622.47
	Invoice		Date	Description		Amount
	CAB051817		05/18/2017	April housing assistance reimbursement claim 5552 - Cap Hsg Succ- Program Income		\$9,622.47
86733	06/02/2017	Open			DAVE JOHNSTON	\$241.80
	Invoice		Date	Description		Amount
	2017-00000929		05/16/2017	Late Spring Instructor Payments 2017		\$241.80
86734	06/02/2017	Open			EWING IRRIGATION	\$360.56
	Invoice		Date	Description		Amount
	3351108		05/18/2017	Irrigation supplies		\$12.17
	3369314		05/20/2017	Irrigation supplies for lower Pac Cove lot		\$236.30
	3369315		05/20/2017	PVC cap		\$8.31
	3371653		05/23/2017	Irrigation supplies lower Pac Cove lot		\$71.99
	3418990		05/27/2017	Irrigation supplies		\$31.79
86735	06/02/2017	Open			FEDERAL EXPRESS	\$27.50
	Invoice		Date	Description		Amount
	5-808-54588		05/19/2017	Recreation shipping		\$27.50

Attachment: 06-02-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 2, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86736	06/02/2017	Open			FIRST ALARM SECURITY & PATROL INC.	\$300.00
	Invoice		Date	Description		Amount
	532433		05/22/2017	June patrol for Jade St. park		\$300.00
86737	06/02/2017	Open			FIRST ALARM SECURITY & PATROL INC.	\$208.89
	Invoice		Date	Description		Amount
	315260		05/18/2017	Quarterly recreation center alarm		\$208.89
86738	06/02/2017	Open			FLYERS ENERGY LLC	\$5,014.37
	Invoice		Date	Description		Amount
	17-469416		05/22/2017	424 gallons ethanol		\$1,338.85
	17-469417		05/22/2017	100 gallons diesel		\$283.33
	17-472683		05/26/2017	641 gallons ethanol		\$2,079.92
	17-472685		05/26/2017	207 gallons diesel		\$573.87
	17-470355		05/22/2017	265 gallons diesel		\$738.40
86739	06/02/2017	Open			FRANK PERRY	\$321.88
	Invoice		Date	Description		Amount
	Perry052917		05/29/2017	Museum exhibit supplies		\$321.88
86740	06/02/2017	Open			GEORGE H WILSON INC	\$474.68
	Invoice		Date	Description		Amount
	000120066		05/10/2017	Relocate PD thermostat		\$474.68
86741	06/02/2017	Open			GLOBAL ENVIRONMENTAL PRODUCTS INC	\$406.02
	Invoice		Date	Description		Amount
	638170		05/23/2017	Rectangular plug for sweeper		\$12.33
	638227		05/25/2017	Automatic brake adjuster 1310 - Gas Tax		\$393.69
86742	06/02/2017	Open			GREEN LINE	\$1,404.00
	Invoice		Date	Description		Amount
	66109		05/17/2017	Drywell pumping		\$1,404.00
86743	06/02/2017	Open			HOSE SHOP	\$9.29
	Invoice		Date	Description		Amount
	397160		05/22/2017	Adapter		\$9.29
86744	06/02/2017	Open			ICMA RETIREMENT TRUST 457	\$4,275.80
	Invoice		Date	Description		Amount
	41401093		05/26/2017	457 contributions PPE 05-20-17 1001 - Payroll Payables		\$4,275.80
86745	06/02/2017	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$3,950.00
	Invoice		Date	Description		Amount
	8939091		04/30/2017	ESHA mapping 1313 - General Plan Update and Maint		\$3,950.00

Attachment: 06-02-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 2, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86746	06/02/2017	Open			LABORMAX STAFFING	\$2,368.58
	Invoice		Date	Description		Amount
	26-77671		05/26/2017	Seasonal labor		\$2,368.58
86747	06/02/2017	Open			LIFE INSURANCE CO OF NORTH AMERICA-CIGNA	\$2,220.65
	Invoice		Date	Description		Amount
	2017-00000940		05/30/2017	May Life, LTD, STD, AD&D insurance		\$2,220.65
				1000 - General Fund	\$31.38	
				1001 - Payroll Payables	\$2,189.27	
86748	06/02/2017	Open			LIUNA PENSION FUND	\$756.80
	Invoice		Date	Description		Amount
	CS3670		05/30/2017	May LIUNA pension dues		\$756.80
				1001 - Payroll Payables		
86749	06/02/2017	Open			LLOYDS TIRE SERVICE	\$163.06
	Invoice		Date	Description		Amount
	306839		05/31/2017	Tire purchase		\$163.06
86750	06/02/2017	Open			LP POLICE	\$450.00
	Invoice		Date	Description		Amount
	417LP31150		04/30/2017	Monthly plan fee		\$450.00
86751	06/02/2017	Open			MADELINE C HORN	\$750.00
	Invoice		Date	Description		Amount
	004		05/24/2017	Cataloging and organizing museum artifacts		\$750.00
86752	06/02/2017	Open			MARC KRAFT	\$343.20
	Invoice		Date	Description		Amount
	2017-00000931		05/16/2017	Late Spring Instructor Payments 2017		\$343.20
86753	06/02/2017	Open			MARQUIS BOOTH	\$96.60
	Invoice		Date	Description		Amount
	Booth042717		04/27/2017	Team building workshop expenses		\$96.60
86754	06/02/2017	Open			MISSION PRINTERS	\$301.83
	Invoice		Date	Description		Amount
	55061		05/22/2017	Envelopes (3,000)		\$301.83
				2210 - ISF - Stores Fund		
86755	06/02/2017	Open			NANCY HOWELLS	\$122.85
	Invoice		Date	Description		Amount
	2017-00000930		05/16/2017	Late Spring Instructor Payments 2017		\$122.85

Attachment: 06-02-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 2, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86756	06/02/2017	Open			PALACE OFFICE SUPPLIES	\$330.67
	Invoice		Date	Description		Amount
	426269-0		05/22/2017	Office supplies		\$91.72
	427231-0		05/30/2017	Office supplies		\$232.95
	426627-0		05/24/2017	Office supplies		\$6.00
				1000 - General Fund	\$91.72	
				2210 - ISF - Stores Fund	\$238.95	
86757	06/02/2017	Open			PRAXAIR DISTRIBUTION INC.	\$91.88
	Invoice		Date	Description		Amount
	77458818		05/22/2017	Acetylene cylinder rental		\$91.88
86758	06/02/2017	Open			PRINTWORX	\$1,329.97
	Invoice		Date	Description		Amount
	0025614-IN		05/24/2017	Twilight concert postcard printing		\$1,329.97
86759	06/02/2017	Open			PUBLIC ENGINES INC.	\$1,425.60
	Invoice		Date	Description		Amount
	24719		05/01/2017	Crime reports annual renewal		\$1,425.60
86760	06/02/2017	Open			SECURITY SHORING AND STEEL PLATES INC	\$2,227.96
	Invoice		Date	Description		Amount
	150973		05/17/2017	Steel plate rental - Depot Hill		\$240.00
	151228		05/17/2017	6x10 steel plate		\$1,987.96
86761	06/02/2017	Open			SHERRI BETZ	\$36.40
	Invoice		Date	Description		Amount
	2017-00000932		05/25/2017	Late Spring Instructor Payments 2017		\$36.40
86762	06/02/2017	Open			SILICON VALLEY MONTEREY BAY COUNCIL BSA	\$154.00
	Invoice		Date	Description		Amount
	73845		10/28/2016	Refunded registration and insurance		(\$35.50)
	EO615		05/25/2017	Explorer registration		\$189.50
86763	06/02/2017	Open			SOQUEL CREEK WATER DISTRICT	\$2,876.89
	Invoice		Date	Description		Amount
	032717		05/26/2017	Pac Cove water leak invoice (credit received)		\$2,876.89
86764	06/02/2017	Open			T&T PAVEMENT MARKINGS AND PRODUCTS INC	\$2,963.14
	Invoice		Date	Description		Amount
	2017129		04/03/2017	Traffic paint		\$2,963.14
				1310 - Gas Tax		
86765	06/02/2017	Open			UNITED WAY OF SANTA CRUZ COUNTY	\$30.00
	Invoice		Date	Description		Amount
	UW053117		05/30/2017	May United Way contributions		\$30.00
				1001 - Payroll Payables		

Attachment: 06-02-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 2, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86766	06/02/2017	Open			UPEC LIUNA LOCAL 792	\$1,228.50
	Invoice		Date	Description		Amount
	1111		05/30/2017	May UPEC dues 1001 - Payroll Payables		\$1,228.50
86767	06/02/2017	Open			US BANK PARS	\$452.59
	Invoice		Date	Description		Amount
	PARS052617		05/26/2017	PARS contributions PPE 05-20-17 1001 - Payroll Payables		\$452.59
86768	06/02/2017	Open			WATCHGUARD VIDEO	\$45.78
	Invoice		Date	Description		Amount
	ACCINV0011162		05/09/2017	Shirt clips for body cams		\$45.78
86769	06/02/2017	Open			John McDonald	\$500.00
	Invoice		Date	Description		Amount
	17-062		05/24/2017	Tree deposit refund #17-062		\$500.00
86770	06/02/2017	Open			Robert Rosendale	\$39.00
	Invoice		Date	Description		Amount
	199124846		05/25/2017	Citation refund		\$39.00
86771	06/02/2017	Open			Suzanne Randolph	\$234.00
	Invoice		Date	Description		Amount
	2002945.002		05/24/2017	Junior guards refund		\$234.00
Type Check Totals:						\$52,609.32

Attachment: 06-02-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 2, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
<u>EFT</u>						
447	05/31/2017	Reconciled	05/31/2017		CalPERS Health Insurance	\$59,356.72
	Invoice		Date	Description		Amount
	10008655733		05/31/2017	June health insurance		\$59,356.72
				1000 - General Fund	\$2,521.28	
				1001 - Payroll Payables	\$56,835.44	
448	06/01/2017	Open			EMPLOYMENT DEVELOPMENT DEPT	\$6,407.17
	Invoice		Date	Description		Amount
	0-186-069-888		06/01/2017	State taxes PPE 05-20-17		\$6,407.17
				1001 - Payroll Payables		
449	05/31/2017	Reconciled	05/31/2017		INTERNAL REVENUE SERVICE	\$26,524.97
	Invoice		Date	Description		Amount
	43514604		05/31/2017	Federal taxes & Medicare PPE 05-20-17		\$26,524.97
				1001 - Payroll Payables		
450	05/30/2017	Reconciled	05/31/2017		STATE DISBURSEMENT UNIT	\$1,117.84
	Invoice		Date	Description		Amount
	VGZVBBH6657		05/30/2017	Garnishments PPE 05-20-17		\$1,117.84
				1001 - Payroll Payables		
Type EFT Totals:						\$93,406.70

Attachment: 06-02-17 City Check Register (1924 : Approval of City Check Registers)

CITY - Main City Totals

Checks	47	Totals:	\$52,609.32
EFTs	4		\$93,406.70
All	51		\$146,016.02

City Checks Issued June 9, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86772	06/08/2017	Open			CHRIS HOLYOAKE	\$500.00
	Invoice		Date	Description		Amount
	0114		05/16/2017	BIA website optimization 1321 - BIA - Capitola Village-Wharf BIA		\$500.00
86773	06/09/2017	Open			ALVAREZ TECHNOLOGY GROUP INC	\$200.00
	Invoice		Date	Description		Amount
	41691		06/05/2017	After hours IT support 2211 - ISF - Information Technology		\$200.00
86774	06/09/2017	Open			AT&T/CALNET 3	\$1,871.97
	Invoice		Date	Description		Amount
	000009677340		05/13/2017	Monthly telephone service & T-1 access		\$1,105.37
	000009678008		05/13/2017	Monthly telephone service & T-1 access 1000 - General Fund	\$1,573.26	\$766.60
				2211 - ISF - Information Tech	\$298.71	
86775	06/09/2017	Open			AUTOMATION TEST ASSOCIATES	\$40.00
	Invoice		Date	Description		Amount
	44958		05/22/2017	Monthly wharf meter reading and billing calculation 1311 - Wharf		\$40.00
86776	06/09/2017	Open			BILL TASHNICK	\$33.00
	Invoice		Date	Description		Amount
	060217		06/02/2017	Softball Officials 5/22 - 6/2/2017		\$33.00
86777	06/09/2017	Open			BTJ ENTERPRISES	\$547.45
	Invoice		Date	Description		Amount
	5016		05/24/2017	Twilight concerts postcard production		\$547.45
86778	06/09/2017	Open			CALE AMERICA INC.	\$1,829.00
	Invoice		Date	Description		Amount
	145169		05/30/2017	May active meters		\$1,829.00
86779	06/09/2017	Open			CARIN HANNA	\$261.00
	Invoice		Date	Description		Amount
	060817		05/11/2017	BIA website management 1321 - BIA - Capitola Village-Wharf BIA		\$261.00
86780	06/09/2017	Open			COMMUNITY TELEVISION OF SCC	\$2,035.50
	Invoice		Date	Description		Amount
	2400		05/04/2017	April public meeting broadcasts		\$501.50
	2391		04/11/2017	March public meeting broadcasts		\$678.50
	2413		06/02/2017	May public meeting broadcasts		\$855.50
86781	06/09/2017	Open			COMMUNITY TREE SERVICE INC	\$6,700.00
	Invoice		Date	Description		Amount
	7558		03/15/2017	Storm damage - tree services on Park Ave.		\$6,700.00
86782	06/09/2017	Open			CPS	\$492.80
	Invoice		Date	Description		Amount
	SOP44134		05/19/2017	Entry level law enforcement testing materials		\$492.80

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 9, 2017

Invoice #	Date	Description	Amount	
86783	06/09/2017	Open	CVS PHARMACY INC.	\$37.33
Invoice	Date	Description	Amount	
053017	05/30/2017	Recreation supplies	\$37.33	
86784	06/09/2017	Open	D & G SANITATION	\$1,189.12
Invoice	Date	Description	Amount	
240618	05/31/2017	Esplanade park fencing	\$54.50	
240619	05/31/2017	McGregor park portable toilets	\$252.65	
240620	05/31/2017	wharf portable toilets	\$574.84	
240621	05/31/2017	Pac Cove parking lot portable toilets	\$307.13	
		1000 - General Fund	\$614.28	
		1311 - Wharf	\$574.84	
86785	06/09/2017	Open	ED MORRISON	\$4,550.00
Invoice	Date	Description	Amount	
2017-11	06/02/2017	May PW inspections	\$4,550.00	
86786	06/09/2017	Open	ELEVATOR SERVICE COMPANY INC.	\$170.00
Invoice	Date	Description	Amount	
12171	06/01/2017	Quarterly elevator lube and inspection	\$170.00	
86787	06/09/2017	Open	EMERGENCY VEHICLE SPECIALISTS INC.	\$3,451.75
Invoice	Date	Description	Amount	
7047	05/11/2017	2017 Toyota Tacoma VIN 037519 equipment installation	\$271.34	
7046	05/11/2017	2017 Toyota Tacoma VIN 037519 equipment installation	\$2,750.00	
7049	05/11/2017	2011 Ford Crown Victoria VIN 77128 equipment installation	\$430.41	
		1300 - SLESF - Supl Law Enfc		
86788	06/09/2017	Open	EXTREME TOWING	\$300.00
Invoice	Date	Description	Amount	
007026	05/29/2017	Towing services	\$300.00	
86789	06/09/2017	Open	FIRST ALARM SECURITY & PATROL INC.	\$620.00
Invoice	Date	Description	Amount	
530304	04/21/2017	McGregor park patrol services	\$310.00	
532425	05/22/2017	McGregor park patrol services	\$310.00	
86790	06/09/2017	Open	FRED C. BEYERS	\$231.00
Invoice	Date	Description	Amount	
060217	06/02/2017	Softball Officials 5/22 - 6/2/2017	\$231.00	
86791	06/09/2017	Open	GEORGE McMENAMIN	\$940.00
Invoice	Date	Description	Amount	
17riparian15	06/07/2017	June riparian restoration services	\$940.00	
86792	06/09/2017	Open	GROWING UP IN SANTA CRUZ	\$353.00
Invoice	Date	Description	Amount	
1551	06/01/2017	Advertising	\$353.00	
86793	06/09/2017	Open	HARO KASUNICH AND ASSOCIATES	\$1,428.75
Invoice	Date	Description	Amount	
11291-17050	05/05/2017	Park Avenue road evaluation	\$1,428.75	

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 9, 2017

Invoice #	Date	Description	Amount	
86794	06/09/2017	Open	HOME DEPOT CREDIT SERVICES	\$796.53
Invoice	Date	Description	Amount	
3010462	05/10/2017	Respirator, cartridges, headlamp, wrench set	\$136.56	
3040230	05/10/2017	Graffiti supplies	\$24.20	
2010579	05/11/2017	Chisels and bucket	\$52.62	
1572390	05/12/2017	Lights	\$108.42	
6020349	05/17/2017	Wood for flume	\$92.01	
6020355	05/17/2017	Flume hardware	\$76.94	
5596757	05/18/2017	Wood screws - flume screens	\$17.28	
1021124	05/22/2017	Pushbroom	\$28.19	
6123242	04/27/2017	Mulch	\$26.04	
9574335	05/24/2017	Glass cleaner	\$7.06	
3570051	05/30/2017	Community center supplies	\$27.10	
3174170	05/30/2017	Tree stakes - beach	\$135.08	
0563187	05/23/2017	Sledge hammers	\$65.03	
86795	06/09/2017	Open	INTERSTATE SALES	\$2,843.15
Invoice	Date	Description	Amount	
15393	05/17/2017	Solar retrofit flashing light kit (reimbursable expense)	\$2,843.15	
86796	06/09/2017	Open	JAMES P ALLEN	\$270.00
Invoice	Date	Description	Amount	
052617	05/24/2017	City Hall tree root damage assessment	\$270.00	
86797	06/09/2017	Open	KATHY D'ANGELO	\$478.00
Invoice	Date	Description	Amount	
000V-06012017	06/01/2017	Robley Levy interview digital services	\$478.00	
86798	06/09/2017	Open	KBA Docusys Inc.	\$796.53
Invoice	Date	Description	Amount	
INV552245	06/02/2017	Recreation copier usage charges	\$39.80	
INV551654	06/01/2017	Copier usage charges	\$529.38	
INV551653	06/01/2017	Copier usage charges	\$227.35	
		1000 - General Fund	\$39.80	
		2211 - ISF - Information Tech	\$756.73	
86799	06/09/2017	Open	LABORMAX STAFFING	\$993.46
Invoice	Date	Description	Amount	
26-78022	06/02/2017	Seasonal labor	\$993.46	
86800	06/09/2017	Open	LEWIS TREE SERVICE INC.	\$950.00
Invoice	Date	Description	Amount	
26460	05/31/2017	Remove 3 Liquidamber trees along 30th Avenue	\$950.00	
86801	06/09/2017	Open	MASTER CLEANERS	\$1,054.18
Invoice	Date	Description	Amount	
may2017	05/31/2017	May uniform cleaning	\$1,054.18	
86802	06/09/2017	Open	MICHAEL ARNONE	\$375.00
Invoice	Date	Description	Amount	
201612-1	11/16/2016	Capitola Ave. street trees consultation and report	\$375.00	

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 9, 2017

Invoice	Date	Description	Amount	
86803	06/09/2017	Open	MID COUNTY AUTO SUPPLY	\$580.83
35768	05/10/2017	hydraulic fluid	\$21.15	
36450	05/16/2017	antifreeze for sweeper	\$112.93	
36510	05/16/2017	transmission funnel	\$11.43	
36776	05/18/2017	Hitch ball, mount and pin	\$36.07	
36808	05/18/2017	Diesel clean fluid	\$24.50	
37122	05/22/2017	Battery, tire shine	\$284.82	
37449	05/24/2017	Auto parts	\$49.05	
38147	05/31/2017	Auto parts	\$40.88	
		1000 - General Fund	\$467.90	
		1310 - Gas Tax	\$112.93	
86804	06/09/2017	Open	MISSION LINEN SUPPLY	\$696.61
504856212	05/08/2017	Recreation center mat service, dust mop	\$67.73	
504904337	05/15/2017	PD mats	\$48.18	
504875458	05/10/2017	Linen service	\$101.59	
504875457	05/10/2017	linen service	\$35.65	
504920535	05/17/2017	Linen service	\$77.54	
504960797	05/22/2017	Center maps & mops	\$67.73	
505008085	05/26/2017	PD mat service	\$48.18	
504978086	05/24/2017	Linen service	\$101.59	
504978085	05/24/2017	Linen service	\$33.65	
504920534	05/17/2017	Linen service	\$33.65	
505024931	05/31/2017	Linen service	\$81.12	
86805	06/09/2017	Open	MOFFATT AND NICHOL	\$705.00
726696	06/07/2017	Wharf condition assessment	\$705.00	
		1311 - Wharf		

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 9, 2017

Invoice	Date	Description	Amount	
86806	06/09/2017	Open	ORCHARD SUPPLY HARDWARE	\$750.29
032532	05/05/2017	Graffiti supplies	\$11.70	
045003	05/11/2017	Plants and whisk broom	\$33.10	
159236	05/15/2017	Paint and safety vest	\$37.26	
035316	05/16/2017	Water hose, rodent control	\$97.27	
159746	05/18/2017	Tubs	\$22.76	
046141	05/18/2017	Storage bins, glue	\$35.62	
035962	05/19/2017	Graffiti paint	\$23.81	
024654	05/22/2017	Drill bit and supplies - LED stop	\$44.07	
024806	05/23/2017	Drill bit and supplies - LED stop	\$60.03	
036949	05/23/2017	Sprayer	\$41.41	
025324	05/24/2017	Recreation supplies	\$10.34	
151855	05/30/2017	Electrical supplies	\$3.82	
027185	05/30/2017	screws, epoxy, tape	\$20.96	
038404	05/28/2017	Graffiti paint and supplies	\$57.72	
039507	06/01/2017	Gloves	\$17.59	
152773	06/05/2017	Screws	\$2.83	
025165	05/24/2017	Primer	\$14.88	
035899	05/19/2017	nuts, magnets	\$45.51	
047336	05/26/2017	clamps, tire shine	\$27.09	
058731	05/23/2017	Rust stopper	\$14.88	
159598	05/17/2017	lag eye screw	\$16.50	
023304	05/18/2017	nut driver, hose clamps	\$19.61	
023306	05/18/2017	Nut drivers	\$6.19	
025257	05/24/2017	primer, gloss	\$6.20	
032227	05/04/2017	Rollers, mineral spirits	\$79.14	
86807	06/09/2017	Open	PACIFIC GAS & ELECTRIC	\$13,725.93
PGE041417-acct5	04/14/2017	Pac cove parking lot utilities	(\$252.71)	
PGE041217-acct0	04/12/2017	Wharf Road Rispin Mansion utilities	(\$7.87)	
05232017-acct9	05/23/2017	Monthly utilities	\$13,568.66	
05142017-acct5	05/14/2017	Pac cove parking lot utilities	\$408.00	
05122017-acct0	05/12/2017	Wharf Road Rispin Mansion utilities	\$9.85	
		1000 - General Fund	\$4,226.22	
		1300 - SLESF - Supl Law Enfc	\$168.47	
		1310 - Gas Tax	\$7,260.95	
		1311 - Wharf	\$2,070.29	
86808	06/09/2017	Open	PALACE OFFICE SUPPLIES	\$513.08
427378-0	05/31/2017	Supplies	\$99.65	
427983-0	06/05/2017	Calculator ribbon	\$3.61	
427333-0	05/31/2017	poster frame	\$50.71	
428034-0	06/05/2017	Office supplies	\$157.46	
428035-0	06/05/2017	Office supplies	\$11.33	
9388917-0	05/26/2017	Office supplies	\$71.89	
427107-0	05/30/2017	Office supplies	\$28.31	
427830-0	06/02/2017	clip holders	\$35.58	
427715-0	06/02/2017	folders	\$54.54	
		1000 - General Fund	\$368.64	
		2210 - ISF - Stores Fund	\$144.44	

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 9, 2017

Invoice #	Date	Description	Amount	
86809	06/09/2017	Open	PAST PERFECT SOFTWARE INC.	\$440.00
Invoice 2017-34339	05/22/2017	Annual museum software support renewal 2211 - ISF - Information Technology	\$440.00	
86810	06/09/2017	Open	PREFERRED BENEFIT INSURANCE ADMIN.	\$5,554.70
Invoice EIA21123	06/01/2017	June dental and vision insurance 1000 - General Fund \$221.40 1001 - Payroll Payables \$449.48	\$5,554.70	
86811	06/09/2017	Open	SAN LORENZO LUMBER	\$670.88
Invoice 55-0267321	05/16/2017	Visqueen rolls	\$221.40	
55-0267329	05/16/2017	Wharf benches	\$12.34	
55-0267465	05/17/2017	Decking hardware	\$386.60	
55-0269884	05/25/2017	Supplies	\$50.54	
86812	06/09/2017	Open	SANTA CRUZ SENTINEL	\$1,656.56
Invoice 0001054207	05/31/2017	PD recruitment advertising	\$1,656.56	
86813	06/09/2017	Open	SPECTRUM BUSINESS	\$3,655.50
Invoice SB051917	05/19/2017	Monthly internet service 1000 - General Fund \$1,492.89 2211 - ISF - Information Tech \$2,162.61	\$3,655.50	
86814	06/09/2017	Open	SPORT ABOUT GRAPHICS	\$916.56
Invoice 7554	06/01/2017	Softball shirts	\$364.48	
7551	05/31/2017	JG shirts (50)	\$552.08	
86815	06/09/2017	Open	STAPLES ADVANTAGE	\$85.42
Invoice 8044724983	05/27/2017	Cable ties	\$8.06	
8044610895	05/20/2017	Office supplies	\$77.36	
86816	06/09/2017	Open	SUPPLYWORKS	\$2,007.32
Invoice 401847694	05/26/2017	Cleaning supplies	\$2,007.32	
86817	06/09/2017	Open	T MOBILE	\$2,912.05
Invoice 053117	05/31/2017	Monthly cell phone usage	\$2,912.05	
86818	06/09/2017	Open	THE CLEANING MACHINE INC.	\$2,680.00
Invoice 6134	05/24/2017	Sidewalk cleaning	\$2,680.00	

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 9, 2017

86819	06/09/2017	Open		WESTERN STATES ARTS FEDERATION		\$450.00
	Invoice		Date	Description		Amount
	17-502		05/31/2017	Playable sculpture application and jury module fee		\$450.00
				1315 - Public Art Fee Fund		
86820	06/09/2017	Open		Timothy Mathews		\$6.00
	Invoice		Date	Description		Amount
	2017-00000956		06/05/2017	Refund parking permits 1417 and 1418		\$6.00

Type Check Totals: \$74,345.25

Library - Library
Check

24	06/09/2017	Open		BOGARD CONSTRUCTION INC		\$1,265.00
	Invoice		Date	Description		Amount
	160707-09		05/31/2017	Library project management services		\$1,265.00
				1360 - Library Fund		

Type Check Totals: \$1,265.00

CITY - Main City Totals	Counts:	Totals:
Checks	49	\$74,345.25
EFTs	0	\$0.00
All	49	\$74,345.25

Library - Library Totals		
Checks	1	\$1,265.00
EFTs	0	\$0.00
All	1	\$1,265.00

WELLS - Payroll Totals		
Checks	6	\$4,488.47
EFTs	89	\$142,671.20
All	95	\$147,159.67

Grand Totals:		
Checks	56	\$80,098.72
EFTs	89	\$142,671.20
All	145	\$222,769.92

Attachment: 06-09-17 City Check Register (1924 : Approval of City Check Registers)

City accounts payable checks dated 6/16/2017, numbered 86821 to 86895 plus 6 EFTs, totaling \$395,969.93, have been reviewed and authorized for distribution by the City Manager.

As of 6/16/2017 the unaudited cash balance is \$4,785,125.30.

CASH POSITION - CITY OF CAPITOLA 6/16/17

	<u>Net Balance</u>
General Fund	\$768,260.08
Payroll Payables	\$44,855.08
Contingency Reserve Fund	\$1,903,345.66
Facilities Reserve Fund	\$339,870.00
Capital Improvement Fund	\$795,309.67
Stores Fund	\$24,436.33
Information Technology Fund	\$110,855.44
Equipment Replacement	\$177,179.93
Self-Insurance Liability Fund	\$304,414.70
Workers' Comp. Ins. Fund	\$224,338.79
Compensated Absences Fund	\$92,259.62
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$4,785,125.30</u></u>

The Emergency Reserve Fund balance is \$1,277,205.54.

The PERS Contingency Fund balance is \$300,000.

The Library Fund balance is \$655,487.97.



 Jamie Goldstein, City Manager

6/16/17

 Date



 Peter Wilk, City Treasurer

6/22/17

 Date

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86821	06/16/2017	Open			ADVOCACY INC.	\$3,840.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$3,840.00
86822	06/16/2017	Open			ARTS COUNCIL OF SANTA CRUZ COUNTY	\$498.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$498.50
86823	06/16/2017	Open			BEN NOBLE URBAN AND REGIONAL PLANNING	\$2,160.00
	Invoice		Date	Description		Amount
	1133		06/05/2017	May draft zoning code update services 1313 - General Plan Update and Maint		\$2,160.00
86824	06/16/2017	Open			BIG BROTHERS BIG SISTERS OF SC COUNTY	\$1,443.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$1,443.00
86825	06/16/2017	Open			CA DEPARTMENT OF JUSTICE	\$128.00
	Invoice		Date	Description		Amount
	237315		06/05/2017	Recreation fingerprinting		\$32.00
	235733		06/05/2017	May finger printing applications		\$96.00
86826	06/16/2017	Open			CABRILLO COLLEGE STROKE CENTER	\$3,584.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$3,584.00
86827	06/16/2017	Open			CALIFORNIA GREY BEARS INC.	\$7,432.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$7,432.00
86828	06/16/2017	Open			CALIFORNIA POLICE CHIEFS ASSOCIATION	\$145.00
	Invoice		Date	Description		Amount
	6944		06/16/2017	Membership renewal for Held		\$145.00
86829	06/16/2017	Open			CAMPUS KIDS CONNECTION INC.	\$7,819.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$7,819.00
86830	06/16/2017	Open			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,618.00
	Invoice		Date	Description		Amount
	060917		06/03/2017	POA and gym dues PPE 06-03-17 1001 - Payroll Payables		\$1,618.00
86831	06/16/2017	Open			CAROLYN FLYNN	\$4,200.00
	Invoice		Date	Description		Amount
	CBF-05-2017		06/05/2017	May affordable housing program administration 1000 - General Fund \$2,280.00 5552 - Cap Hsg Succ- Progra \$1,920.00		\$4,200.00

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86832	06/16/2017	Open			CASA OF SANTA CRUZ COUNTY	\$1,584.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$1,584.50
86833	06/16/2017	Open			CENTRAL COAST CENTER FOR INDEPENDENT LIVING	\$5,047.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$5,047.50
86834	06/16/2017	Open			COMMUNITY ACTION BOARD	\$689.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$689.00
86835	06/16/2017	Open			COMMUNITY BRIDGES	\$56,662.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$56,662.00
86836	06/16/2017	Open			CONFLICT RESOLUTION CENTER OF SANTA CRUZ	\$1,607.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$1,607.50
86837	06/16/2017	Open			COUNTY OF SANTA CRUZ	\$25,200.00
	Invoice		Date	Description		Amount
	WS16-4		06/06/2017	Emergency winter shelter HAP cost share		\$25,200.00
86838	06/16/2017	Open			DIENTES COMMUNITY DENTAL CARE	\$701.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$701.50
86839	06/16/2017	Open			DONALD W ALLEY	\$10,061.18
	Invoice		Date	Description		Amount
	617-01		06/13/2017	Fish & Wildlife Monitoring of Soquel Creek Year 3 of 3 FY 16/17		\$10,061.18
86840	06/16/2017	Open			ENCOMPASS COMMUNITY SERVICES	\$7,446.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$7,446.50
86841	06/16/2017	Open			FAMILIES IN TRANSITION	\$1,260.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$1,260.50
86842	06/16/2017	Open			FAMILY SERVICE AGENCY OF THE CENTRAL COAST	\$5,880.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$5,880.50
86843	06/16/2017	Open			GARDAWORLD	\$183.82
	Invoice		Date	Description		Amount
	10309574		06/01/2017	June armored car services		\$183.82

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86844	06/16/2017 Invoice 2484651	Open			GAYLORD ARCHIVAL	\$476.59
			Date	Description		Amount
			05/26/2017	Museum archive supplies		\$476.59
86845	06/16/2017 Invoice 16-17Riparian16	Open			GEORGE McMENAMIN	\$840.00
			Date	Description		Amount
			06/13/2017	June Riparian Restoration Services		\$840.00
86846	06/16/2017 Invoice 061317	Open			HOMELESS SERVICE CENTER OF SANTA CRUZ COUNTY	\$1,340.00
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$1,340.00
86847	06/16/2017 Invoice 061317	Open			HOSPICE of SANTA CRUZ COUNTY	\$804.00
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$804.00
86848	06/16/2017 Invoice 17-11CDBG	Open			HOUSING AUTHORITY OF SCC	\$507.00
			Date	Description		Amount
			06/08/2017	May housing rehabilitation admin. 1350 - CDBG Grants		\$507.00
86849	06/16/2017 Invoice 086551	Open			HUMBOLDT PETROLEUM LLC	\$84.50
			Date	Description		Amount
			05/31/2017	May car washes		\$84.50
86850	06/16/2017 Invoice 41409245	Open			ICMA RETIREMENT TRUST 457	\$14,232.31
			Date	Description		Amount
			06/03/2017	457 contributions PPE 06-03-17 1001 - Payroll Payables		\$14,232.31
86851	06/16/2017 Invoice 097763120-0517	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$11,462.95
			Date	Description		Amount
			05/31/2017	May engineering consultant services 1200 - Capital Improvement Fund		\$11,462.95
86852	06/16/2017 Invoice 26-78338	Open			LABORMAX STAFFING	\$2,489.70
			Date	Description		Amount
			06/09/2017	Seasonal labor		\$2,489.70
86853	06/16/2017 Invoice 005	Open			MADELINE C HORN	\$960.00
			Date	Description		Amount
			06/09/2017	Cataloging and organizing museum artifacts		\$960.00
86854	06/16/2017 Invoice 061317	Open			MONARCH SERVICES	\$1,898.50
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$1,898.50
86855	06/16/2017 Invoice 061317	Open			NATIVE ANIMAL RESCUE	\$600.00
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$600.00

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86856	06/16/2017	Open			O'NEILL SEA ODYSSEY	\$1,471.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$1,471.50
86857	06/16/2017	Open			PALACE OFFICE SUPPLIES	\$221.93
	Invoice		Date	Description		Amount
	429163-0		06/13/2017	Office supplies		\$108.97
	428342-0		06/07/2017	Folders		\$69.35
	428352-0		06/07/2017	Laser printer cards		\$16.50
	428264-0		06/07/2017	Office supplies		\$27.11
				2210 - ISF - Stores Fund		
86858	06/16/2017	Open			PARENTS CENTER OF SANTA CRUZ	\$3,250.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$3,250.00
86859	06/16/2017	Open			PARS	\$126.25
	Invoice		Date	Description		Amount
	37395		06/07/2017	2016 PARS fees		\$126.25
86860	06/16/2017	Open			PUBLIC ENGINES INC.	\$597.00
	Invoice		Date	Description		Amount
	24785		06/01/2017	Quarterly command central analytics subscription		\$597.00
86861	06/16/2017	Open			QUENVOLD'S SAFETY SHOEMOBILES	\$157.69
	Invoice		Date	Description		Amount
	59711		05/26/2017	Safety shoes for Thomas Gonzales		\$157.69
86862	06/16/2017	Open			ROGERS ANDERSON MALODY & SCOTT LLP	\$7,500.00
	Invoice		Date	Description		Amount
	54916		05/31/2017	FY16/17 Audit progress billing		\$7,500.00
86863	06/16/2017	Open			SANTA CRUZ APTOS AUTO TOWING	\$165.00
	Invoice		Date	Description		Amount
	7387		06/05/2017	Pull wharf post from water		\$165.00
				1311 - Wharf		
86864	06/16/2017	Open			SANTA CRUZ COUNTY AUDITOR-CONTROLLER	\$14,077.00
	Invoice		Date	Description		Amount
	SCC053117		05/31/2017	May citation processing		\$14,077.00
86865	06/16/2017	Open			SANTA CRUZ COUNTY INFORMATION SERVICES	\$521.99
	Invoice		Date	Description		Amount
	SCCISD053117		06/01/2017	June open query service		\$521.99
86866	06/16/2017	Open			SANTA CRUZ MUNICIPAL UTILITIES	\$95.63
	Invoice		Date	Description		Amount
	05152017		05/15/2017	Monthly water service for medians		\$95.63

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86867	06/16/2017 Invoice 0001054206	Open			SANTA CRUZ SENTINEL	\$362.40
			Date	Description		Amount
			05/31/2017	May newspaper notices		\$362.40
86868	06/16/2017 Invoice 061317	Open			SANTA CRUZ TODDLER CARE CENTER	\$624.00
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$624.00
86869	06/16/2017 Invoice 061317	Open			SECOND HARVEST FOOD BANK	\$5,227.50
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$5,227.50
86870	06/16/2017 Invoice 061317	Open			SENIOR CITIZENS LEGAL SERVICES	\$4,418.00
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$4,418.00
86871	06/16/2017 Invoice 061317	Open			SENIOR NETWORK SERVICES INC.	\$1,281.50
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding		\$1,281.50
86872	06/16/2017 Invoice 061317a 061317b	Open			SENIORS COUNCIL OF SC COUNTY	\$4,268.50
			Date	Description		Amount
			06/13/2017	FY 16/17 Community Grant funding project scout		\$1,718.50
			06/13/2017	FY 16/17 Community Grant funding companion for life		\$2,550.00
86873	06/16/2017 Invoice Betz061317	Open			SHERRI BETZ	\$72.80
			Date	Description		Amount
			06/13/2017	Late Spring Instructor Payment 2017		\$72.80
86874	06/16/2017 Invoice 05182017 052617	Open			SOQUEL CREEK WATER DISTRICT	\$12,598.20
			Date	Description		Amount
			05/18/2017	Monthly water usage and irrigation fees		\$1,966.13
			06/07/2017	Monthly water usage and irrigation fees		\$10,632.07
				1000 - General Fund	\$12,052.70	
				1311 - Wharf	\$545.50	
86875	06/16/2017 Invoice 8044831977	Open			STAPLES ADVANTAGE	\$59.96
			Date	Description		Amount
			06/03/2017	Office supplies		\$59.96

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86876	06/16/2017	Open			SUMMIT UNIFORMS	\$3,864.19
	Invoice		Date	Description		Amount
	41206		05/10/2017	Uniform for Dally		\$580.12
	41272		05/11/2017	Currier uniform		\$352.88
	41526		05/26/2017	Star & shoulder patches		\$983.25
	41524		05/26/2017	Explorer polos (8)		\$463.22
	41511		05/26/2017	Sandretti replacing stolen flashlight, Hollister PD case 17-1525		\$444.65
	41510		05/26/2017	Uniform for Yeung		\$39.33
	41383		05/18/2017	Pants for S. Ryan		\$80.85
	41207		05/10/2017	Yeung uniform		\$520.03
	41028		05/02/2017	Booth uniform shirt, chevrons, zipper, alterations		\$399.86
86877	06/16/2017	Open			THE DIVERSITY CENTER	\$536.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$536.00
86878	06/16/2017	Open			UNITED WAY OF SANTA CRUZ COUNTY	\$3,723.00
	Invoice		Date	Description		Amount
	061317a		06/13/2017	FY 16/17 Community Grant funding		\$3,235.00
	061317b		06/13/2017	FY 16/17 Community Grant funding: 2-1-1 Help Line		\$488.00
86879	06/16/2017	Open			US BANK PARS	\$439.77
	Invoice		Date	Description		Amount
	PARS060917		06/07/2017	PARS contributions PPE 06-03-17 1001 - Payroll Payables		\$439.77
86880	06/16/2017	Open			VISTA CENTER FOR THE BLIND	\$949.00
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$949.00
86881	06/16/2017	Open			VOLUNTEER CENTERS OF SC COUNTY	\$1,607.50
	Invoice		Date	Description		Amount
	061317		06/13/2017	FY 16/17 Community Grant funding		\$1,607.50
86882	06/16/2017	Open			WELLS FARGO BANK	\$11,272.12
	Invoice		Date	Description		Amount
	WF060217		06/02/2017	May credit card purchases		\$11,272.12
				Purchases above \$500 threshold:		
				lifeguard tower signs	\$797.82	
				police training registration	\$700.00	
				gas safety gear	\$5,148.25	
				handheld marine radios	\$739.97	
				lifesaving manual	\$927.61	
				1000 - General Fund	\$11,098.76	
				1313 - General Plan Update	\$26.00	
				2210 - ISF - Stores Fund	\$24.95	
				2211 - ISF - Information Tech	\$122.41	

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86883	06/16/2017	Open			WESTERN EXTERMINATOR COMPANY	\$109.00
	Invoice		Date	Description		Amount
	5130971		05/31/2017	City Hall - rodent control		\$54.50
	5142854		05/31/2017	Turnouts - rodent control		\$54.50
86884	06/16/2017	Open			ZEE MEDICAL SERVICE CO.	\$118.81
	Invoice		Date	Description		Amount
	66607977		06/07/2017	First aid kit supplies		\$118.81
86885	06/16/2017	Open			Capitola Hotel II	\$1,615.95
	Invoice		Date	Description		Amount
	17-058		06/08/2017	Project fee refund #17-058		\$1,615.95
				1000 - General Fund	\$1,539.00	
				1317 - Technology Fee Fund	\$76.95	
86886	06/16/2017	Open			Cathy Person	\$32.40
	Invoice		Date	Description		Amount
	2002966.002		06/07/2017	Class refund		\$32.40
86887	06/16/2017	Open			Dacia Cruz	\$119.00
	Invoice		Date	Description		Amount
	2002982.002		06/13/2017	Refund		\$119.00
86888	06/16/2017	Open			Emma Alcaraz	\$68.00
	Invoice		Date	Description		Amount
	2002980.002		06/13/2017	Refund		\$68.00
86889	06/16/2017	Open			Jamie Anderson	\$269.00
	Invoice		Date	Description		Amount
	2002983.002		06/14/2017	Refund		\$269.00
86890	06/16/2017	Open			Jill Ealy	\$284.00
	Invoice		Date	Description		Amount
	177125776		06/09/2017	Citation refund		\$284.00
86891	06/16/2017	Open			Laura Destro	\$129.15
	Invoice		Date	Description		Amount
	17-084		06/08/2017	Tree permit refund #17-084		\$129.15
				1000 - General Fund	\$123.00	
				1317 - Technology Fee Fund	\$6.15	
86892	06/16/2017	Open			Laurie Miller	\$90.00
	Invoice		Date	Description		Amount
	1031065.002		06/08/2017	Class refund		\$90.00
86893	06/16/2017	Open			Peninsula petroleum LLC	\$800.00
	Invoice		Date	Description		Amount
	16-224		06/09/2017	1649 41st Ave. design permit refund #16-224		\$800.00

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 16, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86894	6/16/2017	Void		misprinted check; void, not issued		
86895	06/16/2017	Open		DEPT OF ALCOHOLIC BEVERAGE CONTROL		\$550.00
	Invoice		Date	Description		Amount
	ABC061617		06/16/2017	July GAP training conference Booth/Vazquez		\$550.00

Type Check Totals: \$268,561.29

EFT

451	06/14/2017	Open		CalPERS Member Services Division		\$46,179.73
	Invoice		Date	Description		Amount
	1000872543-6		06/14/2017	PERS contributions PPE 05-20-17		\$46,179.73
				1000 - General Fund (\$0.28)		
				1001 - Payroll Payables \$46,180.01		
452	06/12/2017	Open		WELLS FARGO BANK		\$508.62
	Invoice		Date	Description		Amount
	WF061217		06/12/2017	June client analysis charges		\$508.62
453	06/14/2017	Open		CalPERS Member Services Division		\$46,043.40
	Invoice		Date	Description		Amount
	1000872487-90		06/14/2017	PERS contributions PPE 06-03-17		\$46,043.40
				1000 - General Fund (\$0.24)		
				1001 - Payroll Payables \$46,043.64		
454	06/14/2017	Open		EMPLOYMENT DEVELOPMENT DEPT		\$6,552.74
	Invoice		Date	Description		Amount
	0-952-628-096		06/14/2017	State taxes PPE 06-03-17		\$6,552.74
				1001 - Payroll Payables		
455	06/13/2017	Open		INTERNAL REVENUE SERVICE		\$27,006.31
	Invoice		Date	Description		Amount
	21840219		06/13/2017	Federal taxes & Medicare 6-3-17		\$27,006.31
				1001 - Payroll Payables		
456	06/12/2017	Open		STATE DISBURSEMENT UNIT		\$1,117.84
	Invoice		Date	Description		Amount
	55VK16A6657		06/12/2017	Employee garnishments PPE 6-3-17		\$1,117.84
				1001 - Payroll Payables		

Type EFT Totals: \$127,408.64

CITY - Main City Totals	Counts:	Totals:
Checks	74	\$268,561.29
EFTs	6	\$127,408.64
All	80	\$395,969.93

Attachment: 06-16-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86896	06/23/2017	Voided			ACCELA INC	\$1,080.00
	Invoice		Date	Description		Amount
	INV-ACC31110		06/01/2017	Legislative management software 2211 - ISF - Information Technology		\$1,080.00
86897	06/23/2017	Open			ALLSAFE LOCK COMPANY	\$2.26
	Invoice		Date	Description		Amount
	49526		06/15/2017	Key to CORC		\$2.26
86898	06/23/2017	Open			ANDREW PORTER	\$177.45
	Invoice		Date	Description		Amount
	2017-00000989		06/16/2017	Summer 1 Instructor Payments 2017		\$177.45
86899	06/23/2017	Open			ARACELLY BIBL	\$140.40
	Invoice		Date	Description		Amount
	2017-00000982		06/16/2017	Summer 1 Instructor Payments 2017		\$140.40
86900	06/23/2017	Open			AT&T	\$9.12
	Invoice		Date	Description		Amount
	060117		06/01/2017	Monthly long distance charges 1000 - General Fund \$4.48 2211 - ISF - Information Tec \$4.64		\$9.12
86901	06/23/2017	Open			ATCHISON BARISONE CONDOTTI & KOVACEVICH	\$16,226.93
	Invoice		Date	Description		Amount
	06072017		05/31/2017	May legal services		\$16,226.93
86902	06/23/2017	Open			B & B SMALL ENGINE REPAIR	\$85.60
	Invoice		Date	Description		Amount
	376405		06/13/2017	Mix oil		\$85.60
86903	06/23/2017	Open			BEAR ELECTRICAL SOLUTIONS INC.	\$1,171.00
	Invoice		Date	Description		Amount
	4878		05/28/2017	May traffic signal maintenance - routine		\$616.00
	4877		05/28/2017	May traffic signal maintenance - response 1310 - Gas Tax		\$555.00
86904	06/23/2017	Open			BECKY ADAMS	\$386.10
	Invoice		Date	Description		Amount
	2017-00000980		06/16/2017	Summer 1 Instructor Payments 2017		\$386.10
86905	06/23/2017	Open			BILL TASHNICK	\$165.00
	Invoice		Date	Description		Amount
	06162017		06/16/2017	Softball Officials 6/5-6/16/2017		\$165.00
86906	06/23/2017	Open			BRYAN T. KERKO	\$4,375.00
	Invoice		Date	Description		Amount
	2-10		06/14/2017	Pac Cove claims review, consultation, court		\$4,375.00

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86907	06/23/2017	Open			CALIFORNIA COAST UNIFORM COMPANY	\$22.00
	Invoice		Date	Description		Amount
	5485		06/13/2017	Tailor pant legs - M. Gonzalez		\$22.00
86908	06/23/2017	Open			CERTIFIED FOLDER DISPLAY SERVICE INC	\$900.37
	Invoice		Date	Description		Amount
	533238		06/01/2017	BIA directories printing 1321 - BIA - Capitola Village-Wharf BIA		\$900.37
86909	06/23/2017	Open			CHRISTINE CANDELARIA	\$893.76
	Invoice		Date	Description		Amount
	9		06/01/2017	BIA administrative service and outreach 1321 - BIA - Capitola Village-Wharf BIA		\$893.76
86910	06/23/2017	Open			CLAUDIO FRANCA	\$169.00
	Invoice		Date	Description		Amount
	2017-00000985		06/16/2017	Summer 1 Instructor Payments 2017		\$169.00
86911	06/23/2017	Open			CLEAN BUILDING MAINTENANCE CO.	\$3,719.13
	Invoice		Date	Description		Amount
	17988		05/31/2017	May facility cleaning fees 1000 - General Fund \$3,453.63 1311 - Wharf \$265.50		\$3,719.13
86912	06/23/2017	Open			COASTAL WATERSHED COUNCIL	\$1,659.58
	Invoice		Date	Description		Amount
	1587		05/31/2017	May NPDES Public Education & Outreach		\$1,659.58
86913	06/23/2017	Open			CRIMINAL JUSTICE COUNCIL OF SCC	\$1,500.00
	Invoice		Date	Description		Amount
	061517		06/15/2017	Criminal justice council member contribution		\$1,500.00
86914	06/23/2017	Open			CRYSTAL SPRINGS WATER CO.	\$216.00
	Invoice		Date	Description		Amount
	05312017		05/31/2017	May drinking water		\$216.00
86915	06/23/2017	Open			DANICA WYATT	\$289.90
	Invoice		Date	Description		Amount
	2017-00000991		06/16/2017	Summer 1 Instructor Payments 2017		\$289.90
86916	06/23/2017	Open			EWING IRRIGATION	\$314.35
	Invoice		Date	Description		Amount
	3470409		06/06/2017	Irrigation supplies		\$226.20
	3479773		06/07/2017	Irrigation supplies		\$48.73
	3479774		06/07/2017	Irrigation supplies		\$39.42
86917	06/23/2017	Open			FIRST ALARM SECURITY & PATROL INC.	\$225.39
	Invoice		Date	Description		Amount
	323203		06/15/2017	Quarterly monitoring for evidence room		\$225.39

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86918	06/23/2017	Open			FRANK PERRY	\$139.64
	Invoice		Date	Description		Amount
	06192017		06/19/2017	Book for museum collection, records service, folders		\$139.64
86919	06/23/2017	Open			FRED C. BEYERS	\$198.00
	Invoice		Date	Description		Amount
	6162017		06/16/2017	Softball Officials 6/5-6/16/2017		\$198.00
86920	06/23/2017	Open			GARDAWORLD	\$15.90
	Invoice		Date	Description		Amount
	20233295		05/31/2017	Armored car service		\$15.90
86921	06/23/2017	Open			GRANITE ROCK COMPANY	\$75,684.01
	Invoice		Date	Description		Amount
	GRC6202017		06/20/2017	2016 street rehab. project retention release		\$68,651.54
	5834-02-17E		03/16/2017	Park Ave. storm damage emergency K-rail install 1200 - Capital Improvement Fund		\$7,032.47
86922	06/23/2017	Open			HELENA FOX	\$737.10
	Invoice		Date	Description		Amount
	2017-00000984		06/16/2017	Summer 1 Instructor Payments 2017		\$737.10
86923	06/23/2017	Open			HYDROSCIENCE ENGINEERS INC.	\$8,087.50
	Invoice		Date	Description		Amount
	331011002		06/05/2017	#17-054 3400 Clares St. stormwater services		\$7,375.00
	331010003		06/05/2017	#17-006 4199 & 4205 Clares St. stormwater services		\$712.50
86924	06/23/2017	Open			JACK AKROP	\$30.00
	Invoice		Date	Description		Amount
	061417		06/14/2017	Live scan fee reimbursement		\$30.00
86925	06/23/2017	Open			JENNIFER MORRISON	\$400.00
	Invoice		Date	Description		Amount
	070217		06/23/2017	July 2 performance		\$400.00
86926	06/23/2017	Open			JOHANNA WEINSTEIN	\$403.65
	Invoice		Date	Description		Amount
	2017-00000986		06/16/2017	Summer 1 Instructor Payments 2017		\$403.65
86927	06/23/2017	Open			KBA Docusys Inc.	\$42.67
	Invoice		Date	Description		Amount
	INV555730		06/12/2017	Copier usage charges 2211 - ISF - Information Technology		\$42.67
86928	06/23/2017	Open			KELLY MOORE PAINT COMPANY INC.	\$120.68
	Invoice		Date	Description		Amount
	803-0000701047		05/02/2017	Street painting supplies		\$120.68

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86929	06/23/2017	Open			LABORMAX STAFFING	\$2,410.96
	Invoice		Date	Description		Amount
	26-78668		06/16/2017	Seasonal labor		\$2,410.96
86930	06/23/2017	Open			MAIRIN TORR	\$30.00
	Invoice		Date	Description		Amount
	06142017		06/14/2017	Live scan fee reimbursement		\$30.00
86931	06/23/2017	Open			MANPOWER	\$215.40
	Invoice		Date	Description		Amount
	31512239		06/11/2017	Temporary receptionist staffing		\$215.40
86932	06/23/2017	Open			MAR-KEN K-9 TRAINING CENTER	\$240.00
	Invoice		Date	Description		Amount
	0125-17		06/19/2017	June K-9 maintenance training		\$240.00
86933	06/23/2017	Open			MICHAEL G LEW	\$280.80
	Invoice		Date	Description		Amount
	2017-00000987		06/16/2017	Summer 1 Instructor Payments 2017		\$280.80
86934	06/23/2017	Open			NATHAN KESSLER	\$25.00
	Invoice		Date	Description		Amount
	05102017		05/10/2017	Live scan fee reimbursement		\$25.00
86935	06/23/2017	Open			PABLO RIVIERE	\$200.00
	Invoice		Date	Description		Amount
	07302017		06/23/2017	July 30 performance		\$200.00
86936	06/23/2017	Open			PALACE OFFICE SUPPLIES	\$150.22
	Invoice		Date	Description		Amount
	9395289-0		06/17/2017	Office supplies		\$27.88
	429345-0		06/14/2017	Office supplies		\$22.32
	429544-0		06/16/2017	File storage box		\$100.02
				1000 - General Fund	\$50.20	
				2210 - ISF - Stores Fund	\$100.02	
86937	06/23/2017	Open			Paula Yoshiko Suzuki	\$109.20
	Invoice		Date	Description		Amount
	2017-00000990		06/16/2017	Summer 1 Instructor Payments 2017		\$109.20
86938	06/23/2017	Open			PHOENIX GROUP INFORMATION SYSTEMS	\$2,373.52
	Invoice		Date	Description		Amount
	052017070		06/13/2017	May citation processing		\$2,373.52
86939	06/23/2017	Open			PITNEY BOWES	\$147.15
	Invoice		Date	Description		Amount
	1004245552		05/27/2017	Recreation postage meter fee		\$147.15

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86940	06/23/2017	Open			PRINT SMITH INC	\$524.97
	Invoice		Date	Description		Amount
	78094		05/30/2017	Public hearing draft zoning code (16 copies) 1313 - General Plan Update and Maint		\$524.97
86941	06/23/2017	Open			RONALD KAPLAN	\$400.00
	Invoice		Date	Description		Amount
	062517		06/23/2017	June 25 performance		\$400.00
86942	06/23/2017	Open			SANDY MARRUJO	\$409.50
	Invoice		Date	Description		Amount
	2017-00000988		06/16/2017	Summer 1 Instructor Payments 2017		\$409.50
86943	06/23/2017	Open			SANTA CRUZ COUNTY OFFICE OF EDUCATION	\$80.00
	Invoice		Date	Description		Amount
	17387		06/06/2017	Employee fingerprinting		\$80.00
86944	06/23/2017	Open			SANTA CRUZ COUNTY SANITATION DISTRICT	\$249.32
	Invoice		Date	Description		Amount
	SCC060717		06/07/2017	Special discharge permit renewal		\$249.32
86945	06/23/2017	Open			SANTA CRUZ FIRE EQUIPMENT CO.	\$169.61
	Invoice		Date	Description		Amount
	101009		05/30/2017	Fire equipment service for wharf flammable storage shed 1311 - Wharf		\$169.61
86946	06/23/2017	Open			SANTA CRUZ SENTINEL	\$319.25
	Invoice		Date	Description		Amount
	052517		06/25/2017	Newspaper subscription renewal		\$319.25
86947	06/23/2017	Open			SCC ENVIRONMENTAL HEALTH SVC	\$1,260.00
	Invoice		Date	Description		Amount
	SCC061217		06/12/2017	Stream habitat & juvenile salmonid monitoring		\$1,260.00
86948	06/23/2017	Open			SCOTT STOBBE	\$400.00
	Invoice		Date	Description		Amount
	080617		06/23/2017	August 6th performance		\$400.00
86949	06/23/2017	Open			SESE EGAN GEDDES	\$101.40
	Invoice		Date	Description		Amount
	2017-00000983		06/16/2017	Summer 1 Instructor Payments 2017		\$101.40
86950	06/23/2017	Open			SHERRI BETZ	\$4,786.60
	Invoice		Date	Description		Amount
	2017-00000981		06/16/2017	Summer 1 Instructor Payments 2017		\$4,786.60
86951	06/23/2017	Open			SINGING WOOD MARIMBA	\$400.00
	Invoice		Date	Description		Amount
	07162017		06/23/2017	July 16th performance		\$400.00

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86952	06/23/2017	Open			SOPHIA ORTIZ	\$30.00
	Invoice		Date	Description		Amount
	061917		06/19/2017	Live scan fee reimbursement		\$30.00
86953	06/23/2017	Open			SOQUEL HEARING AID CENTER (THE LISTENING STACK)	\$125.05
	Invoice		Date	Description		Amount
	Valdez061417		06/14/2017	Police radio adapter for Valdez		\$125.05
86954	06/23/2017	Open			STUDIOHOLLADAY	\$50.00
	Invoice		Date	Description		Amount
	062117		06/21/2017	BIA website meeting 1321 - BIA - Capitola Village-Wharf BIA		\$50.00
86955	06/23/2017	Open			SUPPLYWORKS	\$1,150.44
	Invoice		Date	Description		Amount
	403138993		06/09/2017	Cleaning supplies		\$1,150.44
86956	06/23/2017	Open			UNITED STATES LIFESAVING ASSOCIATION	\$3,490.00
	Invoice		Date	Description		Amount
	061917		06/19/2017	2017 USLA Jr. Guards Memberships		\$3,490.00
86957	06/23/2017	Open			US BANCORP EQUIPMENT FINANCE INC.	\$869.85
	Invoice		Date	Description		Amount
	332286293		06/02/2017	Copier leases		\$581.00
	332287408		06/02/2017	PD copier lease		\$288.85
				1000 - General Fund	\$410.37	
				2210 - ISF - Stores Fund	\$459.48	
86958	06/23/2017	Open			VIVIAN SIMON	\$200.00
	Invoice		Date	Description		Amount
	073017		06/23/2017	July 30th performance		\$200.00
86959	06/23/2017	Open			ZEP SALES & SERVICE	\$519.14
	Invoice		Date	Description		Amount
	9002875288		06/14/2017	Cleaning supplies		\$519.14
86960	06/23/2017	Open			Rosa Phillips	\$25.00
	Invoice		Date	Description		Amount
	Phillips061617		06/16/2017	Parking permit fund		\$25.00
86961	3/23/2017	Open			CRESCO EQUIPMENT RENTALS	\$12,442.25
	Invoice		Date	Description		Amount
	4381356-0001		6/13/2017	Cat D6T tractor rental for beach grading		\$12,422.25
86962	6/23/2017	Open			Accela Inc	\$1,134.00
	Invoice		Date	Description		Amount
	INV-ACC31110-2		6/1/2017	legislative management software		\$1,134.00
Type Check Totals:						\$153,826.12

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 23, 2017 - AP COPY

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
Library - Library						
<u>Check</u>						
25	06/23/2017	Open			KIMLEY-HORN AND ASSOCIATES INC.	\$776.00
	Invoice		Date	Description		Amount
	9450866		05/31/2017	Library parking and traffic study 1360 - Library Fund		\$776.00
26	06/23/2017	Open			NOLL AND TAM ARCHITECTS	\$122,957.79
	Invoice		Date	Description		Amount
	0057287		05/31/2017	Library design development 1360 - Library Fund		\$122,957.79
Type Check Totals:						\$123,733.79

	Counts:	Totals:
CITY - Main City Totals		
Checks	67	\$153,826.12
EFTs	0	\$0.00
All	67	\$153,826.12
Library - Library Totals		
Checks	2	\$123,733.79
EFTs	0	\$0.00
All	2	\$123,733.79
WELLS - Payroll Totals		
Checks	15	\$11,780.76
EFTs	109	\$176,775.29
All	124	\$188,556.05
Grand Totals:		
Checks	84	\$289,340.67
EFTs	109	\$176,775.29
All	193	\$466,115.96

Attachment: 06-23-17 City Check Register (1924 : Approval of City Check Registers)

City account payable checks dated 6/30/2017, numbered 86963 to 87048 plus 7 EFTs, totaling \$232,960.12, plus 1 Payroll check, totaling \$485.63, for a grand total of \$233,445.75, have been reviewed and authorized for distribution by the City Manager.

As of 6/30/2017 the unaudited cash balance is \$5,100,747.28.

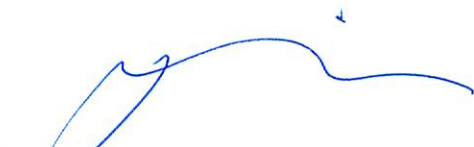
CASH POSITION - CITY OF CAPITOLA 6/30/17

	<u>Net Balance</u>
General Fund	\$1,237,445.11
Payroll Payables	\$71,431.90
Contingency Reserve Fund	\$1,903,345.66
Facilities Reserve Fund	\$339,870.00
Capital Improvement Fund	\$719,625.66
Stores Fund	\$23,342.86
Information Technology Fund	\$109,191.98
Equipment Replacement	\$177,679.93
Self-Insurance Liability Fund	\$304,414.70
Workers' Comp. Ins. Fund	\$224,338.79
Compensated Absences Fund	(\$9,939.31)
TOTAL UNASSIGNED GENERAL FUNDS	<u><u>\$5,100,747.28</u></u>


The Emergency Reserve Fund balance is \$1,277,205.54.

The PERS Contingency Fund balance is \$300,000.

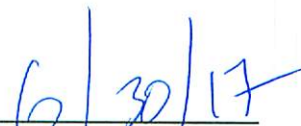
The Library Fund balance is \$531,754.18.




 Jamie Goldstein, City Manager



 Peter Wilk, City Treasurer



 Date



 Date

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86963	06/27/2017	Open			CalPERS Fiscal Services Division	\$54,908.44
	Invoice		Date	Description		Amount
	OPEBFY16/17		06/26/2017	OPEB trust contribution FY 16/17		\$54,908.44
86964	06/30/2017	Open		Refund	DEIRDRE SUE LISTER	\$85.00
	Licensee Type			Licensee Number		Transaction Type
	Business			3092		Pre-Payment
86965	06/30/2017	Open			AFLAC	\$989.14
	Invoice		Date	Description		Amount
	990430		06/23/2017	June supplemental insurance 1001 - Payroll Payables		\$989.14
86966	06/30/2017	Open			AIMEE FITZGERALD	\$280.80
	Invoice		Date	Description		Amount
	2017-00001032		06/26/2017	Summer 1 Instructor Payments 2017		\$280.80
86967	06/30/2017	Open			ALLSAFE LOCK COMPANY	\$71.48
	Invoice		Date	Description		Amount
	49530		06/21/2017	Key for CORC		\$2.44
	49506		05/31/2017	Key fitting, keys for toolbox		\$36.00
	49532		06/26/2017	Key rack, keys		\$22.23
	49516		06/06/2017	Keys PD truck		\$10.81
86968	06/30/2017	Open			ALTEC	\$198.59
	Invoice		Date	Description		Amount
	10765587		06/08/2017	Toggles, switches		\$198.59
86969	06/30/2017	Open			AUTOMATION TEST ASSOCIATES	\$40.00
	Invoice		Date	Description		Amount
	45060		06/22/2017	Monthly wharf meter reading and billing calculation 1311 - Wharf		\$40.00
86970	06/30/2017	Open			B & B SMALL ENGINE REPAIR	\$2,137.19
	Invoice		Date	Description		Amount
	377231		06/23/2017	String trimmer repair		\$108.45
	377449		06/26/2017	Honda lawn mower - SN-Maka-1218292		\$1,246.67
	377501		06/27/2017	Pole saw - SN-510256090		\$782.07
86971	06/30/2017	Open			BIOBAG AMERICAS INC.	\$2,544.59
	Invoice		Date	Description		Amount
	449601		06/21/2017	Dog waste bags		\$2,544.59
86972	06/30/2017	Open			CALE AMERICA INC.	\$843.89
	Invoice		Date	Description		Amount
	145436		06/19/2017	Paystation battery replacements		\$252.38
	145414		06/19/2017	Refurbished bill validator and ID tech reader		\$591.51

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86973	06/30/2017	Open			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,618.00
	Invoice		Date	Description		Amount
	062317		06/23/2017	POA Dues PPE 06-17-17 1001 - Payroll Payables		\$1,618.00
86974	06/30/2017	Open			CHARMAINE MONIZ	\$59.80
	Invoice		Date	Description		Amount
	2017-00001039		06/26/2017	Summer 1 Instructor Payments 2017		\$59.80
86975	06/30/2017	Open			COLETTE OCONNOR	\$222.95
	Invoice		Date	Description		Amount
	2017-00001040		06/26/2017	Summer 1 Instructor Payments 2017		\$222.95
86976	06/30/2017	Open			COMMUNITY ACTION BOARD	\$3,404.00
	Invoice		Date	Description		Amount
	061617		06/16/2017	May emergency housing assistance program 5552 - Cap Hsg Succ- Program Income		\$3,404.00
86977	06/30/2017	Open			DAVID SCOTT COBABE	\$2,617.50
	Invoice		Date	Description		Amount
	2017-00001031		06/26/2017	Summer 1 Instructor Payments 2017		\$2,617.50
86978	06/30/2017	Open			DAWN MAC LAUGHLIN	\$834.60
	Invoice		Date	Description		Amount
	2017-00001035		06/26/2017	Summer 1 Instructor Payments 2017		\$834.60
86979	06/30/2017	Open			DEPARTMENT OF HOUSING AND COMMUNITY DEV	\$25.00
	Invoice		Date	Description		Amount
	HCD-Allen		06/29/2017	Statement to encumber: Allen rehab. loan 5552 - Cap Hsg Succ- Program Income		\$25.00
86980	06/30/2017	Open			DONALD W ALLEY	\$843.24
	Invoice		Date	Description		Amount
	617-02		06/22/2017	Nobel Gulch Nutrient Monitoring		\$843.24
86981	06/30/2017	Open			DYNAMIC PRESS	\$121.93
	Invoice		Date	Description		Amount
	21788		06/20/2017	Personnel action forms		\$121.93
86982	06/30/2017	Open			FARWEST NURSERY	\$62.27
	Invoice		Date	Description		Amount
	245245		06/26/2017	Plants		\$62.27
86983	06/30/2017	Open			FERGUSON ENTERPRISES INC.	\$59.12
	Invoice		Date	Description		Amount
	5430181		06/16/2017	Adjustable wrench		\$59.12

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86984	06/30/2017	Open			GAYLORD ARCHIVAL	\$315.27
	Invoice		Date	Description		Amount
	2487854		06/17/2017	Museum archive supplies		\$299.00
	2487758		06/16/2017	Museum humidity indicator cards		\$16.27
86985	06/30/2017	Open			GEORGE H WILSON INC	\$2,735.00
	Invoice		Date	Description		Amount
	000120220		05/25/2017	Esplanade sump pump meter installation		\$2,735.00
86986	06/30/2017	Open			GEORGE McMENAMIN	\$742.50
	Invoice		Date	Description		Amount
	riparian17		06/24/2017	Riparian Restoration Services 16/17		\$742.50
86987	06/30/2017	Open			GRAPPLERS INC.	\$479.76
	Invoice		Date	Description		Amount
	16354		06/21/2017	Grapplers - litter pickers		\$479.76
86988	06/30/2017	Open			HOME DEPOT CREDIT SERVICES	\$1,618.10
	Invoice		Date	Description		Amount
	6170131		06/16/2017	Planting soil and stapler		\$95.59
	3056809		06/19/2017	Trash cans		\$29.60
	3021129		06/19/2017	Trash cans		\$173.34
	3011028		06/19/2017	Trash can supplies		\$108.34
	2212426		06/20/2017	Broom and dustpans - HOPE Services		\$81.18
	7041900		06/05/2017	Spring link		\$22.65
	0564744		06/02/2017	Eye bolt, washer		\$4.97
	7122418		06/05/2017	Hooks returned		(\$4.02)
	2011123		06/20/2017	Tools - Cooper		\$90.89
	2564413		05/31/2017	Supplies		\$4.08
	9564804		06/03/2017	Hardware for lifeguard tower		\$43.45
	7056291		06/15/2017	ADA ramp		\$46.06
	1021461		06/21/2017	Painting supplies		\$37.75
	8021913		06/24/2017	Tie plate for lifeguard tower 2		\$9.05
	6010102		06/26/2017	Saw blades, shelving supplies		\$105.42
	1011270		06/21/2017	sinkhole repair on 40th		\$114.26
	6560717		06/16/2017	Power tool battery, brass nipple and tee		\$131.64
	9020226		06/13/2017	Battery, impact tool		\$377.58
	6565239		06/06/2017	Disc sander, discs		\$146.27
86989	06/30/2017	Open			HOSE SHOP	\$231.77
	Invoice		Date	Description		Amount
	397993		06/20/2017	Hose assemblies, adapter		\$161.21
	397877		06/15/2017	Spray nozzels, bushings		\$70.56
86990	06/30/2017	Open			HUMBOLDT PETROLEUM LLC	\$84.50
	Invoice		Date	Description		Amount
	086593		06/15/2017	June car washes		\$84.50

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
86991	06/30/2017	Open			ICMA	\$1,400.00
	Invoice		Date	Description		Amount
	ICMA584749		06/30/2017	City Manager ICMA membership renewal		\$1,400.00
86992	06/30/2017	Open			ICMA RETIREMENT TRUST 457	\$5,474.61
	Invoice		Date	Description		Amount
	41417115		06/23/2017	Employee 457 contributions PPE 6-17-17 1001 - Payroll Payables		\$5,474.61
86993	06/30/2017	Open			JEANI MITCHELL	\$318.50
	Invoice		Date	Description		Amount
	2017-00001038		06/26/2017	Summer 1 Instructor Payments 2017		\$318.50
86994	06/30/2017	Open			KINGS PAINT AND PAPER INC.	\$168.66
	Invoice		Date	Description		Amount
	A0253605		06/22/2017	Red curb paint		\$168.66
86995	06/30/2017	Open			LABORMAX STAFFING	\$2,865.28
	Invoice		Date	Description		Amount
	26-78996		06/23/2017	Seasonal labor		\$2,865.28
86996	06/30/2017	Open			LESLIE FELLOWS	\$1,440.00
	Invoice		Date	Description		Amount
	062617		06/26/2017	June 25 Art and Music program coordinator		\$1,440.00
86997	06/30/2017	Open			LIEBERT CASSIDY WHITMORE	\$175.00
	Invoice		Date	Description		Amount
	1440950		05/31/2017	May FLSA compliance review services		\$175.00
86998	06/30/2017	Open			LIFE INSURANCE CO OF NORTH AMERICA-CIGNA	\$2,196.78
	Invoice		Date	Description		Amount
	06302017		06/30/2017	June LTD, STD, AD&D, life insurance		\$2,196.78
				1000 - General Fund	\$109.67	
				1001 - Payroll Payables	\$2,087.11	
86999	06/30/2017	Open			LIUNA PENSION FUND	\$825.60
	Invoice		Date	Description		Amount
	CS3671		06/23/2017	June LIUNA pension dues		\$825.60
				1001 - Payroll Payables		
87000	06/30/2017	Open			LLOYDS TIRE SERVICE	\$136.00
	Invoice		Date	Description		Amount
	325147		05/15/2017	Tire alignment and balance		\$80.00
	307077		06/19/2017	Flat repair		\$28.00
	307087		06/19/2017	Flat repair		\$28.00
87001	06/30/2017	Open			MARC KRAFT	\$343.20
	Invoice		Date	Description		Amount
	2017-00001041		06/26/2017	Summer 1 Instructor Payments 2017		\$343.20

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
87002	06/30/2017	Open			MARK MATTERN	\$332.80
	Invoice		Date	Description		Amount
	2017-00001037		06/26/2017	Summer 1 Instructor Payments 2017		\$332.80
87003	06/30/2017	Open			MICHAEL G LEW	\$23.40
	Invoice		Date	Description		Amount
	2017-00001034		06/26/2017	Summer 1 Instructor Payments 2017		\$23.40
87004	06/30/2017	Open			MILLER'S TRANSFER & STORAGE CO.	\$235.25
	Invoice		Date	Description		Amount
	88998		06/04/2017	June record storage and warehouse handling		\$235.25
87005	06/30/2017	Open			MODERN WIRING	\$2,883.75
	Invoice		Date	Description		Amount
	062017		06/20/2017	Custom sound dampening panels		\$2,883.75
87006	06/30/2017	Open			NANCY HOWELLS	\$98.15
	Invoice		Date	Description		Amount
	2017-00001033		06/26/2017	Summer 1 Instructor Payments 2017		\$98.15
87007	06/30/2017	Open			NELSON MEMBRENO	\$384.82
	Invoice		Date	Description		Amount
	062617		06/26/2017	Building official test, motel, mileage reimbursement		\$384.82
87008	06/30/2017	Open			NORTH BAY FORD	\$717.56
	Invoice		Date	Description		Amount
	261729		06/20/2017	Fuel tube assembly		\$348.63
	261728		06/20/2017	Sender & pump assembly		\$368.93
87009	06/30/2017	Open			O'REILLY AUTO PARTS	\$104.49
	Invoice		Date	Description		Amount
	2763-295682		06/14/2017	Auto supplies		\$20.69
	2763-293943		06/07/2017	Auto fluids		\$83.80
87010	06/30/2017	Open			PACIFIC GAS & ELECTRIC	\$15,367.86
	Invoice		Date	Description		Amount
	061617-acct9		06/16/2017	Monthly gas & electricity		\$14,911.00
	061417-acct5		06/14/2017	Pac cove parking lot electricity		\$446.35
	061317-acct0		06/13/2017	Wharf Road Rispin Mansion utilities		\$10.51
				1000 - General Fund	\$5,166.55	
				1300 - SLESF-Supl Law E	\$182.25	
				1310 - Gas Tax	\$7,455.73	
				1311 - Wharf	\$2,563.33	
87011	06/30/2017	Open			PACIFIC MONARCH	\$9,500.00
	Invoice		Date	Description		Amount
	48657-2		03/02/2017	Balance for bus for JG Regionals July 2017		\$9,500.00

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
87012	06/30/2017	Open			PALACE OFFICE SUPPLIES	\$152.14
	Invoice		Date	Description		Amount
	430021-0		06/21/2017	Office supplies		\$53.72
	430022-0		06/21/2017	Office supplies		\$25.67
	9396355-0		06/22/2017	Museum ink cartridge		\$18.36
	430275-0		06/23/2017	Wall files		\$54.39
87013	06/30/2017	Open			PHILLIPS PET FOOD & SUPPLIES	\$544.51
	Invoice		Date	Description		Amount
	30201920		06/20/2017	K-9 supplies		\$544.51
87014	06/30/2017	Open			PITNEY BOWES	\$533.97
	Invoice		Date	Description		Amount
	PB061917		06/19/2017	Postage meter rentals 2210 - ISF - Stores Fund		\$533.97
87015	06/30/2017	Open			PLACEWORKS	\$1,260.00
	Invoice		Date	Description		Amount
	62516		05/31/2017	Draft local coastal plan update 1313 - General Plan Update and Maint		\$1,260.00
87016	06/30/2017	Open			QUENVOLD'S SAFETY SHOEMOBILES	\$176.58
	Invoice		Date	Description		Amount
	59821		06/19/2017	Shoes for new employee		\$176.58
87017	06/30/2017	Open			RAVI KEN LAMB	\$308.10
	Invoice		Date	Description		Amount
	2017-00001042		06/26/2017	Summer 1 Instructor Payments 2017		\$308.10
87018	06/30/2017	Open			REGIONAL WATER MANAGEMENT FOUNDATION	\$5,000.00
	Invoice		Date	Description		Amount
	16-17IRWM-CS		11/28/2016	2016-2017 IRWM Coordination & Support Services		\$5,000.00
87019	06/30/2017	Open			SANDY MARRUJO	\$54.60
	Invoice		Date	Description		Amount
	2017-00001036		06/26/2017	Summer 1 Instructor Payments 2017		\$54.60
87020	06/30/2017	Open			SANTA CRUZ OCCUPATIONAL MEDICAL CENTER	\$372.00
	Invoice		Date	Description		Amount
	I-18493		05/31/2017	Employee medical exam		\$372.00
87021	06/30/2017	Open			SHERRI BETZ	\$152.10
	Invoice		Date	Description		Amount
	2017-00001030		06/26/2017	Summer 1 Instructor Payments 2017		\$152.10
87022	06/30/2017	Open			STAPLES ADVANTAGE	\$187.03
	Invoice		Date	Description		Amount
	8044932188		06/10/2017	Office supplies		\$24.17
	8045035524		06/17/2017	Office supplies		\$162.86

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
87023	06/30/2017	Open			SUPPLYWORKS	\$1,856.06
	Invoice		Date	Description		Amount
	404127839		06/20/2017	Cleaning supplies		\$1,856.06
87024	06/30/2017	Open			TOTLCOM INC.	\$225.00
	Invoice		Date	Description		Amount
	257727		06/14/2017	Swap phone extension locations 2211 - ISF - Information Technology		\$225.00
87025	06/30/2017	Open			UNITED STATES POSTAL SERVICE	\$1,000.00
	Invoice		Date	Description		Amount
	41528		06/19/2017	Postage bulk permit #7013		\$1,000.00
87026	06/30/2017	Open			UNITED WAY OF SANTA CRUZ COUNTY	\$30.00
	Invoice		Date	Description		Amount
	UW6232017		06/23/2017	Employee United Way contributions 1001 - Payroll Payables		\$30.00
87027	06/30/2017	Open			UPEC LIUNA LOCAL 792	\$1,228.50
	Invoice		Date	Description		Amount
	1188		06/23/2017	June UPEC dues 1001 - Payroll Payables		\$1,228.50
87028	06/30/2017	Open			US BANK PARS	\$2,712.86
	Invoice		Date	Description		Amount
	061717		06/23/2017	PARS contributions PPE 6-17-17 1001 - Payroll Payables		\$2,712.86
87029	06/30/2017	Open			WE ALL RIDE SANTA CRUZ	\$919.13
	Invoice		Date	Description		Amount
	4152161		06/19/2017	2003 BMW service labor, footrest, handles		\$752.52
	4151674		05/24/2017	2003 BMW work on motor		\$166.61
87030	06/30/2017	Open			WEST MARINE PRODUCTS INC	\$55.79
	Invoice		Date	Description		Amount
	4256		05/04/2017	Lifeguard supplies		\$15.91
	4367		05/06/2017	Lifeguard supplies		\$8.44
	1501		05/11/2017	Lifeguard supplies		\$31.44
87031	06/30/2017	Open			YOSHIE MORRISSEY	\$162.50
	Invoice		Date	Description		Amount
	2017-00001043		06/26/2017	Summer 1 Instructor Payments 2017		\$162.50
87032	06/30/2017	Open			Alex Poletti	\$73.00
	Invoice		Date	Description		Amount
	2017-00001007		06/23/2017	Camp Jr. Leader Honorariums		\$73.00
87033	06/30/2017	Open			Alissa Towely	\$81.00
	Invoice		Date	Description		Amount
	2017-00001008		06/23/2017	Camp Jr. Leader Honorariums		\$81.00

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
87034	06/30/2017	Open			Anita Alvarez	\$513.00
	Invoice		Date	Description		Amount
	17-023		06/16/2017	Tree permit refund #17-023		\$513.00
87035	06/30/2017	Open			Anthony Gotti	\$206.72
	Invoice		Date	Description		Amount
	2017-00001004		06/23/2017	Supplies reimbursement		\$206.72
87036	06/30/2017	Open			Ava Allaback	\$78.00
	Invoice		Date	Description		Amount
	2017-00001009		06/23/2017	Camp Jr. Leader Honorariums		\$78.00
87037	06/30/2017	Open			Casey Savakohi	\$78.00
	Invoice		Date	Description		Amount
	2017-00001010		06/23/2017	Camp Jr. Leader Honorariums		\$78.00
87038	06/30/2017	Open			David Pinheiro	\$36.00
	Invoice		Date	Description		Amount
	199126554		06/22/2017	Citation refund		\$36.00
87039	06/30/2017	Open			Diane Grunes	\$43.00
	Invoice		Date	Description		Amount
	2003012.002		06/22/2017	Class refund		\$43.00
87040	06/30/2017	Open			Emma McCain	\$80.00
	Invoice		Date	Description		Amount
	2017-00001011		06/23/2017	Camp Jr. Leader Honorariums		\$80.00
87041	06/30/2017	Open			Isabella Brown	\$86.00
	Invoice		Date	Description		Amount
	2017-00001012		06/23/2017	Camp Jr. Leader Honorariums		\$86.00
87042	06/30/2017	Open			Isaiah Rocha	\$66.00
	Invoice		Date	Description		Amount
	2017-00001013		06/23/2017	Camp Jr. Leader Honorariums		\$66.00
87043	06/30/2017	Open			Janet Payne-Downs	\$40.00
	Invoice		Date	Description		Amount
	2003011.002		06/22/2017	Class refund		\$40.00
87044	06/30/2017	Open			Jessica Cloar	\$339.00
	Invoice		Date	Description		Amount
	2002996.002		06/19/2017	Camp refund		\$339.00
87045	06/30/2017	Open			Julian Wilson	\$64.00
	Invoice		Date	Description		Amount
	2017-00001014		06/23/2017	Camp Jr. Leader Honorariums		\$64.00

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
87046	06/30/2017	Open			Kate Motroni	\$144.00
	Invoice		Date	Description		Amount
	2017-00001015		06/23/2017	Camp Jr. Leader Honorariums		\$144.00
87047	06/30/2017	Open			Natalie Wilson	\$126.00
	Invoice		Date	Description		Amount
	2017-00001016		06/23/2017	Camp Jr. Leader Honorariums		\$126.00
87048	06/30/2017	Open			Veronica Ladino	\$42.00
	Invoice		Date	Description		Amount
	2003017.002		06/26/2017	Recreation center rental deposit refund		\$42.00
Type Check Totals:						\$142,192.73
<u>EFT</u>						
457	06/28/2017	Open			CalPERS Member Services Division	\$46,072.64
	Invoice		Date	Description		Amount
	1000878366-69		06/28/2017	PERS contributions PPE 6-17-17		\$46,072.64
				1000 - General Fund (\$0.20)		
				1001 - Payroll Payables \$46,072.84		
458	06/28/2017	Open			EMPLOYMENT DEVELOPMENT DEPT	\$8,496.89
	Invoice		Date	Description		Amount
	0-897-282-944		06/28/2017	State tax deposit PPE 6-17-17		\$8,496.89
				1001 - Payroll Payables		
459	06/27/2017	Open			INTERNAL REVENUE SERVICE	\$34,615.43
	Invoice		Date	Description		Amount
	53554338		06/27/2017	Federal taxes & Medicare PPE 6-17-17		\$34,615.43
				1001 - Payroll Payables		
460	06/27/2017	Open			STATE DISBURSEMENT UNIT	\$1,117.84
	Invoice		Date	Description		Amount
	5309MYN6660		06/27/2017	Garnishments PPE 6-17-17		\$1,117.84
				1001 - Payroll Payables		
461	06/28/2017	Open			INTERNAL REVENUE SERVICE	\$68.44
	Invoice		Date	Description		Amount
	62944996		06/28/2017	Federal tax & Medicare for Macatee final paycheck		\$68.44
				1001 - Payroll Payables		
462	06/30/2017	Open			ADP LLC	\$257.15
	Invoice		Date	Description		Amount
	495664065		06/30/2017	ez Labor processing charges		\$257.15
				2211 - ISF - Information Technology		
463	06/25/2017	Open			DISCOVERY BENEFITS	\$139.00
	Invoice		Date	Description		Amount
	0000763596-IN		05/31/2017	May COBRA and FSA administration		\$139.00
Type EFT Totals:						\$90,767.39

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)

City Checks Issued June 30, 2017

Check Number	Invoice Number	Status	Invoice Date	Description	Payee Name	Transaction Amount
--------------	----------------	--------	--------------	-------------	------------	--------------------

CITY - Main City Totals

	Counts:	Totals:
Checks	86	\$142,192.73
EFTs	7	\$90,767.39
All	93	\$232,960.12

WELLS - Payroll Totals

	Counts:	Totals:
Checks	1	\$485.63
EFTs	0	\$0.00
All	1	\$485.63

Grand Totals:

Checks	87	\$142,678.36
EFTs	7	\$90,767.39
All	94	\$233,445.75

Attachment: 06-30-17 City Check Register (1924 : Approval of City Check Registers)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: City Manager Department
SUBJECT: Consider Library Naming Policy

RECOMMENDED ACTION: Approve Library Donor Recognition Policy (Attachment 1).

BACKGROUND: The City is currently developing plans for a new 11,700-square-foot Capitola Branch Library. Earlier this year the City Council approved a project budget change, increasing the total budget from \$10.6 million to \$13 million. Part of the increased budget is anticipated to come from a fundraising campaign coordinated by the recently formed Friends of the Capitola Branch Library. Donor recognition and naming rights are important components of that campaign.

Earlier this year the Santa Cruz Public Libraries (SCPL) adopted a Library Naming Policy (Attachment 2). That policy establishes the authority and process for donor naming of Santa Cruz Public Libraries interior and exterior spaces, features, and major programs. The policy also assigns authority to local jurisdictions to adopt their own naming policies, consistent with the SCPL policy but tailored to each local jurisdiction.

Following a joint meeting in March, the City Council reviewed the recommendation of the Library Advisory Committee and at its June 22 meeting provided staff with guidance to establish a formal Library Naming Policy for the new Capitola Branch Library. That guidance included direction to prepare a policy to establish naming rights policy for the following components of the new library:

- *Building name* – open to non-corporate entities, subject to Council approval.
- *Room naming* – naming rights for specific rooms and spaces.
- *Exterior spaces* - naming rights for key outdoor areas.

At the same meeting, Council directed that naming rights for furnishing, equipment, and minor spaces would not be allowed.

DISCUSSION: Attached is the draft naming rights policy for the City's library. The policy establishes the specific areas that are eligible to be named, and incorporates the SCPL policy by reference.

The policy identifies the following 16 donor recognition opportunities.

Space	Tentative Description/Notes
Capitola Public Branch Library Building	Council-approved non-corporate entity

Consider Library Naming Policy
July 27, 2017

Children's Room	
Community Meeting Room	
Teen Room	Teen Zone
Large deck off children's room	Community Porch
Tot Lot	
Electronic Homework/Meeting Room	
Fireplace Area	
Front corner facing Clares by children's room	Adult Reading Nook
Deck facing Clares	Quiet Reading Deck
Group Study Rooms (2)	
Room behind fireplace	Meeting Room
Media Wall in Teen Zone	
Open seating area between Children's room and main library	The Gallery
Building corner facing Clares and Wharf	Rispin View Reading Room

FISCAL IMPACT: Funds raised by the Friends of the Capitola Branch Library through this donor recognition program will help finance the new library project.

ATTACHMENTS:

1. V-14 Library Donor Recognition
2. SCPL Naming Policy

Report Prepared By: Jamie Goldstein
City Manager

Reviewed and Forwarded by:



ADMINISTRATIVE POLICY

Number: V-14
 Issued:
 Jurisdiction: Council

Library Donor Recognition

I. **PURPOSE:**

To establish a policy and procedure for donor recognition at the Capitola Branch Library. Naming opportunities provide resources to meet strategic library objectives.

II. **POLICY:**

Consistent with the Santa Cruz Public Library Naming Policy (JPAB Policy #403), this policy establishes the list of Naming Opportunities associated with the Capitola Branch library.

III. **PROCESS:**

Donor Recognition Naming Opportunities (16 total)

Space	Tentative Description/Notes
Capitola Public Branch Library Building	Council-approved non-corporate entity
Children's Room	
Community Meeting Room	
Teen Room	Teen Zone
Large deck off children's room	Community Porch
Tot Lot	
Electronic Homework/Meeting Room	
Fireplace Area	
Front corner facing Clares by children's room	Adult Reading Nook
Deck facing Clares	Quiet Reading Deck
Group Study Rooms (2)	
Room behind fireplace	Meeting Room
Media Wall in Teen Zone	
Open seating area between Children's room and main library	The Gallery
Building corner facing Clares and Wharf	Rispin-View Reading Room

The Friends of the Capitola Branch Library shall coordinate the fundraising campaign and donor recognition effort.

IV. **RESPONSIBILITY:**

The City Manager's office shall be responsible for implementation of this policy.

This Policy is Approved and Authorized by:

 Jamie Goldstein
 City Manager

Attachment: V-14 Library Donor Recognition (1855 : Consider Library Naming Policy)



Library Naming Policy

JPAB Policy # 403

Adopted: 3/2/2017

Revised: xx/xx/xxxx

Five-year Review Schedule: 2022

1. Purpose

This policy establishes the authority and process for philanthropic naming or re-naming of Santa Cruz Public Libraries interior and exterior spaces and features, major programs, and collections associated with specific branches. Philanthropic naming opportunities provide the Library with funds to meet strategic objectives.

2. Library Names

The Santa Cruz Public Libraries (the Library) name each branch according to their geographic location in the county, in order to identify each branch with either the neighborhood where it is located or the neighborhood that it primarily serves. This practice allows library users to easily determine the general location of a library facility they want to visit. Member jurisdictions may determine it appropriate to allow the Library building to be included in a naming policy.

3. Naming Criteria

Santa Cruz Public Libraries interior and exterior spaces and features, major programs, and a collection associated with a specific branch may be named in honor of an individual, family, or entity. Naming or re-naming rights is the purview of the local jurisdictions (City of Capitola, City of Scotts Valley, City of Santa Cruz, and County of Santa Cruz) subject to review by the Library Joint Powers Authority Board (JPAB) consistent with this policy.

Naming opportunity is provided only to those that exemplify the attributes of integrity, civic leadership, and deep commitment to the Library and community, specifically where:

- a) the proposed honoree reflects the spirit, values, and mission of the Library in support of free and equal access to information for all.
- b) an individual has provided extraordinary service and support to the Library system.
- c) an individual donor has made a significant monetary contribution to the Library.
- d) an entity's financial sponsorship has allowed the Library to significantly advance the provision of programs, services, or collections.

4. Naming Process

Each jurisdiction shall develop, propose, and maintain a list of Naming Opportunities.

The JPAB shall review each jurisdiction's naming plan to ensure that residents have a unified library experience as they visit branches across jurisdictions, and that the plan is consistent with this policy.



The JPAB shall review each jurisdiction’s naming policy to ensure the plan:

- a) is appropriately consistent with other approved naming plans.
- b) does not overly commercialize the library space.
- c) includes clear time limits outlined below.
- d) reserves the right to reject any naming proposal or donation from any individual, family, or entity.

Naming rights shall not extend beyond the normal life of any interior or exterior space or feature, major program, or collection associated with a specific branch, or twenty (20) years, whichever is less. In the event that a named Library interior or exterior space or feature, major program, or collection is significantly altered within (a) 75% of the expected lifespan, or (b) a timeframe agreed upon in the naming rights contract, the JPA jurisdiction will carry the name forward in a similar capacity. A jurisdiction’s naming plan may include longer timelines for significant donations, subject to approval by the JPAB.

Naming rights contracts shall be reviewed and approved by the appropriate JPA jurisdiction and reported to the JPAB.

5. Naming Revocation

Any naming opportunity authorized by a JPAB jurisdiction can be revoked only by a vote of that body.

If an individual, family, or entity for whom a naming commitment has been made violates the standards defined in section three (3. Naming Criteria) of this policy, the JPAB may recommend the removal of the individual, family, or entity’s name from the naming opportunity, interior or exterior space or feature, major program, or collection associated with a specific branch.

Before taking such action, the JPAB jurisdiction shall undertake due diligence, including consultation with counsel, as to any legal ramifications that the jurisdiction may expect under any pre-existing agreement(s) related to naming opportunities or in regard to any other matter that may have legal bearing upon a proposed change in name.

Where unforeseen circumstances make it impossible for a donor to complete a monetary donation commitment after associated name placement has occurred, the JPAB shall make reasonable efforts to work with the donor to create a plan for completion of the commitment. However, in certain circumstances it may be necessary and in the best interests of the Library to remove the donor’s name choice from the naming opportunity.

Attachment: SCPL Naming Policy (1855 : Consider Library Naming Policy)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Capitola Police Department

SUBJECT: Consider Capitola Joining the Santa Cruz County Animal Services Authority

RECOMMENDED ACTION: Approve the amended the Santa Cruz County Animal Services Authority (SCCASA) Joint Power Agreement, allowing the City of Capitola to become a full member of the SCCASA.

BACKGROUND: The City was originally a member of SCCASA when the organization was formed in 2002. As a cost saving measure, the City withdrew from the ASA in 2007 and contracted with the local SPCA for animal boarding and adoptions.

In 2013 the City received a notice from the Santa Cruz SPCA stating it was terminating the animal control contract. The City then entered an interim contract with SCCASA wherein the City's police department continued to provide its own animal control and enforcement program, while SCCASA provided veterinary services, animal boarding, and adoption services.

In 2016 the City received notice from SCCASA that they would no longer provide contract services and wanted the City to become a full member of the joint powers authority. The current contract with SCCASA expired on June 30, 2017.

DISCUSSION: On May 11, 2017, Council unanimously directed staff to work with SCCASA to prepare the necessary documentation for Capitola to become a member of the SCCASA. At that same hearing, Council authorized joining SCCASA subject to the attached 2017/18 cost-sharing formula (Attachment 1).

On June 6, 2017, the SCCASA board of directors approved that same cost-sharing formula and a related amendment to the current joint powers agreement adding Capitola as a full member of SCCASA.

FISCAL IMPACT: Under the approved 2017/18 cost-sharing plan, the City's contribution as a full member is \$33,000 which is included in the adopted 2017/18 budget.

ATTACHMENTS:

1. ASA Cost-Sharing Formula
2. Animal Services JPA

Report Prepared By: Terry McManus
Police Chief

Animal Services Agreement
July 27, 2017

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/12/2017

Proposed Membership Formula (with FY 2014-2016 averaged, actual service data)

CURRENT MEMBERS (With Capitola)

Blended Population (50% Weight), Animal Impound (25% Weight) and Call-for-Service (25% Weight)

County	% of Calls for			Total Contribution %	Membership Contribution
	% of Impounds (3 Yr Avg)	Service Yr Avg	(3 % of Population		
County	47.0%	62.3%	51.1%	52.9%	\$1,318,506.40
Santa Cruz	15.6%	17.1%	20.7%	18.6%	\$462,711.80
Scotts Valley	2.0%	2.5%	4.6%	3.4%	\$84,674.08
Watsonville	33.4%	17.8%	19.8%	22.7%	\$567,018.29
Capitola	1.9%	0.2%	3.8%	2.4%	\$61,053.43
	100.0%	100.0%	100.0%	100.0%	\$2,493,964

Net Difference (Current to New Formula)	
(\$5,788.48)	County
(\$75,984.43)	Santa Cruz
(\$32,542.23)	Scotts Valley
\$53,261.71	Watsonville
\$37,733.43	Capitola
(\$23,320.00)	

Total FY 2016-2017 Budget: \$2,493,964

#1 New Formula Implementation: Equal 4-Year Smoothing
 Note that these numbers are not fixed as the annual budget will likely rise year over year and the service calculations will be updated each year.

	Contribution Percent	Membership Contribution	FY 2016-2017		FY 2017-2018		FY 2018-2019		FY 2019-2020		FY 2020-21	
			Year 0 (Current \$)	Year 1 Change	Year 1 Contribution*	Year 2 Change	Year 2 Contribution*	Year 3 Change	Year 3 Contribution*	Year 4 Change	Year 4 Contribution*	
Capitola	2.4%	\$61,053.43	\$ 23,320	\$ 9,433	\$ 32,753	\$ 9,433	\$ 42,187	\$ 9,433	\$ 51,620	\$ 9,433	\$ 61,053	
County	52.9%	\$1,318,506.40	\$1,324,295	\$ (1,447)	\$1,322,848	\$ (1,447)	\$1,321,401	\$ (1,447)	\$1,319,954	\$ (1,447)	\$1,318,506	
Santa Cruz	18.6%	\$462,711.80	\$538,696	\$ (18,996)	\$519,700	\$ (18,996)	\$500,704	\$ (18,996)	\$481,708	\$ (18,996)	\$462,712	
Scotts Valley	3.4%	\$84,674.08	\$117,216	\$ (8,136)	\$109,081	\$ (8,136)	\$100,945	\$ (8,136)	\$92,810	\$ (8,136)	\$84,674	
Watsonville	22.7%	\$567,018.29	\$513,757	\$ 13,315	\$527,072	\$13,315	\$540,387	\$13,315	\$553,703	\$13,315	\$567,018	
	100.0%	\$2,493,964	\$ 2,493,964	\$ (5,830)	\$ 2,511,454	\$ (5,830)	\$ 2,511,454	\$ (5,830)	\$ 2,511,454	\$ (5,830)	\$ 2,511,454	

*Plus increases annual COLA (approved by the Board) or changes in service levels (backward-looking 3 year formula adjusts ea. year)

**THIRD AMENDMENT TO THE
JOINT POWERS AGREEMENT FOR
THE ANIMAL SERVICES AUTHORITY FOR THE COUNTY OF SANTA CRUZ**

This third amendment to Joint Powers Agreement (“Agreement”) is made and entered into this ____ day of _____ 2017 (the “Amendment”), by and between the County of Santa Cruz (“County”), the City of Santa Cruz, the City of Scotts Valley, and the City of Watsonville (collectively the “Member Agencies”), each of which is a public agency authorized and empowered to contract for the joint exercise of powers under Title I, Division 7, Chapter 5, Article I (Sections 6500, *et seq.*) of the California Government Code.

RECITALS

WHEREAS, on June 18, 2002, the Cities of Capitola, Santa Cruz, and Scotts Valley, and the County, joined contractually pursuant to the Joint Powers Agreement to create the Santa Cruz County Animal Services Authority (“Authority”) as an entity separate from each of the contracting parties; and

WHEREAS, on July 1, 2007, the City of Capitola (“Capitola”) resigned as a Member Agency to the Agreement; and

WHEREAS, on May 11, 2017, Capitola elected, through a vote of its City Council, to once again join the Authority as a Member Agency; and

WHEREAS, the current Authority through the Board of Directors (“Board”), approved Capitola rejoining the Authority as a Member Agency on June 12, 2017, effective July 1, 2017; and

WHEREAS, on May 15, 2017, the Board adopted a new cost sharing formula (attached as Exhibit A to this Amendment), which includes Capitola and the current Member Agencies;

NOW, THEREFORE, in consideration of the above recitals, of the mutual promises and agreements herein contained and for other valuable consideration, the Member Agencies agree that the Agreement shall be amended as follows:

AMENDMENT

- I.** For purposes of the Agreement and the Authority, as of July 1, 2017, the definition of “Member Agencies” found within the opening paragraph of the Agreement shall be amended to include the following entities (with italics indicating the amendment): the County of Santa Cruz; the City of Santa Cruz; the City of Scotts Valley, the City of Watsonville; and the *City of Capitola*.

II. Section 5.A of the Agreement, “Board of Supervisors”, shall be amended as follows (with italics indicating the amendment):

“The Authority shall be governed by a Board of Directors. The Board will provide policy and advisory input to the General Manager, and will not be involved in day-to-day operations of the Authority. Each Member Agency shall have at least one representative on the Board as follows:

- 1. Three members representing the County Board of Supervisors to include representatives from the County Sheriff-Coroner, Auditor Controller, and Administrative Officer, or their designees;
- 2. Two members representing the Santa Cruz City Council to include the Chief of Police and City Manager, or their designees;
- 3. One member representing the Scotts Valley City Council to include the City Manager or his/her designee; and
- 4. Two members representing the Watsonville City Council to include the Watsonville Chief of Police and the City Manager, or their designees.
- 5. *One member representing the Capitola City Council to include the City Manager or his/her designee;*”

III. The cost sharing formula attached as Exhibit A shall be incorporated into the Agreement as an exhibit to the Agreement, setting out the payment and cost terms for the Member Agencies beginning July 1, 2017.

IV. All other terms in the Agreement (other than those described herein) shall remain in effect.

V. This amendment may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this amendment as set out below.

SANTA CRUZ COUNTY ANIMAL
SHELTER

By: _____
Signature
Name: Joe Phares

Title: President, Board of Directors, Santa Cruz
County Animal Shelter

Date: _____

Attachment: Animal Services JPA (1908 : Animal Services Agreement)

By: _____

Signature

Name: Melanie Sobel

Title: General Manager, Santa Cruz County

Animal Shelter

Date: _____

Approved as to form:

By _____

Assistant County Counsel

Date: _____

APPROVAL BY MEMBER AGENCIES:

CITY OF SANTA CRUZ

City Manager

Dated: _____

Approved as to form:

Santa Cruz City Attorney

Dated: _____

CITY OF SCOTTS VALLEY

City Manager

Dated: _____

Approved as to form:

Scotts Valley City Attorney

Dated: _____

Attachment: Animal Services JPA (1908 : Animal Services Agreement)

CITY OF WATSONVILLE

By _____
City Manager

Dated: _____

Approved as to form:
Watsonville City Attorney

Dated: _____

CITY OF CAPITOLA

By _____
City Manager

Dated: _____

Approved as to form:
Capitola City Attorney

Dated: _____

COUNTY OF SANTA CRUZ

By _____
Chair, Board of Supervisors

Dated: _____

Approved as to form:
Dana McRae, County Counsel

By _____

Dated _____

By signing above, signatory warrants and represents that he/she executed this amendment in his/her authorized capacity and that by his/her signature on this amendment, he/she or the entity upon behalf of which he/she acted, executed this amendment.

Attachment: Animal Services JPA (1908 : Animal Services Agreement)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Capitola Police Department

SUBJECT: Response to Civil Grand Jury Report, "Threat of Violence in our Public Schools"

RECOMMENDED ACTION: Accept the recommendations by the Santa Cruz County Civil Grand Jury, and direct the City Clerk to send the completed response packet pursuant to California Penal Code 933.05 PC.

BACKGROUND: On June 13, 2017, the Santa Cruz Civil Grand Jury released a report documenting its assessment of the "Threat of Violence in our Public Schools."

The City of Capitola and the Capitola Police Department have a viable and productive relationship with school district officials and facilities in our City: Soquel Union Elementary School District Office, New Brighton Middle School, Opal Cliffs School, and Campus Kids Connection (CPK) Preschool. The Police Department has emergency response plans in place for each of the four facilities, and all plans were updated in January 2017. Staff is committed to maintaining frequent contact with school administrative officials and staff, understanding that building relationships and familiarity of personnel and operational protocols are key elements toward resolving and/or responding to threats of violence associated with schools.

DISCUSSION: The Grand Jury completed its investigation and posted its 10 findings on June 13, 2017. A copy of the report is attached and is available on the City's website. The report highlights eight recommendations, two of which are specific to the City of Capitola. The Police Department agrees with these recommendations, and both will be implemented in the near future. The following recommendations (R) were listed:

R5- The CSO and Chiefs of Police should ensure a law enforcement representative, preferably a School Resource Officer (SRO), be made available to school districts drafting or revising a threat assessment plan.

R8- The County Sheriff and Chiefs of Police should ensure their respective law enforcement agencies attend periodic training in assessing threats of targeted school violence.

California Penal Code 832.5 PC requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Staff recommends that the response packet be completed and delivered on or before the due date of August 14, 2017, indicating the City's response to the findings and recommendations, and the status of implementation efforts.

Civil Grand Jury Report - Assessing Threats of School Violence
July 27, 2017

FISCAL IMPACT: None

ATTACHMENTS:

1. Grand Jury Report
2. Capitola Response to Grand Jury Report

Report Prepared By: Terry McManus
Police Chief

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017



Assessing the Threat of Violence in our Public Schools

Is enough being done?

Summary

In the wake of some horrific incidents at schools, efforts have been made at the federal and state levels to reduce such events. The Santa Cruz County Civil Grand Jury investigated the readiness of our ten public school districts, the county's alternative education sites, and their respective law enforcement agencies to respond effectively to threats of [targeted school violence](#).

While there are many positive programs in place, more can and should be done. Threat assessment plans, response teams, communication plans, and training are not consistent across all campuses. Confusion about what to do or how to interact with law enforcement during a threat incident still exists at some schools. Campus law enforcement, known as School Resource Officers, are extremely valuable in preventing or mitigating threats, but are only available in a few districts.

Background

At the end of the 2015-16 school year, a Santa Cruz County school district experienced an incident that tested the threat assessment part of its comprehensive school safety plan. The fear and confusion this incident raised was heightened by a lack of coordination between the school and local law enforcement, as well as a failure of timely and comprehensive communication to the school community. This situation led the Grand Jury to question whether the lack of coordination was isolated to this one district, or was something widespread throughout the county's multiple school and law enforcement systems. This was the basis for an investigation into threat assessment in our schools countywide.

A threat is an expression of intent to do harm or to act violently against someone or something. A threat can be spoken, written, or symbolic gestures or actions. Threat assessment rests on two critical principles:

- All threats and all threateners are not equal.
- Most threateners are unlikely to carry out their threat. However, all threats must be taken seriously and evaluated.

Threat assessment in schools is ultimately not concerned with whether a person or persons have made a threat, but whether they pose a threat, and includes efforts to prevent the threat from being carried out.

Scope

To better understand threat assessment issues, the Grand Jury referenced numerous reports and publications, including:

- California Education Code^[1]
- *Safe Schools: A Planning Guide for Action*^[2]
- *The Final Report and Findings of the Safe School Initiative*^[3]
- *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*^[4]
- *The School Shooter: A Threat Assessment Perspective*^[5]
- *The Virginia Model for Student Threat Assessment*^[6]
- Santa Cruz County Office of Education's *Emergency Response Management Plan*^[7]

Schools

Through interviews and questionnaires, we examined the preparedness of the county's school districts in assessing threats of [targeted school violence](#). We sought information regarding how many districts had a threat assessment plan and of those which did, how detailed it was and to what degree law enforcement was involved. We developed the questionnaires from material gleaned through researching the publications mentioned above.

Law enforcement

Using the same process, we looked at the readiness of the county's law enforcement agencies to work in concert with the school districts in assessing threats. We evaluated how many agencies had School Resource Officers (SROs) and to what degree the agencies knew of and were involved in threat assessment at the schools in their jurisdictions. SROs are law enforcement officers that have received specialized training for working in an educational environment.

The final phase of our work was to propose a way to ensure that any school district in the county can effectively deal with assessing a threat with the law enforcement support they need.

Investigation

State law requires all public schools districts and county offices of education to develop a comprehensive school safety plan.

It is the intent of the Legislature that all California public schools, in kindergarten, and grades 1 to 12, inclusive, operated by school districts, in cooperation with local law enforcement agencies, community leaders, parents, pupils, teachers, administrators, and other persons who may be interested in the prevention of campus crime and violence, develop a comprehensive school safety plan that addresses the safety concerns identified through a systematic planning process.
California Education Code §32280

Sections 32280–32289 of the California Education Code mandated that these comprehensive school safety plans (CSSPs) be adopted by school districts throughout the state by March 1, 2000.^[1]^[8] Many schools had long-standing emergency plans for things such as natural disasters, involving coordination with other agencies such as fire and law enforcement, that were stand-alone policies or procedures. These pre-existing plans needed to be consolidated and incorporated into the CSSP in order to comply. More recent issues such as cyberbullying and threat assessment may not have been part of a school's pre-existing plan, and the California Department of Education offered the publication *Safe Schools: A Planning Guide for Action* to help school districts put it all together.^[3] Notably missing from the original law and the guide was any direct mention of threat assessment.^[1]

Though other agencies are mentioned in the law,^[1] it is clear that any collaboration and coordination with them is the responsibility of the school districts. With over 1,000 school districts in California,^[9] there is no assurance of consistency in the use of the planning guide or of the coordination with other agencies.

Communication: a key component of a comprehensive school safety plan

First and foremost, a school district should have a means of sharing information with its community.^[7] Employing multiple avenues such as social media, email, and a phone tree contact system is ideal. The school community should be well informed as to the existence of the communication methods and how they will be used. Once established, they should be used consistently.^[7] In the incident last summer, failure to use these communication tools heightened fear, anxiety, anger, and frustration.

Secondly, the existence of the school district's Comprehensive School Safety Plan should be made clear to the parents and guardians of all students prior to their attendance at school. Either a copy of the plan or means of accessing one should be provided. For student and faculty safety some details of the plan may remain confidential, accessible only to key district employees and command personnel of the emergency response agencies called out in the plan. Along with the knowledge of the plan itself, parents and guardians should know under what circumstances the district will make contact with them, and by what means this will take place.

Reluctance to exchange information between school districts and law enforcement or other agencies because of concerns of violating the Family Educational Rights and Privacy Act (FERPA) has hampered assessments.^[10] Under provisions of FERPA, in most circumstances a school may not disclose identifying information about a student without the prior written consent of the student's parent or guardian or, in the case of students who are 18 or older, the consent of the student. While this does not apply to law enforcement, not everyone involved may be aware of that fact. An agreement between schools and other agencies involved with the assessment of school threats may be created for the exchange of critical information while still protecting students' rights. A template of such an agreement is included in *Safe Schools: A Planning Guide for Action*.^[2]

The last important element is the development of comfort and trust between students and adults. Data collected in the *Safe School Initiative*, a study of incidents of [targeted school violence](#) that occurred in 37 communities between 1974 and 2000, showed that in many schools there is a pervasive sense among students and some adults that telling grownups that another student is in pain or may pose a threat violates an unwritten, but powerful, "code of silence."^[11] This study found that most school shooters shared their potentially lethal plans with other students, but those students who knew of planned attacks rarely told adults.

A culture of "see something, say something" needs to be fostered. Students must be able to feel they can come to an adult with issues regarding their safety without fear of being stigmatized as a snitch or alienated from the rest of the students by violating a friend's trust.^[12] Having a uniformed School Resource Officer on campus has an added benefit in that comfort in relating with law enforcement can be established as well.

Threat assessment and investigation

Though not specifically identified as such within state guidelines, threat assessment is an integral component in strategies for preventing potential violence on school campuses. Despite the efficacy of responding to threats before they escalate, school districts receive little guidance in developing and implementing effective interventions. The guide the legislature intended school districts to use, *Safe Schools: A Planning Guide for Action*,^[2] echoes the language of the law with regard to the need for prevention of violence in schools but doesn't specifically identify threat assessment.

The guide does, however, list as a resource *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*,^[4] from the U.S. Secret Service (USSS) and U.S. Department of Education (ED). This resource clearly focuses on threats of [targeted school violence](#), and was generated from the *Safe School Initiative*.^[3]

An FBI report, *The School Shooter: A Threat Assessment Perspective*,^[5] focuses on assessing threats of [targeted school violence](#). This document summarizes the discussion and conclusions from a 1999 symposium hosted by the National Center for the Analysis of Violent Crime in Leesburg, Virginia. Unfortunately this well-prepared FBI document is not widely disseminated and school districts must find this through their independent research when making their comprehensive school safety plans.

Using both of these documents as a resource provides a comprehensive picture of threats.^{[4] [5]} Both cover all aspects of a threat, but the USSS and ED paper puts more focus on the psychology and motivation of why a threat is made while the FBI paper explores more deeply how and what to investigate when assessing a threat. Following these two documents in thoroughly assessing a threat will give a school district and its community the assurance that everything possible has been done to keep students and faculty safe.

In 2006, the Youth Violence Project of the Curry School of Education at the University of Virginia developed and field-tested a comprehensive set of threat assessment guidelines known as the the "Virginia Model."^[6] This model takes the recommendations from the two federal sources, addresses them from the perspective of a school administrator, and creates a step-by-step flowchart to investigate threats of [targeted school violence](#). Santa Cruz County Office of Education's *Emergency Response Management Plan*, in chapter 4, section 4.40,^[7] lists steps recommended in dealing with a threat outlined in the USSS and ED paper.^[4]

All resources used for this investigation recommend the creation of a multidisciplinary threat assessment team comprised of administrators, teachers, and representatives from the legal profession, mental health care, and law enforcement.^{[13] [14]} They recommend that all teams be formed in advance, become familiar with their threat assessment plans, attend training when available, and have alternates ready to step in.

The ideal threat assessment plan should incorporate key elements from all of these resources, some of which are obtained only through concerted effort on the part of the

school district. Once complete, the plan should detail the step by step process in conducting an investigation, both on the part of the school district and of law enforcement.

When a student makes a verbal or written threat at school that involves the use of a weapon, the school district has the authority to search for weapons or other evidence on the student's person, belongings, locker, and on school property. They may also conduct interviews of the student or students while they are on school district property. A thorough investigation beyond school district boundaries can only be carried out by law enforcement.

The student's residence and other off campus areas may also need to be searched to determine their access to weapons. Other clues, described in the resource materials as [leakage](#), may also be pursued in evaluating a student's intention to carry out the threat.^{[15] [16]} This part of the investigation is clearly outside the authority of the district and can only be done by law enforcement.

Not all threats require this degree of investigation, but when warranted, these steps need to be taken before determining that a threat does or does not exist. The failure to do so was a critical piece lacking last summer, and underscores the need for the school district and law enforcement to know the plan and to coordinate their efforts when putting the plan into action.

Preparedness of our schools and law enforcement

Our survey found wide variation in the preparation and resources available in the county's school districts. While all of the districts had comprehensive school safety plans, they did not all include specific threat assessment plans and those plans largely were not created in collaboration with law enforcement. The teams varied as well, both in terms of their makeup and whether they were standing teams or not. Three districts are so small that they are unable to form a multidisciplinary team. Only two threat assessment teams had SROs as members.

All teams were trained in the 2015-16 school year, but not all have received additional training, nor is it consistently provided. Two districts took the initiative to organize training in the spring of 2017, which was attended by personnel from seven districts and the county's alternative education sites.

We asked the five county law enforcement agencies (the Sheriff's Office and the police departments of Capitola, Santa Cruz, Scotts Valley, and Watsonville) if they had personnel trained as SROs. We inquired about how many, their roles and responsibilities, their involvement in threat assessment, knowledge of specific threat assessment plans, and membership on a threat assessment team. All but one agency had SROs or personnel assigned to assist schools or were trained in assessing threats of [targeted school violence](#). We also inquired about specific training in threat assessment as opposed to standard criminal investigation.

In every case law enforcement personnel who work regularly with the schools, or who oversee response to calls for service from schools, had knowledge of their schools'

threat assessment plans. They realized the importance of not simply investigating whether a crime has been committed but also of inquiring about the likelihood of a threat of [targeted school violence](#). In every case, law enforcement would pursue [leakage](#) and request search warrants if necessary.

Boundary Spanning

In order to identify, assess, and manage individuals who might pose threats of targeted school violence, a threat assessment effort must build relationships among individuals and organizations both within the school and external to the school.^[17] Ideally, a threat assessment plan would be created by a school district with the input of law enforcement and would consist of policies and procedures for cooperation and collaboration. In performing a threat assessment without the benefit of this planned integration, the agencies involved tend to carry out their functions independently, leaving the door open for poor information exchange and overlaps or gaps in the continuity of the process.

The most effective relationships exist between individuals, not institutions. Individuals who build and maintain these relationships across disciplines and agencies are called *boundary spanners*.^[18] They serve as a formal link or liaison between various systems and departments, and meet regularly. Boundary spanners must have credibility, respect, and strong interpersonal skills. In addition, they should understand the needs and operation of all involved groups. This understanding helps in integrating ongoing interagency relationships, in developing written protocols, and in facilitating the resolution of conflicts.

Findings

- F1.** In a threat situation, timely and specific communication from the school to the community can reduce fear, anxiety, anger, and frustration.
- F2.** Confusion over the disclosure of protected information regarding juveniles has been a barrier to the timely exchange of vital information between school districts and law enforcement, although FERPA permits disclosure of juvenile student information to law enforcement without parental consent.
- F3.** Threat assessment is a necessary part of the comprehensive school safety plan, but very little direct guidance has been provided to school districts in how to go about doing it.
- F4.** Investigating a threat may involve actions that can only be done by law enforcement, necessitating coordination and collaboration in formulating and implementing a threat assessment plan.
- F5.** Seven of the ten districts have a specific threat assessment plan; those districts without a plan are less able to respond effectively to threats. All of these reported that local law enforcement was aware of their plan.
- F6.** Only one school district had a threat assessment plan that was created with the help of law enforcement, leaving all other districts at a disadvantage in addressing threats.

- F7.** Three of the four districts with a single school lack the personnel to adequately assemble a threat assessment team.
- F8.** All threat assessment teams had training in the 2015-16 school year, but not all districts attended a professional threat assessment training held in the spring of 2017.
- F9.** Countywide, only two of 11 SROs were included as members of a threat assessment team.
- F10.** Not all local law enforcement agencies have personnel trained in assessing threats of school violence, leaving them less able to assist schools.

Recommendations

- R1.** The County Superintendent of Schools should advocate school districts inform parents and guardians on how and when they will be contacted in the event of a threat. (F1)
- R2.** The County Office of Education (COE) and the County Sheriff's Office (CSO) should advocate that the threat assessment plan for each school district has a written agreement with law enforcement in which restricted information may be exchanged during the investigation of a threat. (F2)
- R3.** The COE and the CSO should collaborate to develop a plan in which all school districts are prepared and capable of assessing a threat of targeted school violence. (F3, F5–F7)
- R4.** The County Sheriff and the County Superintendent of Schools should act as *boundary spanners* to facilitate collaboration between the school districts and law enforcement in assessing threats. (F4)
- R5.** The CSO and Chiefs of Police should ensure a law enforcement representative, preferably a School Resource Officer, be made available to school districts drafting or revising a threat assessment plan. (F6, F8)
- R6.** The County Superintendent of Schools should advocate each school district receives periodic training in assessing threats of targeted school violence. (F8)
- R7.** The COE should advocate each school district either has or has access to a multidisciplinary threat assessment team, including a representative from law enforcement. (F7, F9)
- R8.** The County Sheriff and the Chiefs of Police should ensure their respective law enforcement agencies attend periodic training in assessing threats of targeted school violence. (F10)

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
County Superintendent of Schools	F1–F9	R1–R4, R6, R7	60 Days August 14, 2017
County Sheriff	F2, F4–F6, F9, F10	R2–R5, R8	60 Days August 14, 2017
Capitola Chief of Police	F5, F10	R5, R8	60 Days August 14, 2017
Santa Cruz Chief of Police	F5, F10	R5, R8	60 Days August 14, 2017
Scotts Valley Chief of Police	F5, F10	R5, R8	60 Days August 14, 2017
Watsonville Chief of Police	F5, F10	R5, R8	60 Days August 14, 2017

Definitions

- **Boundary Spanner:** An individual who takes on the role or responsibility of serving as a connection between the different constituencies in multi-agency or multi-jurisdictional settings.
- **CSSP:** Comprehensive School Safety Plan defined in California Education Code Article 5, §§32280–32289.
- **Leakage:** When a student intentionally or unintentionally reveals clues to feelings, thoughts, fantasies, attitudes, or intentions that may signal an impending violent act. These clues can take the form of subtle threats, boasts, innuendos, predictions, or ultimatums. They may be spoken or conveyed in stories, diary entries, essays, poems, letters, songs, drawings, doodles, tattoos, or videos. ^[19]
- **NCAVC:** National Center for the Analysis of Violent Crime.
- **School Resource Officer (SRO):** A law enforcement officer with specialized training, deployed in a community-oriented policing assignment to work in collaboration with one or more schools.
- **Targeted School Violence:** Any incident where (i) a current student or recent former student attacked someone at their school with lethal means (e.g., a gun or knife); and, (ii) where the student attacker purposefully chose their school as the location of the attack. ^[20] The target may be a specific individual, such as a particular classmate or teacher, or a group or category of individuals. The target may even be the school itself. ^[21]

- **The Virginia Model:** A systematic procedure for threat assessment and intervention developed from the findings of The Youth Violence Project of the Curry School of Education at the University of Virginia. The model is designed to be used by educators, mental health professionals and law enforcement agencies.

Sources

References

1. California Education Code. 1985 (Renumbered 2003). Title 1, Div. 1, Part 1, Chap 2.5, Article 5, §§ 32280- 32289. Accessed May 22, 2017.
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC§ionNum=32280.
2. California Department of Education and California Attorney General. 2002. *Safe Schools: A Planning Guide for Action Workbook*. Accessed May 22, 2017.
http://colganstone.com/yahoo_site_admin/assets/docs/Safe_Schools_PI_Guide_Wkbk_copy.61175732.pdf
3. U.S. Secret Service and U.S. Department of Education. 2004. *The Final Report and Findings of the Safe School Initiative: Implications for the Prevention of School Attacks in the United States*. Accessed May 22, 2017.
<https://www2.ed.gov/admins/lead/safety/preventingattacksreport.pdf>
4. U.S. Secret Service and Department of Education. 2004. *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*. Accessed May 22, 2017.
<https://www2.ed.gov/admins/lead/safety/threatassessmentguide.pdf>
5. FBI Critical Incident Response Group, National Center for the Analysis of Violent Crime, and Mary Ellen O'Toole. circa 2000. *School Shooter: A Threat Assessment Perspective*. Accessed May 22, 2017.
<https://schoolshooters.info/sites/default/files/school2.pdf>
6. Dewey G. Cornell, University of Virginia. 2006. *The Virginia Model for Student Threat Assessment*. Accessed May 22, 2017.
http://curry.virginia.edu/uploads/resourceLibrary/Virginia_Model_for_Student_Threat_Assessment_overview_paper_7-16-10.pdf
7. Santa Cruz County Office of Education. 2007. *Safe Schools Consortia – Emergency Response / Crisis Management Manual*, Chapter 4, *Responding to an Emergency*, § 4.40. Accessed May 22, 2017.
http://www.santacruzcoe.org/school_safety/emergency_response_manual_pdfs/4-EmergencyResponse.pdf
8. California Education Code. 2004. Title 1, Div. 1, Part 19, Chap. 2.5, Article 5, §§ 32286(a, b). Accessed May 22, 2017.
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC§ionNum=32286.

9. California Department of Education. Educational Demographics Unit. 2016-2017. Student Enrollment by Ethnicity – County Enrollment. Accessed May 22, 2017. <http://dq.cde.ca.gov/dataquest/Enrollment/EthnicEnr.aspx?cChoice=CoEnrEth&cYear=2016-17&TheCounty=44,SANTA^CRUZ&cLevel=County&cTopic=Enrollme nt&myTimeFrame=S&cType=ALL&cGender=B>
10. U.S. Secret Service and U.S. Department of Education. 2004. *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*, pp. 36–37. Accessed May 21, 2017. <https://www2.ed.gov/admins/lead/safety/threatassessmentguide.pdf#page=28>
11. U.S. Secret Service and U.S. Department of Education. 2004. *The Final Report and Findings of the Safe School Initiative: Implications for the Prevention of School Attacks in the United States*, p. 33. Accessed May 21, 2017. <https://www2.ed.gov/admins/lead/safety/preventingattacksreport.pdf#page=26>
12. FBI Critical Incident Response Group, National Center for the Analysis of Violent Crime, and Mary Ellen O’Toole. circa 2000. *School Shooter: A Threat Assessment Perspective*, p. 32. Accessed May 21, 2017. <https://schoolshooters.info/sites/default/files/school2.pdf#page=38>
13. FBI Critical Incident Response Group, National Center for the Analysis of Violent Crime, and Mary Ellen O’Toole. circa 2000. *School Shooter: A Threat Assessment Perspective*, p. 26. Accessed May 21, 2017. <https://schoolshooters.info/sites/default/files/school2.pdf#page=32>
14. U.S. Secret Service and U.S. Department of Education. 2004. *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*, p. 32. Accessed May 21, 2017. <https://www2.ed.gov/admins/lead/safety/threatassessmentguide.pdf#page=26>
15. FBI Critical Incident Response Group, National Center for the Analysis of Violent Crime, and Mary Ellen O’Toole. circa 2000. *School Shooter: A Threat Assessment Perspective*, pp. 16–17. Accessed May 21, 2017. <https://schoolshooters.info/sites/default/files/school2.pdf#page=22>
16. U.S. Secret Service and U.S. Department of Education. 2004. *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*, p. 50. Accessed May 21, 2017. <https://www2.ed.gov/admins/lead/safety/threatassessmentguide.pdf#page=36>
17. U.S. Secret Service and U.S. Department of Education. 2004. *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*, pp. 38–39. Accessed May 21, 2017. <https://www2.ed.gov/admins/lead/safety/threatassessmentguide.pdf#page=29>
18. U.S. Secret Service and U.S. Department of Education. 2004. *Threat Assessment in Schools: A Guide to Managing Threatening Situations and to Creating Safe School Climates*, p. 39. Accessed May 21, 2017. <https://www2.ed.gov/admins/lead/safety/threatassessmentguide.pdf#page=29>

19. FBI Critical Incident Response Group, National Center for the Analysis of Violent Crime, and Mary Ellen O'Toole. circa 2000. *School Shooter: A Threat Assessment Perspective*, p.16. Accessed May 22, 2017.
<https://schoolshooters.info/sites/default/files/school2.pdf#page=22>
20. U.S. Secret Service and U.S. Department of Education. 2004. *The Final Report and Findings of the Safe School Initiative: Implications for the Prevention of School Attacks in the United States*, p. 7. Accessed May 21, 2017.
<https://www2.ed.gov/admins/lead/safety/preventingattacksreport.pdf#page=10>
21. U.S. Secret Service and U.S. Department of Education. 2004. *The Final Report and Findings of the Safe School Initiative: Implications for the Prevention of School Attacks in the United States*, p. 4. Accessed May 21, 2017.
<https://www2.ed.gov/admins/lead/safety/preventingattacksreport.pdf#page=9>

Site Visits

No site visits were made.

Websites

California Legislative Information

<https://leginfo.legislature.ca.gov/faces/codes.xhtml>

University of Virginia <http://curry.virginia.edu/>

Santa Cruz County Office of Education <http://santacruzcoe.org/>



**The 2016–2017 Santa Cruz County Civil Grand Jury
Requires that the
Capitola Chief of Police
Respond to the Findings and Recommendations
Specified in the Report Titled
Assessing the Threat of Violence in our Public
Schools
by August 14, 2017**

When the response is complete, please

1. Email the completed Response Packet as a file attachment to grandjury@scgrandjury.org, and
2. Print and send a hard copy of the completed Response Packet to

The Honorable Judge John Gallagher
Santa Cruz Courthouse
701 Ocean St.
Santa Cruz, CA 95060

Instructions for Respondents

California law PC § 933.05 (included [below](#)) requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing the responses.

Response Format

1. For the Findings included in this Response Packet, select one of the following responses and provide the required additional information:
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE** with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. **DISAGREE** with the Finding and provide an explanation of the reasons therefor.
2. For the Recommendations included in this Response Packet, select one of the following actions and provide the required additional information:
 - a. **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe or expected date for implementation, or
 - c. **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report, or
 - d. **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefor.

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F5. Seven of the ten districts have a specific threat assessment plan; those districts without a plan are less able to respond effectively to threats. All of these reported that local law enforcement was aware of their plan.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The City is committed to maintaining our positive relationship the Soquel Union Elementary School District. Staff has established threat response protocols and clear channels of communication with critical school personnel. In January of each year, investigators from the Capitola Police Department's Criminal Investigations Unit (CIU) meet with designated staff from Soquel Union School District facilities to review and update the School Emergency Management Plans for each of the schools in the district. Liaison personnel are identified and emergency contact information is disseminated with specific instructions related to the rapid mobilization of necessary personnel in the event of an emergency, perceived or actual. This process has proven to be effective during previous known and/or predicted threats of violence associated with school facilities or individuals.

In addition, the Capitola Police Department has cooperated with the Santa Cruz County Sheriff's Office and engaged in training scenarios emphasizing the likely need for a mutual aid response to credible threats of school violence and "active shooter" emergency response and protocol.

The City does not have records of what level of threat assessment planning other school districts in the County have completed.

It should also be noted that the ability to effectively respond to a "threat" is, in part, dependent on details of the actual threat (if known), credibility of information and intelligence, and the severity of the threat presented, perceived or direct.

Some threats, such as bomb threats delivered by unknown persons or unsubstantiated sources, via social media for instance, are often effectively handled outside of the structure of a Threat Assessment Plan but within the structure of law enforcement standard best practices. Whereas, a credible and/or confirmed threat of pending violence at a school location, or actual violence occurring (i.e. active shooter) at a school location are likely to be handled more effectively if all responders are operating under known and practiced emergency response protocols some of which are likely contained in a Threat Assessment Plan.

F10. Not all local law enforcement agencies have personnel trained in assessing threats of school violence, leaving them less able to assist schools.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

Recommendations

R5. The CSO and Chiefs of Police should ensure a law enforcement representative, preferably a School Resource Officer, be made available to school districts drafting or revising a threat assessment plan. (F6, F8)

HAS BEEN IMPLEMENTED – summarize what has been done

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE – summarize what will be done and the timeframe

REQUIRES FURTHER ANALYSIS – explain scope and timeframe (not to exceed six months)

WILL NOT BE IMPLEMENTED – explain why

Response explanation, summary, and timeframe:

A detective assigned to the Capitola Police Department Criminal Investigations Unit (CIU) will be designated as the “school liaison”, tasked in part with coordinating efforts between the school district, the Santa Cruz Sheriff’s Office, and the Capitola Police Department, related to threat assessment plans and other safety concerns at or related to schools.

Specifically, this assigned officer will assist school officials in the city of Capitola with drafting and revising their threat assessment plans. In addition, the assigned detective will be responsible for recommending and facilitating training opportunities and critical communication opportunities between stakeholders.

The anticipated completion date is December 2017.

R8. The County Sheriff and the Chiefs of Police should ensure their respective law enforcement agencies attend periodic training in assessing threats of targeted school violence. (F10)

HAS BEEN IMPLEMENTED – summarize what has been done

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE – summarize what will be done and the timeframe

REQUIRES FURTHER ANALYSIS – explain scope and timeframe (not to exceed six months)

WILL NOT BE IMPLEMENTED – explain why

Response explanation, summary, and timeframe:

A key component of threat assessment is the ability to share critical information to further the investigative process. Law enforcement is committed to the right of each student to privacy, but believe that appropriate information sharing, as allowed by FERPA, contributes to timely and accurate investigations into potential threats and results in a higher level of safety at school facilities.

The Santa Cruz County Sheriff's Office has been designated as the "lead" law enforcement agency in the county, tasked with coordinating county-wide training for law enforcement and school district personnel. A team of officers and supervisors from the Capitola Police Department will be attending this training which is anticipated to begin in the upcoming 2017/18 school year.

Penal Code §933.05

1. For Purposes of subdivision (b) of §933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of §933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
4. A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.
6. A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. **No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.**



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Community Development

SUBJECT: Consider Community Action Board Contract for the Emergency Housing Assistance Program

RECOMMENDED ACTION: Approve a two-year, \$50,000 agreement with the Community Action Board of Santa Cruz County, Inc., to administer the City's Emergency Housing Assistance Program

BACKGROUND: The City of Capitola has historically funded a number of programs to provide and improve affordable housing in the community. Funding for these programs primarily came from the City's Redevelopment Housing Set-Aside Fund. In 2011, the State terminated redevelopment agencies, eliminating the City funding source for many important affordable housing programs.

In 2013, the City Council authorized the use of Housing Successor funds to reinstate the Emergency Housing Assistance Program. The Community Action Board of Santa Cruz County, Inc., (CAB) has administered the program on behalf of the City since 2013.

DISCUSSION: The Emergency Housing Assistance Program provides emergency, short-term housing payment assistance to lower-income households to prevent eviction or foreclosure leading to homelessness. The household must have no other available funds to make this payment, and must be below very-low-income limits, with either children or a disabled adult in the household. The program provides critical funding to keep families in their homes to prevent the high costs and issues associated with homelessness. The program has provided financial assistance to 26 low-income Capitola households since being reinstated in 2013.

The proposed contract would provide a \$25,000 annual allocation to the program over the next two fiscal years. Funding would be provided from the City's Housing Successor budget. A maximum of 25 percent of the contract value may be used by CAB for administrative purposes.

FISCAL IMPACT: Adequate funds are available in the Housing Successor budget.


ATTACHMENTS:

1. CAB contract 17-18

Report Prepared By: Rich Grunow
Community Development Director

Community Action Board Contract
July 27, 2017

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/14/2017

**CITY OF CAPITOLA PROFESSIONAL
SERVICES AGREEMENT
COMMUNITY ACTION BOARD OF SANTA CRUZ COUNTY, INC. (CAB, Inc.)**

THIS AGREEMENT is entered into on July 28, 2017, by and between the City of Capitola, hereinafter called "City" and the Community Action Board, Inc. (CAB, Inc.), hereinafter called "Consultant".

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

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

**SECTION 1
Scope of Services**

The services to be performed under this Agreement for fiscal year 2017-2018 and fiscal year 2018-2019 Emergency Housing Assistance and further detailed in Appendix One.

**SECTION 2
Duties of Consultant**

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

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

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

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

**SECTION 3
Duties of the City**

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

The Director may authorize a staff person to serve as his or her representative for conferring with Consultant relative to Consultant's services. The work in progress hereunder shall be reviewed from time to time by City at the discretion of City or upon the request of Consultant. If the work is satisfactory, it will

be approved. If the work is not satisfactory, City will inform Consultant of the changes or revisions necessary to secure approval.

SECTION 4 Fees and Payment

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

SECTION 5 Changes in Work

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

SECTION 6 Time of beginning and Schedule for Completion

Consultant shall begin work upon its receipt of a written Notice to Proceed from the Director. The Notice to Proceed shall not be issued until after this Agreement has been approved and authorized by the City.

The schedule for completion of the work shall be as shown upon Appendix Three. In the event that major changes are ordered, the schedule for completion as stated in Appendix Three will be adjusted by City so as to allow Consultant a reasonable period of time within which to complete any additional work which may be required as a result of the ordered changes.

In the event Consultant is delayed in performance of its services by circumstances beyond its control, the City will grant Consultant a reasonable adjustment in the schedule for completion as described in Appendix Three provided that to do so would not frustrate the City's objective for entering into this Agreement. All claims for adjustments in the schedule of completion must be submitted to City by Consultant within thirty calendar days of the time of occurrence of circumstances necessitating the adjustment.

Consultant acknowledges that it is necessary for Consultant to complete its work on or before the completion date set forth in Appendix Three in order to allow the City to achieve its objectives for entering into this Agreement. The parties therefore agree to make every effort to meet the schedule noted in Appendix Three of this Agreement.

**SECTION 7
Termination**

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

**SECTION 8
Insurance**

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

Minimum Scope of Insurance

Coverage shall be at least as broad as:

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

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

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

Attachment: CAB contract 17-18 (1915 : Community Action Board Contract)

Other Insurance Provisions

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

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

Acceptability of Insurers

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

Verification of Coverage

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

**SECTION 9
Indemnification**

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

**SECTION 10
Civil Rights Compliance/Equal Opportunity Assurance**

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

Attachment: CAB contract 17-18 (1915 : Community Action Board Contract)

tenure or terms and conditions of employment. Consultant agrees to abide by all the foregoing statutes and regulations.

SECTION 11 Legal Action/Attorneys' Fees

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which he or she may be entitled. Either the Santa Cruz County Superior or Municipal Court shall have jurisdiction over any such action and that Court shall be authorized to determine which party is the prevailing party and what amount constitutes reasonable attorneys' fees to be awarded to the prevailing party.

SECTION 12 Assignment

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

SECTION 13 Amendments

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

SECTION 14 Miscellaneous Provisions

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

project. The drawings, specifications, records, documents, and Consultant's other work product shall not be used by the Consultant on other projects, except by agreement in writing and with appropriate compensation to the City.

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

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

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

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

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

COMMUNITY ACTION BOARD OF SANTA
CRUZ COUNTY, INC. (CAB, Inc.)
406 Main Street, Suite 207
Watsonville, CA 95076
831-763-2147 x203

By: _____
Benjamin Goldstein, City Manager

By: _____
Maria Elena de la Garza, Director

Dated: _____

Dated: _____

Approved as to Form:

Anthony Condotti, City Attorney

Attachment: CAB contract 17-18 (1915 : Community Action Board Contract)

APPENDIX ONE
Scope of Services

1. Provide Emergency Housing Assistance to eligible applicants in the form of non-reimbursable grants to landlords or mortgage holders, in order to prevent eviction or foreclosure, consistent with administrative regulations of the Emergency Housing Assistance Program.
2. Certify eligible participants.
3. Provide Case Management on an as-needed basis to program participants.
4. Disseminate informational materials and respond to public inquiries.
5. Monitor and report on program progress, make recommendations to City regarding perceived need for any program modifications.
6. Discuss level of program activity with City, determine contract activities and cost for any subsequent contract period.

**APPENDIX TWO
Fees and Payments**

For the services performed, City will pay consultant on a reimbursement basis for cash assistance provided to eligible recipients of the Community Action Board, Inc. Emergency Housing Assistance Program, monthly as charges accrue, plus the sum of consultant's overhead, administration, salary expenses and non-salary expenses.

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$25,000.00 (Twenty-Five Thousand Dollars and Zero Cents) over a given fiscal year, of which 75% shall be for direct program costs, i.e. cash assistance to eligible applicants; and a maximum of 25% shall be for program administration, without specific, written advance authorization from the City.

Payments shall be made monthly by the City, based on itemized invoices from the Consultant which list actual costs and expenses. Such payments shall be for the invoice amount. Administrative costs shall be paid on a percentage basis, equal to 25% of the amount of grant funds disbursed to program beneficiaries each month in administrative costs for fiscal years 2017-2018 and FY 2018-2019. The monthly statements shall contain the following affidavit signed by a principal of the Consultant's firm:

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

Attachment: CAB contract 17-18 (1915 : Community Action Board Contract)

**APPENDIX THREE
Work Schedule**

The services to be provided by Community Action Board of Santa Cruz County, Inc. (CAB, Inc.) as described in the Scope of Services in Appendix One shall be provided during fiscal year 2017-2018 and 2018-2019.

Attachment: CAB contract 17-18 (1915 : Community Action Board Contract)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Community Development

SUBJECT: Consider Housing Programs Professional Services Contract

RECOMMENDED ACTION: Approve the proposed contract with Carolyn Flynn for an amount not to exceed \$26,000 for Fiscal Year 2017-18 for assistance with affordable housing programs, CDBG program administration, grant writing, and grant management.

BACKGROUND: Carolyn Flynn has provided consulting assistance with the City's Community Development Department for 20 years. Her services have covered a wide range of grant administration activities, as well as professional planning in affordable housing and economic development. She has managed the City's CDBG (Community Development Block Grant) Program since 1997. Her grant work includes writing grant applications, grant administration, and CDBG Program income tracking and oversight. She has managed 17 grants for the City over the years.

Previously, Ms. Flynn provided professional management of the City's Affordable Housing Program. This includes handling the re-sale and monitoring of deed-restricted affordable units, oversight of active affordable housing loans, and oversight of regulatory agreements with the owners of deed-restricted affordable housing projects and mobile home parks in the City.

In 2014, Ms. Flynn wrote grants worth almost \$900,000 for the City. She wrote a state grant for \$383,000 to fund the improvements at Rispin Park, and managed a successful grant application for \$500,000 in CDBG funds for a citywide Rehabilitation and Mortgage Assistance Program. She also managed implementation of both grants.

DISCUSSION: The contract with Ms. Flynn (Attachment 1) is for professional services for Fiscal Year 2017/18 in an amount not to exceed \$26,000. The contract is a standard form City contract for professional services, as approved by the City Attorney. Services to be performed under this contract include:

- CDBG program administration and grant assistance
- As-needed assistance with affordable housing
- Professional services for housing, flood, FEMA, economic development and disaster-related grants, as needed

Ms. Flynn's knowledge of the City's Affordable Housing, the CDBG program, and existing and new grants, as well as her unique knowledge of the City's Affordable Housing Program and Community Development Department, provides her with the required experience that no other

Contract with Carolyn Flynn
July 27, 2017

consultant can provide without first spending a significant amount of time to learn the City's financial processes, existing CDBG grant agreements, federal reporting requirements, and community and economic development projects. She therefore qualifies for a sole-source contract, as indicated on Attachment 2.

FISCAL IMPACT: The funding for this contract is available from the Housing Trust Fund, General Fund, the Housing Successor Agency, and the CDBG grant and is included in the adopted 2017-18 budget.

Task	Project/Fund	Proposed FY 17/18	Fund
1.	Affordable Housing Program Management/CDD Professional Assistance	\$ 20,000	1000
2.	Affordable Housing – Housing Successor Fund	\$ 6,000	1372
TOTAL		\$ 26,000	

ATTACHMENTS:

1. Flynn Contract FY 17-18
2. Sole Source Determination

Report Prepared By: Rich Grunow
Community Development Director

Reviewed and Forwarded by:

Jamie Goldstein, City Manager

7/14/2017

**CITY OF CAPITOLA
PROFESSIONAL SERVICES AGREEMENT
Affordable Housing Administration, CDBG Program Administration,
and Grant Writing
Carolyn Flynn**

THIS AGREEMENT is entered into on July 28, 2017 by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and Carolyn Flynn, hereinafter called "Consultant".

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

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

**SECTION 1
Scope of Services**

The services to be performed under this Agreement are for FY 2017-18 professional services related to the City's Affordable Housing Programs, Community Development Block Grant (CDBG) Program administration and implementation of community development grants, grant preparation and management, further detailed in Appendix One.

**SECTION 2
Duties of Consultant**

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

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

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

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

**SECTION 3
Duties of the City**

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

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

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

SECTION 4 **Fees and Payment**

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

SECTION 5 **Changes in Work**

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

SECTION 6 **Time of Beginning and Schedule for Completion**

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

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

Work shall begin on or about July 1, 2017.

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

SECTION 7 **Termination**

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

SECTION 8 **Indemnification**

The Consultant hereby agrees to defend, indemnify and hold harmless the City, its officers, agents and employees, from and against all claims, damages, losses, judgments, liabilities, expenses and other costs including litigation costs and attorney's fee, for injuries or damages to third persons, including but not limited to injury to person or property or wrongful death, arising directly or indirectly out of any negligent act or omission of Consultant and alleged to have resulted, directly or indirectly, or wholly or partially, from Consultant's performance under this Agreement. This indemnification provision shall not be construed to, and shall not, serve to indemnify Consultant against claims arising out of Consultant's intentional or criminal misconduct.

SECTION 9 **Civil Rights Compliance/Equal Opportunity Assurance**

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

SECTION 10 **Legal Action/Attorneys' Fees**

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

SECTION 11 **Assignment**

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

SECTION 12 **Amendments**

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

authority is retained solely by the City Council. Unless expressly authorized by the City Council, Consultant's compensation shall be limited to that set forth in Appendix Two.

SECTION 13 Miscellaneous Provisions

1. *Project Manager.* Director reserves the right to approve the project manager assigned by Consultant to said work. No change in assignment may occur without prior written approval of the City.

2. *Consultant Service.* Consultant is employed to render professional services only and any payments made to Consultant are compensation solely for such professional services.

3. *Licensure.* Consultant warrants that he or she has complied with any and all applicable governmental licensing requirements.

4. *Other Agreements.* This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter, and no other agreement, statement or promise related to the subject matter of this Agreement which is not contained in this Agreement shall be valid or binding.

5. *City Property.* Upon payment for the work performed, or portion thereof, all drawings, specifications, records, or other documents generated by Consultant pursuant to this Agreement are, and shall remain, the property of the City whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information and reference in connection with the City's use and/or occupancy of the project. The drawings, specifications, records, documents, and Consultant's other work product shall not be used by the Consultant on other projects, except by agreement in writing and with appropriate compensation to the City.

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

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

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

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

Professional Services Agreement
Affordable Housing, CDBG Program Administration and Grant Writing
Carolyn Flynn
Page 5

CITY
CITY OF CAPITOLA
420 Capitola Avenue
Capitola, CA 95010

CONSULTANT
Carolyn Flynn
3035 Buckingham Lane
Santa Cruz, CA 95062

By: _____
Benjamin Goldstein, City Manager

By: _____
Carolyn Flynn, Consultant

Dated: _____

Dated: _____

Approved as to Form:

Tony Condotti, City Attorney

Attachment: Flynn Contract FY 17-18 (1917 : Contract with Carolyn Flynn)

APPENDIX ONE Scope of Services

Administration and professional technical services for the following tasks, as needed:

- CDBG Program Administration & Grant Writing
- Assistance with the City's Affordable Housing Programs;
- Professional services for housing, flood, FEMA, economic development and disaster related grants.

**APPENDIX TWO
Fees and Payments**

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

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

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

The costs of each portion of the project are as follows:

Task	Project/Fund	Proposed FY 17/18	Fund
1.	Affordable Housing Program Management/CDD Professional Assistance	\$ 20,000	1000
2.	Affordable Housing – Housing Successor Fund	\$ 6000	1372
TOTAL		\$ 26,000	

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$26,000 (Twenty-Six Thousand Dollars and Zero Cents), without specific, written advance authorization from the City. Consultant's Hourly Rate is \$120.00/hour.

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

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

Sole Source Purchase Determination Carolyn Flynn – July 1, 2017

BACKGROUND: The City of Capitola Purchasing and Procurement policy (Administrative Policy III-4) requires three telephone quotes, whenever feasible for purchases between \$5,000 - \$25,000. The Policy also requires a formal RFP bid procedure for purchases over \$25,000. The policy provides conditions for Sole Source (Section II) purchases that are exempt from the competitive process.

DISCUSSION: The contract with **Carolyn Flynn**, in the amount of **\$26,000**, dated **July 28, 2017** is a qualified sole source purchase within the City Administrative Policy III-4 Section II **(check one of the following)**

Materials, Supplies & Equipment:

(a) Definition. Sole source purchases are used where no secondary source is reasonably available precluding the use of a competitive process.



Consultant or General Services:

(a.) In the case where a consulting firm has satisfactorily performed the previous stage of a project (e.g. a pre-design), or has acquired extensive background and working knowledge, the firm may be selected for follow-up work without solicitations from other firm upon written justification and recommendation of the department head and approval by the City Manager or designee.

(b.) If a firm is a highly recognized authority in a field or specialty, or has unique specific knowledge regarding the project, then the firm may be selected without other solicitations for contracts and upon written justification and recommendation of the department head and approval by the City Manager or designee.

(c.) Upon those infrequent occasions when confidence in the consultant and quality of service are important.

Ms. Flynn’s knowledge of the City’s Affordable Housing, CDBG program, and with existing and new grants, as well as her unique knowledge of the City’s Community Development Department, provides her with the required experience that no other consultant can provide without first spending a significant amount of time to learn the City’s financial processes, existing CDBG grant agreements, federal reporting requirements and community and economic development projects.

	<u>6-30-17</u>		<u>6/30/17</u>
Department Head	Date	City Manager	Date



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: City Manager Department

SUBJECT: Consider an Amended Contract for a Hosted Finance System with Tyler Technologies (formerly New World Systems)

RECOMMENDED ACTION: Authorize staff to sign a five-year contract with Tyler Technologies to host the City's finance system allowing the City to continue to utilize the same financial management software.

BACKGROUND: Logos, or New World Systems, has been the City of Capitola's finance system since 2009. The software system is a browser-based solution which provides detailed financial functions and reporting for managing the City of Capitola. The City uses the data from Logos to populate the OpenGov fiscal transparency portal.

In 2015, New World Systems was purchased in its entirety by Tyler Technologies. Tyler Technologies is a large software company focused solely on the public sector. In addition to purchasing New World Systems, Tyler Technologies offers hosted services at its data centers.

Currently the City runs the Logos system on hardware located on-site at City Hall. The system required a hardware and software upgrade in 2013.

DISCUSSION: The City of Capitola currently uses the final version of the Logos system that can run on the City's existing hardware and software. The next release of Logos will require the City to purchase new hardware, operating systems, database management software, and client access licensing required to upgrade the Logos software.

The City has two options moving forward, either maintain the existing on-site license or move to a hosted licensing agreement with Tyler Technologies.

The City has estimated the cost maintain its existing on-site license to be approximately \$58,000 in 2017/2018, \$25,000 in 2018/2019, and increasing at approximately 3% each year.

These costs do not include any costs if additional system upgrades are required in future years.

The alternative to upgrading the internal systems is to change the City's agreement with Tyler Technologies to hosted licensing. The hosted system would be located at Tyler Technology data centers instead of at the City. Staff will continue to access Logos through an Internet browser. There should be very little change for the end user.

New World Systems - Hosted
July 27, 2017

The cost of the hosted agreement will be \$29,960 annually plus the onetime cost of \$4,000 for connectivity hardware. The annual cost of the hosted contract will not increase during the five-year term of the contract. The annual licensing costs for the hosted system includes all hardware and software except the connectivity device and includes all upgrades to the system.

Staff believes this is an ideal time to move to a hosted license. The hosted solution will include all upgrades, both software and hardware, for the length of the contract. It will eliminate the need to purchase new hardware and software for the finance system for the next five years and will reduce support costs the City will incur with its current information technology vendor.

FISCAL IMPACT: In 2017/2018, moving to the hosted licensing will reduce City expenditures by approximately \$24,000. In 2018/2019, the fiscal impact is anticipated to be a \$5,000 increase in costs. The \$30,000 licensing cost for the hosted system is included in the 2017/2018 budget.

ATTACHMENTS:

1. 2017 Capitola Tyler Hosted Agreement
2. NWS Existing on-premises agreement
3. Logos Application Server Estimate
4. Logos Database Server Estimate

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017



SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **“Agreement”** means this Software as a Services Agreement.
- **“Business Travel Policy”** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **“Client”** means City of Capitola, California.
- **“Data”** means your data necessary to utilize the Tyler Software.
- **“Data Storage Capacity”** means the contracted amount of storage capacity for your Data identified in the Investment Summary, which in all events shall not exceed 200 gigs of Data at any time.
- **“Defect”** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **“Defined Concurrent Users”** means the number of concurrent users that are authorized to use the SaaS Services. The Defined Concurrent Users for the Agreement are Sixteen (16).
- **“Developer”** means a third party who owns the intellectual property rights to Third Party Software.
- **“Documentation”** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **“Effective Date”** means the date on which your authorized representative signs the Agreement.
- **“Force Majeure”** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **“Investment Summary”** means the agreed upon cost proposal for the products and services attached as Exhibit A.
- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **“SaaS Fees”** means the fees for the SaaS Services identified in the Investment Summary.
- **“SaaS Services”** means software as a service consisting of system administration, system

management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.

- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as Exhibit C.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Software, as applicable and attached as Exhibit D.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.

SECTION B – SAAS SERVICES

1. Rights Granted. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Concurrent Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software, as further described in Section C(8).
2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Concurrent Users and amount of Data Storage Capacity. You may add additional concurrent users or additional data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Concurrent Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s).
3. Ownership.
 - 3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.
 - 3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.

3.3 You retain all ownership and intellectual property rights to the Data.

4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement.
5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(8), below, the SLA and our then current Support Call Process.
6. SaaS Services.
 - 6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 16, Type 2. We have attained, and will maintain, Type II SSAE compliance, or its equivalent, for so long as you are timely paying for SaaS Services. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a summary of our SSAE-16 compliance report or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information.
 - 6.2 You will be hosted on shared hardware in a Tyler data center, but in a database dedicated to you, which is inaccessible to our other customers.
 - 6.3 We have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or component failure. In the event any of your data has been lost or damaged due to an act or omission of Tyler or its subcontractors or due to a defect in Tyler's software, we will use best commercial efforts to restore all the data on servers in accordance with the architectural design's capabilities and with the goal of minimizing any data loss as greatly as possible. In no case shall the recovery point objective ("RPO") exceed a maximum of twenty-four (24) hours from declaration of disaster. For purposes of this subsection, RPO represents the maximum tolerable period during which your data may be lost, measured in relation to a disaster we declare, said declaration will not be unreasonably withheld.
 - 6.4 In the event we declare a disaster, our Recovery Time Objective ("RTO") is twenty-four (24) hours. For purposes of this subsection, RTO represents the amount of time, after we declare a disaster, within which your access to the Tyler Software must be restored.
 - 6.5 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such

activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.

- 6.6 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule.
- 6.7 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned data. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.
- 6.8 We provide secure data transmission paths from each of your workstations to our servers.
- 6.9 For at least the past ten (10) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies. Our data centers are accessible only by authorized personnel with a unique key entry. All other visitors must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.

SECTION C – OTHER PROFESSIONAL SERVICES

1. Other Professional Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in our industry standard implementation plan. We will finalize that documentation with you upon execution of this Agreement.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
3. Cancellation. If travel is required, we will make all reasonable efforts to schedule travel for our personnel, including arranging travel reservations, at least two (2) weeks in advance of commitments. Therefore, if you cancel services less than two (2) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) non-refundable expenses incurred by us on your behalf, and (b) daily fees associated with cancelled professional services if we are unable to reassign our personnel. We will make all reasonable efforts to reassign personnel in the event you cancel within two (2) weeks of scheduled commitments.
4. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
5. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to

your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.

6. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).
7. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:
 - 7.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (limited to the then-current version and the immediately prior version);
 - 7.2 provide telephone support during our established support hours;
 - 7.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;
 - 7.4 make available to you all major and minor releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and
 - 7.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with our then-current release life cycle policy.

We will use all reasonable efforts to perform support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design;

(c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requested services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.

SECTION D – THIRD PARTY PRODUCTS

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.
3. Third Party Products Warranties.
 - 3.1 We are authorized by each Developer to grant access to the Third Party Software.
 - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
 - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.

SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(2).
2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all SaaS Services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION F – TERM AND TERMINATION

1. Term. The initial term of this Agreement is five (5) years from the first day of the first month following the Effective Date, unless earlier terminated as set forth below. Upon expiration of the

initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.

2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).
 - 2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.
 - 2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).
 - 2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.
 - 2.4 Resume Self-Hosting. If you determine you wish to resume self-hosting, your SaaS term will end on the last day of the month following notification and Your right to the SaaS Services will terminate then. Upon the first day of the month following when notice was received, your prior Maintenance and Support agreement will begin and such agreement will renew automatically for additional one (1) year renewal terms at our then-current on premise maintenance and support fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term.
 - 2.5 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.
 - 2.6 Fees for Termination without Cause during Initial Term. If you terminate this Agreement during the initial term for any reason other than cause, Force Majeure, to resume self-hosting of the Tyler Software, or lack of appropriations, or if we terminate this Agreement during the initial term for your failure to pay SaaS Fees, you shall pay us the following early termination fees:
 - a. if you terminate during the first year of the initial term, 100% of the SaaS Fees through the date of termination plus 25% of the SaaS Fees then due for the remainder of the initial term;
 - b. if you terminate during the second year of the initial term, 100% of the SaaS Fees

through the date of termination plus 15% of the SaaS Fees then due for the remainder of the initial term; and

- c. if you terminate after the second year of the initial term, 100% of the SaaS Fees through the date of termination plus 10% of the SaaS Fees then due for the remainder of the initial term.

SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Intellectual Property Infringement Indemnification.

- 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; (c) replace it with a functional equivalent; or (d) terminate this Agreement and refund you the prepaid but unused SaaS Fees for the year in which the Agreement terminates. We will pursue those options in the order listed herein. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

- 2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses,

liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
4. **LIMITATION OF LIABILITY.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(2), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).
5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION H – GENERAL TERMS AND CONDITIONS

1. **Additional Products and Services.** You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. **Optional Items.** Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. **Dispute Resolution.** You agree to provide us with written notice within thirty (30) days of becoming

aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.

4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect

the rights of third parties under any Third Party Terms.

11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
 - (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
 - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
 - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
 - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the

event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.

- 18. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
- 19. Governing Law. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law. Venue for claims and disputes will be in the state or federal courts for the City of Capitola, California.
- 20. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
- 21. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
- 22. Contract Documents. This Agreement includes the following exhibits:

- Exhibit A Investment Summary
- Exhibit B Invoicing and Payment Policy
Schedule 1: Business Travel Policy
- Exhibit C Service Level Agreement
Schedule 1: Support Call Process

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

City of Capitola

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Address for Notices:

City of Capitola
420 Capitola Avenue
Capitola, CA 95010
Attn: _____

Attachment: 2017 Capitola Tyler Hosted Agreement (1914 : New World Systems - Hosted)



Exhibit A Investment Summary

The following Investment Summary details the software and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK



New World ERP ASP - Investment Summary

TO: City of Capitola

FROM: Terri Minter, Account Representative

PHONE: 248-269-1000

DATE: 02/01/17

RE: New World ERP Application and System Software

EMAIL: terriminter@tylertech.com

Item Code	Description	Annual ASP Quote
<i>Financial Applications</i>		
FM	Financial Management Base Suite .NET	\$7,818
FM	Purchasing Base .NET	\$2,809
FM	Project Accounting .NET	\$1,561
FM	Asset Management .NET	\$1,561
FM	Misc Billing .NET	\$1,561
FM	Bank Reconcilliation .NET	\$937
<i>HR/Payroll Applications</i>		
HR	Human Resources Mgt Base Suite .NET	\$7,484
HR	Position Budgeting .NET	\$1,248
<i>Community Development Applications</i>		
CD	Business Licensing .NET	\$2,185
<i>Analytics Applications</i>		
DSS	Descision Support Base Datamart	
DSS	Finance Analytics	\$937
DSS	HR/Payroll Analytics	\$301
<i>eSuite Applications</i>		
eSuite	eSuite Base	\$0
eSuite	eTimeSheets	\$1,561
Annual Hosted Fee (Based on 5 Years)		\$29,960
VPN Fee - (One Time Cost)		\$4,000
Total 5 Year Investment		\$153,800

Comments:

Recurring SaaS fee is based on a five (5) year commitment for up to sixteen (16) concurrent users.

Additional concurrent users will be billed at our then current rate which is currently \$1,750 per user per year.



Exhibit B Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary of the Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable software and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. SaaS Fees are invoiced on an annual basis, beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement. Your annual SaaS fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual SaaS fees will be at our then-current rates.
2. Other Tyler Software and Services.
 - 2.1 *Project Planning Services:* Project planning services are invoiced upon delivery of the implementation planning document.
 - 2.2 *VPN Device:* The fee for the VPN device will be invoiced upon installation of the VPN.
 - 2.3 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.
 - 2.4 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Business System Design document, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.
 - 2.5 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
 - 2.6 *Requested Modifications to the Tyler Software:* Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in the Maintenance and Support Agreement.

2.7 *Other Fixed Price Services*: Other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document.

2.8 *Change Management Services*: If you have purchased any change management services, those services will be invoiced in the following amounts and upon the following milestones:

Acceptance of Change Management Discovery Analysis	15%
Delivery of Change Management Plan and Strategy Presentation	10%
Acceptance of Executive Playbook	15%
Acceptance of Resistance Management Plan	15%
Acceptance of Procedural Change Communications Plan	10%
Change Management Coach Training	20%
Change Management After-Action Review	15%

3. Third Party Products.

3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.

3.2 *Third Party Software Maintenance*: The first year maintenance for the Third Party Software is invoiced when we make it available to you for downloading.

3.3 *Third Party Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.

4. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses will be billed as incurred and only in accordance with our then-current Business Travel Policy. Our current Business Travel Policy is attached to this Exhibit B at Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

5. Credit for Prepaid Maintenance and Support Fees for Tyler Software. Client will receive a credit for the maintenance and support fees prepaid for the Tyler Software for the time period commencing on the first day of the SaaS Term.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is:

Bank: Wells Fargo Bank, N.A.
420 Montgomery
San Francisco, CA 94104

ABA: 121000248

Account: 4124302472

Beneficiary: Tyler Technologies, Inc. – Operating



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

Tyler's Travel Management Company (TMC) will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven-day advance booking requirement is mandatory. When booking less than seven days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is scheduled to exceed six hours, only economy or coach class seating is reimbursable.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five days = one checked bag
- Six or more days = two checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a “mid-size” or “intermediate” car. “Full” size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler’s TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler’s work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

“No shows” or cancellation fees are not reimbursable if the employee does not comply with the hotel’s cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a

trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

- Breakfast 15%
- Lunch 25%
- Dinner 60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee’s hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.



Exhibit C

SERVICE LEVEL AGREEMENT

I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. All other support services are documented in the Support Call Process.

II. Definitions. Except as defined below, all defined terms have the meaning set forth in the Agreement.

Attainment: The percentage of time the Tyler Software is available during a billing cycle, with percentages rounded to the nearest whole number.

Client Error Incident: Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

Downtime: Those minutes during which the Tyler Software is not available for your use. Downtime does not include those instances in which only a Defect is present.

Service Availability: The total number of minutes in a billing cycle that the Tyler Software is capable of receiving, processing, and responding to requests, excluding maintenance windows, Client Error Incidents and Force Majeure.

III. Service Availability

The Service Availability of the Tyler Software is intended to be 24/7/365. We set Service Availability goals and measures whether it has met those goals by tracking Attainment.

a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support incident number.

You must document, in writing, all Downtime that you have experienced during a calendar quarter. You must deliver such documentation to us within 30 days of a quarter's end.

The documentation you provide must evidence the Downtime clearly and convincingly. It must include, for example, the support incident number(s) and the date, time and duration of the Downtime(s).

b. Our Responsibilities

When our support team receives a call from you that a Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of a Client Error Incident or Force Majeure). We will also work with you to resume normal operations.

Upon timely receipt of your Downtime report, we will compare that report to our own outage logs and support tickets to confirm that a Downtime for which we were responsible indeed occurred.

We will respond to your Downtime report within 30 day(s) of receipt. To the extent we have confirmed Downtime for which we are responsible, we will provide you with the relief set forth below.

c. Client Relief

When a Service Availability goal is not met due to confirmed Downtime, we will provide you with relief that corresponds to the percentage amount by which that goal was not achieved, as set forth in the Client Relief Schedule below.

Notwithstanding the above, the total amount of all relief that would be due under this SLA will not exceed 5% of one quarter of the then-current SaaS Fee. To the extent any credit is identified in any quarter, it will accumulate, and all credits will be deducted from the SaaS Fee for the immediately following year. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption. A correction may occur in the quarter following the service interruption. In that circumstance, if service levels do not meet the corresponding goal for that later billing cycle, your credits will be reissued in that following quarter.

Every quarter, we will compare confirmed Downtime to Service Availability. In the event actual Attainment does not meet the targeted Attainment, the following Client relief will apply, on a quarterly basis:

Targeted Attainment	Actual Attainment	Client Relief
100%	98-99%	Remedial action will be taken.
100%	95-97%	4% credit of fee for affected billing cycle will be posted to next billing cycle
100%	<95%	5% credit of fee for affected billing cycle will be posted to next billing cycle

You may request a report from us that documents the preceding quarter’s Service Availability, Downtime, any remedial actions that have been/will be taken, and any credits that may be issued.

IV. Applicability

The commitments set forth in this SLA do not apply during maintenance windows, Client Error Incidents, and Force Majeure.

We perform maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

V. Force Majeure

You will not hold us responsible for not meeting service levels outlined in this SLA to the extent any failure to do so is caused by Force Majeure. In the event of Force Majeure, we will file with you a signed request that said failure be excused. That writing will at least include the essential details and circumstances supporting our request for relief pursuant to this Section. You will not unreasonably withhold its acceptance of such a request.

Attachment: 2017 Capitola Tyler Hosted Agreement (1914 : New World Systems - Hosted)



Exhibit C Schedule 1 Support Call Process

Support Channels

Tyler Technologies, Inc. provides the following channels of software support:

- (1) Tyler Community – an on-line resource, Tyler Community provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
- (2) On-line submission (portal) – for less urgent and functionality-based questions, users may create unlimited support incidents through the customer relationship management portal available at the Tyler Technologies website.
- (3) Email – for less urgent situations, users may submit unlimited emails directly to the software support group.
- (4) Telephone – for urgent or complex questions, users receive toll-free, unlimited telephone software support.

Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience:

- (1) Tyler Website – www.tylertech.com – for accessing client tools and other information including support contact information.
- (2) Tyler Community – available through login, Tyler Community provides a venue for clients to support one another and share best practices and resources.
- (3) Knowledgebase – A fully searchable depository of thousands of documents related to procedures, best practices, release information, and job aides.
- (4) Program Updates – where development activity is made available for client consumption

Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Clients may receive coverage across these time zones. Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

New Year’s Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day
Labor Day	

Issue Handling

Incident Tracking

Every support incident is logged into Tyler’s Customer Relationship Management System and given a unique incident number. This system tracks the history of each incident. The incident tracking number is

used to track and reference open issues when clients contact support. Clients may track incidents, using the incident number, through the portal at Tyler’s website or by calling software support directly.

Incident Priority

Each incident is assigned a priority number, which corresponds to the client’s needs and deadlines. The client is responsible for reasonably setting the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain “characteristics” may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the client towards clearly understanding and communicating the importance of the issue and to describe generally expected responses and resolutions.

Priority Level	Characteristics of Support Incident	Resolution Targets
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client’s remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the support incident. Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler’s responsibility for lost or corrupted data is limited to assisting the client in restoring its last available database.
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the support incident. Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler’s responsibility for loss or corrupted data is limited to assisting the client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the support incident. Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack. For non-hosted customers, Tyler’s responsibility for lost or corrupted data is limited to assisting the client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days. Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

Incident Escalation

Tyler Technology's software support consists of four levels of personnel:

- (1) Level 1: front-line representatives
- (2) Level 2: more senior in their support role, they assist front-line representatives and take on escalated issues
- (3) Level 3: assist in incident escalations and specialized client issues
- (4) Level 4: responsible for the management of support teams for either a single product or a product group

If a client feels they are not receiving the service needed, they may contact the appropriate Software Support Manager. After receiving the incident tracking number, the manager will follow up on the open issue and determine the necessary action to meet the client's needs.

On occasion, the priority or immediacy of a software support incident may change after initiation. Tyler encourages clients to communicate the level of urgency or priority of software support issues so that we can respond appropriately. A software support incident can be escalated by any of the following methods:

- (1) Telephone – for immediate response, call toll-free to either escalate an incident's priority or to escalate an issue through management channels as described above.
- (2) Email – clients can send an email to software support in order to escalate the priority of an issue
- (3) On-line Support Incident Portal – clients can also escalate the priority of an issue by logging into the client incident portal and referencing the appropriate incident tracking number.

Remote Support Tool

Some support calls require further analysis of the client's database, process or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Support is able to quickly connect to the client's desktop and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.

New World Systems

8.H.2

New Contract
 New/Upgrade
 Upgrade
 3rd Party
 Services
 SSMA

Customer: Capitola CA Project: SSMA

Customer No: 1448 Population: 9918

Original Contract Date: 9-29-08 Received Date: _____

Signature Date: 4-25-14 Distribution Date: 4-28-14

LOGOS DIVISION

- Craig Bickley
- Greg Wandrei
- Mark Dvorak
- Sandro Viselli
- Andy Breeden
- Erin Miller
- Brian Leary
- Sue Knowlton
- Stephanie Shannon
- Cindy Barber
- Carolee Beyer

AEGIS DIVISION

- Craig Bickley
- Mark Dvorak
- Sandro Viselli
- Mike Aloe
- Erin Miller
- Brian Leary
- Jeff Sanders
- Eric Burnson
- Tom Visser
- Ray Taylor
- Sue Knowlton
- Ryan Yoakam
- Stephanie Shannon
- Carolee Beyer
- Cindy Barber

ACCOUNTING/DISTRIBUTION

- Master Files
- Greg Sebastian
- Dennis Kleinedler
- Jim Fee
- Bob Kaufman
- Steve McDonald
- Dean Chmiel

SALES/MARKETING/HARDWARE

- Sales Manager Watts
- Sales Rep Jaynes
- Nancy Spencer (Aegis New Account Sales)
- JoAnn Brainard (Logos New Account Sales)
- Regina Sebastian (Customer Care Sales)
- Kathy Fant
- Bryan Proctor
- Scott Bitoff (Third Party, Hardware)
- Grace Weir (Third Party, Hardware)
- Sarah Bajek (New Customer)

OTHER

- _____
- _____

ORIGINALS:

Customer: Jeri Hannah
 Title: Finance Director

Appendix 10 Opportunity: Yes No

Outbound Marketing Lead: Yes No

Name: _____ Date: _____

Other Lead (web, show) Yes No

Full RFP: Yes No

Contract considered a:
 New Sale
 Upgrade Sale

Administrative Checklist:

- Initial billing info e-mailed _____
- Down/initial payment(s) billed: _____
- Software _____
- Project Mgmt. _____
- Custom/BOC _____
- Hardware (down) _____
- Hardware (final) _____
- Other _____
- S/W backlog entered _____
- Hourly service rate updated _____ to _____
- SSMA updated _____

NEW WORLD SYSTEMS CORPORATION
STANDARD SOFTWARE MAINTENANCE AGREEMENT

This Standard Software Maintenance Agreement (SSMA) between **New World** Systems Corporation (New World) and **Capitola, CA (Customer)** sets forth the standard software maintenance support services provided by **New World**.

1. Service Period

This SSMA shall remain in effect for a period of five (5) years from (start date) 5/1/14 to (end date) 4/30/19.

2. Services Include

The following services or features are available under this SSMA:

- (a) Upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than nine (9) months after a new release is announced by **New World**).
- (b) Temporary fixes to Licensed Standard Software (see paragraph 6 below). Software fixes will be delivered electronically.
- (c) Revisions to Licensed Documentation. Documentation will be delivered electronically.
- (d) Reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone).
- (e) Invitation to and participation in user group meetings.

Items a, b, and c above will be provided to **Customer** by electronic means.

Additional support services are available as requested by **Customer** using the then-current hourly rates or applicable fees.

3. Maintenance for Modified Licensed Standard Software and Custom Software

Customer is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World** agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Customer's** request, then the additional **New World** maintenance or support services provided shall be billed at the then-current hourly fees plus reasonable expenses.

4. Billing

Maintenance costs will be billed annually as detailed on the following page. If taxes are imposed, they are the responsibility of the **Customer** and will be remitted to **New World** upon being invoiced.

5. Additions of Software to Maintenance Agreement

Additional Licensed Standard Software licensed from **New World** will be added to the SSMA per the terms of the contract adding the software. Maintenance costs for the additional software will be billed to **Customer** on a pro rata basis for the remainder of the current maintenance year and on a full year basis thereafter.

6. Requests for Software Correction on Licensed Standard Software

At any time during the SSMA period, if **Customer** believes that the Licensed Standard Software does not conform to the current specifications set forth in the user manuals, **Customer** must notify **New World** in writing that there is a claimed defect and specify which feature and/or report **Customer** believes to be defective. Before any notice is sent to **New World**, it must be reviewed and approved by the **Customer** Liaison. Documented examples of the claimed defect must accompany each notice. **New World** will review the documented notice and when a feature or report does not conform to the published specifications, **New World** will provide software correction service at no charge. A non-warranty request is handled as a billable Request for Service (RFS).

The no charge software correction service does not apply to any of the following:

- (a) situations where the Licensed Standard Software has been changed by anyone other than **New World** personnel;
- (b) situations where **Customer's** use or operations error causes incorrect information or reports to be generated; and;
- (c) requests that go beyond the scope of the specifications set forth in the current User Manuals.

7. Maintenance Costs for Licensed Standard Software Packages Covered for .NET Server

New World agrees to provide software maintenance at the costs listed below for the following **New World** Standard Software packages licensed by the **Customer**:

<u>Application Package</u>	<u>Number of Modules</u>
1. <i>Logos</i> ® Financial Management Suite	10
2. <i>Logos</i> ® Payroll & Human Resources Suite	5
3. <i>Logos</i> ® Community Development Suite	1
4. <i>Logos</i> ® Decision Support Software	1
5. <i>Logos</i> ® eSuite	2
6. <i>Logos</i> ® Site License	1

ANNUAL
MAINTENANCE COST: See Below

<u>Period Covered</u>	<u>Annual Amount</u>	<u>Billing Date</u>
5/1/2014 to 4/30/2015	\$16,880	4/15/2014
5/1/2015 to 4/30/2016	\$17,390	4/15/2015
5/1/2016 to 4/30/2017	\$17,910	4/15/2016
5/1/2017 to 4/30/2018	\$18,450	4/15/2017
5/1/2018 to 4/30/2019	\$19,000	4/15/2018

Note: Unless extended by **New World**, the above costs are available for 90 days after submission of the costs to **Customer**. After 90 days, **New World** may change the costs.

ALL INVOICES ARE DUE FIFTEEN (15) DAYS FROM BILLING DATE.

8. Terms and Conditions

This Agreement is covered by the Terms and Conditions specified in the Licensing Agreement(s) for the software contained herein.

ACCEPTED BY:

Customer: Capitola, CA

Name: 

Title: Finance Director

Date: 4/10/14

ACCEPTED BY:

New World Systems Corporation

Name: 

Title: President

Date: 04-25-14

By signing above, each of us agrees to the terms and conditions of this Agreement and as incorporated herein. Each individual signing represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met. If the individual is not so authorized then (s)he assumes personal liability for compliance under this Agreement.

Attachment: NWS Existing on-premises agreement (1914 : New World Systems - Hosted)

Capitola, CA

Licensed Application Software

At January, 2014

1. **Logos® Financial Management Suite**
 - Financial Management Base Suite .NET
 - General Ledger
 - Budget Management
 - Annual Budget Preparation
 - Accounts Payable
 - Revenue/Cash Receipting
 - Purchasing Base .NET
 - Project Accounting .NET
 - Asset Management .NET
 - Misc. Billing & Receivables .NET
 - Bank Reconciliation .NET
2. **Logos® Payroll & Human Resources Suite**
 - Human Resources Mgt. Base Suite .NET
 - Base
 - Payroll Processing
 - Personnel Management
 - Position Control
 - Position Budgeting .NET
3. **Logos® Community Development Suite**
 - Business Licensing .NET
4. **Logos® Decision Support Software**
 - Finance Analytics .NET
5. **Logos® eSuite**
 - eSuite Base
 - eTime Sheets
6. **Logos® Site License**
 - Site License

Attachment: NWS Existing on-premises agreement (1914 : New World Systems - Hosted)

Option	Selection	SKU / Product Code	Quantity
Internal SD Module	None		1
Internal Optical Drive	No Internal Optical Drive for 8 HDD Chassis	[429-AAQN] / NODVD	1
Rack Rails	No Rack Rails or Cable Management Arm	[770-BBHJ] / NORAIL	1
Bezel	No Bezel	[350-BBBW] / NOBEZL	1
Power Management BIOS Settings	Power Saving Dell Active Power Controller	[750-AABF] / DAPC	1
Power Cords	NEMA 5-15P to C13 Wall Plug, 125 Volt, 15 AMP, 10 Feet (3m), Power Cord, North America	[450-AALV] / 125V10	2
Power Supply	Dual, Hot-plug, Redundant Power Supply (1+1), 750W	[450-ADWS] / 750R	1
System Documentation	No Systems Documentation, No OpenManage DVD Kit	[631-AACK] / NODOCS	1
Operating System	Windows Server® 2016,Standard,16CORE,Factory Inst,No MED,NO CAL	[634-BILL] / WS2FI	1
OS Media Kits	Windows Server® 2016,Standard,16CORE, Media Kit	[634-BILD] / WS20S	1
Licenses	Windows Server® 2016,Standard Ed, Add License,16CORE,NO MEDIA/KEY	[634-BILE] / MS216	1
OS Partitions	None		1
Virtualization Software	None		1
Enabled Virtualization	None		1
Database Software	None		1
Advanced System Configurations	Legacy BIOS Boot mode with GPT for Data Partition	[618-BBCX] / LBIOS	1
Additional Software Offerings	None		1

Networking Options

Option	Selection	SKU / Product Code	Quantity
Network Daughter Card	Broadcom 5720 QP 1Gb Network Daughter Card	[540-BBBW] / 5720QP	1

Services

Option	Selection	SKU / Product Code	Quantity
Warranty ¹	ProSupport Plus: 5 Year Next Business Day On-site Service	[951-2015][976-7728][976-7763][976-7770] / PSP5YNB	1
Deployment Services	No Installation	[900-9997] / NOINSTL	1
Proactive Systems Management	None		1
Keep Your Hard Drive	None		1
Remote Consulting Services	Declined Remote Consulting Service	[973-2426] / NORCS	1

Accessories

Option	Selection	SKU / Product Code	Quantity
--------	-----------	--------------------	----------

Also included in this system

The following options and default selections are included with your order.

PowerEdge R630 Shipping- 8 Drive Chassis

Additional Summary Information

Date Created: Wed Jul 05 2017 10:44:50 GMT-0700 (Pacific Daylight Time)

Save 35% on select OptiPlex, Latitude and Precision PCs after coupon SAVE35. Shop Now (<http://www.dell.com/en-us/work/shop/deals/desktop-all-in-one-deals>) | Call 1-877-302-3355 or Click to Chat (<http://www.dell.com/learn/us/en/04/campaigns/chat-splitter-usbusiness>)

< Back to Customize (/en-us/work/shop/productdetails/poweredge-r630/pe_r630_1337_c?selectionState=eyJGUHJpY2UiOjE1NzgzOjM4LCJpYl6InBIX3I2MzBfMTMzN19jliwiUXR5IjoxLCJNb2RzljpbeyJJZCI6MTUzMzB0cyI6W3siSWQioiI4Mk8ifV19LHsiSWQiojE1NTA=)

PowerEdge R630 Rack Server Summary

Dell Price	\$15,784.38
Starting at Price	\$23,969.00
Total Savings	\$8,184.62
Standard Delivery	Free

Dell Business Credit
As low as \$474/mo.^
(<http://www.dell.com/learn/us/en/04/agreements>) |
Apply (<https://www.dell.com/Financing/DFSMarcom?itemtype=CFG&s=bsd&l=en&cs=04&c=us&doc=dbc&ptype=dbc&dfsref=dbc>)
Ships in 3–5 business days



System Options

Option	Selection	SKU / Product Code	Quantity
Base	PowerEdge R630 Server	[210-ACXS][329-BCZ] / R630X	1
Trusted Platform Module (TPM)	No Trusted Platform Module	[461-AADZ] / NTPM	1
Chassis	Chassis with up to 8, 2.5" Hard Drives, up to 2 PCIe Slots (With Optional Riser)	[321-BBKJ] / 820	1
Processor	Intel® Xeon® E5-2650 v4 2.2GHz,30M Cache,9.60GT/s QPI,Turbo,HT,12C/24T (105W) Max Mem 2400MHz	[338-BJDV] / ES2654	1
Additional Processor	Intel® Xeon® E5-2650 v4 2.2GHz,30M Cache,9.60GT/s QPI,Turbo,HT,12C/24T (105W) Max Mem 2400MHz	[338-BJDW] / ES105W	1
Processor Thermal Configuration	2 CPU up to 120W	[370-ABWE][412-AAEE][412-AAEE] / HS1202	1
Cooling	None		1
Memory DIMM Type and Speed	2400MT/s RDIMMs	[370-ACPH] / 2400MT	1
PCIe Riser	None		1
Memory Configuration Type	Performance Optimized	[370-AAIP] / PEOPT	1
Memory ⁱ	32GB RDIMM, 2400MT/s, Dual Rank, x4 Data Width	[370-ACNS] / 32GBMM	2
RAID	RAID 6 for H730/H730P (4-24 HDDs or SSDs)	[780-BBJM] / R6H	1
RAID Controller	PERC H730P RAID Controller, 2GB NV Cache	[405-AAEH] / H7302G	1
Hard Drive	400GB Solid State Drive SAS Mix Use 12Gbps 512e 2.5in Hot-plug Drive, PM1635a	[400-AQRD] / 400PM1	6
Embedded Systems Management	iDRAC8 Express, integrated Dell Remote Access Controller, Express	[385-BBHN] / I8EXP	1

Attachment: Logos Database Server Estimate (1914 : New World Systems - Hosted)

Option	Selection	SKU / Product Code	Quantity
Internal SD Module	None		1
Internal Optical Drive	No Internal Optical Drive for 8 HDD Chassis	[429-AAQN] / NODVD	1
Rack Rails	No Rack Rails or Cable Management Arm	[770-BBHJ] / NORAIL	1
Bezel	No Bezel	[350-BBBW] / NOBEZL	1
Power Management BIOS Settings	Power Saving Dell Active Power Controller	[750-AABF] / DAPC	1
Power Cords	NEMA 5-15P to C13 Wall Plug, 125 Volt, 15 AMP, 10 Feet (3m), Power Cord, North America	[450-AALV] / 125V10	2
Power Supply	Dual, Hot-plug, Redundant Power Supply (1+1), 750W	[450-ADWS] / 750R	1
System Documentation	No Systems Documentation, No OpenManage DVD Kit	[631-AACK] / NODOCS	1
Operating System	Windows Server® 2016,Standard,16CORE,Factory Inst,No MED,NO CAL	[634-BILL] / WS2FI	1
OS Media Kits	Windows Server® 2016,Standard,16CORE, Media Kit	[634-BILD] / WS20S	1
Licenses	Windows Server® 2016,Standard Ed, Add License,16CORE,NO MEDIA/KEY	[634-BILE] / MS216	1
Client Access Licenses	1-pack of Windows® Server 2016,2012 Device CALs (Standard or Datacenter)	[634-BIMT] / 1PAWSC	20
OS Partitions	None		1
Virtualization Software	None		1
Enabled Virtualization	None		1
Database Software	Microsoft SQL Server 2016 Standard,OEM, Includes 5 USER CALs, NFI, ENGLISH	[634-BJCP] / MSS5UO	1
Advanced System Configurations	Legacy BIOS Boot mode with GPT for Data Partition	[618-BBCX] / LBIOS	1
Additional Software Offerings	None		1

Networking Options

Option	Selection	SKU / Product Code	Quantity
Network Daughter Card	Broadcom 5720 QP 1Gb Network Daughter Card	[540-BBBW] / 5720QP	1

Services

Option	Selection	SKU / Product Code	Quantity
Warranty ¹	ProSupport Plus: 5 Year Next Business Day On-site Service	[951-2015][976-7728][976-7763][976-7770] / PSP5YNB	1
Deployment Services	No Installation	[900-9997] / NOINSTL	1
Proactive Systems Management	None		1
Keep Your Hard Drive	None		1
Remote Consulting Services	Declined Remote Consulting Service	[973-2426] / NORCS	1

Accessories

Option	Selection	SKU / Product Code	Quantity
--------	-----------	--------------------	----------



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: City Manager Department

SUBJECT: Consider a Side Letter to the Capitola Police Officers Association Agreement

RECOMMENDED ACTION: Approve a side letter to the existing Memorandum of Understanding between the City of Capitola and the Capitola Police Officers Association establishing a FLSA 207(k) work period of 86 hours in 14 days.

BACKGROUND: The City of Capitola and the Capitola Police Officers Association (CPOA) have an existing Memorandum of Understanding (MOU) that was agreed to in 2013 and extends through June 30, 2018.

As part of a Fair Labor Standards Act (FLSA) audit of overtime hours, it was discovered that the City has overtime liability with officers in the Investigations Unit. The detectives have been working a 9/80 schedule, which includes weekly schedules of 36 hours and 44 hours over a two-week period. Even though the two-week schedule is 80 hours, FLSA requires the City to pay overtime for any hours more than 40 in a seven-day work period.

DISCUSSION: The FLSA contains a provision that allows the City to establish a different work period for law enforcement officers. Establishing a FLSA 207(k) work period of 86 hours in 14 days will allow the detectives to remain on a 9/80 schedule without overtime pay. This change will only affect FLSA overtime and will not affect MOU-based overtime, such as call-back and court appearances on a scheduled day off.

The side letter between the City and the CPOA will allow the Police Department to continue with the current schedule. The City will not need to pay overtime hours for the current standard work shift or move to a less optimal work shift.

The side letter will establish the 9/80 work schedule and correct the sick and holiday accrual rates.

FISCAL IMPACT: In 2017/2018 the anticipated savings in FLSA overtime costs by establishing a FLSA 207(k) work period will be \$10,000.

ATTACHMENTS:

1. POA Side letter FLSA-MOU overtime
2. PD OT memo 9-25-2002
3. 2017 Memo to POA regarding Work time

CPOA Side Letter
July 27, 2017

Report Prepared By: Larry Laurent
Assistant to the City Manager

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017

**SIDE LETTER
BETWEEN CITY OF CAPITOLA AND
CAPITOLA POLICE OFFICERS' ASSOCIATION**

WHEREAS the City of Capitola (City) has recently taken steps to come into compliance with the federal Fair Labor Standards Act (FLSA); and

WHEREAS the City and the Capitola Police Officers' Association (CPOA) have met and conferred in good faith regarding overtime schedules and overtime pay; and

WHEREAS, the City seeks to avoid the hours between 40 and 44 in the regularly-scheduled 44-hour workweek of investigators being treated as overtime for FLSA purposes; and

Whereas the CPOA seeks to continue to have all hours worked by employees beyond their regularly-scheduled shifts treated as contractual (aka MOU) overtime,

IT IS HEREBY AGREED AS FOLLOWS:

1. The City shall exercise its rights under 29 USC section 207(k) to use a 14-day work period and 86-hour threshold for FLSA overtime purposes. Accordingly, FLSA overtime shall only be paid when an employee actually works more than 86 hours in 14 days.
2. Investigators will not receive overtime simply for working their regular schedule (4x9-hr, 1x8-hr + 4x9hr) each 14 days.
3. Contractual overtime shall be paid for all hours worked beyond any employee's regularly scheduled hours on a daily or bi-weekly basis. So any additional hours worked in excess of 80 hours biweekly for investigators and 40 hours per week for other employees shall be paid as contractual overtime until the requirement to pay FLSA overtime applies. For example, if an employee works 80 hours of regularly-scheduled work in 14 days and 20 hours of overtime, the first 6 hours of overtime would be contractual overtime with the remaining 14 being FLSA overtime.
4. Approved leave hours shall be treated as "hours worked" for purposes of contractual overtime as stated in memo dated September 25, 2002 and referenced by memo date May 3, 2017.
5. For eligible employees, FLSA overtime shall include the cash-in-lieu and other required premiums in the "regular rate of pay". Contractual overtime will include all premiums used in the regular rate of pay except cash-in-lieu of medical contribution.

This side letter shall supersede any inconsistent provisions in the parties' MOU and shall be incorporated into the MOU by this reference.

Capitola Police Officers' Association

City of Capitola

By: _____
Leo Moreno
President
Date _____

By: _____
Name: Jamie Goldstein
Title: City Manager _____
Date _____

APPROVED AS TO FORM:

By: _____
Gregg McLean Adam
Counsel for CPOA
Date _____

Attachment: POA Side letter FLSA-MOU overtime (1913 : CPOA Side Letter)

*CITY OF CAPITOLA**Office of the
City Manager*

MEMORANDUM

TO: Richard Ehle, Chief of Police

FROM: Rich Hill, City Manager

DATE: September 25, 2002

SUBJECT: Police Overtime Accounting Policy Revised

This memorandum is in response to your memorandum dated June 3, 2002 and attempts to detail the circumstances under which it is appropriate to award overtime to those who are eligible for overtime as identified in Article 8.00 under the Police Officers Association MOU.

An overtime pay premium or compensatory time off shall be awarded at the discretion of the Chief of Police and when it does not violate any other condition of the MOU or City policies, rules or regulations. An overtime pay premium or compensated time off shall be awarded under the following circumstances. When an eligible employee:

1. identifies on his or her time card more than 40 hours of Work Time within one workweek.
2. is eligible for call back pay and subsequent work hours as identified in Article 14.00 of the POA MOU.
3. qualifies for Court Appearances as identified in Article 16.00 of the POA MOU.
4. works on a holiday, as identified in Article 11.00 of the POA MOU

For the purposes of interpreting this overtime policy, Work Time shall include: a) regular hours worked as identified on the employee's time card; b) holiday time taken identified on the employee's time card; c) vacation leave time and compensatory leave time taken as identified on the employee's time card, provided that such time has been scheduled and approved at least ten working days in advance; d) a doctors visit for Workers Compensation purposes providing such a visit is an immediate extension of regular hours worked.

cc Director of Finance
Pat Evans

Attachment: PD OT memo 9-25-2002 (1913 : CPOA Side Letter)



CITY OF CAPITOLA

Personnel Memo

Date: May 3, 2017
 To: Capitola Police Officers' Association
 From: Larry Laurent, Assistant to the City Manager
 Re: Use of Sick Leave as Work Time for Overtime Calculations

The use of has sick leave as work time for overtime calculations by the Capitola Police Department has recently come to the attention of City of Capitola administration.

In a memo dated September 25, 2002, from the City Manager to the Police Chief, work time, for the purposes of overtime calculations was defined in the following way.

Work Time shall include:

- a) regular hours worked as identified on the employee's time card;
- b) holiday time taken identified on the employee's time card;
- c) vacation leave time and compensatory leave time taken as identified on the employee's time card, provided that such time has been scheduled and approved at least ten working days in advance;
- d) a doctors visit for Workers Compensation purposes providing such a visit is an immediate extension of regular hours worked.

Sick time was not listed as work time in the memo and is not considered work time in the Fair Labor Standards Act (FLSA); however, the use of sick time as work time appears to have been the practice in the Police Department for several years. Until there has been an opportunity to meet and confer on the item, the City will allow this practice to continue.

The current Memorandum of Understanding (MOU), between the Capitola Police Officers' Association and the City of Capitola does not address the use of non-work hours for overtime calculations.

cc:
 Chief Terry McManus
 Finance Department

Attachment: 2017 Memo to POA regarding Work time (1913 : CPOA Side Letter)



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Building Department

SUBJECT: Consider a Contract Amendment to Complete Phase II of the American with Disabilities Act (ADA) Self-Evaluation and Transition Plan

RECOMMENDED ACTION: Authorize the City Manager to amend the existing contract with SZS Consulting Inc. from \$74,955 to \$114,095 authorizing the anticipated second phase of the ADA Transition Plan preparation.

BACKGROUND: On November 10, 2016, the City Council approved a contract with SZS Consulting Inc. to begin a two-phased update to the City's ADA Self-Evaluation and Transition Plan. Building and Public Works staff have been working with SZS Consulting to evaluate, review, and update the plan. Phase I is now nearing completion and an amendment to the contract is needed to begin Phase II and complete the comprehensive update.

The project was broken into two Phases to allow the funding to be allocated to the effort over multiple fiscal years. Funding for this second Phase was included in the recently adopted FY 17/18 Budget.

DISCUSSION: Phase II will consist of a comprehensive evaluation of all the City's pedestrian facilities (sidewalks) and pathways, completion of a project database and mapping for future reference, finalization of the Phase I and Phase II evaluation documents, staff training, and additional public outreach meetings, as outlined in Attachment 1. Work on Phase II will commence immediately with a timeframe of approximately eight months. The contract amendment reflects the costs for Phase II (Attachment 2), adding \$39,104 to the previously approved \$74,955 contract for a total contract value of \$114,095.

FISCAL IMPACT: The additional \$39,140 will be funded from \$50,000 allocated in this fiscal year's Capital Improvement Program Fund.

ATTACHMENTS:

1. ADA Phase II Scope of Work
2. ADA Revised Fee Proposal Phase 2_10-14-2016

Report Prepared By: Brian VanSon
Building Official

American with Disabilities Act (ADA) Contract Amendment
July 27, 2017

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017



2. SCOPE OF SERVICES – PHASE 2

A. BARRRIER ASSESSMENT – PUBLIC RIGHT OF WAY

SZS proposes to use our existing staff as survey teams to conduct surveys using off-the-shelf software including a proprietary SZS database using the Microsoft Access® platform that we use to collect field data and will provide to the City, at no cost, for as long as the remediation process takes place, including updates with code changes over time.

Many ADA consultants have put a great deal of time and effort into their proprietary software and databases, which they market as the ultimate tool that anyone can use. We often hear them tout their speed in the field at collecting data, because they believe that virtually anyone can be hired and trained in a day to use their sophisticated databases and obtain the same result as an expert. Our experience proves that while such a sales tactic may sound good, the end product does not work for their clients. Any database is only as good as the person is who enters the data, so we not only provide the database but the training necessary to use it properly.

The methods used by our field investigators have been developed during tens of thousands of hours of field surveying. Data entry takes place in the field using our proprietary database that is configured with pull-down menus and auto-prompting cues that provide efficient yet consistent data collection for our staff now and for yours, as you continue to use it into the future. Digital photographs taken by staff in the building investigation or using the SSI Accessibility Profiler will be imbedded into the database for seamless integration.

SZS offers far more than a data dump. Analysis provides actionable data.

Our field survey teams are comprised of 2 people per team. Each team uses our proprietary checklists and synchronized SZS database with Garmin® GPS technology to collect GIS data points at each location where barriers to access are identified in exterior City facilities such as parking at buildings or the signalized intersections included as part of this scope of work. City facilities to be assessed will be provided with reference drawings that indicate the physical location of each barrier to access on a floor plan or similar plan (to be provided by the client) to facilitate the review and use of the ACAR reports and final ADA Transition Plan reports.

SZS teams work a standard 8-hour day including 6 full field hours and 2 hours of Quality Assurance/Quality Control. Data collected daily is uploaded to our secure FTP site at the end of each work day. On the following morning, project managers and technical staff review the data for accuracy, completeness and send it to the GIS department for mapping in ArcGIS or reference drawing creation process.



Our field investigation team members are civil engineering graduates with EIT certification and are all certified as ICC Accessibility Inspectors/Plan Reviewers. Project managers (CASP certified inspectors) are responsible for final data review and development of standard construction details and design documents for specific locations. Our Caltrans-certified cost estimator will also provide final review of all cost estimates contained in our reports. Technical staff reviews data for clerical errors such as typos, etc. and oversees printing and report production for the report compilation process as well as prepare technical data provided as part of reports to the City and other entities, as requested.



For PROW assessments, our field survey teams now use state-of-the-art laser surface profiling technology to quickly and accurately record measurements within the pedestrian facility. While our staff members travel through the City, the SSI Accessibility Surface Profiler (see photo above) takes more than 400 readings per second using multiple sensors combined for optimized profile, slope and GPS outputs with SSI proprietary instrumentation and filtering algorithms.

The device is equipped with a military specification Panasonic Toughbook® 19 notebook computer with a daylight readable touchscreen that allows our staff to monitor the data collection in real-time and augment the collection with digital photographs and notations. It represents the best of both worlds; expert staff and state-of-the-art technology together for your benefit.

With this technology, manual measurements are a thing of the past in the PROW. This technology allows our teams to collect data in a fraction of the time it took in the past, making it possible for SZS to pass on cost savings to you.

Each of our Access Compliance Assessment Reports (ACAR) will contain the following details:

- Executive summary that identifies discusses barriers to access and illustrates reasoning behind recommended solutions in clear and concise terms.
- Location and number of each non-compliant element
- Physical description of each non-compliant element (e.g. City Museum – Floor 1)
- X, Y and Z coordinates for each exterior barrier identified in parking lots, connecting accessible routes into associated buildings or at the signalized



intersection included in this scope of work to enable production of a City-wide GIS map

- As-Built dimensions of compliant and non-compliant elements, where applicable (e.g. 30" clear width)
- Quantity and type of compliant and non-compliant elements (e.g. 120 SF, 1 each)
- Code reference and text from the 2010 ADA Design Standards, California Code Requirements (CCR), Title 24), Public Rights-of-Way Accessibility Guidelines (PROWAG), the 2010 California Manual on Uniform Traffic Control Devices (CA MUTCD), case law precedent or performance standards where applicable
- Barrier severity rating using our proprietary system with following (5) five rating tiers:
 - Tier 1 (Necessary)
 - Tier 2 (Recommended)
 - Tier 3 (Hindrance)
 - Tier 4 (Low Severity)
 - Tier 5 (Technically Infeasible)
- Recommended solution for each barrier to achieve barrier removal in not more than one (1) sentence
- Construction Cost Estimate to remove each barrier provided on each individual barrier record and within a project cost estimate summary
- GIS map including each bus stop
- Digital photo documentation for each barrier to access
- Priority for barrier removal within implementation phase, which is determined per City input and based on findings. Generally, 4 or 5 priorities are set and each stretches out over a number of years of implementation (e.g. Priority 1 barriers are scheduled for removal in the first annual phases of the transition plan)
- Implementation phase and date
- Barrier status – open or closed to allow for reports that indicate the number of barriers removed or still awaiting implementation
- Notes field allowing additional information in the database and reports to add pertinent information regarding field findings or barrier removal implementation

This is proven off-the-shelf technology that the City can use independently or add to other GIS layers or data points to over time. Other consultants using their own proprietary or patented technology may not allow the City to reproduce or add to their data without licensing fees or annual use fees.



Public Right-of-Way (PROW) Assessment Process Flow

SZS shall evaluate the sidewalk of the City's entire PROW for pedestrian facilities including non-ADA, non-California Code of Regulations/Title 2 and non-MUTCD compliant sidewalks to determine which roadways to include in the process. Findings shall be formatted into the City ESRI GIS system as a customized geodatabase with all information and fields provided in the SZS Database for Facilities to ensure data correlation.

a. **Comprehensive Assessment:** Each street will be evaluated and information will be collected. When actual field investigations are performed, the sidewalk evaluations shall include identification of the following in addition to the data points listed in the deliverables section:

- Ride Quality
- Profile quality
- Localized roughness (surface quality)
- Vertical displacement of the sidewalk by category below.
 - 1/4 inch to 1/2 inch with no bevel
 - Greater than 1/2 inch
- For areas where the displacement is greater than 1/2 inch, barrier with recommendations for removal will be noted (tree root removal at tree heaves, sidewalk replacement, area of replacement, etc.) as follows:
 - Sensitive sidewalk locations – in the vicinity of schools, senior housing, high-use pedestrian areas;
 - Sidewalks with longitudinal slopes exceeding the prevailing longitudinal street slope by more than 5% (primarily due to sidewalk uplift at tree heaves);
 - Cracks of 1/2 inch or larger;
 - Holes of 1/2 inch or larger in depth and diameter;
 - Damage around traffic signals, utility poles and boxes and regulatory sign posts;
 - Brick or concrete improvements (tree wells, decorative walkways, etc.) that is not level with the adjacent sidewalk.
 - ADA/ California Code of Regulations/Title 2 (CBC) deficiencies of all types including type - lack of truncated domes, non-compliant existing domes, ramps that are too steep, etc.

b. **Cost Estimating:** In conjunction with the recommendations identified above, SZS shall develop preliminary cost estimates on 3 levels:

1. Budgetary cost estimates for each barrier identified



2. Budgetary cost estimate per facility (building or street, per client request)
3. Budgetary cost estimate for each ADA Transition Plan implementation phase

B. PROJECT DATABASE AND MAPPING

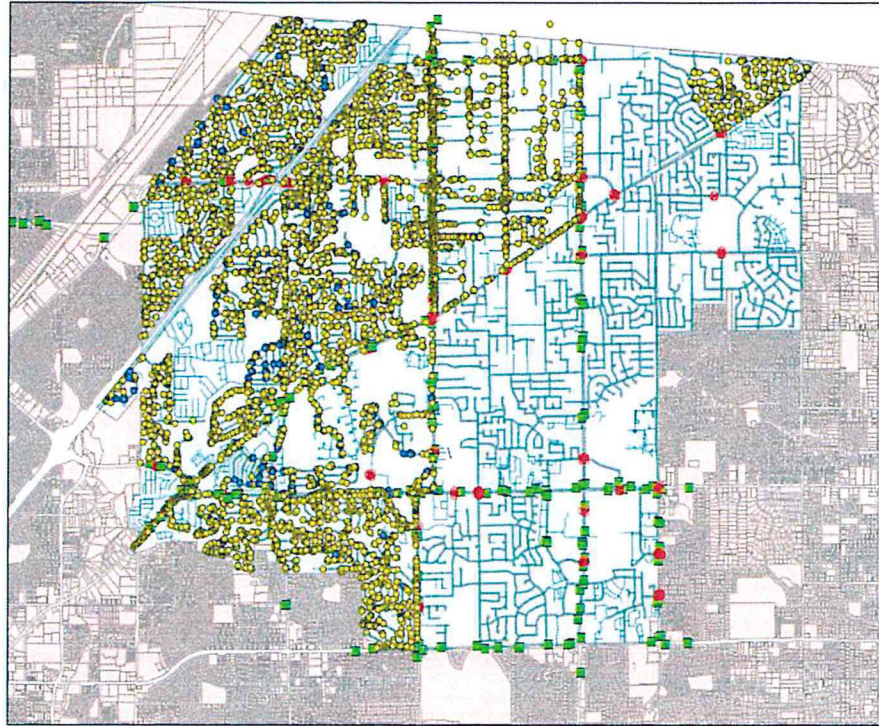
This project intends to create a significant amount of data and that data should be stored in a tool that allows the City to not only access it without paying annual licensing fees, but in a way that is simple and intuitive. The SZS database is designed for use by both the layman and expert. Although it contains advanced data management tools, it does not contain proprietary source code and our data can be exported to virtually any other software platform, including SQL which is commonly used by our clients.

The aspect of cost is significant to this project. Often, projects are awarded solely upon cost constraints although consultants are not required to disclose their costs for the software licensing fees that only come up after a project is completed. We recently completed a project for a university that had previously worked with one of the consultants whose business model is based on these recurring software costs. When they requested bids for this new project, all consultants were required to disclose all costs, for the actual services provided and software costs over time. While that client had prior experience with that consultant, they were forced to disclose that their software costs were more than the total project cost, making their bid cost more than double what they would have claimed in any other proposal.

We only want to be fair and we expect others to do the same. Please be aware that this practice is a business model used but more than one local consulting firm. Ask yourselves this:

If a firm conceals something that important to your long term implementation plan, what else could they be holding back?

With SZS, you will know exactly what we propose and what it will cost today and into the future for the entire length of your implementation phasing. Our team has civil engineers who work with ArcGIS to provide these services on a daily basis so that no lapses occur between consultants or sub-consultants and no hidden fees or markups are necessary. We understand how our clients depend on the broad-based use of GIS mapping for planning, maintenance and CIP projects and our Microsoft® Access database and geo-databases are designed to accommodate these multiple layers of data seamlessly. We understand that the implementation of an ADA Transition Plan will be successful only if it becomes an integral part of the maintenance process and future design and construction.



The SZS database currently contains 26 fields which allows for far more data to be correlated for implementation than with the average ADA consultant. An open notes field is a standard in our database to allow both our staff to enter any special notes or anomalies while in the field and later, for the City to use during the implementation phases to describe remediation action. SZS can add also new fields and queries to customize our database to suit the needs of our clients as our database was designed to be flexible to meet our client's needs.

C. COMPREHENSIVE ADA TRANSITION PLAN

The comprehensive ADA Transition plan is a process through which the results of the Self-evaluation and Barrier Assessment results are analyzed and combined into an actionable plan. The US DOJ determined under the Rehabilitation Act of 1973 that assessing buildings and pedestrian facilities for physical barrier identification and removal was not enough. Under the ADA, they also held that many barriers to access were due to policies and practices, not non-compliant physical facilities. In fact, a majority of our work is based on litigation and most of those cases are situations where a policy or practice has caused discrimination.

Physical barrier removal is fairly simple; analyzing policies and practices and applying that knowledge to barrier assessment data is far more complex. But, that is what is required.

SZS believes that a comprehensive plan must perform these basic steps:



8. Identify policies and practices that may cause discrimination and recommend changes.
9. Identify physical barriers to access that may prevent participation in programs, services and activities by people with disabilities
10. Determine which location(s) where programs, services and activities take place that must be remediated
11. Institute a physical barrier remediation plan that includes only those barriers that hinder or prevent access at programs, services and activities
12. Create a schedule for remediation that is achievable from a financial standpoint.
13. Seek public participation by performing public outreach
14. Include public input into final ADA Transition Plan

SZS shall develop the comprehensive ADA Self-Evaluation and Transition Plan for Buildings and Public Rights-of-Way based upon guidance from City staff and public input, and guidance from the US DOJ while analyzing the application of past case law and Project Civil Access cases settled by the DOJ with similar public entities to the City of Capitola.

The same level of detail presented in the ACAR shall be provided in the ADA Transition Plan reports, as described above. The ADA Transition Plan shall include, but is not limited to, the following components:

- Correlation of programs, services and activities identified with physical barrier locations to apply Program Access and ensure that barrier removal is actually necessary
- Recommend changes to existing policies and practices that may cause discrimination through the Self-evaluation process, or recommend new policies and practices, where needed
- Methodology for evaluation of barriers and a written description of findings
- Methodology for prioritization of barrier remediation
- A summary of costs remediation in 3 forms as described above
- Implementation phasing schedule
- MS Access Database tool to enable implementation over annual phases, as determined by City budgetary constraints.
- Procedures and forms for monitoring implementation including the SZS database



- Procedures and forms for performing evaluations of additional barriers (field checklists)
- Procedures and forms for filing Requests for Accommodation
- Recommended Grievance Procedure
- Standard construction drawings for remediation the standardization of methods (parallel and perpendicular curb ramps, etc.)
- Information on local references and contacts information for ADA and accessibility related resources
- Written summary of Public Participation and Outreach Process
- GIS City Map containing barriers to access in the PROW and exterior locations (parking lots, parks and recreation areas, etc.) to correlate all exterior barriers
- ArcGIS custom geo-database containing all PROW barriers with implementation tools

D. POST-ASSESSMENT PUBLIC OUTREACH

The importance of gaining input from the people that actually use City facilities is significant. Not only can they help in prioritizing barrier removal in ways that are meaningful, but informing them of financial constraints and future plans can help to obtain buy-in and reduce the likelihood of future complaints and litigation. SZS proposes to work with the City to develop an outreach program to advise the public of the ADA Self-Assessment and Transition Plan project and to provide an opportunity for interested persons, individuals with disabilities or organizations representing persons with disabilities to participate in the development of the plan. SZS proposes to provide the following services:

- a. Prepare program materials including preparation and compilation of responses to Public Outreach questionnaires and assist the City in eliciting public input into the ADA Transition Plan process, as necessary.
- b. SZS shall assist the City with organizing a Project Kick-Off Workshops to inform the community of the project and seek input on the scope of the project and receive initial input on the final plan. At the start of the process, the public notice should be posted at City facilities informing the public of the process.
- c. SZS shall attend the workshops, maintain a record of the proceedings and comments and be prepared to answer questions within our area of expertise.



- d. SZS shall attend the Plan Review Workshops, maintain a record of the proceedings and comments and be prepared to answer questions within their area of expertise.
- e. SZS shall attend the City of Capitola Council meeting in which the updated Transition Plan is presented for approval. SZS will be present to answer any technical questions that arise during the Council Meeting.

SZS has conducted training and public outreach for many groups included as part of the ADA Transition Plan process. In fact, it is required by the US DOJ as a part of any ADA Transition Plan process. We often explain the value of obtaining input from the public for projects, as it constitutes buy-in, brings understanding about usage to administrators and provides for smoother implementation processes. When the community members are included in the decision making process, both sides benefit. Facility usage can be better measured when the actual users are part of the input process and administrators gain useful input on what areas or facility improvements matter the most.

We have also shown that a cooperative learning group produces many benefits. Even in contentious settings, taking the time to discuss the concerns of different groups has been shown to aid the process. At times, the general public may have expectations that are not realistic. Some believe that aesthetics dictate that any design concept can be constructed, but there are elements for which compliance is technically infeasible.

A demonstration on constructability was very useful for a situation in a historic theatre where wheelchair accessible seating could not be provided in the front row of the theatre. A compromise was found through public input that created a policy in the seating section to provide a "no-standing" area, enforced through the ticket sales process that would allow wheelchair accessible seating in the back row to have a proper line of sight. Such discussions have served to defuse many of the contentious exchanges during public meetings we have held for our Transition Plan projects.

Another instance where public meetings were especially helpful was at a university where a number of complaints had been lodged, but had remained unresolved. We were able to use the public meeting to discuss the complaints with all of the stakeholders present and provide some resolution of the concerns simply by assuring the complainants that the ADA Transition Plan process we were starting at that point would address their concerns on a campus-wide basis. Essentially, the kick-off meeting was the start of the resolution process and it helped to allay the fears that the community had expressed for some time. Transparency can go a long way in creating a feeling of trust and providing a level of comfort that may not have been present. Our experience in this role has been very productive for our clients in the past and we look forward to working with the City to make their public outreach efforts successful.

With some clients, a disability advisory committee has worked well and with other clients, neighborhood groups worked better. Each client has a unique culture that we strive to understand and respect through our work. Since we have many clients in northern California and our principal has lived in the City of Capitola, we are familiar with the local dynamics and can anticipate the expectations of community members.



3. SCOPE OF SERVICES – PHASE 1 & 2 DELIVERABLES

SZS will be responsible at a minimum for the deliverables noted below. SZS will be expected to provide, at a minimum:

- 1) Schedule/timeline for inspections, reviews, updates, and drafts of the Transition Plan.
- 2) Weekly updates on the status of all inspections, reviews, updates, and draft revisions of the Transition Plan.
- 3) All public meeting noticing materials such as flyers, posters, and any other associated paperwork.
- 4) Transition Plan and self-evaluation forms for the City's use in complying with ADA requirements.
 - Five (5) hard copies of the Administrative Draft Transition Plan and associated forms and drawings.
 - One (1) electronic copy of the Administrative Draft Transition Plan and associated forms and drawings.
 - Ten (10) hard copies of the Draft Transition Plan and associated forms and drawings.
 - One (1) electronic copy of the Draft Transition Plan and associated forms and drawings.
 - Ten (10) hard copies of the final Transition Plan and all associated forms and drawings, and one
 - (1) digital version of the final Transition Plan Draft in a comprehensive plan addressing priorities, timelines, and budget estimates of the upgrades needed or recommendations for alternative methods to achieve compliance
- 5) Public Notice, Request for Accommodation and Grievance procedure that is compliant under current ADA requirements
- 6) A written Self-evaluation report identifying recommended policy, rules and regulation changes.
- 7) A Microsoft Access® database that tracks proposed modifications with the ability for the City to adjust the timeframes, priorities and costs
- 8) A customized Geo-database in ArcGIS with identical PROW data for Transition Plan implementation including all shape files and data
- 9) Analysis of City website and Information Technology that affects the provision of programs, services and activities to people with disabilities
- 10) All documentation shall be provided to client in native files

6. REVISED MONETARY BID PHASE 2

CAPITOLA CITY ADA SELF-EVALUATION AND TRANSITION PLAN

HOURLY RATES

Project Management	\$200
GIS Mapping and Analysis	\$160
Field Investigator Data Collection	\$140
Technical Assistant	\$110

Fees indicated below shall be considered not to exceed amounts.

SCOPE	LABOR CATAGORIES	ESTIMATED HOURS	HOURLY RATE	EXTENDED RATE
TASK 1 - PEDESTRIAN FACILITY ASSESSMENT	Project Manager	28	\$ 200.00	\$ 5,600.00
	Field Investigators	108	\$ 140.00	\$ 15,120.00
	GIS Analyst	16	\$ 160.00	\$ 2,560.00
	Technical Staff	32	\$ 110.00	\$ 3,520.00
TOTAL NOT TO EXCEED AMOUNT		184		\$ 26,800.00
TASK 2 - ADA TRANSITION PLAN	Project Manager	4	\$ 200.00	\$ 800.00
	Field Investigators	12	\$ 140.00	\$ 1,680.00
	GIS Analyst	2	\$ 160.00	\$ 320.00
	Technical Staff	14	\$ 110.00	\$ 1,540.00
		32		\$ 4,340.00
TASK 4 - PUBLIC OUTREACH	Project Manager	18	\$ 200.00	\$ 3,600.00
	Field Investigators	11	\$ 140.00	\$ 1,540.00
	Technical Staff	26	\$ 110.00	\$ 2,860.00
TOTAL NOT TO EXCEED AMOUNT		55		\$ 8,000.00
GRAND TOTAL				\$ 39,140.00



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Public Works Department

SUBJECT: Consider Options To Address Traffic Concerns on Topaz Street

RECOMMENDED ACTION: Consider the recommendations of the Traffic and Parking Commission and provide direction to staff regarding neighborhood community outreach to address traffic concerns along Topaz Street in the Jewel Box neighborhood.

BACKGROUND: On January 26, 2017, residents along Topaz Street in the Jewel Box addressed the City Council during oral communications requesting assistance from the City to look at the volume of traffic on their street. The Mayor referred them to the Traffic and Parking Commission (TPC). To facilitate the review by the TPC, traffic volume and speed counts were taken in late February and early March. A summary of this data is included as Attachment 1.

The TPC discussed this matter at its March and May meetings. The May meeting included a presentation from Traffic Engineer Fredrik Venter with Kimley-Horn, who presented a short report on the data and discussed some possible solutions. At the May meeting, the TPC voted 6-3 to recommend the Council try an option that placed diverters along 47th Avenue that would prevent through traffic from traversing the streets within the Jewel Box, including 47th Avenue. All of the options presented are included as Attachment 2, with the TPC-recommended option being Option 2.

DISCUSSION: Neighborhood traffic calming can be a very difficult issue to address, especially when the issue is the volume of traffic on a street as is the case on Topaz Street. Removing the traffic from one street will just shift it to other streets. In considering solutions to the higher volume of traffic on Topaz Street in relation to other streets in the Jewel Box, staff emphasized to both residents and the commission that any solution cannot simply push the traffic from Topaz Street and put it on Opal Street, for example. The entire neighborhood and adjoining roads must be taken into consideration.

The TPC's recommended option would move all traffic traversing through this area onto 45th Avenue, Cliff Drive, and Capitola Road. Other neighboring streets that could see an increase in traffic would be 42nd Avenue, Diamond Avenue, 46th Avenue, and others. Traffic modeling may be able to help identify the traffic shifts that could be anticipated with any change.

The Level of Service (LOS) for the intersection of 45th Avenue and Capitola Road is currently at a level C. With the TPC recommended change, it is predicted the LOS would be reduced to a level D, which is below the threshold of the City's General Plan. The intersection at Capitola Road and 49th Avenue would be similarly impacted.

Topaz Street Traffic Reduction
July 27, 2017

The resident representatives along Topaz were notified of the TPC meetings, but no further public notice was made.

Should the Council decide to direct staff to move this project forward, staff recommends that Public Works, with assistance from Kimley-Horn, host a series of community meetings. In addition, Kimley-Horn, should be retained to conduct necessary data collection and modelling to help understand the impacts of any proposed changes.

Obviously such a process will involve staff resources. However given the potential to simply shift the Topaz traffic issue to another area, staff suggests additional outreach an analysis is important prior to proceeding with any of the potential solutions.

FISCAL IMPACT: The cost of hiring Kimley-Horn for the workshops and traffic analysis is estimated to be \$10,000. While no budget allocation was made for the project, the Public Works budget has \$35,0000 available for general engineering expenses.

ATTACHMENTS:

1. Topaz Street Traffic Data Report
2. Topaz Traffic Calming Options

Report Prepared By: Steve Jesberg
Public Works Director

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017

CITY OF CAPITOLA TRAFFIC AND PARKING COMMISSION Agenda Report

Meeting Date: March 8, 2017

Agenda Item: 2

Subject: Topaz Avenue Traffic

Below is a summary of recent traffic data collected on Topaz Avenue and neighboring streets in response to the issues raised by residents at the last commission meeting. The full data reports are attached.

Topaz Traffic Data							
			2/15/2107 Counts		3/1/2017 Counts		
Street	Block	Direction of Traffic	Average Daily Traffic	85% Speed		Average Daily Traffic	85% Speed
Topaz	45th - 47th	eastbound	673	23		812	20
Topaz	45th - 47th	westbound	499	22		525	21
Topaz	47th - 49th	eastbound	553	19		686	19
Topaz	47th - 49th	westbound	438	22		402	19
Opal	47th - 49th	eastbound	59	21		67	19
Opal	47th - 49th	westbound	155	20		120	21
Jewel		eastbound				74	22
Jewel		westbound				83	19

The data verifies that Topaz Avenue has higher traffic volumes than other parallel streets. Staff is reviewing potential solutions and will present some to the commission at the meeting. As commissioners think about this issue, it is important that the impacts of the changes be addressed in any solution.

TECHNICAL MEMORANDUM

To: Steve Jesberg, City of Capitola

From: Frederik Venter and Derek Wu, Kimley-Horn and Associates, Inc.

Date: March 3, 2017

Re: Topaz Street Traffic Calming Study – Traffic Cut-Through and Speed Survey Results

This technical memorandum presents the findings of existing roadway conditions on Topaz Street in the City of Capitola. The City is investigating whether traffic calming solutions are warranted to control cut-through traffic and excessive vehicle speeds through the “Jewel Box” neighborhood, specifically along Topaz Street from 45th Avenue to 49th Avenue. Kimley-Horn was retained by the City to collect daily traffic counts from the study area and if necessary, determine potential traffic calming solutions for the Topaz Street corridor.

Existing Conditions

Topaz Street between 45st Avenue and 49th Avenue is an existing east-west two-lane collector street with a right-of-way width of approximately 30 to 36 feet. It is an asphalt paved road with one lane in each direction and provides access to a mixture of single family dwellings, mobile home parks, and, apartment complexes in the neighboring area. Numerous residential driveways and local streets such as 45th, 47th, and 49th Avenue intersect Topaz Street in the north-south direction. Topaz Street is minor stop-controlled at the intersections of 45th and 49th Avenue and is all way stop-controlled at the 47th Avenue intersection. The Topaz Street roadway cross-section generally consists of 9’ travel lanes, 7’ wide on-street parking, and utility poles spaced approximately 150’ on the south side. The posted speed limit is 25 mph.

Jewel Street and Opal Street are existing two-lane collector roadways that parallel Topaz Street and located between 45th Avenue and 49th Avenue. These streets have similar roadway features as Topaz Street. Jewel and Opal Street were selected in this study to serve as a baseline for typical travel patterns through the area and to compare speed and traffic volume results with Topaz Street.

Data Collection Results

Daily 24-hour traffic counts and speed surveys using roadway tube counts were collected on Wednesday February 15, 2017 and on Wednesday March 1, 2017 by Quality Counts to determine existing traffic conditions in the “Jewel Box” neighborhood. Tube counts were set up at the following locations:

1. Topaz Street (45th to 47th Avenue)
2. Topaz Street (47th to 49th Avenue)
3. Opal Street (47th to 49th Avenue)
4. Jewel Street (47th to 49th Avenue)



Speed Survey Results

Speed zones are primarily established to protect the public from the unreasonable behavior of reckless, unreliable, or other dangerous drivers. Typically, speed limits are generally established at or near the 85th percentile speed, which is defined as the speed at or below which 85 percent of traffic is moving. The 10-mph pace is another defining factor which is a measure of the dispersion of speeds within the sample surveyed.

A summary of the speed survey results by location and vehicle direction is shown below in Table 1. For Topaz Street between 45th-47th Avenue, the observed 85th percentile speed was 22 & 20 mph in the eastbound direction and 23 & 21 mph in the westbound direction. For Topaz Street between 47th-49th Avenue, the observed 85th percentile speed was 19 mph in the eastbound direction and 19 & 22 mph in the westbound direction. The vehicle speeds along Topaz Street are consistent with the observed speed along Jewel Street and Opal Street. The observed 85th percentile speeds are within the 25-mph posted speed limit and the data indicates that there are no speeding issues in the study area.

Table 1 - Observed 85th Percentile Speeds (MPH)						
Location	Street Name	Street Segment	2/15/17 Count		3/1/17 Count	
			Eastbound Speed	Westbound Speed	Eastbound Speed	Westbound Speed
1	Topaz Street	45th to 47th	22	23	20	21
2	Topaz Street	47th to 49th	19	22	19	19
3	Opal Street	47th to 49th	21	20	19	21
4	Jewel Street	47th to 49th	-	-	22	19

Note: Jewel Street 2/15/17 data omitted due to damage of counting equipment on-site

Attachment: Topaz Street Traffic Data Report (1918 : Topaz Street Traffic Reduction)

Average Daily Traffic Results

Tube counts at each study location also collected 24-hour daily traffic volumes for each direction. Table 2 shown below summarizes the result of the daily counts. For Topaz Street between 45th-47th Avenue, the observed daily traffic volume was 673 & 812 vehicles the eastbound direction and 499 & 525 vehicles in the westbound direction. For Topaz Street between 47th-49th Avenue, the observed daily traffic volumes were 553 & 686 vehicles in the eastbound direction and 438 & 402 vehicles in the westbound direction. In general, the average daily traffic along Topaz Street are much greater than the observed traffic volumes along Jewel Street and Opal Street. This observed data indicates that vehicles are probably using Topaz Street to cut-through the neighborhood since the volumes are greater than typical residential traffic patterns found at Opal and Jewel Street.

Table 2 - Observed 24-Hour ADT (Vehicles)						
Location	Street Name	Street Segment	2/15/17 Count		3/1/17 Count	
			Eastbound Direction	Westbound Direction	Eastbound Direction	Westbound Direction
1	Topaz Street	45th to 47th	673	499	812	525
2	Topaz Street	47th to 49th	553	438	686	402
3	Opal Street	47th to 49th	59	155	67	120
4	Jewel Street	47th to 49th	-	-	74	83

Note: Jewel Street 2/15/17 data omitted due to damage of counting equipment on-site

Results of the speed surveys and traffic counts at each location are attached in the Appendix.

Attached Appendix: Speed Survey and Traffic Count Worksheets

Jewel Box Neighborhood Traffic Calming Discussion



Traffic and Parking Commission
Meeting

May 10th, 2017

Attachment: Topaz Traffic Calming Options (1918 : Topaz Street Traffic Reduction)



TRAFFIC CALMING ALTERNATIVE: TOPAZ RECOMMENDATION

LEGEND:
 | - ONE WAY STREET CLOSURE

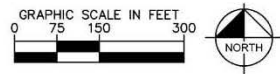


FIGURE 3

OPTION 1: Dead-End Streets



TRAFFIC CALMING ALTERNATIVE: DIAGONAL ROAD CLOSURE ON 47TH

LEGEND:
 - DIAGONAL STREET CLOSURE
 - CLOSURE

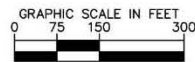


FIGURE 4



Option 2: Diagonal Diverts on 47th Ave



TRAFFIC CALMING ALTERNATIVE: PARTIAL ONE-WAY WEST SIDE

LEGEND:
 → - ONE WAY STREET DIRECTION
 ↔ - TWO WAY STREET DIRECTION

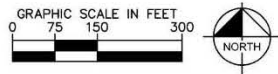
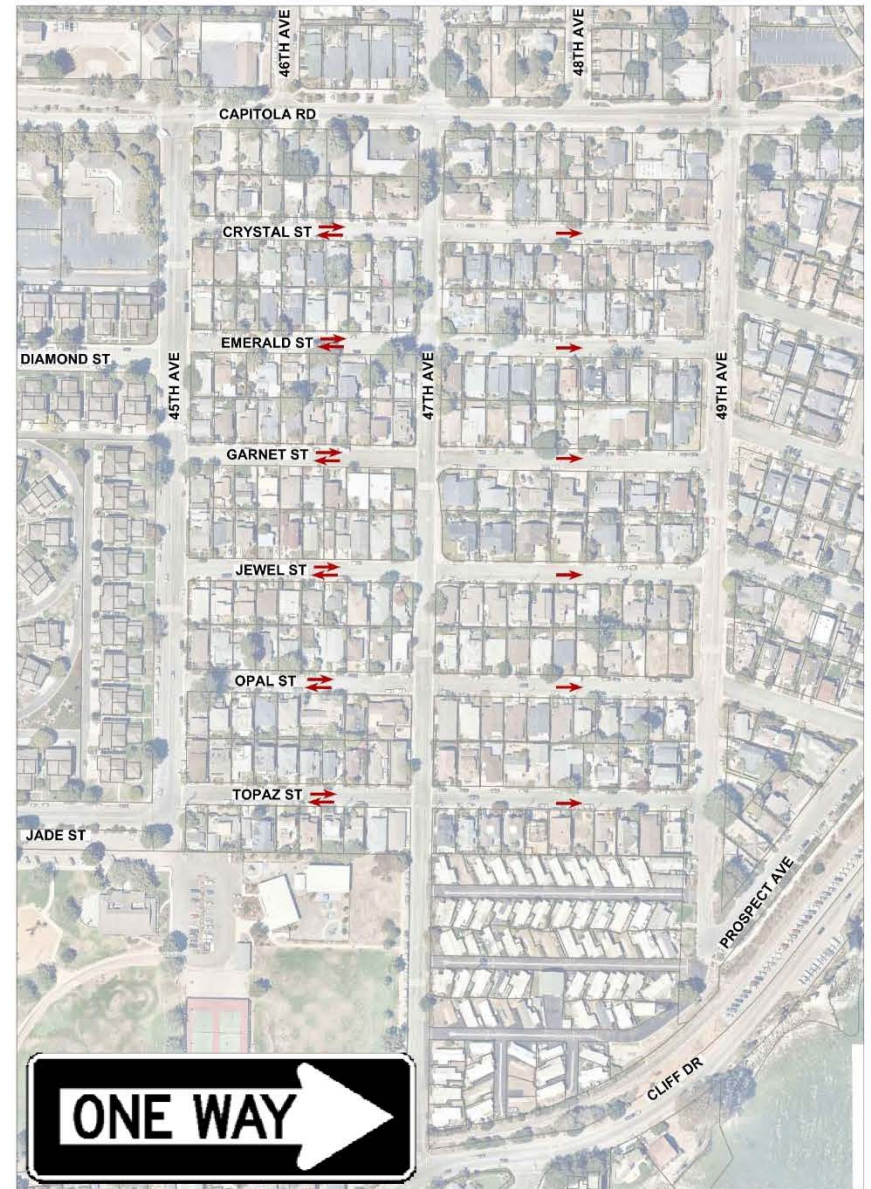


FIGURE 5



TRAFFIC CALMING ALTERNATIVE: PARTIAL ONE-WAY EAST SIDE

LEGEND:
 → - ONE WAY STREET DIRECTION
 ↔ - TWO WAY STREET DIRECTION

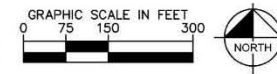
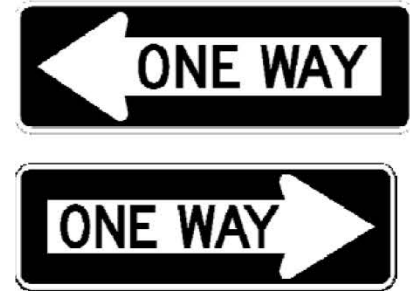


FIGURE 6



TRAFFIC CALMING ALTERNATIVE: ONE-WAY COMBO

LEGEND:
 ← ONE WAY STREET DIRECTION

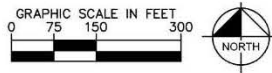


FIGURE 7

Option 4: One Way Streets



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Community Development
SUBJECT: Capitola Mall Redevelopment Status Update

RECOMMENDED ACTION: Receive presentation.

BACKGROUND: Redevelopment of the Capitola Mall has been a long-standing priority for the City of Capitola. The Mall serves as Santa Cruz County's only regional shopping center, providing a key retail shopping hub for the entire community, while also generating sales tax revenue that is vital to the City's fiscal health.

The advent and rapid growth of online shopping has imperiled malls and traditional brick-and-mortar retailers across the country. In recognition of this emerging challenge, the City has taken a number of proactive steps over the past several years to encourage positive and sustainable redevelopment of the Capitola Mall. Despite the City's best efforts, redevelopment of the Mall has not been realized due to impediments outside the City's control, including multiple mall property owners with disparate business interests, economic challenges, and the loss of the Redevelopment Agency (RDA), which limits the City's ability to facilitate redevelopment.

DISCUSSION: In 2009, the City completed an economic study of the 41st Avenue corridor. That study includes several recommendations, including suggestions the City modify its parking ratios for the Mall and reduce impediments to changes of use in the area. The City made those zoning changes in 2010.

Later that same year, the City initiated a process to comprehensively update its General Plan, which included evaluation of a special study area for 41st Avenue and the Capitola Mall. The evaluation included a stakeholder work session and a publicly noticed community workshop. Feedback received from stakeholders and members of the public was reported to the General Plan Advisory Committee and later served as the foundation for the 41st Avenue Alternatives Workbook (July 2011) and the 41st Avenue/Capitola Mall Re-Visioning Plan (October 2011).

The 41st Avenue/Capitola Mall Re-Visioning Plan (Attachment 1) recommended the mall property be redeveloped with new retail pads fronting 41st Avenue and Capitola Road, an improved mall façade and entrance, a relocated transit center, a new interior roadway (40th Avenue), removal of portions of the mall roof, and various other aesthetic and pedestrian-oriented improvements. These recommendations were later incorporated into the City's 2014 General Plan Update.

In an effort to further encourage Mall redevelopment, the City's former RDA entered into an

Mall Status Update
July 27, 2017

agreement with the former Mall owners (Macerich) in 2011 to provide \$1.03 million to fund public improvements and relocate the existing public transit center as part of overall Mall redevelopment.

In 2014 Macerich determined that relocating the transit center was the key first step in an overall Mall redevelopment project. Plans were subsequently prepared, submitted, and conceptually approved by both Santa Cruz Metro and the City of Capitola to move the transit center to the northern portion of the mall property. Unfortunately, Macerich later withdrew from the project and halted efforts to move the transit center.

Following the aborted transit center relocation project, the City Manager initiated a series of meetings between Macerich, City staff, and prospective developers to explore opportunities for partnering on a redevelopment project. Ultimately, Macerich decided it was not immediately interested in pursuing redevelopment and chose to instead focus on re-merchandising the mall.

Merlone-Geier Partners acquired the Mall from Macerich in 2016, which reignited local interest in redevelopment. While Merlone-Geier has indicated a strong interest in redeveloping the Mall property in the future, it is currently evaluating opportunities and constraints, and the timing and scope of redevelopment has not yet been determined.

In November 2016, the Planning Commission considered a conceptual review application to partition the existing Sears building into three tenant spaces to accommodate a new TJMaxx/Homegoods, Petco, and a smaller Sears. The Commission expressed several concerns with the proposal and cited the lack of coordination with the Capitola Mall owners, Merlone Geier, as a principal shortcoming. The overarching concern of the Commission and staff was that a stand-alone Sears project may not complement a larger mall redevelopment project, which in turn could impede advancement of the City's General Plan goals to positively and comprehensively transform the mall property. A formal application to remodel and re-tenant Sears was subsequently submitted in February 2017. The application remains incomplete and a hearing date has not yet been scheduled.

Concerns about a piecemealed redevelopment project prompted the Planning Commission to direct staff to present options to encourage positive mall redevelopment. Staff presented three options to the Commission at its April 6, 2017, hearing: initiate preparation of a mall redevelopment specific plan; create incentives for mall property owners to prepare a comprehensive mall redevelopment plan; and declaration of a development moratorium to ensure a more cohesive approach to mall redevelopment. The Planning Commission continued the hearing for further deliberations. The hearing is expected to resume later this summer or fall.

Meanwhile, City staff has held regular, ongoing discussions with Merlone-Geier management to coordinate a possible redevelopment project. Staff has also continued to encourage owners of the Sears property to coordinate with Merlone-Geier on a comprehensive redevelopment project.

FISCAL IMPACT: None

ATTACHMENTS:

1. 41st Avenue/Capitola Mall Re-Visioning Plan

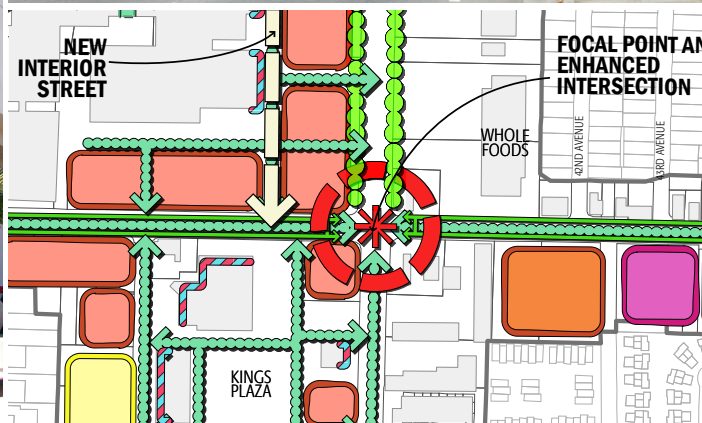
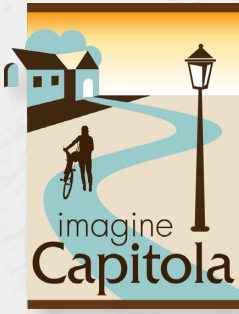
Report Prepared By: Rich Grunow

Mall Status Update
July 27, 2017

Community Development Director

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017



41ST AVENUE/CAPITOLA MALL RE-VISIONING PLAN

OCTOBER 26, 2011

Final Report

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mail Status Update)

Funded in part by a grant from the Community Development Block Grant Program of the State of California Department of Housing and Community Development.



CONTENTS

I. EXECUTIVE SUMMARY 1

II. INTRODUCTION 3

III. EXISTING CONDITIONS 9

IV. RE-VISIONING PLAN GOALS 27

V. CONCEPT PLAN 29

VI. PHASING PLAN 33

VII. POLICIES AND ACTIONS 39

APPENDICES

Appendix A: Baseline Economic Analysis

List of Figures

Figure 1	Re-Visioning Plan Area Context	5
Figure 2	Re-Visioning Plan Area Boundary	6
Figure 3	Existing Land Uses.....	10
Figure 4	Existing Community Character Framework	12
Figure 5	Blocks and Intersections.....	14
Figure 6	Building Footprints.....	15
Figure 7	Existing Street Sections	17
Figure 8	Average Daily Traffic Volumes	18
Figure 9	Bus Transit Routes.....	19
Figure 10	Bicycle Facilities.....	21
Figure 11	Sidewalks and Pathways.....	22
Figure 12	Concept Plan.....	30
Figure 13	Phase 1 (0-5 years) Plan	36
Figure 14	Phase 2 (5-15 years) Plan	37
Figure 15	Phase 3 (15+ years) Plan.....	38

List of Tables

Table 1	Existing Land Use	11
Table 2	41st Avenue/Capitola Mall Re-Visioning Plan Phasing	34

EXECUTIVE SUMMARY

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

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

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

I. INTRODUCTION

A. Re-Visioning Plan Purpose and Process

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

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

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

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

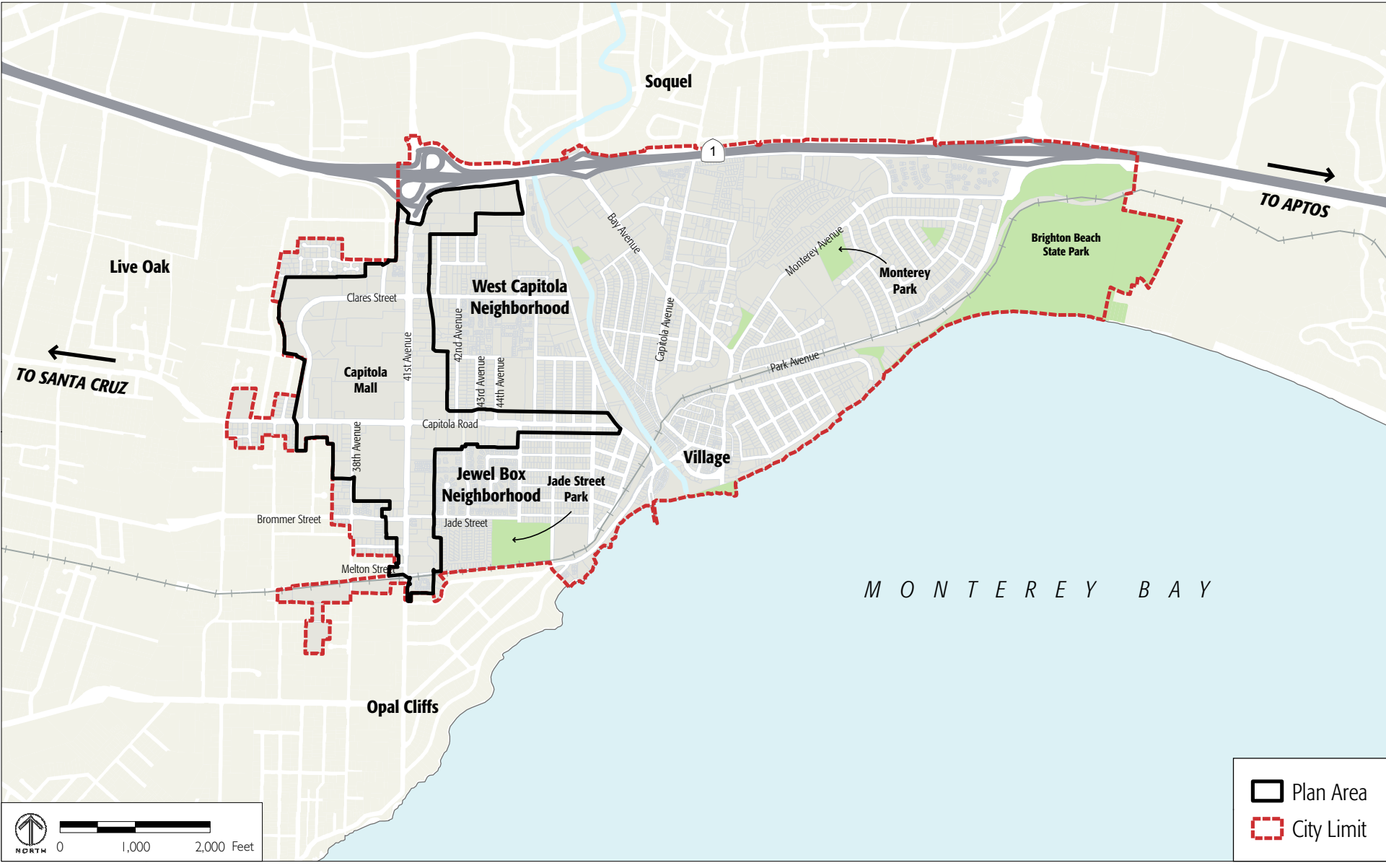
- ◆ The GPAC met again on September 21, 2011 to provide input on draft concept plan, phasing plan, and policies and actions for the Re-Visioning Plan.

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

B. Re-Visioning Plan Location

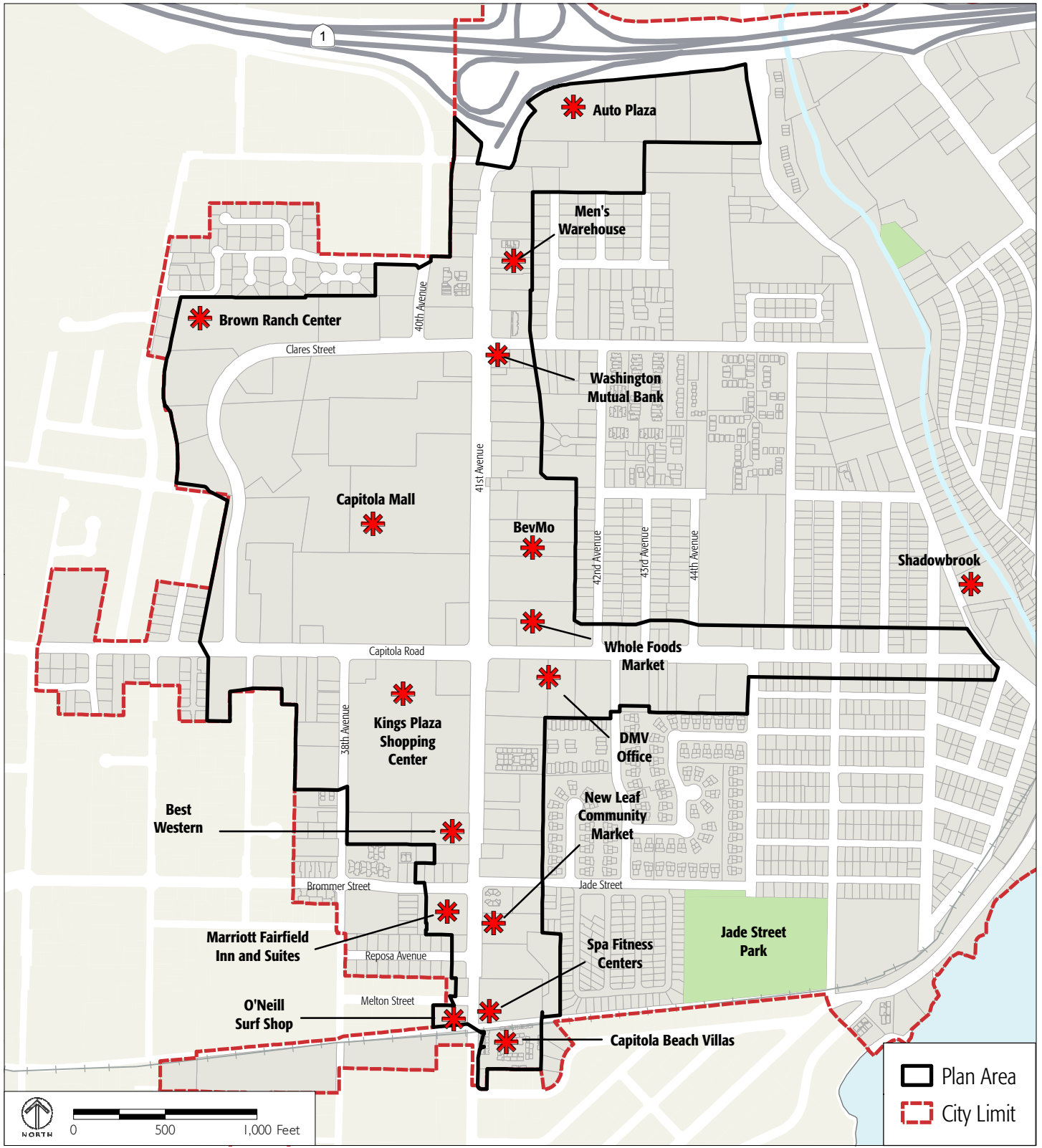
As shown in Figure 1, the 41st Avenue/Capitola Mall Re-Visioning Plan area is located on the eastern side of Capitola along 41st Avenue from Highway 1 to the southern City limit. The Plan area is approximately 150 acres in size. To the east of the Plan area is Capitola Village and the Jewel Box and West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

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



Source: City of Capitola, 2011.

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)



Source: City of Capitola, 2011.

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

FIGURE 2
RE-VISIONING PLAN AREA BOUNDARY

C. Report Overview

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

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

II. EXISTING CONDITIONS

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

A. Land Use

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

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

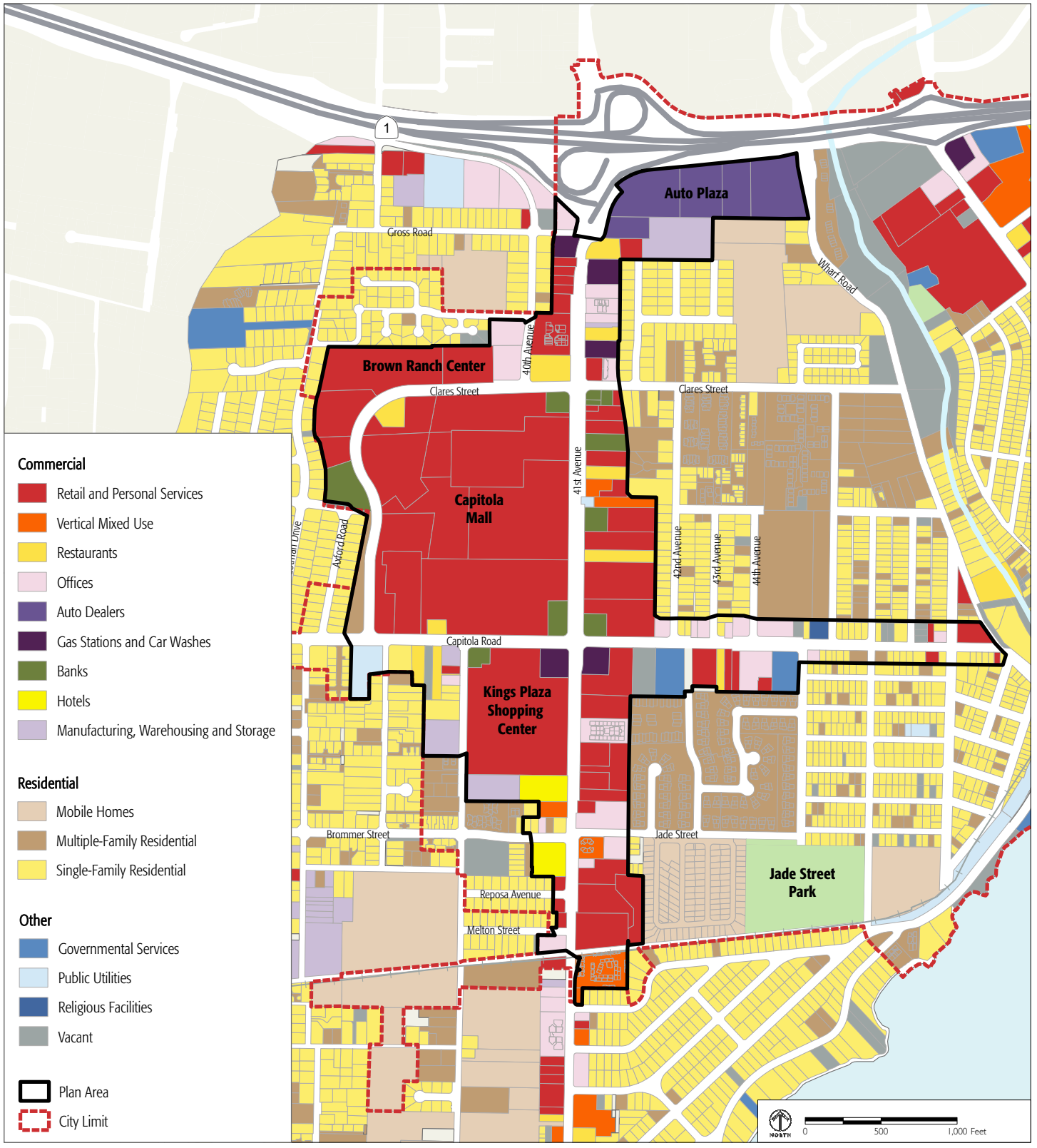
Few residential uses are found within the Plan area. Several single-family homes are located near the intersection of Capitola Road and 38th Avenue and on Brommer Street west of 41st Avenue. The Capitola Beach Villas mixed use development on 41st Avenue south of the railroad track contains a total of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

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



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

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)



Source: City of Capitola, 2011.

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (2009 : Mall Status Update)

FIGURE 3

EXISTING LAND USES

TABLE 1 EXISTING LAND USE

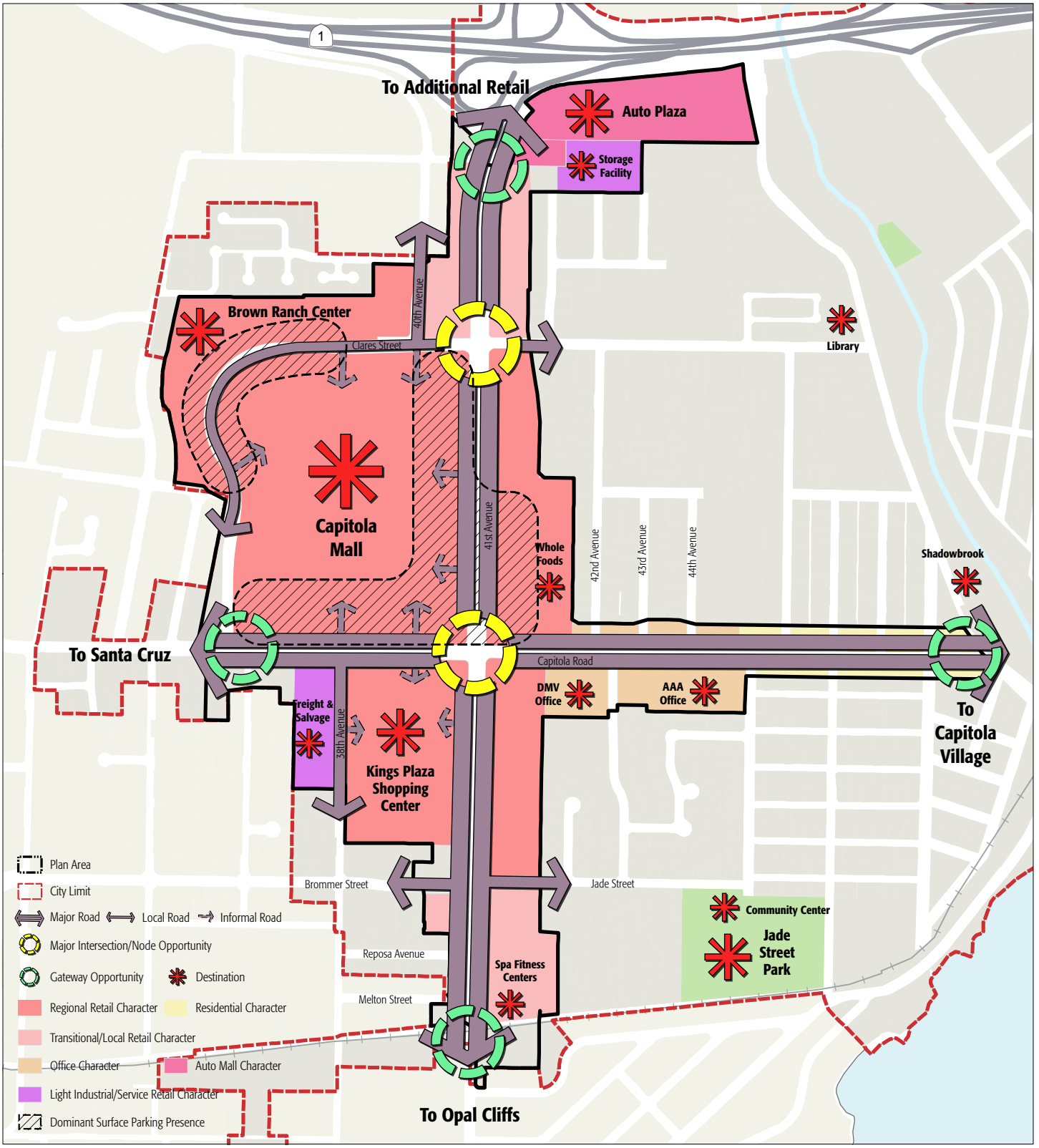
Land Use	Acres	Percentage
Commercial Uses		
Retail and Personal Services	92.6	62.0
Offices	11.4	7.6
Auto Dealers	10.7	7.2
Manufacturing, Warehousing , and Storage	6.0	4.0
Restaurants	5.8	3.9
Banks	5.2	3.5
Gas Stations and Car Washes	3.4	2.3
Hotels	2.4	1.6
<i>Subtotal</i>	<i>137.5</i>	<i>92.1%</i>
Residential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

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

B. Urban Design

1. Building Blocks

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



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)



FIGURE 4

EXISTING COMMUNITY CHARACTER FRAMEWORK

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

2. Block Size and Intersection Density

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

3. Building Placement

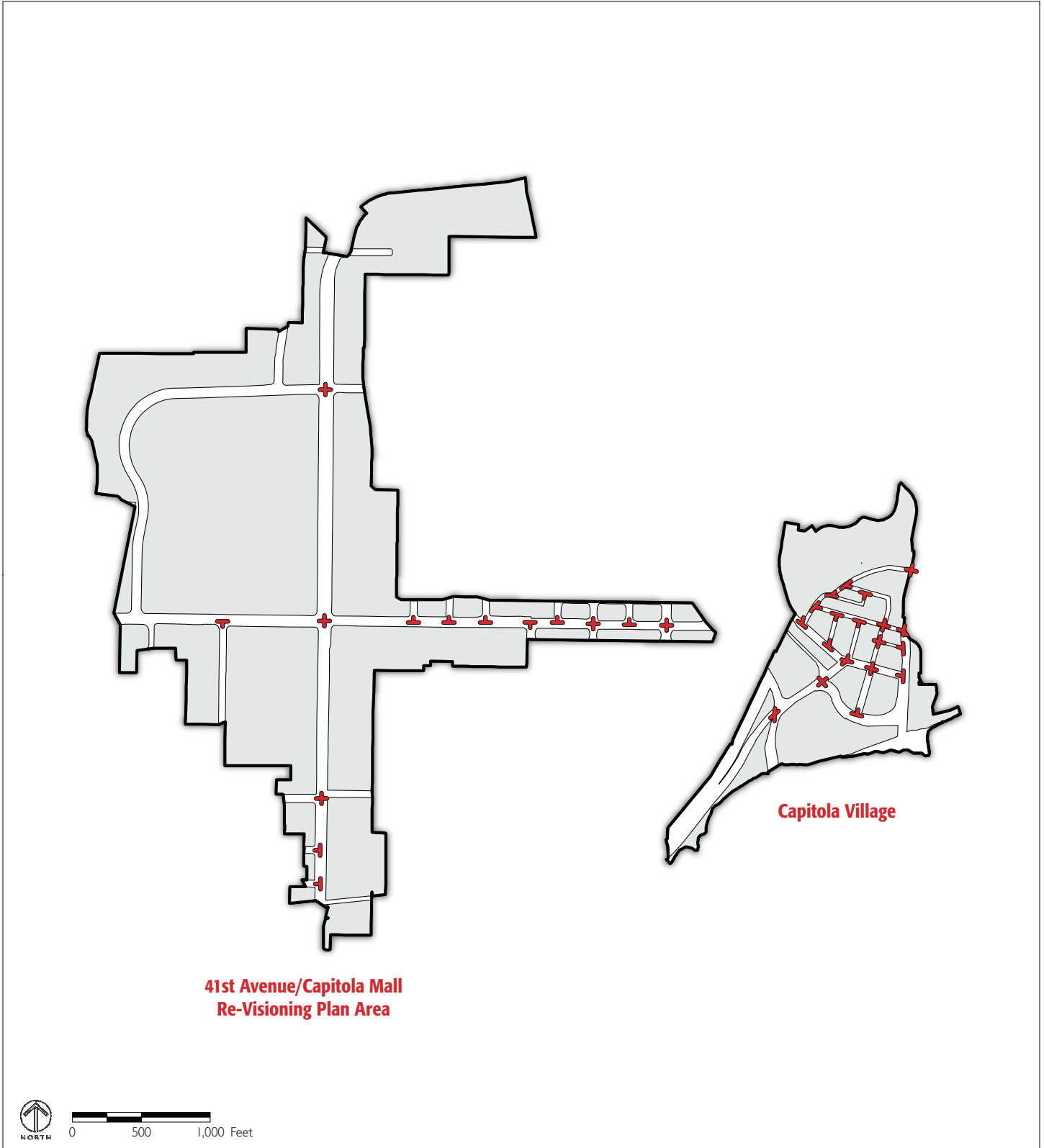
The location of buildings on their lots also defines the design character of an urban area. Figure 6 shows the pattern of building placement on lots relative to property lines and streets. This figure shows an irregular pattern of building placement, with larger buildings typically set back a considerable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

4. Building Mass and Design

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

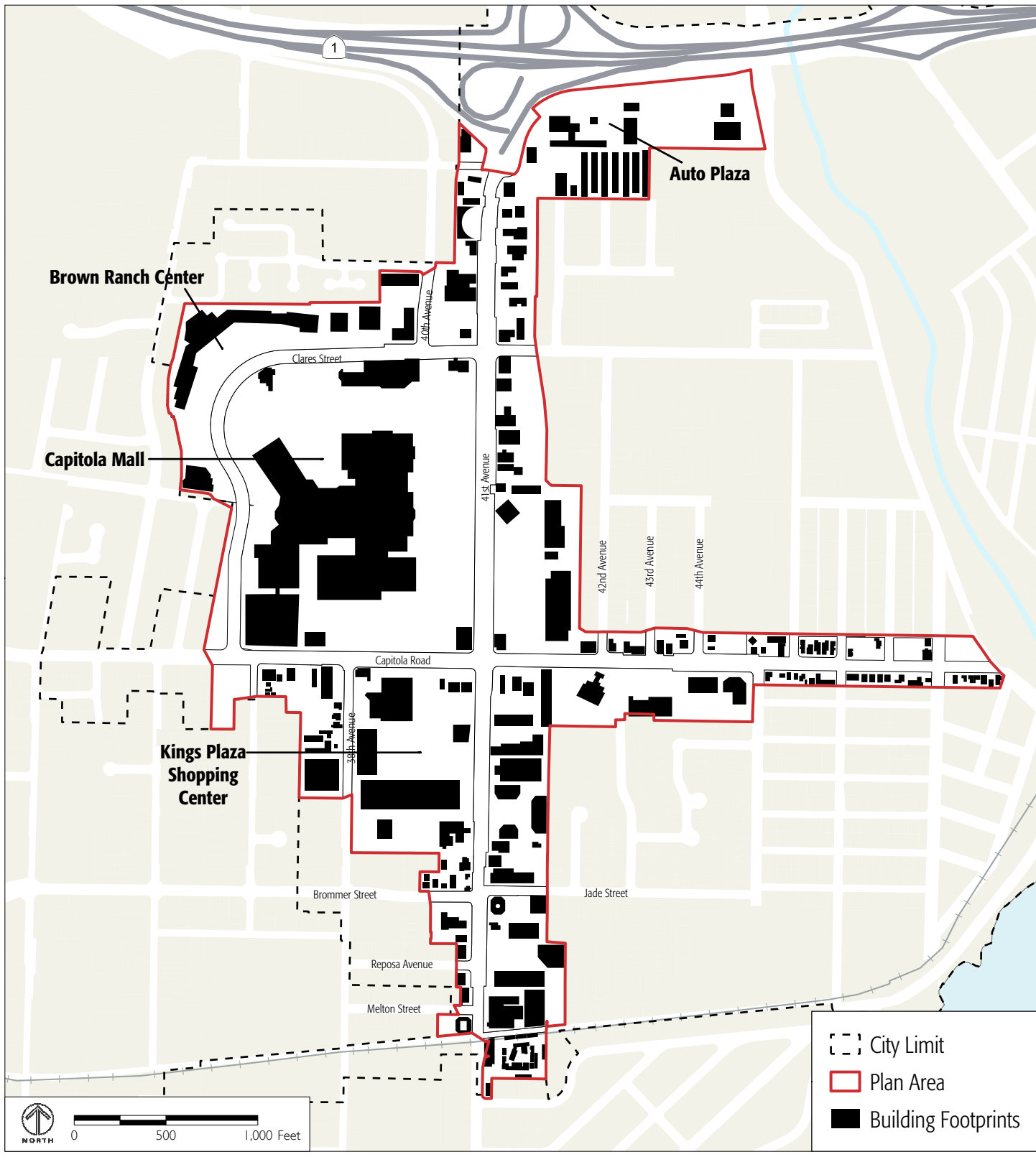


Variation in building setbacks (top and bottom) contribute to a lack of design coherence with the Plan area. Large parking lots fronting the street (bottom) contribute to the impression the corridor is dominated by the automobile.



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

Source: City of Capitola, 2011.



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (2009 : Mall Status Update)

Source: City of Capitola, 2011.

FIGURE 6

FIGURE GROUND

5. Civic Gathering Places

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

6. Street Sections

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

C. Circulation

1. Roadway System

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

2. Parking

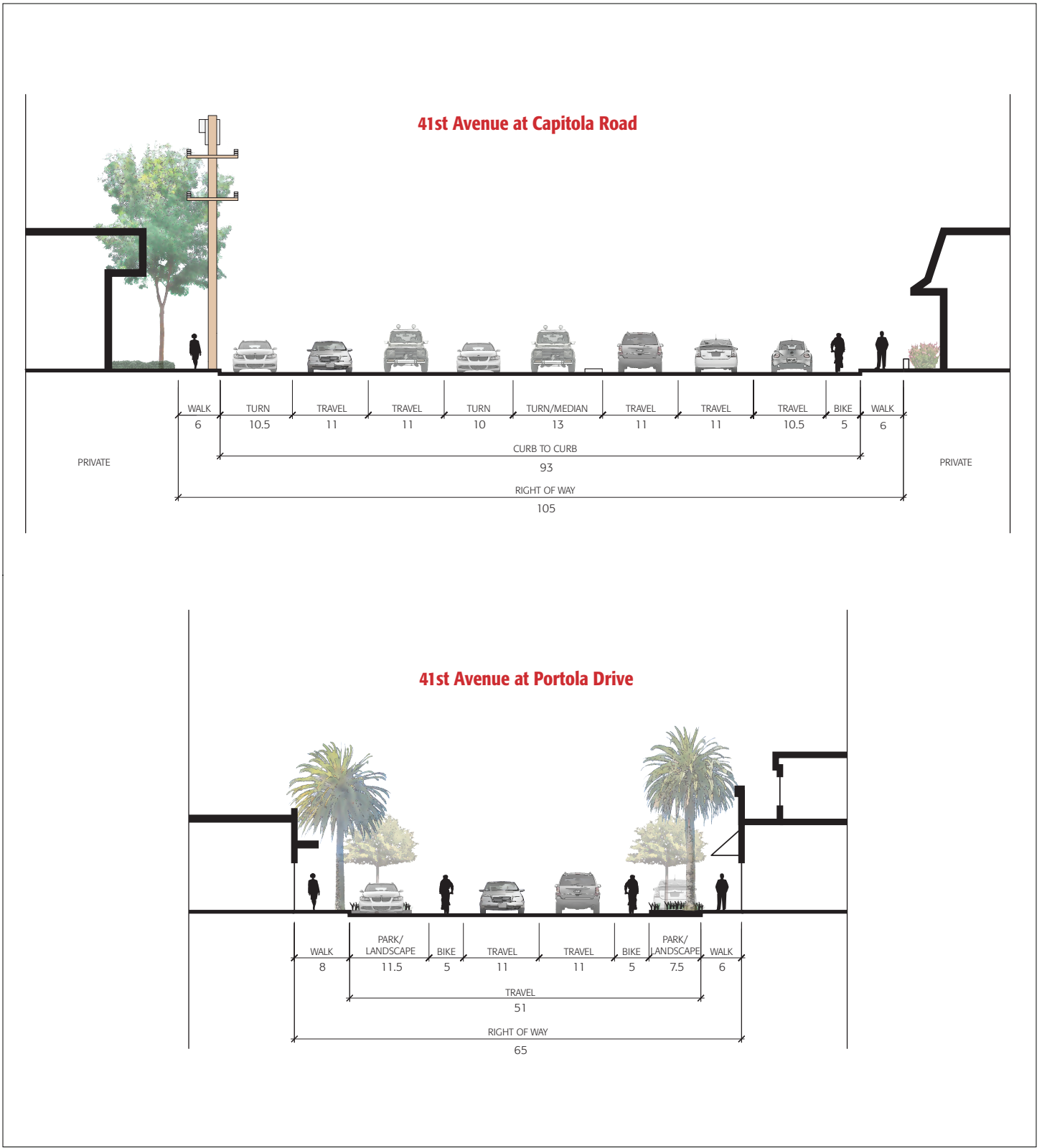
Many properties within the corridor appear to be “over-parked,” meaning that there are more parking spaces provided than needed by customers, even during the busiest shopping periods. Other shopping centers, however, appear to be either “under-parked” or provide about just the right amount of parking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

3. Transit

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



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



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

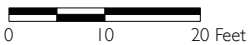
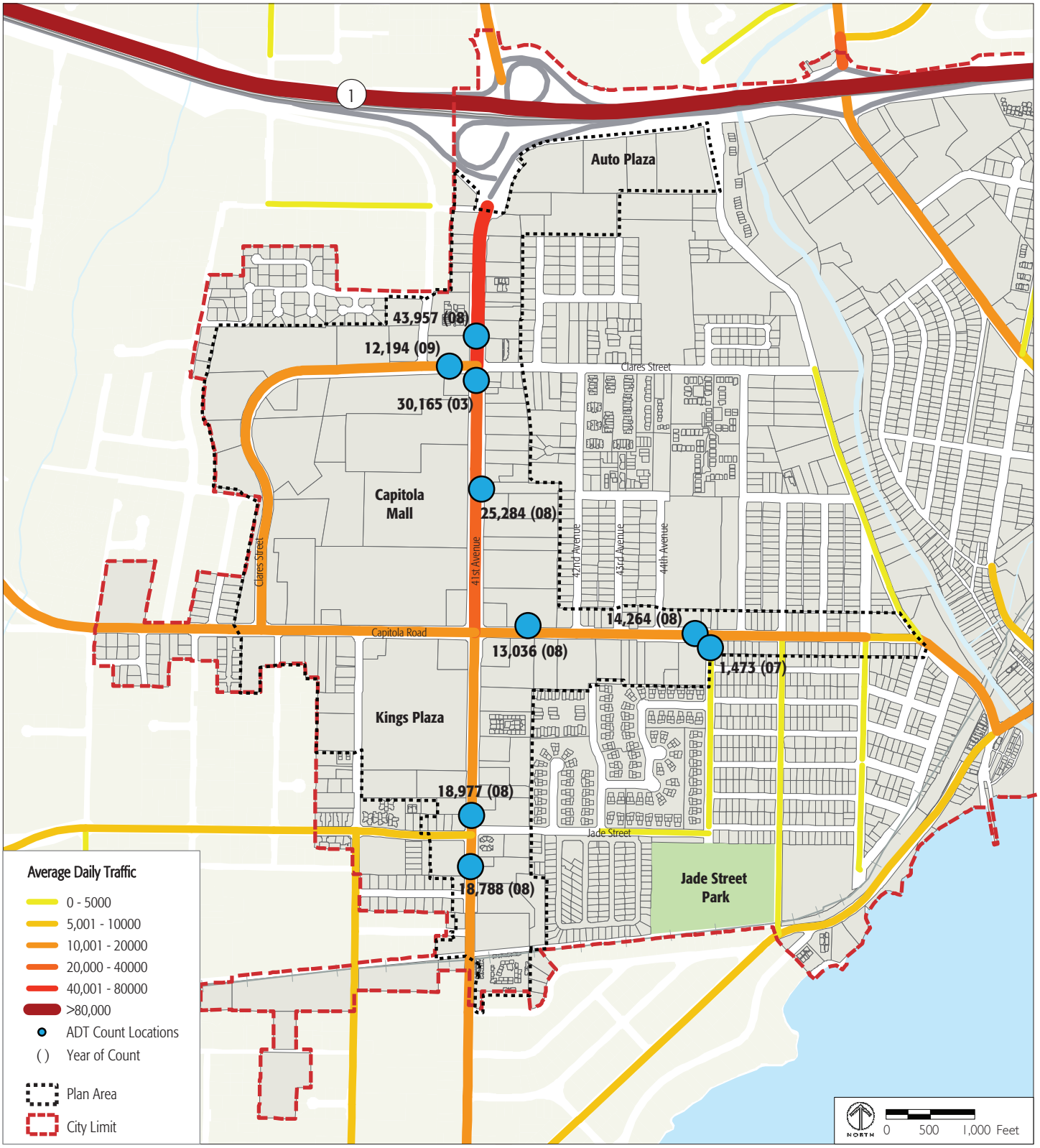


FIGURE 7

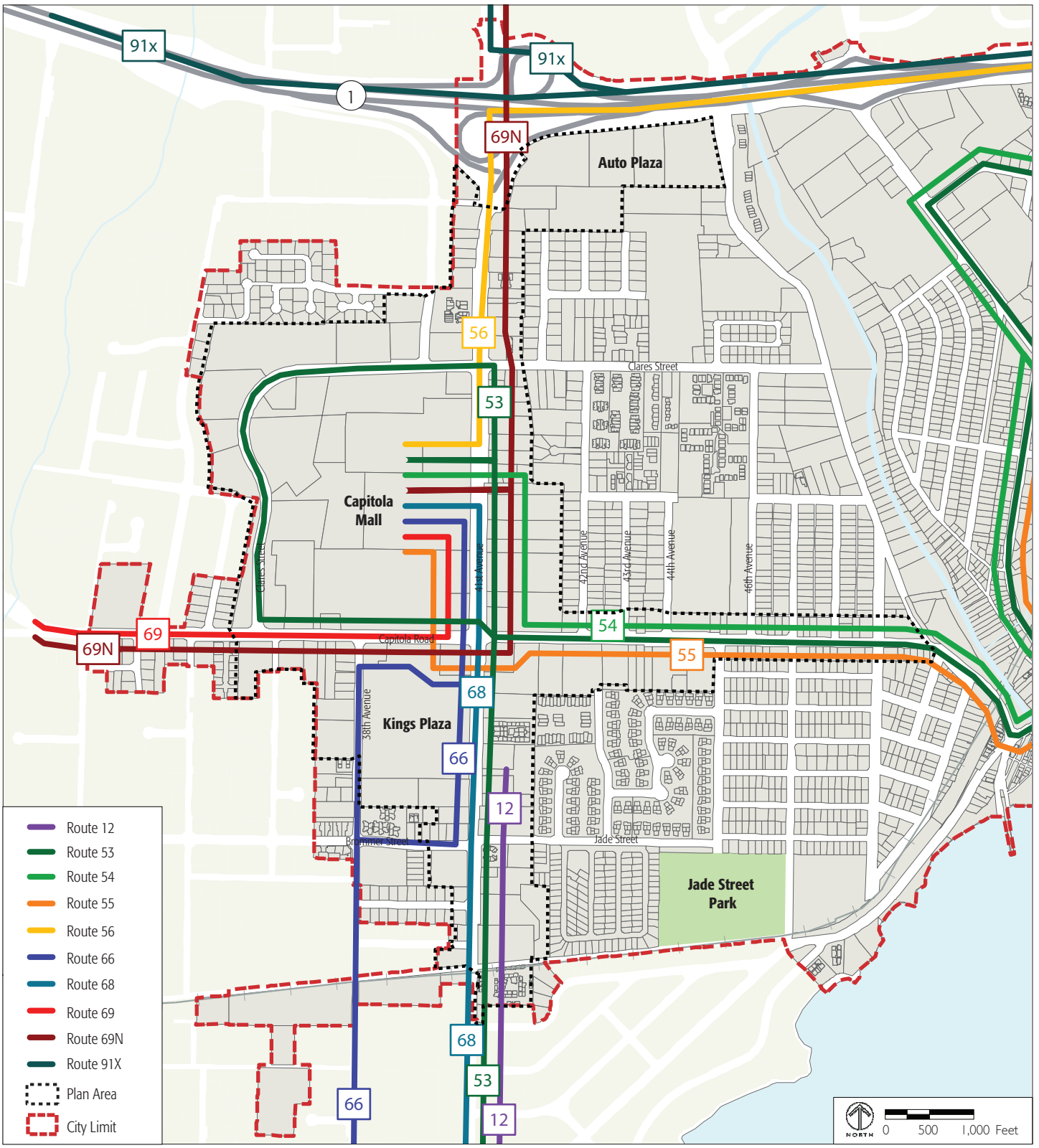
EXISTING STREET SECTIONS



Source: City of Capitola, 2011.

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

FIGURE 8



Source: City of Capitola, 2011.

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

FIGURE 9

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

4. Pedestrian and Bicycle Facilities

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

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

D. Economics

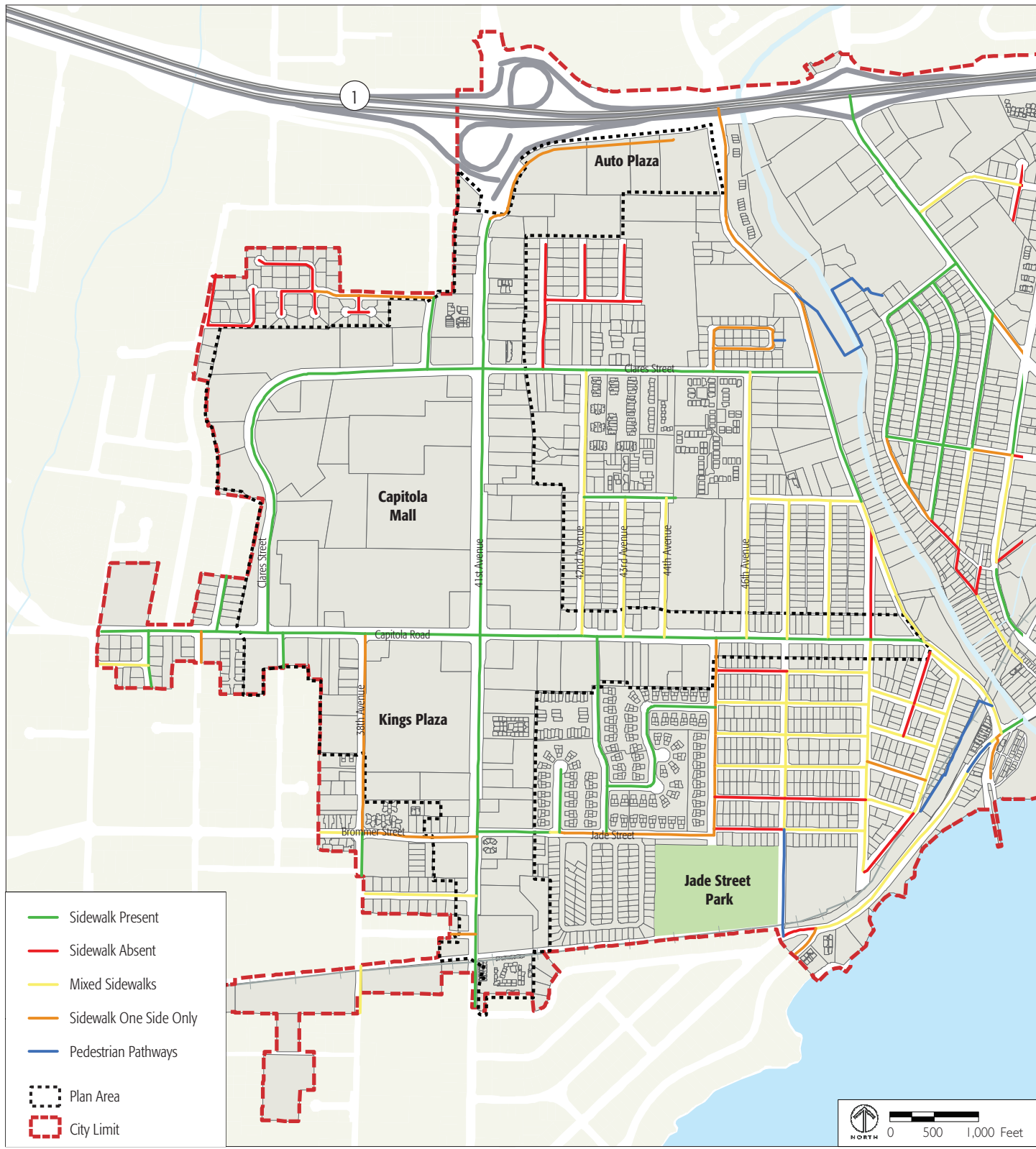
To establish a basic understanding of the economic conditions within the Plan area, consultants prepared a Baseline Economic Analysis Memorandum for the Re-Visioning Plan, which is incorporated into this Plan as Appendix A. This memorandum summarizes existing economic conditions within the corridor relating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



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

Source: City of Capitola and RBF Consulting, 2011.

FIGURE 10



Source: City of Capitola and RBF Consulting, 2011.

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

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

Retail Uses

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



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



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

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

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

Attached Residential and Mixed Use

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

Office Uses

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

Hotels

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



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

III. RE-VISIONING PLAN GOALS

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

Economics

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

Land Use and Design

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

Circulation

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

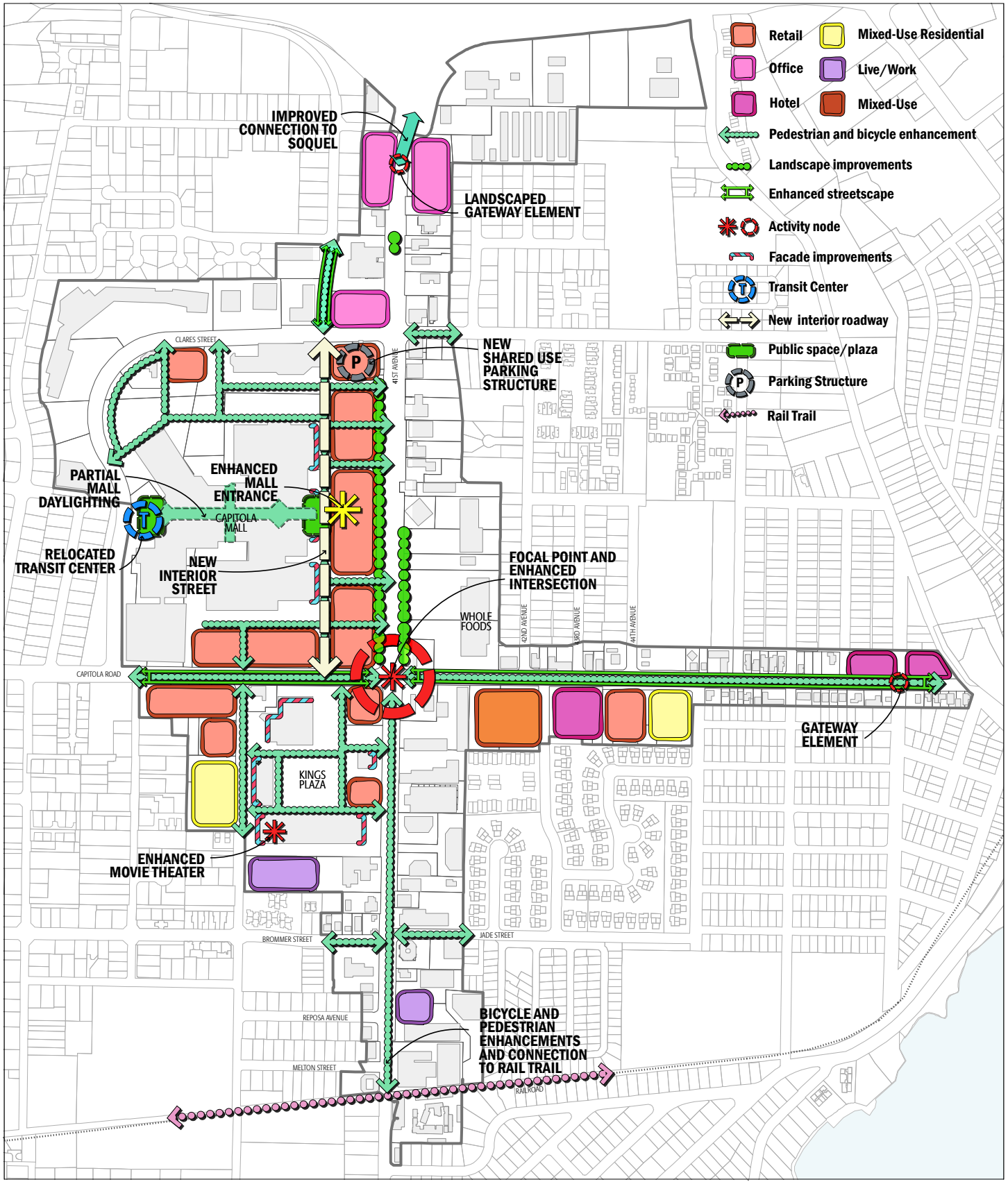
- 11) Continue to accommodate the needs of drivers while encouraging alternative modes of transportation.
- 12) Improve bicycle and pedestrian circulation within the Plan area.
- 13) Enhance the appearance and functionality of the Capitola Mall Transit Center.
- 14) Improve connections between the Plan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

IV. CONCEPT PLAN

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

Highlights of the draft concept plan are as follows:

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



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

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

V. PHASING PLAN

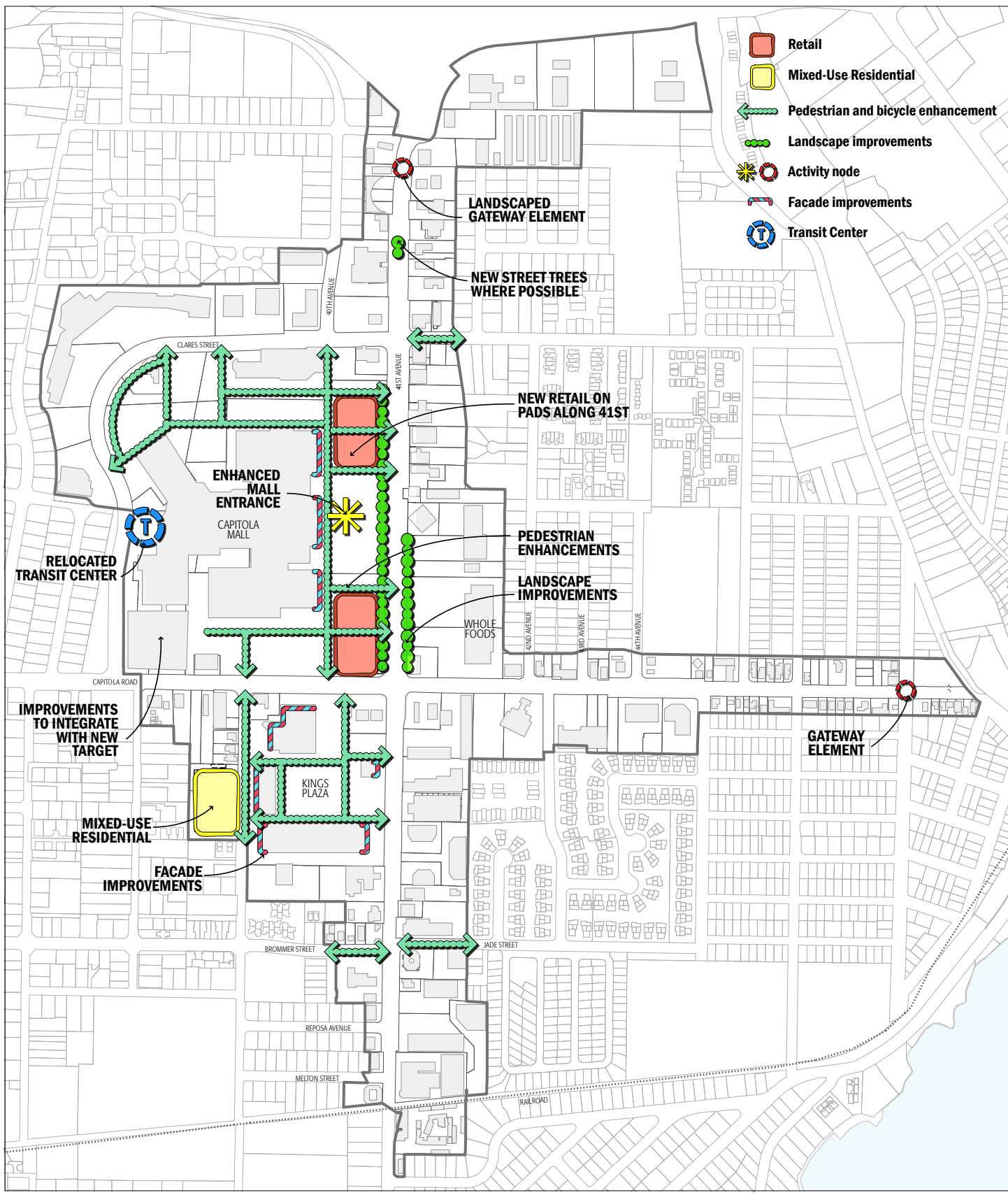
The Re-Visioning Plan anticipates that change along 41st Avenue will occur incrementally and that the corridor will evolve over time. It is therefore necessary to envision and permit short-term improvements that do not fully achieve the ultimate vision for the corridor. Modest improvements are often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

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

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

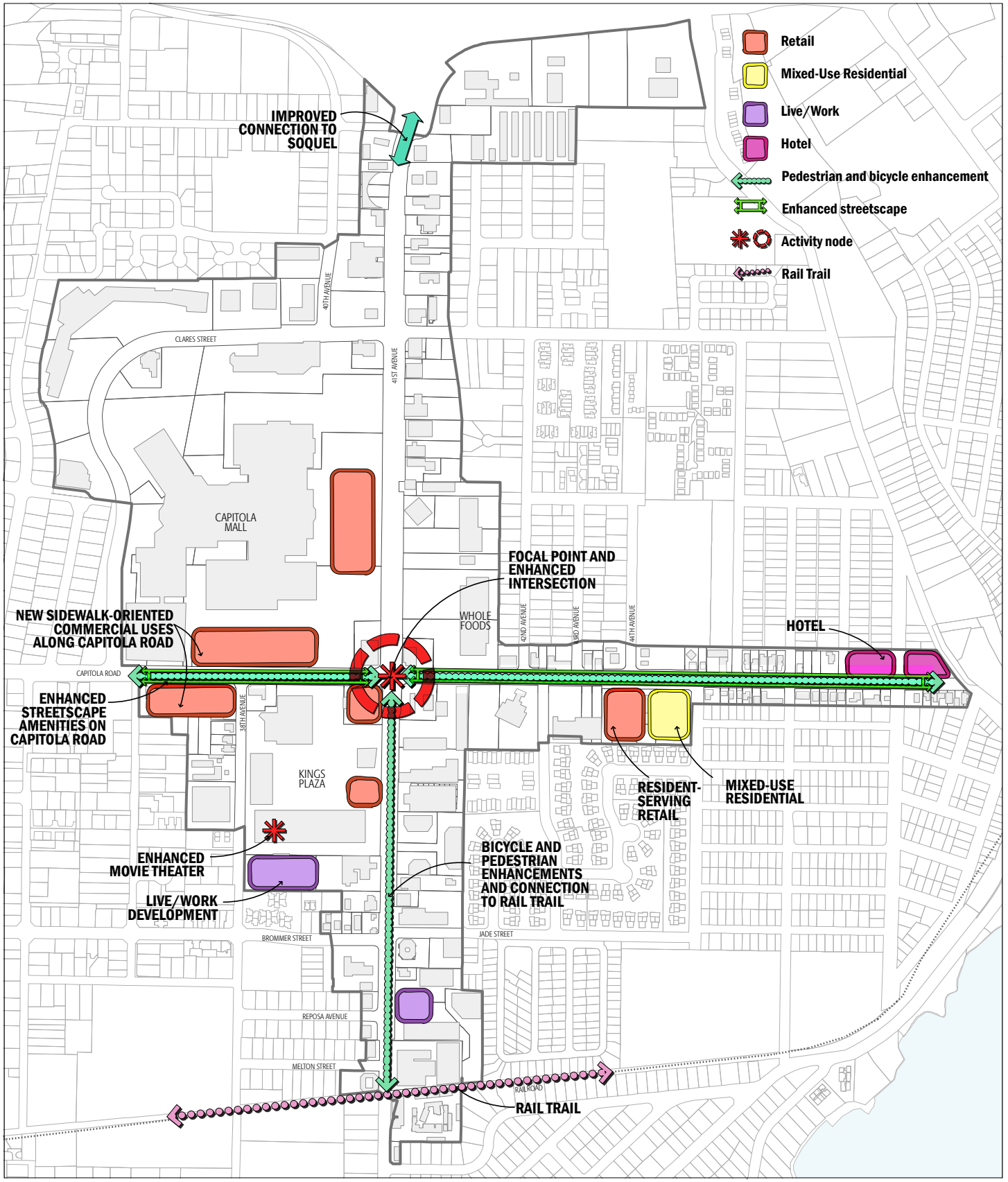
	Phase 1 (0-5 years)	Phase 2 (5-15 years)	Phase 3 (15+ years)
Capitola Mall	<ul style="list-style-type: none"> New retail pads fronting 41st Ave. Pads will be designed in a way to accommodate a future interior roadway between the mall and the new pads. Improved mall façade and entrance Improved pedestrian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

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

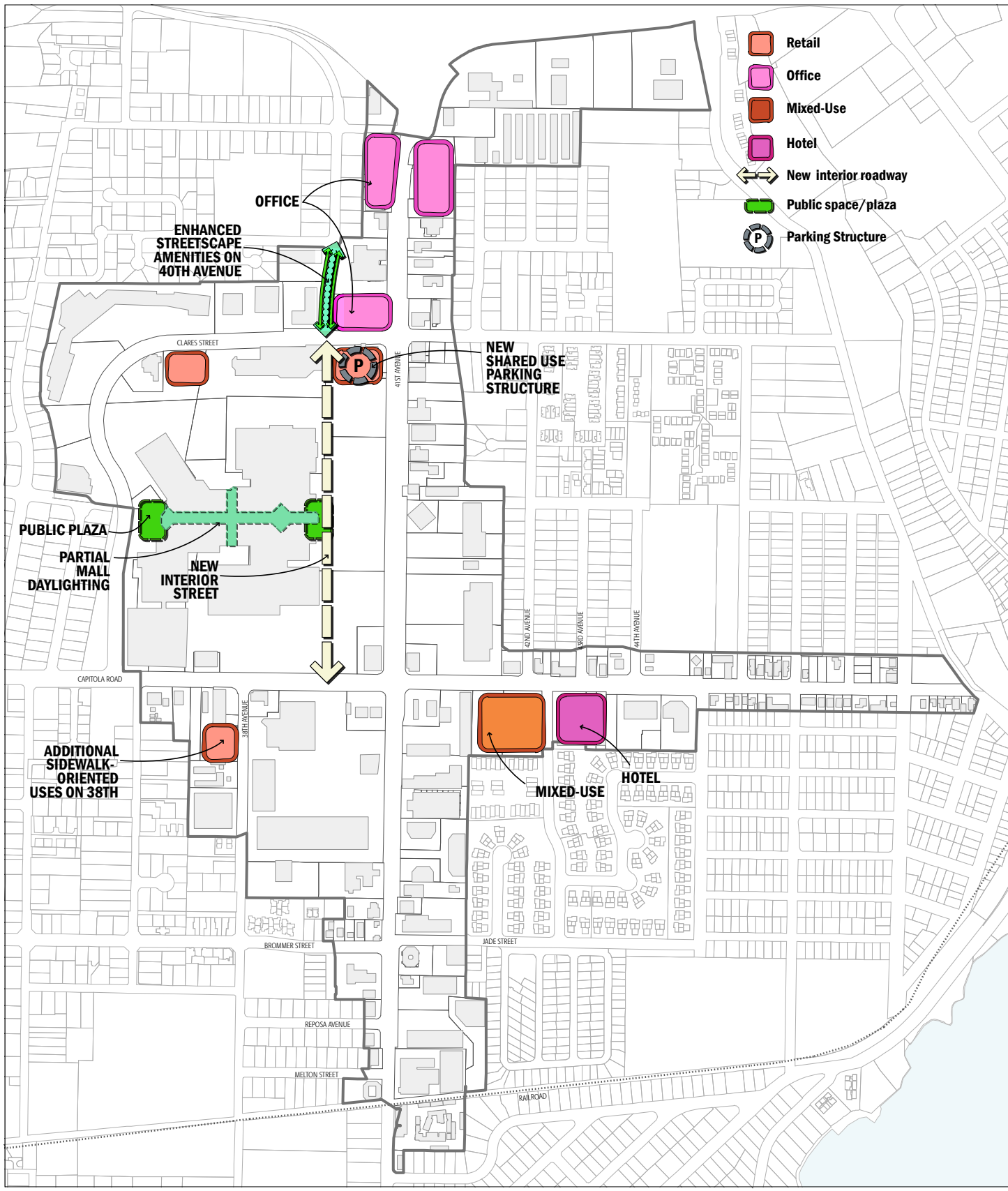


Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

FIGURE 13



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)



Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

VI. *POLICIES AND ACTIONS*

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

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

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

1. **Economics**

Policies:

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

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

Actions:

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

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

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

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

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

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

2. Land Use and Urban Design

Policies:

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

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

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

Actions:

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

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

- Action 2.5. As part of the Zoning Code Update, establish incentives for new development to provide urban amenities attractive to residential and mixed use development.*
- Action 2.6. Review and amend if needed Capitola's Redevelopment Project Implementation Plan and Capital Improvement Program (CIP) to provide urban amenities attractive to residential and mixed use development.
- Action 2.7. As part of the Zoning Code Update, establish incentives for the inclusion of public gathering places within development projects.*
- Action 2.8. Study the feasibility of locating a public facility, such as a community meeting place, within the corridor.
- Action 2.9. When updating the Zoning Code, establish special transition standards that apply to mixed-use development, multiple-family residential development, and non-residential development adjacent to single-family homes. These standards may require increased setbacks, upper story stepbacks, special landscaping, separation of service facilities, and other measures to minimize impacts on adjacent single family homes.*
- Action 2.10. Monitor on-street parking in residential neighborhoods adjacent to the 41st Avenue corridor. Consider establishing a residential parking permit system for these neighborhoods if development within the corridor is producing high levels of additional on-street parking in these areas.

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

3. Parking and Circulation

Policies:

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

- Policy 3.10. Require new development and substantial renovations provide connections bicycle and pedestrian connections between adjacent properties.
- Policy 3.11. Require new development and substantial renovations to provide safe and convenient pedestrian and bicycle circulation within properties.
- Policy 3.12. Provide for safe and convenient bicycle and pedestrian connections from Capitola Road to the Village. Minimize the frequency of curb cuts and driveways intersecting sidewalks and bicycle facilities. Require properties to share driveways when feasible.

Actions:

- Action 3.1. When updating the Zoning Code, establish development standards that support a pedestrian-friendly environment. These standards will address building placement, building orientation, entrance location, ground floor street-facing building wall transparency, and parking location and design.*
- Action 3.2. As properties redevelop within the corridor, study the need for and feasibility of building a public parking structure to serve the corridor.
- Action 3.3. Study the need for a comprehensive parking management program in the corridor. This program could include the establishment of a new parking district to raise revenue for new public parking facilities, improved parking signage, real-time parking availability information, and other methods to minimize the need to supply additional parking within the corridor.
- Action 3.4. Include design standards for parking structures in the updated Zoning Code.*
- Action 3.5. As part of the Zoning Code Update, establish standards for the design and location of pedestrian-friendly off-street parking facilities.*

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

A P P E N D I X A

Baseline Economic Analysis





DRAFT MEMORANDUM

Date: May 4, 2011

To: City of Capitola

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

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

Subject: Draft Baseline Economic Analysis

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

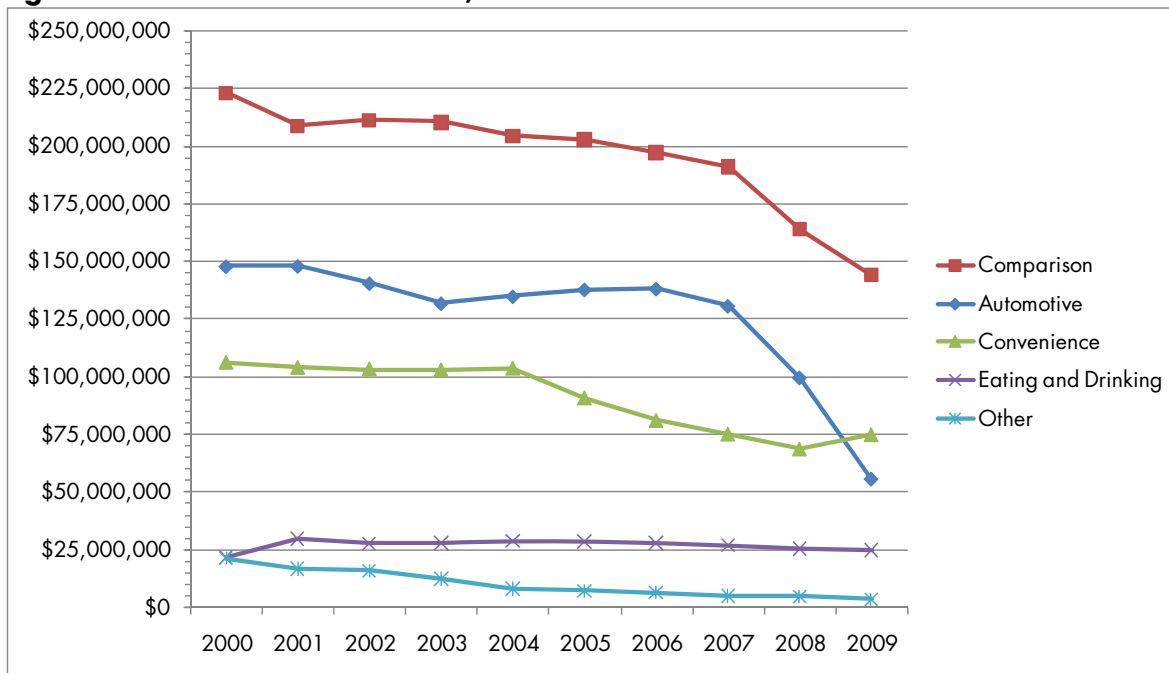
RETAIL DEVELOPMENT CONDITIONS & STRATEGIC CONSIDERATIONS

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

Revenue Trends

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

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



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

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

¹ 2011 California Retail Survey.

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

Market Conditions

Rents

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

Occupancy

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

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

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

New Tenants

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

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

Strategic Consideration: Need for Investment & Renewal

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

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

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

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

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

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

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

Strategic Consideration: Constraints on New Investment

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

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

Strategic Consideration: Opportunities for New Investment

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

Create Focus and Consolidate Retail Over Time

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

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

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

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

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

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

Expand & Improve Eating and Entertainment Options

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

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

Leverage Assets

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

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

ATTACHED RESIDENTIAL AND MIXED-USE DEVELOPMENT CONDITIONS AND STRATEGIC CONSIDERATIONS

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

Market Conditions

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

Rents and Rental Occupancy

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

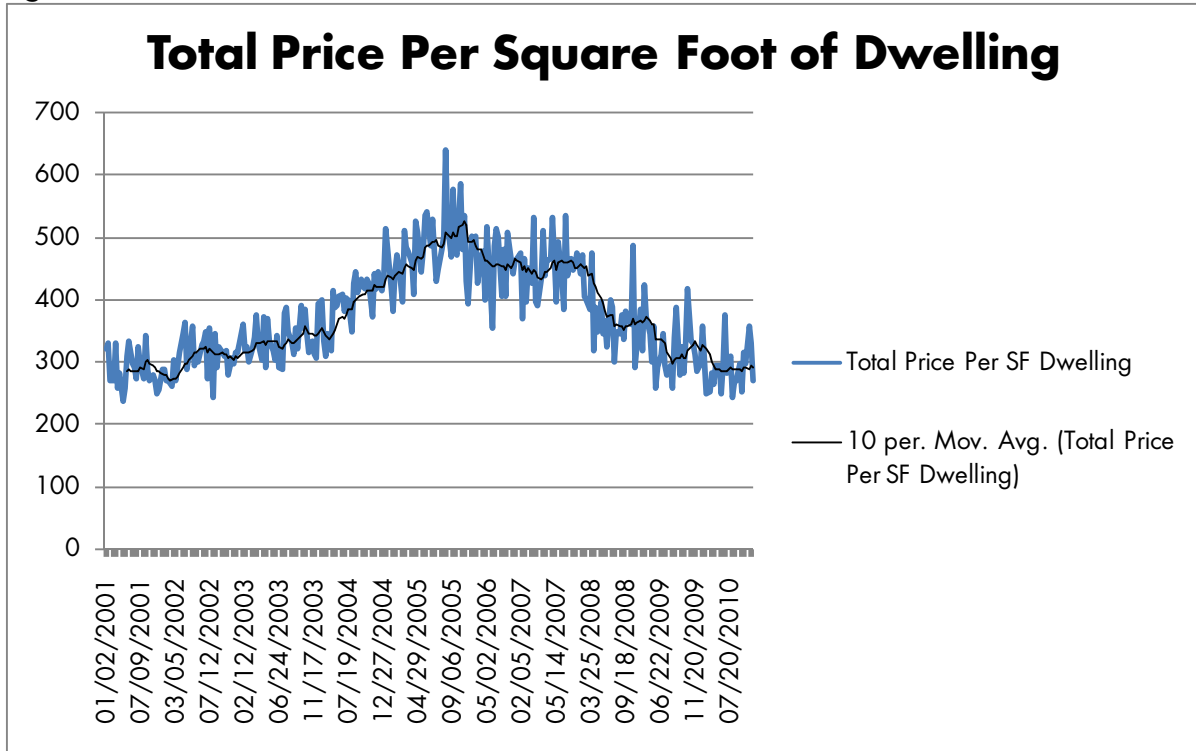
Developers and brokers indicate strong on-going demand for apartments, in part due to the major amenity provided by the beach. However, current rents are unlikely to support new construction in a redevelopment context, which includes demolition and land costs that must be sufficiently high to displace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

Sales Prices and Condominium Occupancy

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

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

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



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

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

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

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

Mixed-Use Outlook

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

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

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

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

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

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

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

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

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

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

Strategic Consideration: Adding “Value Premiums”

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

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

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

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

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

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

OFFICE DEVELOPMENT CONDITIONS AND STRATEGIC CONSIDERATIONS

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

Market Conditions

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

Strategic Considerations: Location Sensitivity

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

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

⁸ Cassidy Turner/BT Commercial, 2010.

HOTEL DEVELOPMENT CONDITIONS AND STRATEGIC CONSIDERATIONS

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

Market Conditions

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

Strategic Consideration: Phasing

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

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

Strategic Consideration: Location

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

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

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

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

ILLUSTRATIVE CASE STUDIES

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

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

Brea Boulevard & Birch Street (Brea, California):

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

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

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

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

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

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

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

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

Lessons for 41st Avenue & Capitola Mall

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

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

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

Brea Boulevard and Birch Street Case Study Images



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



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



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

Brea Boulevard and Birch Street Case Study Sources

Strategic Economics et al. *Revitalizing Older Suburbs: Strategies and Case Studies from Southern California*. Local Government Commission. July 2002.
 John Given, CIM Group, personal interview.
 City of Brea Redevelopment Agency.

Northgate Mall, Northgate Neighborhood (Seattle, Washington)

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

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

Gross Leasable Square Feet before Renovation: 959,000

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

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

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

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

Project Description

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

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

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

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

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

Lessons for 41st Avenue / Capitola Mall

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

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

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

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

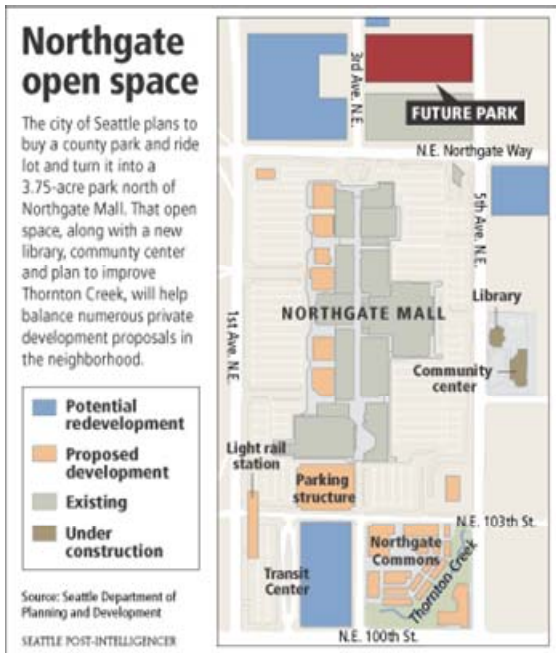
- *Spurring major change requires a shared vision and cooperation among public sector participants and community and private-sector buy-in.*

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

Northgate Mall Case Study Images



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



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

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)



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



Thornton Place



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

Northgate Mall Case Study Sources

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

The Shops at Tanforan (San Bruno, California)

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

Project Description

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

Attachment: 41st Avenue/Capitola Mall Re-Visioning Plan (1909 : Mall Status Update)

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

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

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

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

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

Lessons for 41st Avenue / Capitola Mall

- Redeveloping properties can require long-term focus.

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

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

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

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

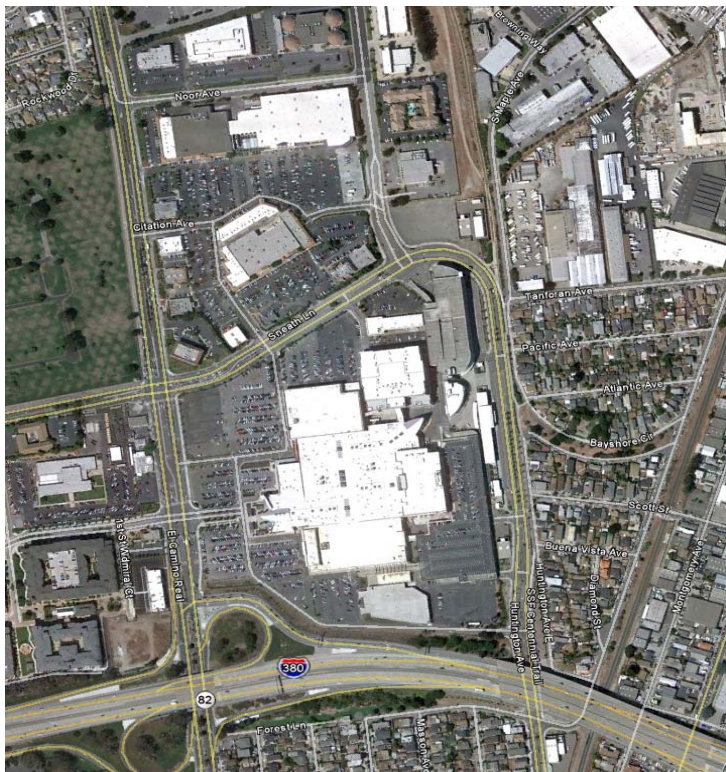
- Complicated ownership agreements and structures at traditional malls can limit redevelopment possibilities and require a strategy to overcome additional constraints.

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

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

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

The Shops at Tanforan Case Study Images



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



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



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

Shops at Tanforan Case Study Sources

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

DEVELOPMENT COSTS

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

Land Costs

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

Construction Costs

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

SUMMARY OF KEY ECONOMIC ISSUES AND OPPORTUNITIES

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

Key Findings Regarding Retail

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

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

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

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

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

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

- **Need for Investment & Renewal**

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

Specific recommendations include:

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

Key Findings Regarding Attached Housing & Mixed Use

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

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

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

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

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

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

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

Key Findings Regarding Office

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

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

Key Findings Regarding Hotel

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

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

Implementation & Next Steps

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

Build Property Owner Organization & Opportunity for Common Investment

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

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

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

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

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

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

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



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



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Public Works Department

SUBJECT: Consider Regional Transportation Commission Measure D Agreement and Five-Year Plan

RECOMMENDED ACTION: Approve a funding agreement with the Santa Cruz County Regional Transportation Commission, authorize the City Manager to sign on behalf of the City, and approve a five-year proposed project list.

BACKGROUND: The Santa Cruz County Regional Transportation Commission (RTC) has prepared the attached agreement (Attachment 1) for the disbursement of the Santa Cruz County Transportation Plan Measure (RTC Measure D) funds. The RTC Measure D is a 30-year, one-half percent sales tax measure that includes an allocation to the City of Capitola. RTC Measure D funds must be used for street maintenance, roadway repairs and improvements, pedestrian improvements, bikeway improvements, and other transportation projects that benefit the City of Capitola. Capitola's share of the RTC Measure D funds is expected to be \$285,000 in Fiscal Year 2017/18.

The funding agreement requires the City to adopt a five-year project plan. The plan will be updated annually, and projects may be added or deferred as part of the update. Attachment 2 is a proposed five-year plan for the City of Capitola based on the adopted budget and projected needs.

DISCUSSION: The agreement requires the City to track and report annually on the RTC Measure D funds. To assist in meeting this goal, a separate fund was created in the Fiscal Year 2107/18 budget. As shown in the five-year project list, the current year's funding was allocated for the Green Bike Lane Project and citywide slurry seals.

FISCAL IMPACT: Current RTC Measure D projections for the City are \$1,440,000 over the next five years. The breakdown in the appropriations is detailed in Attachment 3.

ATTACHMENTS:

1. Master Funding Agreement-Capitola
2. Capitola Drasft Measure D list
3. Measure D 5-year apportionments

Report Prepared By: Steve Jesberg

RTC Measure D Agreement and 5 Year Plan
July 27, 2017

Public Works Director

Reviewed and Forwarded by:


Katie Herlihy, Senior Planner 7/19/2017

**MEASURE D
MASTER FUNDING AGREEMENT
between the
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
and the
CITY OF CAPITOLA**

This Master Funding Agreement (“AGREEMENT”), effective the 30th of June, 2017, is entered into by and between the Santa Cruz County Regional Transportation Commission (“RTC”) and the City of Capitola (“RECIPIENT”).

RECITALS

A. On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code, Division 19, Section 180000 et seq. (the “Act”), adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), thereby authorizing Santa Cruz County Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%).

B. The duration of the Measure D sales tax will be 30 years from the initial date of collection, which is April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance, as it may be amended.

C. The Measure D Ordinance authorizes the RTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Service Agency (CTSA): Community Bridges Lift Line, consistent with the formulas and provisions set forth in the Expenditure Plan;

D. This Agreement delineates the requirements of the Measure D funds that are directly allocated to local jurisdictions, METRO and Community Bridges, as authorized by the Measure D Expenditure Plan. Funds for projects identified in the expenditure plan to be funded from the highway corridors, rail corridor, and/or Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail) categories are not the subject of this AGREEMENT, and RECIPIENT will be required to enter into a separate agreement for any funds from those investment categories.

E. This AGREEMENT was approved by the governing body of the RTC on May 18, 2017.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

ARTICLE I: FUNDING ALLOCATIONS

1. This AGREEMENT authorizes the RTC to allocate the direct allocation funds derived from Measure D receipts as described in the voter-approved Ordinance and Expenditure Plan for the following:

- Neighborhood Projects: Direct Allocation to Cities and County
- Transportation for Seniors and People with Disabilities: Direct Allocation to Service Providers

2. All Measure D distributions pursuant to this AGREEMENT shall be effective as of July 1, 2017.

A. Neighborhood Projects Program: Direct Allocation to Local Jurisdictions

1. Consistent with the Measure D Expenditure Plan, RTC will distribute Measure D Neighborhood Projects direct allocation funds at least quarterly to incorporated cities and the County of Santa Cruz pursuant to a formula weighted based on each jurisdiction’s proportional share of the countywide population (29%), lane miles of roadway (39%) and site in Santa Cruz County where revenue from the Measure D transaction and use tax is generated (32%). RECIPIENT’s allocations are subject to change based on variations in annual population, road mile, and tax site generation figures. Data will be updated each year based on the latest available data.

2. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

3. Neighborhood Projects to be funded with Measure Revenues may include: fixing potholes, local roadway repairs, rehabilitation, reconstruction and intersection improvements; new and improved sidewalks, crosswalks and bicycle lanes and paths, especially near schools; and other transportation projects as necessary for the benefit of residents in those jurisdictions. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their current and future local transportation needs, shall each prepare an annual report through a public process, in accordance with the requirements of this AGREEMENT, to identify how they plan to spend their share of measure funds and how measure funds were spent in the prior year.

B. Transportation for Seniors and People with Disabilities Program: Direct Allocation to METRO and Community Bridges

1. RTC will distribute Measure D direct allocation funds pursuant to set percentages detailed in the Measure D Expenditure Plan.

2. As noted in the Measure D Expenditure Plan: 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for Seniors and people with disabilities. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency for Santa Cruz County (Community Bridges-Lift Line) for paratransit service. Paratransit works with social service agencies to increase transportation options for Seniors, individuals with disabilities, and persons with low incomes.

3. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

ARTICLE II: PAYMENTS AND EXPENDITURES

A. RTC’S DUTIES AND OBLIGATIONS

1. Within thirty working days of actual receipt of the Measure D sales tax revenues from the State Board of Equalization (“BOE”) RTC shall remit to the RECIPIENT its designated amount of available direct allocation funds. Funds shall be disbursed on a no less than quarterly basis by the formulas described in Article I Section A or B, as applicable, above. As noted in the Measure D Expenditure Plan: distribution percentages are net after costs required for administration, implementation and oversight of the measure, including RTC administrative salaries and benefits (*limited to 1% of total measure*

Attachment: Master Funding Agreement-Capitola (1928 : RTC Measure D Agreement and 5 Year Plan)

revenues), annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, Board of Equalization fees, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. These costs are estimated in the RTC's annual budget.

2. RTC shall annually update the Measure D fund revenue projections and the resulting fund allocation formulas to reflect the most current data available. RTC shall use the updated Measure D program allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30.

3. RTC shall report quarterly to the public the amount of Measure D revenues distributed to RECIPIENT quarterly and for the fiscal year.

4. RTC shall provide for an independent annual audit of its financial statements including revenues and expenditures and also of its calculation of the allocation formula for distributing Measure D revenues to various recipients and render an annual report to the RTC within 180 days following the close of the fiscal year. The RTC may consider extensions to this deadline on a case-by-case basis.

5. RTC shall provide at least 45 days' notice to RECIPIENT prior to conducting an audit of expenditures made by RECIPIENT to ensure that expenditures are in compliance with this AGREEMENT and the Measure D Ordinance and Expenditure Plan.

B. RECIPIENT'S DUTIES AND OBLIGATIONS

1. RECIPIENT shall expend all Measure D funds received in compliance with applicable policies, guidelines and plans, including the Guidelines, the Measure D Ordinance, Expenditure Plan, 30-year Implementation Plan, and consistency with the Regional Transportation Plan and performance measures, as they may be adopted or amended by RTC from time to time.

2. RECIPIENT shall set up and maintain an appropriate system of accounts to report on Measure D funds received. RECIPIENT must account for Measure D funds, including any interest received or accrued, separately for each program, and from any other funds received from the RTC. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for Measure D funds and the respective usage and application of said funds. RTC and its representatives, agents and nominees shall have the absolute right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.

3. RECIPIENT shall expend Measure D allocations as quickly as possible for cost-effective eligible projects, but may reserve annual allocations for a maximum of no more than five fiscal years for larger projects that are identified in the Five-Year Program of Projects. If funds are not obligated and expended within five years, funds may be redirected after sixty (60) days of the end of the fifth fiscal year, at RTC's discretion, to other Measure D recipient agencies for projects that can be immediately implemented, unless a corrective action plan has been submitted to and approved by the RTC, an exception due to extenuating circumstances has been approved by the RTC board, or a "cooperative fund agreement" (*described in Section II.C*) has been approved by the RTC.

4. RECIPIENT hereby agrees to and accepts the formulas used in the allocation of Measure D revenues as reflected in the voter-approved Measure D Ordinance and Expenditure Plan, as it may be amended as provided therein, and agrees to accept the annual update of the sales tax allocation formulas, as reported by the RTC in its annual budget.

5. RECIPIENT hereby agrees that prior to commencement of any specific project or activity which will be funded with Measure D revenues, requirements of the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA) shall be met, if applicable. The RTC shall not be the lead agency for any project or activity undertaken by RECIPIENT using Measure D revenues.

6. RECIPIENT hereby agrees to actively work to leverage or secure matching outside funding sources. Any additional Measure D revenues made available through their replacement by matching funds will be spent based on the principles outlined for fund allocations described in the Ordinance and Expenditure Plan.

C. OTHER EXPENDITURE CONDITIONS AND RESTRICTIONS

1. **Transportation Purposes Only:** RECIPIENT shall use all Measure D funds solely for transportation purposes as defined by the authorizing ballot measure. If RECIPIENT violates this provision, all further allocations shall be suspended until RECIPIENT fully reimburses all misspent funds, including all interest which would have been earned thereon. If RECIPIENT does not reimburse misspent funds, further allocations will be redistributed to other projects in the Neighborhood Projects or Transit categories of Measure D.

2. **Interest Earnings:** As set forth in the Measure D Ordinance, agencies implementing the Expenditure Plan projects may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. Any interest income earned on funds allocated pursuant to the Measure D ordinance or this AGREEMENT shall be expended only for the purposes for which the funds were allocated.

- a. Interest earnings on must be spent on the eligible uses defined in the Measure D Expenditure Plan, Ordinance, and “Guidelines.”
- b. Beginning in FY 18/19, each recipient agency shall estimate annual interest earnings and reflect these earnings in their 5-Year Program of Projects.
- c. The expenditure of interest earnings according to this policy will be included in the annual audit required by the Measure D Ordinance.

3. **Maintenance of Effort/Non-Substitution of Funds:** Pursuant to California Public Utilities Code Section 180001(e), RECIPIENT shall use Measure D funds to supplement and not replace existing local revenues used for transportation purposes. Measure D revenues also shall not be used to replace revenues used for existing agency indirect costs or overhead. As set forth in the Measure D Ordinance: Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies. RECIPIENTS shall report on their compliance in the annual report. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide additional guidance.

4. **Cooperative Fund Agreements:** To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions receiving funds from this measure. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in the Expenditure Plan is maintained over the duration of the period of time the tax is imposed. Agreements to exchange funds, including fund repayment provisions, must be approved by the RTC and shall be consistent with all rules adopted or approved by the RTC relating to

such exchanges. Subject to concurrence of RECIPIENT, the RTC may exchange Measure D revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the RTC to maximize effectiveness in the use of the Measure D revenues. Such federal or State funds shall be distributed in the same manner as Measure D revenues. The RTC shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

5. **Staff Cost Limitations:** Direct costs associated with the delivery of programs and projects associated with Measure D programs, including direct staff costs and consultant costs, are eligible uses of Measure D funds. The intent of the measure is to expand and improve the transportation network through the construction, maintenance and operation of transportation projects and services. RTC does not allow indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan (ICAP). This may include, but not be limited to, the ICAP prepared for other state or federal programs.

ARTICLE III: REPORTING REQUIREMENTS

A. REQUIREMENTS AND WITHHOLDING

1. RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, RTC may withhold payment of further Measure D funds to RECIPIENT until full compliance is achieved.

2. RECIPIENT shall, by December 31st of each year, submit to RTC separate independently audited financial statements for the prior fiscal year ending June 30 of Measure D funds received and used. The RTC may consider extensions of the due date on a case-by-case basis. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan adopted by the voters. The RTC will prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement on the RTC website.

3. RECIPIENT shall actively conduct public outreach, in partnership with RTC and/or its advisory committees, as a means of ensuring that the public has the ability to access information about which projects and programs are funded with Measure D funds.

4. RECIPIENT shall, by December 31st of each year, submit to RTC an annual report (covering the prior fiscal year) regarding programs and projects on which RECIPIENT expended Measure D funds. The RECIPIENT agency board shall annually adopt the annual report, after holding a public hearing. The annual report shall include 1) a five-year program of projects including information about each of the projects to be funded with Measure D revenues. RECIPIENT shall submit the program of projects to the RTC in a format that can be easily understood by members of the public; and 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. Some agencies may adopt the five-year program of projects as part of their annual budget, capital improvement programs, or other process earlier in the year, but must submit the list no later than December 31.

5. RECIPIENT shall document expenditure activities and report on the performance of Measure D funded activities through the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual Five-Year Program of Projects, planning and monitoring reports. The RTC shall utilize information from RECIPIENT on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

6. RECIPIENT shall install or mount signage adjacent to Measure D funded construction projects and/or on vehicles funded with Measure D funds where practical, so Santa Cruz County taxpayers are

informed as to how RECIPIENT is using Measure D funds. See separate “*Measure D: Sign Specifications*” [under development] for additional signage guidance.

7. RECIPIENT shall provide current and accurate information on RECIPIENT’s website, to inform the public about how RECIPIENT plans to use and is using Measure D funds. RECIPIENT shall notify RTC staff once the draft 5-year program of projects is available for public review and at least two weeks in advance of the anticipated date of the public hearing and board action on the annual 5-Year Program of Projects.

8. RECIPIENT shall, at least annually, publish an article highlighting a project or program funded by Measure D funds. This could be in a local newspaper, agency newsletters, or via internet-based platforms, including but not limited to blogs, websites, and social media sites.

9. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT’s receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

10. RECIPIENT agrees that RTC may review and/or evaluate all project(s) or program(s) funded pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of RTC to observe RECIPIENT’s project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT’s staff or governing board.

ARTICLE IV: OTHER PROVISIONS

A. INDEMNITY BY RECIPIENT

1. Neither RTC, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RECIPIENT shall fully defend, indemnify and hold harmless RTC, its governing body, and all its officers, agents, and employees, from any claims or liability imposed on RTC for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT.

B. INDEMNITY BY RTC

1. Neither RECIPIENT, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RTC shall fully defend, indemnify, and hold harmless RECIPIENT, and its governing body, elected officials, all its officers, agents, and employees from any claims or liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT.

C. JURISDICTION AND VENUE

1. The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Santa Cruz County, California and the parties hereto hereby waive inconvenience of forum as an objection or defense to such venue.

D. TERM

1. The term of this AGREEMENT shall be from April 1, 2017 to June 30, 2022, unless amended in writing or a new Master Funding Agreement is executed between RTC and RECIPIENT for Measure D revenues.

E. SEVERABILITY

1. If any provision of this AGREEMENT is found by a court of competent jurisdiction or, if applicable, an arbitrator, to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

F. MODIFICATION

1. This AGREEMENT, as well as the referenced Guidelines, Measure D Ordinance and Expenditure Plan, constitutes the entire AGREEMENT, supersedes all prior written or oral understandings regarding Measure D program funds (but not project funding agreements). This AGREEMENT may only be changed by a written amendment executed by both parties. Notwithstanding the foregoing, the Guidelines, performance measures, and other policies related to Measure D funds may be changed from time to time by the RTC, and any such changes shall be incorporated herein to the same extent as the underlying policy so amended.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

CITY OF CAPITOLA

**SANTA CRUZ COUNTY REGIONAL
TRANSPORTATION COMMISSION (RTC)**

Name Date
Title

George Dondero Date
Executive Director

Approved as to Form:

Approved as to Form:

By: _____
Name Date

By: _____
Legal Counsel to SCCRTC Date

s:\measured\lsrandtransitallocations\agreements\masterfundingagreement-capitola.docx

Attachment: Master Funding Agreement-Capitola (1928 : RTC Measure D Agreement and 5 Year Plan)

**Measure D: Guidelines for Direct Allocations for
Neighborhood Projects and Transportation for Seniors and People with Disabilities**

Approved by SCCRTC 5/18/17

Section 1. Purpose

- A. To specify the eligible uses of and requirements for funds authorized under Measure D (2016) that local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County: Community Bridges Lift Line must follow in their use of Measure D funds authorized under the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. These guidelines are incorporated by reference into the *Measure D Master Funding Agreement*. Additional terms and conditions are contained in the agreements themselves, the Measure D Ordinance and Expenditure Plan. The intent of these guidelines is to:
1. Provide guidance on eligible uses and expenditures of Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds.
 2. Guide implementation of the Measure D Ordinance and Expenditure Plan, as it relates to these direct allocations.
- B. These guidelines only apply to the ongoing formula allocations of net revenues to cities, the County of Santa Cruz, and transit/paratransit operators (RECIPIENTS) pursuant to Measure D and the Expenditure Plan associated therewith. Separate Guidelines apply to “Neighborhood Projects” investments which are allocated specific dollar amounts (Highway 9 Corridor in San Lorenzo Valley and Highway 17 Wildlife Crossing) and other Measure D investments categories (Highway Corridors, Active Transportation, and Rail Corridor).

Section 2. Authority

- A. The Santa Cruz County Regional Transportation Commission (RTC) is responsible for implementation of Measure D. These guidelines, adopted by the RTC board, set forth eligible uses and expenditures of Measure D revenues designated to the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. The RTC may update these guidelines on an as-needed basis, effective upon approval of the RTC board, and will do so with involvement of Measure D revenue recipients, and the RTC’s technical, bicycle, and elderly/disabled advisory committees, as applicable. Exceptions to these guidelines must be requested in writing and be approved by the RTC board.

Section 3. Background

- A. On November 8, 2016, voters approved the 2016 Santa Cruz County Transportation Improvement Plan - Expenditure Plan: Measure D, which allocates 30% of net Measure D revenues to a “Neighborhood Projects” program and 20% to a “Transportation for Seniors and People with Disabilities” program. Section 5 of these guidelines clarifies eligible fund uses and expenditures in association with these Direct Allocation funds (also referred to as formula funds, direct distributions, direct allocations).
- B. **Neighborhood Projects – Direct Allocation to Cities and County:** As set forth in the voter- approved Expenditure Plan, all but \$15 million (total over 30 years) of funds allocated to Neighborhood Projects (30% of net Measure D revenues) will be distributed to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for eligible transportation projects based on the formula set forth in the Measure D Expenditure Plan.
- C. **Transportation for Seniors and People with Disabilities:** Direct Allocation to Service Providers funds will be distributed as follows:
1. 16% of net Measure D Revenues will be distributed to Santa Cruz Metropolitan Transit District

(METRO) to provide transit and paratransit service for seniors and people with disabilities.

2. 4% of net Measure D Revenues will be allocated to Community Bridges Lift Line, as the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.

D. In the event that any agency that is designated to receive direct allocation funds through the Expenditure Plan is dissolved, the RTC may redistribute funds based on the same formulas minus the dissolved agency. New or successor entities that come into existence in Santa Cruz County during the life of the Expenditure Plan, such as incorporation of a new city, merging of agencies, or designation of a new agency as the county Consolidated Transportation Services Agency or transit agency, may be considered as eligible recipients of funds through the amendment process as set forth in the Ordinance.

Section 4. Definition of Terms

- A. **Authority/RTC:** The Santa Cruz County Regional Transportation Commission (RTC) is the state-designated regional transportation planning agency and is the Local Transportation Authority (Authority) for Santa Cruz County which performs long-range planning and funding for countywide transportation projects and programs, and administers the Measure D half-cent transportation sales tax programs, approved by voters on November 8, 2016.
- B. **Capital project:** A capital investment that typically requires the following phases: planning/feasibility, scoping, environmental clearance, design, right-of-way, construction, and completion.
- C. **Complete Street:** A transportation facility that is planned, designed, operated, and maintained to provide safe mobility for all users, including bicyclists, pedestrians, transit vehicles, truckers, and motorists, appropriate to the function and context of the facility. Complete street concepts apply to rural, suburban, and urban areas. (Caltrans definition)
- D. **Complete Streets Act of 2008:** The California Complete Streets Act (Assembly Bill 1358) was signed into law in September 2008. It requires that local jurisdictions modify their general plans as follows:
 1. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.
 2. For the purposes of this paragraph, “users of streets, roads, and highways” means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, skaters, users of public transportation, seniors, and other users of transportation facilities.
- E. **Cost Allocation Plans (CAPs):** CAPs and indirect cost (IDC) rate proposals are plans that provide a systematic manner to identify, accumulate, and distribute allowable direct and indirect costs to programs funded through the RTC Master Funding Agreements.
- F. **Direct cost (DC):** A cost completely attributed to the provision of a service, operations, a program, a capital cost, or a product. These costs include documented hourly project staff labor charges (salaries, wages, and benefits) that are directly and solely related to the implementation of Measure D-funded projects, consultants, contractors, and materials. These funds may be used for travel or training if they are directly related to the implementation of the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” funds.

- G. **Direct Local Allocation (or Distribution) Funds:** Funds allocated based upon a funding formula defined in a voter approved measure and allocated to eligible agencies on a regularly schedule basis (no less than quarterly).
- H. **Education and promotion:** Marketing, education, information, outreach, and promotional campaigns and programs funded by Measure D.
- I. **Environmental documents:** Preparation of environmental documents, such as those related to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA), or permits required by state or federal permitting agencies.
- J. **Equipment and vehicles:** Purchase or lease of vehicles and equipment for Measure D-funded transportation services, information dissemination, fare collection, maintenance, etc.
- K. **Grants:** Funding for plans, programs, or projects based on a competitive call for projects; evaluated based on applicable evaluation criteria; and allocated based on a reimbursement basis.
- L. **Indirect cost:** Also known as “overhead,” any cost of doing business other than direct costs. These costs include utilities, rent, administrative staff, officers’ salaries, accounting department costs, and personnel department costs, which are requisite for general operation of the organization but are not directly allocable to a particular service or product.
- M. **Maintenance:** Repairs, renovation, or upgrade of existing facility or infrastructure.
- N. **Net Measure D Revenues:** The net amount of Measure D sales tax revenues remaining after costs required for administration, implementation and oversight of the measure. These expenses include annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. Net revenues are distributed by formula to the investment categories identified in the Expenditure Plan.
- O. **Operations:** Provision of services that operate transportation facilities and programs. Operations costs do not include the costs to operate community outreach or other programs not directly related to a specific transportation service, program, or product.
- P. **Pedestrian crossing improvements:** Pedestrian crossing improvements such as crosswalks, roadway/geometric changes, or reconfiguration specifically benefiting pedestrians.
- Q. **Planning:** Identification of project and program current conditions and needs and development of strategies and plans to address the identified needs.
- R. **Project completion/closeout:** Inspection/project acceptance, final invoicing, final reporting, and the processes for closing out a project.
- S. **Recipient:** Agencies receiving direct allocations of funds from the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” Expenditure Plan categories.
- T. **Scoping and project feasibility:** Early capital project phases that identify project needs, costs, and implementation feasibility.
- U. **Sidewalks and ramps:** New sidewalks, sidewalk maintenance, curb ramps, and stairs/ramps for pedestrian and Americans with Disabilities Act access.

- V. **Signage:** Warning, regulatory, wayfinding, or informational signage.
- W. **Signals:** New traffic signals or crossing signals, signal upgrades, countdown signals, audible signals, or signal timing improvements.
- X. **Street resurfacing and maintenance:** Repaving and resurfacing of on-street surfaces, including striping.
- Y. **Traffic calming:** Infrastructure primarily aimed at slowing down motor vehicle traffic.

Section 5. Fund Allocations

A. “Neighborhood Projects” Direct Allocation Funds

1. *General:* RTC distributes Measure D “Neighborhood Projects” funds to incorporated cities in the county and to the County of Santa Cruz to be spent on transportation capital improvements intended to directly maintain and improve the multimodal local streets and roads network in Santa Cruz County. Each city and Santa Cruz County will receive their proportional share (which share shall be adjusted annually as described in the Master Funding Agreement) of the direct allocation Neighborhood Projects funds based on the formula specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each city and the County. Recipient agencies must place all such funds in a separate account for the Measure D program and will require annual audits. Agencies will maintain all interest accrued from the Measure D funds within the program.
2. *Formula:* Neighborhood Project Funds to cities and the County of Santa Cruz shall be distributed by the following formula: Proportional share of the countywide population (29%), lane miles of roadway (39%) and site where the Measure Revenue from the transaction and use tax is generated (32%). Population, road mile, and tax site generation figures will be updated each year based on the latest available data.
3. *Eligible Project Types:* These funds may be used for any local transportation need based on local priorities identified in the recipient agency’s annually updated 5-Year Program of Projects. Neighborhood Projects to be funded with Measure D revenues may include the items below under Eligible Uses (5) which are determined as necessary for the benefit of residents in those jurisdictions and approved through a public process by the jurisdiction.
4. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their local transportation needs, shall each prepare an annual report through a public process to identify how they plan to spend their share of measure funds in the next five years and how measure funds were spent in the prior year.
5. *Eligible Uses:* The Measure D “Neighborhood Projects” funds allocated to cities and the County of Santa Cruz may be used for capital projects, programs, maintenance, and operations that directly improve local streets and roads and local transportation. These include streets and roads projects, local transit projects, bicycle and pedestrian projects, projects (sponsored by others) that require local agency support, and other transportation projects, as approved through a public process by the jurisdiction. Where applicable, projects will also incorporate complete streets practices that make local roads safe for all modes, including bicyclists and pedestrians, and accommodate transit. Eligible uses for these funds include, but are not necessarily limited to:

- a. Capital projects, including:
 - i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management
 - ii. Transportation infrastructure maintenance and preservation including fixing potholes, repaving, resurfacing, rehabilitation, and reconstruction of local streets, roads, pathways, and maintenance of curbs, gutters and drains.
 - iii. Intersection improvements, including signals, turn lanes, etc.
 - iv. Signage and striping on roadways, including crosswalks, traffic and bicycle lanes
 - v. Improvements or upgrades to transportation bridges and tunnels
 - vi. Installation of or upgrades to sidewalks and curb ramps
 - vii. Americans with Disabilities Act (ADA) on-street improvements, including sidewalk upgrades and curb ramp installations
 - viii. Purchase or lease of equipment or new vehicles dedicated for local streets and roads projects
 - ix. Crossing projects including traffic signals, signage, traffic lights, and striping (at intersections, interchanges, railroads, freeways, etc.), including bicyclist and pedestrian treatments
 - x. Pedestrian facility installation and maintenance, including sidewalk repair and installation, curb ramps, countdown signals, accessible signals, at-grade crossings
 - xi. Bicycle facility installation and maintenance, including bikeways, bicycle routes, boulevards, lanes, multi-use pathways, green lanes, sharrows, bicycle boxes
 - xii. Improvements to roadways at rail crossings, including grade separations and safety protection devices
 - xiii. Pedestrian and bicycle access to, from and at transit facilities
 - xiv. Traffic calming projects
 - xv. Upgrades to or installation of new local streets and roads infrastructure including installation of streets, roads, and highways
 - xvi. Bus stop improvements, including bus pads, turnouts and striping
 - xvii. Improvements to roadways for truck or transit routing.
- b. Transportation system operations including:
 - i. Operations of traffic signal system controls and interconnections, corridor monitoring and management, signal synchronization and transit prioritization.
 - ii. Public transit operations including bus, shuttle, rail, and paratransit services
 - iii. Safe routes to schools programs.

- c. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues.
 - d. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D “Neighborhood Projects” Funds.
6. *Ineligible Uses:* The following is a list of ineligible uses of Measure D “Neighborhood Projects” funds:
- a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;
 - b. Capital projects, programs, maintenance, operations, or purchases that do not directly improve local transportation facilities;
 - c. Projects or programs that exclusively serve city/county staff;
 - d. Supplanting existing funds designated for transportation programs and projects;
 - e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs. Indirect costs shall only be applied to direct agency staff costs.
 - f. Mark-up to costs for services, materials, equipment, contracts, etc.

B. “Transportation for Seniors and People with Disabilities” Funds

1. *General:* RTC distributes Measure D “Transportation for Seniors and People with Disabilities” funds to Santa Cruz METRO and CTSA to be spent on transportation capital improvements, services, and operations that provide transportation services to seniors or people with disabilities, with the intent to maximize the number of rides provided. METRO and CTSA will receive direct allocations of net Measure D funds based on the formulas specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each service provider. Recipient agencies must place these funds in a separate account for the Measure D program and annual audits are required. Agencies will maintain all interest accrued from the Measure D funds within the program.
2. *Formulas and Purpose:* As described in the voter-approved Measure D Expenditure Plan:
 - a. 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities.
 - b. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, Community Bridges Lift Line, for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.
3. The METRO and CTSA are best able to determine their transportation needs, shall each prepare a five-year plan through a public process to identify how they plan to spend their share of measure funds in the next five years and an annual report detailing how measure funds were spent in the prior year. Reports prepared by the CTSA are subject to review and concurrence

from the RTC's Elderly and Disabled Transportation Advisory Committee (E&D TAC).

4. *Eligible Uses:* The Measure D funds allocated to Santa Cruz Metropolitan Transit District (METRO) and Community Bridges Lift Line (CTSA) may be used for capital projects, programs, maintenance, or operations that directly improve transportation for seniors and people with disabilities. Eligible uses for these funds include, but are not necessarily limited to:
 - a. Capital projects, including:
 - i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management
 - ii. Upgrades to or expansions to bus, paratransit, and shuttle infrastructure
 - iii. Purchase or lease of equipment or new vehicles for transit services
 - b. Maintain or increase METRO public transit and paratransit system operations and services, including express, local, and feeder buses, shuttles, and paratransit services that serve seniors and people with disabilities
 - c. Maintain or increase Paratransit services operated by the CTSA.
 - d. Safety or security improvements for operators, passengers, service users, facilities, and infrastructure or property.
 - e. Direct staff and consultant costs to develop, plan, implement, manage, operate and maintain transit and paratransit projects and programs that serve seniors and people with disabilities.
 - f. Direct staff and consultant costs to provide customer service and outreach for transit and paratransit projects and programs
 - g. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues
 - h. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D "Transportation for Seniors and People with Disabilities" funds
5. *Ineligible Uses:* The following is a list of ineligible uses of Measure D "Transportation for Seniors and People with Disabilities" funds:
 - a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;
 - b. Capital projects, programs, maintenance, or operations that do not directly improve local transit or paratransit facilities or services;
 - c. Projects or programs that exclusively serve recipient agency staff;
 - d. Supplanting existing funds designated for transportation programs and projects;
 - e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs.

- C. **Approval of Projects/Program – The 5-Year Program of Projects:** Prior to the agency expending the Measure D funding on any projects or programs, all projects and programs that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must be approved by the recipient-agency governing board following a public hearing. This approval allows the opportunity for the public to provide input on planning for Measure D-funded projects. These projects and programs must be included in the Five Year Program of Projects. Project sponsors are encouraged to use the Five Year Program of Projects template included as Attachment A. In the case of the CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting.

Section 6. Performance Metrics

- A. Recipients of Measure D revenues shall report on the performance of Measure D funded activities as part of the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual report of prior year expenditures and Five-Year Program of Projects and the annual audit. Attachment B provides a list of performance measures that shall be used, unless substitute measures are approved by the RTC.

Section 7. Maintenance of Effort

- A. Recipient shall use Measure D funds to supplement and not replace existing revenues used for transportation purposes, including agency indirect costs and overhead. A maintenance of effort formula ensures that Measure D results in an increased or sustained level of transportation-related activities than would otherwise have been possible. Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. While Measure D funds shall not be used to directly replace and/or reduce those charges, Recipient may reduce or provide subsidies to development for their transportation needs and/or charges using other non-transportation sources to offset those charges. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies.
- B. An agency’s baseline “maintenance of effort” shall be calculated based on the average of revenues and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).
- C. The baseline calculation shall include the following revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc).
1. Local agency discretionary revenues (general funds, sales and property taxes and other fees) designated for transportation purposes which were calculated for the baseline shall be adjusted annually in proportion to growth or decline of gross Measure D sales tax revenues. Dedicated

funds for transportation which are not locally generated, such as state gas tax and other state and federal formula funds shall not be subject to this adjustment.

2. Revenues from special, non-formula, competitive grants, and/or past revenues carried over into FY14/15-16/17 (and optionally FY12/13 and 13/14) for special projects and/or emergencies will not be part of MOE baseline calculation but shall still be identified in the baseline report. This includes, but is not limited to, one-time grants such as Regional Surface Transportation Program (RSTP)/Surface Transportation Block Grant Program (STBG), State Transportation Improvement Program (STIP), Active Transportation Program (ATP), American Recovery and Reinvestment Act (ARRA), Highway Safety Improvement Program (HSIP), Highway Bridge Program (HBP), FTA5310, and FEMA grants. While these are not part of the baseline calculation, agencies will be expected to continue to seek and secure grants from other sources, use some Measure D funds to leverage other grants, and not depend on Measure D formula funds to supplant those efforts.

- D. *Expenditures:* In the baseline report, Recipients shall also show how revenues were used in FY14/15-16/17 (and optionally FY12/13 and 13/14). This includes a breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs your agency has contributed funds to (such as safe route to school, transportation demand management, and paratransit programs), and agency staffing, overhead and indirect costs.
- E. *Exceptions:* The RTC recognizes that there will be instances where other and sometimes longstanding local, state, or federal revenues, formula funds, and grants will fluctuate or no longer be available. There also may be instances where a recipient agency reserves several years of funds, then spends several years of banked revenues in one fiscal year. If there are past revenues or expenditures which an agency proposes to exclude from the baseline maintenance of effort calculations, or if an agency is unable to meet the baseline maintenance of effort in a given year, the agency must provide a written justification for such exclusion for consideration by the RTC and the Measure D Oversight Committee. The written justification must include evidence for the need for any lower base amount.
- F. If extraordinary storm damage or other emergencies occur in a given year, an agency may request an exception to maintenance of effort requirements that year.
- G. Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement, outlined in Section 7.C.1. If an agency fails to submit annual reports or within three fiscal years the adjusted average annual expenditures of local discretionary revenues over the past three years do not meet the adjusted minimum local expenditure maintenance of effort requirements, the Measure D allocations amount to the RECIPIENT will be reduced by the amount that the agency did not meet the baseline level of expenditures of the agency discretionary revenues and the remaining Measure D will be reserved until any and all maintenance of effort expenditures are fulfilled or a plan to meet the maintenance of effort amount moving forward has been approved by the RTC.

H. Recipients shall submit their baseline calculation to the RTC by August 1, 2017. Recipients shall demonstrate and certify their maintenance of effort through the annual report and audit, and provide supporting documentation of how they calculated their maintenance of effort, which may include annual fiscal expenditure reports or ledgers and/or State Controllers reports used to comply with Senate Bill 1 (2017) or the California Streets and Highways Code.

Section 8. Complete Streets Policy Requirement

- A. To receive Measure D “Neighborhood Projects” funds, local jurisdictions must do both of the following with respect to Complete Streets policies:
1. Have an adopted Complete Streets policy or adopt a Complete Street policy by April 1, 2018, and
 2. Comply with the California Complete Streets Act of 2008, including any amendments. The California Complete Streets Act (AB1358) requires that local general plans do the following:
 - a. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.
 - i. For the purposes of this paragraph, “users of streets, roads, and highways” means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, users of public transportation, and seniors.
 - ii. The Governor’s Office of Planning and Research has developed detailed guidance for meeting this law: *Update to the General Plan Guidelines: Complete Streets and the Circulation Element*
https://www.opr.ca.gov/docs/Update_GP_Guidelines_Complete_Streets.pdf
- B. Agencies shall utilize the *Monterey Bay Area Complete Streets Guidebook* checklist or another complete streets checklist when defining project scope and design.

Section 9. Signage

- A. *Background:* The display of project signs is regularly utilized by public agencies to provide members of the public with information about the construction and operation of transportation projects. Project signs are posted near the location of the project, or on the vehicle in the case of bus transit projects, and typically display the project name, the project cost, funding source, project sponsor and estimated completion date. Project signs also are used to help inform the public of what programs help fund projects, like the Measure D transportation sales tax.
- B. *Project Signage Provisions:* RTC, in coordination with local project sponsors, will utilize project signs to provide members of the public with information on projects and programs that the Measure D program is helping deliver. Project sign guidelines will help provide uniformity for project sponsors in the implementation of the Measure D program. Projects that meet the thresholds identified in the guidelines will follow the appropriate display schedules and project signage type. While specifications for Measure D project signs have been developed by types of projects, if the prescribed sign type obstructs user accessibility or causes a potential safety hazard, project sponsors have the discretion to install alternative signage that displays the Measure D logo at a minimum.

- C. *Measure D Contribution Thresholds, Display Schedules, and Sign Specifications:* Measure D project sign installation will follow the Measure D contribution thresholds, display schedules, and sign specifications summarized in Attachment C. RTC will provide templates of sign specifications, developed in consultation with project sponsors.

Section 10. Advancement of Direct Local Allocation Distribution Funds

- A. The RTC may consider advancing future year direct allocation funds, with the goal of seeing improvements made in the near term, if sufficient funding is available for short term loans from other Measure D programs. If a jurisdiction is interested in this option, a written request to the RTC Executive Director indicating the amount of funds requested and the projects on which the funds will be spent is required. Requests will be considered on an individual basis and will be approved by the RTC only if they do not delay implementation of other projects.

Section 11. Adoption of Guidelines

- A. Measure D guidelines are adopted by the RTC on an as-needed basis. Changes to Guidelines will be brought through the RTC's Interagency Technical Advisory Committee for review and comment, as well as any other RTC committees as necessary, before changes are adopted by the RTC Commission.

s:\measured\lsrandtransitallocations\subrecipientguidelines-final.docx

**ATTACHMENT A:
5-YEAR PROGRAM OF PROJECTS CONTENT**

All recipient agencies that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must receive approval of a 5-year program of projects, in accordance with the requirements of this Attachment A, from their governing board prior to the jurisdiction expending Measure D funding on any project/program. This approval allows the opportunity for the public to provide input on planning for local streets and roads and transit projects and programs.

Contents of 5-year Program of Projects, which must be adopted by the jurisdiction’s governing board, following a public hearing (which may be done as part of agency’s overall budget or Capital Improvement Program adoption):

- 1) **5-year Project List:** List of projects on which to specifically spend Measure D funds. All projects must be consistent with the Measure D Ordinance/Expenditure Plan and Implementation Guidelines. They should be focused on addressing the promises made to voters.
 - a. **Grouped Project List:** List in spreadsheet how you anticipate using Measure D allocations.

Name/ Road/ limits	Description, complete streets components	Total Measure D	\$\$\$ of Measure D to be used each year					Other funds	Total Cost	Project schedule
			FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22			

- b. **Major Projects** – In addition to including in one row of grouped list, include following basic info on each major project/program (*Next page includes sample template for this information or project sponsors can use their own template/fact sheet that includes this information.*)
 - i. Project name
 - ii. Description: Brief description of work to be done and project location
 - iii. Project benefits/purpose
 - iv. Complete Streets consistency
 - v. Cost/Funding: cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc.
 - vi. Schedule – timing of environmental review, design, right-of-way, and construction
- 2) **Future Funds** (*if applicable*): General description of anticipated use of Measure D funds through 2047 if known (e.g. priority future projects, if there is a large project you may be saving funds up for, or general ongoing roadway rehab, paratransit service, Active Transportation Plan implementation)
- 3) **Public Process:** Describe public input process used to develop your 5-year plan and individual projects; public process must include at least one public hearing and approval of recipient’s governing board. In the case of CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting. Also explain how were these projects were prioritized – e.g. evaluation criteria used.
- 4) **Maintenance of effort:** Attach documentation of other revenues spent in past 3 years on transportation and amount budgeted in current/upcoming fiscal year. Provide justification of any reduction in local funds designated for operations and/or projects.

Text from Measure D Ordinance related to 5-year Program of Projects – Section 32.A.1): Each agency receiving Measure Revenue shall annually adopt, after holding a public hearing, an annual report which includes 1)a five-year program of projects including information about each of the projects to be funded with Measure Revenues allocated according to the Expenditure Plan. Local and regional agencies shall submit their program of projects to the Authority in a format that can be easily understood by members of the public.

MEASURE D: MAJOR PROJECT INVESTMENTS

Category: (list one-Neighborhood Projects, Highway Corridors, Transportation for People with Disabilities, Active Transportation/MBSST. Rail Corridor)

PROJECT NAME/TITLE

Implementing Agency:

Agency name

Description/Scope:

Brief description of work to be done and project location (plus graphics, photos, etc if available/appropriate)

Project Location/Limits:

Describe project location, include map if appropriate

Project Purpose/Need/Benefits:

Description of benefits, reasons for project. Help the public understand what they are getting from the Measure D funding for your project/program. Include 5 main bullet points that are easy to understand, remember, repeat, etc. It can also include more detail in paragraph form.

Complete Streets consistency:

Description of complete streets components of project; ensure consistency with [Complete Streets Guidebook](https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf) (see: check list too - <https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf>)

If applicable:

Miles of New Bike Lanes/trails:

Miles of New Pedestrian Walkways/sidewalks:

Cost/Funding/Schedule Information:

Cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc. UPDATE with what makes sense for your project. This is a SAMPLE.

	Cost by phase				
	Environmental (PA/ED)	Design (PS&E)	Right-of-Way (ROW)	Construction	Other
Timing of work (start/end month/yr)					
Measure D					
List Other Sources (as applicable)					
HUTA					
Grant x					
METRO sales tax					
Developer Fee					
TBD-additional need					
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

Public Outreach

List public outreach that has been done or will be done for project. (e.g. past plans, committee review, public hearings, etc.)

Project Contact: Project Manager Name/contact info/project website info (if applicable)

**ATTACHMENT B
PERFORMANCE MEASURES**

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be requested by the RTC or recipients.

Performance reporting will be done via the annual report, as well as the audit process and various planning activities, as applicable. Performance will be evaluated periodically through the aforementioned evaluation reports to determine the effectiveness of investments and to inform future investment decisions. Note: The *Measure D Guidelines for Direct Allocations* may contain additional listing of performance measures by program type.

**NEIGHBORHOOD PROJECTS PROGRAM (Local Streets and Roads - LSR)
PERFORMANCE MEASURES**

Performance Measure	Performance Metric and Standard	Corrective Action
Pavement State of Repair	Track city/countywide Pavement Condition Index (PCI), which rates the “surface condition” of local streets from 1 to 100, at least every three years.	Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
Complete Streets Implementation Expenditure of LSR Measure D funds on bicycle and pedestrian projects elements	<ul style="list-style-type: none"> ▪ Percent of annual Measure D LSR investment to support bicycling and walking. ▪ Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways) ▪ Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/striping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained) ▪ Describe how school access was improved for children bicycling and walking, which may include collision data 	Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
Capital Project and Program Investment Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
Leveraged Funds	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding projects.

Attachment: Master Funding Agreement-Capitola (1928 : RTC Measure D Agreement and 5 Year Plan)

**TRANSPORTATION FOR SENIORS AND PEOPLE WITH DISABILITIES PROGRAM
PERFORMANCE MEASURES**

Performance Measure	Performance Metric and Standard	Corrective Action
Ridership/Service Utilization <ul style="list-style-type: none"> ▪ Annual Ridership ▪ Passenger trips per revenue vehicle hour/mile 	Change in annual ridership and passenger trips per revenue vehicle hour/mile and qualitative explanation for possible reasons.	Provide information on why numbers went down.
Cost Effectiveness <ul style="list-style-type: none"> ▪ Operating Cost per Passenger ▪ Operating Cost per Revenue Vehicle Hour/Mile 	Maintain operating cost per passenger or per revenue vehicle hour/mile; percentage increase less than or equal to inflation as measured by CPI	Any agency with significant increase in costs must provide an explanation
State of Good Repair	<ul style="list-style-type: none"> ▪ Average age of bus and paratransit vehicles ▪ Number of vehicles beyond useful life 	Provide information on plan to keep bus and paratransit vehicles in state of good repair.
Service Provision <ul style="list-style-type: none"> ▪ Frequency and service span on major corridors or trunk lines ▪ Revenue hours ▪ Revenue miles ▪ Service areas 	<ul style="list-style-type: none"> ▪ 15 minute or better frequencies on major corridors or trunk lines: 10 minute or better frequencies during weekday peak periods ▪ Service span of 7 days/week, 20 hours per day ▪ Maintain or increase revenue hours/miles ▪ Number of routes ▪ Total service hours 	Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future.
Service Operations and Provisions Number of people served or trips provided to seniors or people with disabilities Percent of fixed route service used by seniors and people with disabilities	Track number of seniors or people with disabilities served by program. <ul style="list-style-type: none"> ▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit 	Report on ridership or service data. Explain reasons for ridership reductions.
Cost Effectiveness Cost per Trip or Cost per Passenger Total Measure D program cost per one-way passenger trip divided by total trips or total passengers during period.	Maintain cost per trip or per passengers <ul style="list-style-type: none"> ▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips 	Any agency with significant increase in costs must provide an explanation
Breakdown of METRO budget for ParaCruz and fixed routes service	Maintain paratransit operating budget and service.	If other funds shifted from one program to another, provide explanation
Leveraged Funds	Report total grants and other funding secured using Measure D revenues as a match.	Explain if Measure D funds fully funding projects.

ATTACHMENT C
MEASURE D PROJECT SIGN GUIDELINES SUMMARY

Project Type	Measure D Funding Threshold	Display Schedule	Type of Signage
Neighborhood Projects: Capital Improvement Projects	Contribution greater than \$25,000	Prior to the construction, during construction and 1 months after the completion of construction.	2' by 3' sign for \$25k-\$999,999; 4' by 6' for greater than \$1 million
Transit/paratransit Capital	Contribution greater than \$10,000	Vehicles: Life of vehicle Transit Facilities and Amenities: Prior to the construction, during construction and 1 month after the completion of construction.	Vehicles: 18" by 18" Amenities: 2' by 3'
Transit Operations	Contribution greater than \$10,000	Funding duration	18" by 18"
Regional Capital Projects (Highway, Rail, Trail)	All projects	Prior to the construction, during construction and 3 months after the completion of construction	4' by 6' sign

s:\measured\lsrandtransitallocations\subrecipientguidelines-final.docx

Attachment: Master Funding Agreement-Capitola (1928 : RTC Measure D Agreement and 5 Year Plan)

Measure D: 5-Year Plan (FY17/18-FY21/22))

DRAFT - Subject to Change

Agency: **City of Capitola**

Name/Road/ limits	Description, complete streets components	Total cost estimate	Measure D Funds	Road Maintenance Rehab Account	Other funds	Schedule	Major project*	Benefits
-------------------	--	---------------------	-----------------	--------------------------------	-------------	----------	----------------	----------

Recommended Projects

						year	Yes/no	Road/Bike/Ped
Highway 1 Interchange Bike Lane Improvements	enhance bike lanes at 41st Avenue, Bay Avenue and Park Avenue interchanges - Green Bike Lanes	\$ 200,000	65,000	-	135,000	2017/18	no	Bike
Citywide Slurry Seal		\$ 320,000	220,000	-	100,000	2017/18	no	Road
42nd Avenue, Diamond Ave, Ruby Court Pavement rehab	repave road, reconstruct curb ramps	\$ 750,000	300,000	150,000	300,000	2018/19	no	Road/Ped
Brommer Street Improvements	Road, bike and sidewalk improvements between 41st Ave and 38th Ave	\$ 500,000	300,000	150,000	50,000	2019/20	no	Road/Bike/Ped
Fanmar Avenue Improvements	Pavement and drainage improvements	\$ 500,000	250,000	150,000	150,000	2020/21	no	Road
McGregor Drive road way Improvements	Sidewalk, bike lane and pavement improvements - east of Park Avenue	\$ 1,000,000	300,000	150,000	550,000	2021/22	no	Road/Bike/Ped
			1,435,000	600,000	1,285,000			

Other Eligible Projects

Capitola Avenue Improvements	Sidewalk, bike lane and pavement improvements from Bay Avenue to Village	\$ 1,250,000				TBD	yes	Road/Bike/Ped
Capitola Avenue Roundabout	Roundabout at Capitola Avenue & Bay Avenue	\$ 1,100,000				TBD	yes	Road/Bike/Ped

*For Major Projects (e.g. require CEQA, over \$1M, and/OR lots of public interest), provide separate one-page summary with longer description, describe consistency with the

Attachment: Capitola Draft Measure D list (1928 : RTC Measure D Agreement and 5 Year Plan)

Measure D Apportionment Estimates
Based on FY17/18 RTC Budget - Adopted 4/6/17

Measure D Category/Allocation	FY 2017-18	5-Year*
Neighborhood Projects (30%)		
Hwy 9 Projects and Hwy 17 Wildlife Xing	\$500,000	\$2,500,000
City of Capitola	\$288,604	\$1,443,020
City of Santa Cruz	\$1,165,655	\$5,828,275
City of Scotts Valley	\$251,531	\$1,257,655
City of Watsonville	\$779,934	\$3,899,670
County of Santa Cruz	\$2,648,392	\$13,241,960
Transportation for Seniors and People with Disabilities (20%)		
Santa Cruz METRO (16%)	\$3,004,862	\$15,024,310
Community Bridges (4%)	\$751,215	\$3,756,075
Highway Projects (25%)		
Active Transportation (17%)	\$4,695,096	\$23,475,480
Rail Corridor (8%)	\$3,192,665	\$15,963,325
	\$1,502,431	\$7,512,155
Total Net Measure D Revenues	\$18,780,385	\$93,901,925

Notes:

1. Apportionments are based on net revenues after costs for Measure D administrative and other other implementation tasks and fees.
2. Estimates will be updated annually and actual allocations will vary based on actual sales tax revenue receipts. The 5-year estimate does not include any escalation rates, though some growth is expected.
3. Allocations to cities and the County of Santa Cruz will be updated annually based on updated population, lane miles, and where Measure D Transaction and Use Tax revenues is generated.
4. Payments will be made no less than quarterly.
5. Recipient agencies will be required to sign and comply with agreements with RTC.



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF JULY 27, 2017

FROM: Finance Department

SUBJECT: Consider Monterey Bay Community Power Credit Shared Responsibility Agreement

RECOMMENDED ACTION: Approve the Shared Responsibility for Credit Support Agreement for Monterey Bay Community Power, authorize the City Manager to make minor revisions to the agreement in a form approved by the City Attorney, direct the Mayor to sign it, and approve the attached budget amendment directing the Finance Department to create the required reserve account.

BACKGROUND: On February 9, 2017, the City Council adopted Ordinance No. 1010 establishing the City as a founding member of the Monterey Bay Community Power (MBCP) community choice aggregate.

Monterey Bay Community Power is a Joint Powers Authority comprised of jurisdictions within Monterey, Santa Cruz, and San Benito counties that intends to provide electrical service to customers in Spring 2018.

The purpose of the MBCP is to reduce greenhouse gas emissions by providing cleaner-sourced electric power to customers at competitive prices throughout the region. In addition, the program seeks to reduce energy consumption, stimulate the local economy by creating local jobs, and promote long-term electric rate stability and reliability for the residents of the tri-county area.

When the City joined MBCP, staff reported Capitola would be required to guarantee its portion of the anticipated \$3 million initial start-up loan, then estimated to be about \$140,000.

DISCUSSION: Through an RFP process, MBCP selected River City Bank to provide the initial startup funding for MBCP. River City Bank is asking that each member set aside reserves to guarantee the overall start-up loan.

The credit guarantee is distributed on a per-seat basis, with shared seat members dividing the credit guarantee among the cities sharing those seats. Capitola shares a seat on the MBCP Board with the City of Scotts Valley and is therefore responsible for \$136,364. This cost would only be incurred in the unlikely event that the MBCP is terminated prior to delivering power to customers.

The cities of Scotts Valley, Watsonville, and Santa Cruz have all approved similar agreements for their pro-rata portions of the start-up loan guarantee (Attachment 1).

FISCAL IMPACT: A restricted cash reserve in the amount of \$136,364 will be established for Capitola's share of responsibility for the credit guarantee (Attachment 2). The estimated Fiscal

Monterey Bay Community Power Credit Shared Responsibility
July 27, 2017

Year 2017-18 beginning General Fund undesignated/unreserved fund balance is \$368,488 and \$136,364 will be used to establish the cash reserve. These funds will be released after MBCP begins providing electricity to customers, which is anticipated to begin in Spring 2018.

ATTACHMENTS:

1. MBCP Credit Support Agreement
2. MBCP Reserve budget amendment

Report Prepared By: Jim Malberg
Finance Director

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

7/17/2017

**Shared Responsibility for Credit Support Agreement for MBCP
By and Among the County of Santa Cruz and the Cities of
Capitola, Santa Cruz, Scotts Valley and Watsonville**

This Shared Responsibility for Credit Support Agreement (Agreement) is entered into by and among the County of Santa Cruz, the City of Capitola, the City of Santa Cruz, the City of Scotts Valley and the City of Watsonville, each a member of the Monterey Bay Community Power Authority of Monterey, Santa Cruz and San Benito Counties (MBCP) and is effective when fully executed by the parties.

WHEREAS, MBCP was formed on February 21, 2017 by and among the cities and counties listed on Exhibit A to this Agreement. The members of MBCP share various powers common to each party under California law, including but not limited to the power to study, promote, develop, conduct, operate and manage energy, energy efficiency and conservation, and to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions; and

WHEREAS, MBCP requires start-up and initial working capital in the amount of \$3,000,000 (three million dollars); and

WHEREAS, MBCP has selected River City Bank from which to receive the start-up and initial capital; and

WHEREAS, River City Bank requires a non-revolving credit guaranty and other supporting documents (River City Bank Guaranty) from the members of MBCP. A Credit Guarantee was contemplated in the Joint Exercise of Powers Agreement Relating to and Creating the Monterey Bay Community Power Authority of Monterey, Santa Cruz, and San Benito Counties (JPA Agreement); and

WHEREAS, the JPA Agreement at section 5.3.4 provides that the Credit Guarantee shall be distributed on a per seat basis with shared seat members dividing the Credit Guarantee among the cities sharing those seats;

WHEREAS, the Counties of Monterey, San Benito and Santa Cruz have agreed to execute the River City Bank Guaranty in the amount of \$3,000,000 (three million dollars); and

WHEREAS, the County of Santa Cruz' negotiated share of the \$3,000,000 River City Bank Guaranty is \$1,213,636; and

WHEREAS, this document is intended to formalize the obligations of the cities located in the County of Santa Cruz to accept their share of responsibility for the Credit Guarantee in the amounts provided in Exhibit B (Credit Support).

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. The Counties of Monterey, San Benito and Santa Cruz will enter into the River City Bank Guaranty in the amount of \$3,000,000 (three million dollars) allocated among the counties in the amounts below:
 - a. Monterey County - \$1,486,364
 - b. San Benito - \$300,000
 - c. Santa Cruz – \$1,213,636
- 2. The city parties to this Agreement hereby accept their share of responsibility for the Credit Guarantee in the amounts provided in Exhibit B (Credit Support). The Credit Support shall be in the form of cash collateral.
- 3. The Credit Guarantee of the counties and the Credit Support of the cities shall be released after program launch and as soon as possible under the terms of the River City Bank Guaranty. Once a Party has made a Credit Guarantee or provided Credit Support, that Credit Guarantee or Credit Support shall remain in place until the release of the River City Bank Guaranty, even if that party withdraws from the JPA.
- 4. The term of this Agreement shall be from the effective date to the date of release of the River City Bank Guaranty and Credit Support.
- 5. This Agreement shall not be amended except in a written amendment executed by all the parties to this Agreement.
- 6. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the parties that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions of this Agreement shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7. This Agreement may be executed in any number of counterparts, and upon execution by all parties, each executed counterpart shall have the same force and effect as an original instrument and as if all parties had signed the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed:

COUNTY OF SANTA CRUZ

_____	_____
Chairperson of the Board of Supervisors	Date

APPROVED AS TO FORM:

_____	_____
Office of the County Counsel	Date

CITY OF CAPITOLA

_____	_____
Mayor	Date

APPROVED AS TO FORM:

_____	_____
Office of the City Attorney	Date

CITY OF SANTA CRUZ

_____	_____
Mayor	Date

APPROVED AS TO FORM:

_____	_____
Office of the City Attorney	Date

CITY OF SCOTTS VALLEY

Mayor

Date

APPROVED AS TO FORM:

Office of the City Attorney

Date

CITY OF WATSONVILLE

Mayor

Date

APPROVED AS TO FORM:

Office of the City Attorney

Date

Exhibit A**List of Parties to the MBCP**

County of Santa Cruz

City of Santa Cruz

City of Watsonville

City of Capitola

City of Scotts Valley

County of Monterey

City of Salinas

City of Monterey

City of Pacific Grove

City of Carmel

City of Seaside

City of Marina

Sand City

Soledad

Greenfield

Gonzales

County of San Benito

City of Hollister

City of San Juan Bautista

EXHIBIT B
CREDIT SUPPORT

Monterey Bay Community Power Credit Allocation by Jurisdiction

		Seats on Board	Amount			
			Credit Support		River City Bank Guaranty	
<u>Santa Cruz County</u>						
1	County of Santa Cruz	1.00	9.09%	\$ 272,727		
2	City of Santa Cruz	1.00	9.09%	272,727		
3	Watsonville	1.00	9.09%	272,727		
Santa Cruz Cities Rotating						
4	Capitola	0.50	4.55%	136,364		
5	Scotts Valley	<u>0.50</u>	<u>4.55%</u>	<u>136,364</u>		
	<i>Subtotal - Santa Cruz County</i>	<i>4.00</i>	<i>36.36%</i>	<i>\$ 1,090,909</i>	<i>40.45%</i>	<i>\$ 1,213,636</i>
<u>Monterey County</u>						
6	County of Monterey	1.00	9.09%	\$ 272,727		
7	Salinas	1.00	9.09%	272,727		
Monterey Coastal Cities Rotating						
8	Marina	0.33	3.03%	90,909		
9	Seaside	0.33	3.03%	90,909		
10	Sand City	0.33	3.03%	90,909		
Monterey Peninsula Cities Rotating						
11	Pacific Grove	0.33	3.03%	90,909		
12	Carmel	0.33	3.03%	90,909		
13	City of Monterey	0.33	3.03%	90,909		
Salinas Valley Rotating						
14	Greenfield	0.33	3.03%	90,909		
15	Soledad	0.33	3.03%	90,909		
16	Gonzales	<u>0.33</u>	<u>3.03%</u>	<u>90,909</u>		
	<i>Subtotal - Monterey County</i>	<i>5.00</i>	<i>45.45%</i>	<i>\$ 1,363,636</i>	<i>49.55%</i>	<i>\$ 1,486,364</i>
<u>San Benito County</u>						
17	County of San Benito	1.00	9.09%	\$ 272,727		
San Benito Cities Rotating						
18	Hollister	0.50	4.55%	136,364		
19	San Juan Bautista	<u>0.50</u>	<u>4.55%</u>	<u>136,364</u>		
	<i>Subtotal - San Benito County</i>	<i><u>2.00</u></i>	<i><u>18.18%</u></i>	<i><u>\$ 545,455</u></i>	<i><u>10.00%</u></i>	<i><u>\$ 300,000</u></i>
	Total	11.00	100.00%	\$ 3,000,000	100.00%	\$ 3,000,000

Attachment: MBCP Credit Support Agreement (1906 : Monterey Bay Community Power Credit Shared Responsibility)

City of Capitola Budget Adjustment Form



Date 7/27/2017

Requesting Department Finance

Administrative Council

Item # _____
 Council Date _____
 Council Approval _____

Revenues		
Account #	Account Description	Increase/Decrease
1000-2850.000	General Fund Undesignated	136,364
	Fund Balance	
Total		136,364

Expenditures		
Account #	Account Description	Increase/Decrease
1000-2951.001	General Fund Restricted Fund	136,364
	Balance - MBCP	
Total		136,364

Net Impact -

Purpose: To establish the restricted cash reserve for the MBCP

Department Head Approval _____

Finance Department Approval _____

City Manager Approval _____

Attachment: MBCP Reserve budget amendment (1906 : Monterey Bay Community Power Credit Shared Responsibility)