

# City of Capitola

## City Council Meeting Agenda

### Thursday, January 25, 2024 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Mayor:** Kristen Brown  
**Vice Mayor:** Yvette Brooks  
**Council Members:** Joe Clarke, Margaux Morgan, Alexander Pedersen

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### Closed Session – 5 PM

*Closed Sessions are not open to the public and held only on specific topics allowed by State Law (noticed below). 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.*

- i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)  
Negotiator: Mark Wilson, Labor and Employment Practice, Burke, Williams, & Sorensen, LLP  
Employee Organizations: Association of Capitola Employees, Police Officers Association, Mid-Management Employees, Confidential Employees, Police Captains, and Management

### Regular Meeting of the Capitola City Council – 6 PM

*All correspondence 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.*

#### 1. Roll Call and Pledge of Allegiance

Council Members Joe Clarke, Margaux Morgan, Alexander Pedersen, Yvette Brooks, and Mayor Kristen Brown.

#### 2. Additions and Deletions to the Agenda

#### 3. Presentations

*Presentations are limited to eight minutes.*

- [A.](#) Presentation from Santa Cruz County Animal Services Authority

#### 4. Report on Closed Session

#### 5. Additional Materials

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

- [A.](#) Item 9B - Correspondence Received & Corrected Attachments 1 and 3

#### 6. Oral Communications by Members of the Public

*Oral Communications allows time for members of the Public to address the City Council on any "Consent Item" on tonight's agenda, or on any topic within the jurisdiction of the City that is not on*

*the “General Government/Public Hearings” section of the Agenda. Members of the public may speak for up to three minutes, unless otherwise specified by the Mayor. 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. A maximum of 30 minutes is set aside for Oral Communications.*

## 7. Staff / City Council Comments

*Comments are limited to three minutes.*

## 8. Consent Items

*All items listed as “Consent Items” 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 City Council request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Government. Note that all Ordinances which appear on the public agenda shall be determined to have been read by title and further reading waived.*

### A. City Council Meeting Minutes

Recommended Action: Approve minutes from the regular meeting on January 11, 2024.

### B. City Check Registers

Recommended Action: Approve check registers dated December 22, 2023, January 5, 2024, and January 12, 2024.

### C. Capitola Wharf Resiliency Project Funding

Recommended Action: Adopt a resolution authorizing the acceptance of grant funds from the California Natural Resources Agency for the Capitola Wharf Resiliency and Public Access Project, authorizing the City Manager to execute the grant agreement on behalf of the City, and amending the FY 2023-24 Adopted Budget.

### D. Community Center Renovation Project Funding

Recommended Action: Adopt a resolution authorizing the acceptance of grant funds from the California Natural Resources Agency (CNRA) for the Community Center Renovation Project, authorizing the City Manager to execute the grant agreement on behalf of the City, and amending the FY 2023-24 Adopted Budget.

### E. Stockton Bridge Debris Mitigation Project Design

Recommended Action: Authorize the City Manager to execute a Professional Services Agreement with CSW/Stuber-Stroeh Engineering Group, Inc. in an amount not to exceed \$125,343 to conduct a comprehensive feasibility study and create design documents for mitigating debris on Stockton Bridge in substantially similar form, as approved by the City Attorney, as the attached agreement.

## 9. General Government / Public Hearings

*All items listed in “General Government / Public Hearings” 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. New Brighton Middle School Field Restoration Project

Recommended Action: Receive presentation regarding New Brighton Middle School Field Restoration Project.

### B. Conceptual Review for Senior Living Facility at 3720 Capitola Road and 1610 Bulb Avenue



Recommended Action: 1) Provide feedback on the conceptual plans for a 93-unit senior assisted-living facility and assess the community benefits of the project pursuant to Capitola Municipal Code Chapter 17.88; and 2) authorize the Mayor to sign a letter of support for the annexation of 1610 Bulb Avenue into Capitola City limits to the Local Agency Formation Commission.

**C.** Transient Occupancy Tax Audit Update

Recommended Action: Receive report and provide direction to staff.

**10. Adjournment** - Adjourn to the next regularly scheduled City Council meeting on February 8, 2024, at 6:00 PM.

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**How to View the Meeting**

**Meetings are open to the public for in-person attendance at the Capitola City Council Chambers located at 420 Capitola Avenue, Capitola, California, 95010.**

**Other ways to Watch:**

Spectrum Cable Television channel 8

City of Capitola, California YouTube Channel

**To Join Zoom Application or Call in to Zoom:**

Meeting

link: <https://us02web.zoom.us/j/83328173113?pwd=aVRwcWN3RU03Zzc2dkNpQzRWVXAydz09>

Or dial one of these phone numbers: **1 (669) 900 6833, 1 (408) 638 0968, 1 (346) 248 7799**

Meeting ID: **833 2817 3113**

Meeting Passcode: **678550**

**How to Provide Comments to the City Council**

Members of the public may provide public comments to the City Council in-person during the meeting. If you are unable to attend in-person, please email your comments to [citycouncil@ci.capitola.ca.us](mailto:citycouncil@ci.capitola.ca.us) and they will be included as a part of the record for the meeting. Please be aware that the City Council will not accept comments via Zoom.

**Notice regarding City Council:** The City Council meets on the 2nd and 4th Thursday of each month at 6:00 p.m. in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

**Agenda and Agenda Packet Materials:** The City Council Agenda and the complete Agenda Packet are available for review on the City's website: [www.cityofcapitola.org](http://www.cityofcapitola.org) and at Capitola City Hall prior to the meeting. Agendas are also available at the Capitola Post Office located at 826 Bay Avenue Capitola. Need more information? Contact the City Clerk's office at 831-475-7300.

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

**Americans with Disabilities Act:** Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the City Clerk's

office at least 24 hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

**Si desea asistir a esta reunión pública y necesita ayuda** - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 831-475-7300 al menos tres días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a [jgautho@ci.capitola.ca.us](mailto:jgautho@ci.capitola.ca.us).

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

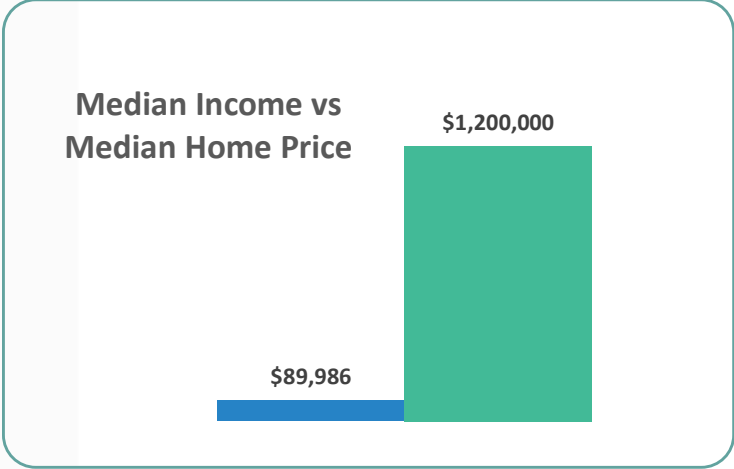
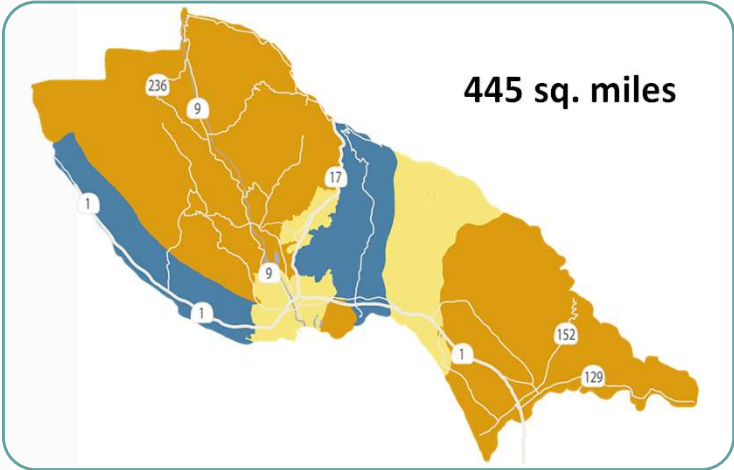
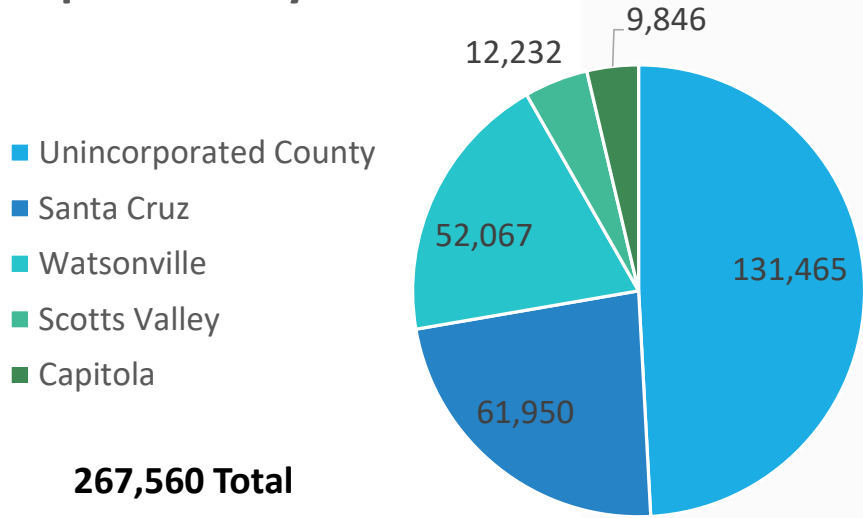


# Santa Cruz County Animal Services JPA

Amber Rowland, General Manager  
Amber.Rowland@santacruzcountyca.gov

# Key County Statistics

### Population by Jurisdiction







# 2023-24 Budget

Expenditures = \$5.8 million

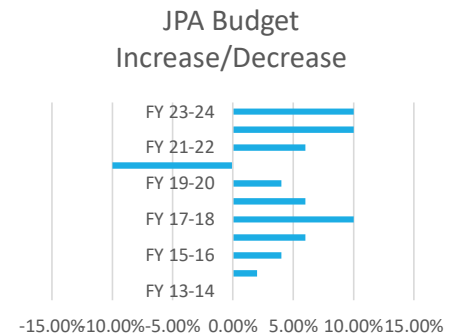
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- \$3.7 million Salaries & Benefits
- \$1.6 million Services & Supplies
- \$508,000 Other

Revenues = \$5.1 million

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- \$3.68 million JPA member jurisdictions
- \$643,600 Dog Licenses
- \$125,000 Fees & Merchandise
- \$650,000 Donations





# Staffing



## SHELTER

1 Manager  
2 Supervisors  
7.75 Workers



## CLINIC

1 Veterinarian  
1 RVT Supervisor  
2.4 RVTs



## ADMIN & CLIENT SERVICES

1 Gen Manager  
1 Admin Manager  
1 Accountant  
1 Supervisor  
5.75 Client Services



## ANIMAL CONTROL

1 Manager  
1 Dispatcher  
5 Officers



## VOLUNTEERS

1 Supervisor  
200+ Volunteers  
SCCAS Foundation

General Representation = 26  
Management = 5  
**Total Funded Positions = 31**



# Facilities & Vehicles

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- **2 Shelters, in Santa Cruz & Watsonville**

- 56 + 16 = 70 total dog kennels
- 85 + 40 = 125 cat condos
- 20+ rabbit/small pet pens
- Small barn



- **9 Vehicles**

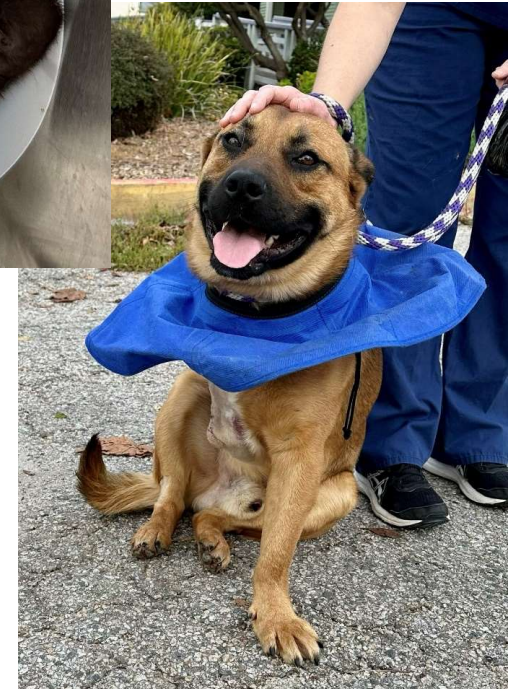
- 4 ACO trucks (2008 & 2011)
- 1 SUV (2019)
- 2 Outreach/Transport van (2017)
- 1 Pickup (2006?)
- 2 donated vehicles (unknown!)



# Open Door Philosophy

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- Socially-Conscious Sheltering
- We accept all animals in need and provide affordable end-of-life services
- 6,304 animals in 2023





# 2023 Animal Statistics

6,304 animals IN

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- 24% Returned to family
- 44% Adopted
- 20% Transferred
- 12% Euthanized



# Thank You!

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- What are your questions?

ADOPT or FOSTER

DONATE or VOLUNTEER

SPAY, NEUTER & IDENTIFY

[www.scanimalshelter.org](http://www.scanimalshelter.org)





**Gautho, Julia**

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**From:** Mick <qwakwak@gmail.com>  
**Sent:** Friday, January 19, 2024 4:47 PM  
**To:** City Council  
**Cc:** PLANNING COMMISSION  
**Subject:** 1610 Bulb Ave

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

City Council,

In Oct 2022, the Planning Commission determined the then proposed Senior Assisted Living did not include an eligible community benefit which would then allow an increased FAR.

The current proposal is simply a mirror image with increased height and more units.

None of the units are considered to be in the affordable range. It still has negative visual and privacy impacts on the adjacent neighborhood.

The undefined “eligible community benefit” language in the general plan is a catch-all phrase that is easily abused and can apply to anything at Council’s discretion. The Council should apply this catch-all phrase to only the most unique, special proposals that truly benefit the entire community. There is nothing special about or unique about this proposal. There is no guarantee it would benefit any current Capitola residents. It does not help Capitola meet the state housing requirements.

Please reject the finding for eligible community benefit and increased FAR for this proposed project.

Mick Routh

**Gautho, Julia**

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**From:** Santa Cruz YIMBY <santacruzylimby@gmail.com>  
**Sent:** Tuesday, January 23, 2024 1:35 PM  
**To:** City Council  
**Subject:** [PDF] Santa Cruz YIMBY support - Agenda #9.B - Jan 25,2024  
**Attachments:** Santa Cruz YIMBY support - Capitola City Council - Agenda #9.B - Jan 25 2024.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Mayor, Vice Mayor and Council Members,

Please find attached our input to Agenda #9.B on your Jan 25, 2024 meeting.

Sincerely,  
Ryan Meckel  
Janine Roeth  
Rafa Sonnenfeld

Santa Cruz YIMBY



January 23, 2024

To: Capitola City Council

From: Santa Cruz YIMBY

Re: Agenda Item #9.B: Conceptual Review for Senior Living Facility at 3720 Capitola Road and 1610 Bulb Avenue

Dear Mayor, Vice Mayor and Councilmembers,

**We are writing in support of the proposed Senior Living Facility at 3720 Capitola Road and 1610 Bulb Avenue, Agenda Item #9.B on your January 25, 2024 agenda. We agree that the development of senior assisted living housing is a community benefit,** made feasible with the incentive of increased height and FAR.

As described in the staff report, Capitola is lacking senior assisted living facilities, given that “[f]ifteen percent of Capitola’s residents are 65 years of age or older” and that “there are currently no memory care facilities within the City.” We see the reference to the recent increase of 200% in elderly residents as well as the goals and policies supportive of senior assisted living facilities in the Capitola Housing Element (November 9, 2023).

This project does highlight our concern about Capitola's Incentives for Community Benefits (Chapter 17.88) and its potential to hinder or delay housing:

- Generally, 17.88 asks projects to provide a "community benefit" for the incentive of increased FAR and height. That’s an added cost and barrier to any project.
- Capitola's Housing Element Program 1.6 commits to update Chapter 17.88 to use objective development standards. However, the community benefits are not objective and still require discretionary review. That means uncertainty, delays, and subjectivity. As part of the review in the Housing Element Program 1.6, Capitola should commit to make the community benefits objective.

Santa Cruz YIMBY supports sustainable growth along transportation corridors and activity centers and a commitment to lower Vehicle Miles Traveled by housing people near services and jobs.

Sincerely,

Ryan Meckel

Janine Roeth

Rafa Sonnenfeld

Santa Cruz YIMBY Leads

*Santa Cruz YIMBY Mission: We envision a community where our neighbors of all ages, cultures, abilities, and incomes, can make Santa Cruz County their home. In response to the ever-increasing cost of living, we advocate for more affordable housing to meet the needs of our growing population. Santa Cruz YIMBY is a chapter of YIMBY Action, a 501(c)(4) nonprofit organization.*

**Gautho, Julia**

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**From:** John <jxmuly@gmail.com>  
**Sent:** Tuesday, January 23, 2024 4:24 PM  
**To:** City Council; Gautho, Julia; PLANNING COMMISSION  
**Subject:** Item 9B

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hey folks,

I just read the letter Santa Cruz's Yimby Action chapter wrote in support of item 9B on the upcoming agenda and I couldn't agree more with their policy statements. Specifically regarding objective standards in all building codes. Vague outdated language about 'community benefits' is associated with sundowner towns and our community no longer should sustain racist policy language like it from our past. It also makes us a less attractive place to private investors and businesses, contributing to the budgetary cliff we have trended towards for years now.

Upside the community benefits here are obvious. The greatest crisis in our county is the demographic one, and Capitola is ground zero for it. With only a hundred or so children under age 5 residing in the city and an average resident age of 50 years, senior housing is a pressing need.

Infrastructure projects take forever, especially in areas where older wealthy white homeowners object to even basic things with no downsides like roundabouts, and our town's tax base is already shrinking as we hemorrhage full time residents, families and young people, whose labor and consumption is the engine of healthy resilient economies.

Capitola peaked in population in 1990 and since Covid most of our home sales have been vacation or investment homes. Our local displacement is worse than 99% of cities in the US, and seniors are particularly affected because our city zoning codes have stymied all growth that isn't multi million dollar 3 bedroom or larger single family homes so when they seek to downsize to reflect their state in life they are unable to find local housing because it doesn't exist.

This project is exactly the sort of thing one would expect a pro Democrat, pro housing, pro seniors and pro community city council to pass, I am curious to see what y'all will do.

(To be fair our local GOP is dedicated to creating senior housing and I imagine support this project as well).

Long way to say creating economic accessibility starts with removing outdated, racist policies like 'community benefits' and I ask y'all to live up to your pledge in our current Housing Element y'all just created.

Remove the racist policy and do not let it be misinterpreted until then by a small group of anti future residents who literally oppose everything. Even roundabouts. Again. Something with no downsides.

Warmly John

**Gautho, Julia**

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**From:** Susan Steely <susansteely@gmail.com>  
**Sent:** Tuesday, January 23, 2024 5:54 PM  
**To:** City Council  
**Subject:** 3720 Capitola Rd Development and 1620 Bulb Ave. Annexation  
**Attachments:** Bulb Ave and Capitola Rd..docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Council Members,  
Please review and submit my comments regarding this proposed annexation and development which will be discussed at your meeting this Thursday, January 25th. My letter is attached below.

Best regards,

**Susan Steely**

**1475 Bulb Ave, Santa Cruz, CA 95062**





January 23, 2024

Attention: Capitola City Council Members and Mayor Kristen Brown

Re: Development of 3720 Capitola Rd., Capitola & Annexation of 1610 Bulb Ave., Santa Cruz

Dear Council,

I am a resident of 1475 Bulb Ave and have previously submitted a letter of dissent that is included in the packet.

I have reviewed the new packet and have made the following observations and arguments against the new design.

1. First, Bulb Ave has not changed in any way good since the previous discussion in 2022. It is not a legitimate 2 lane road. Vehicles must cross the middle line to traverse up and down because of the various widths of the road. The cut through speeding traffic to parts of Capitola has intensified. There are no contiguous sidewalks down the street. An entrance/exit from Bulb Ave. for this 93-room facility would only cause further congestion, noise, and danger to the residents. Bulb Ave. cannot absorb the impact of medical staff, administrative staff, kitchen staff, cleaning staff, recreational staff, delivery trucks, ambulances, medical and recreational transportation required by the residents, uber and Amazon deliveries and not least of all, waste management. This or any entrance and exit on Bulb is still unacceptable and unworkable.
2. The "token guest parking", for guests and residents, relocated to Capitola Rd. does absolutely nothing to reduce the impact to Bulb traffic. One must just "google" google maps from the Capitola Police Department, for example, to the facility and the fastest route is not up Capitola Rd and flip a u turn at Thompson Ave. No, google maps sends you up Brommer from 41<sup>st</sup> Ave. and down Bulb Ave. The same is true upon exiting to get to downtown Santa Cruz. Google maps will have you exit onto Bulb and go to Brommer. The traffic impact, before increasing to 93 units, was and remains unacceptable.
3. The new design does not show any design for the rear of the building with docks, entrances, and parking spaces. Is it very similar to the original and does this Bulb Entrance service most of traffic?
4. The new design still does not meet Capitola Affordability Requirements, prove the Benefit to the Community, nor "Minimize Adverse Impact to Neighbor's Properties to the greatest extent possible".
5. We know we have no say in the annexation, but we hope our concerns will impact the acceptance of this design with any entrance/exit from Bulb Ave. to this facility.

Best regards,

Susan Steely,

1475 Bulb Ave. 831-713-8818

I hope that all the letter previously submitted will be included in this discussion.

**Gautho, Julia**

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**From:** Shalom Dreampeace Compost <shalom.compost@gmail.com>  
**Sent:** Wednesday, January 24, 2024 9:59 PM  
**To:** City Council  
**Subject:** Conceptual Review for Senior Living Facility at 3720 Capitola Road and 1610 Bulb Avenue tree concerns

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Whatever happens to the property at 3720 Capitola Road and 1610 Bulb Avenue I want to be sure that no harm is done to the redwood trees on the property.

I am guessing that they are 50 - 70 feet tall, I will try to get you some more exact measurements before tomorrow night's meeting.

Shalom Dreampeace Compost  
106 Rey Ct  
Santa Cruz CA 95062  
Live Oak 2/10 mile from the proposed development

Jan. 23, 2024

Dear Alexander Pederson,

Within this last month or so, two Heritage Coastal Redwood trees were chopped down at Clares and Capitola Road. Now, if you leave Brown Bulb shopping center and drive towards Capitola Rd you will see a very large cement building with a glaringly large cell phone tower right behind it. Now if you walking in front of this bldg. in the summer time, it will be 10 degrees hotter. And we all know how the summers have been becoming hotter each year. One of these trees may have been cut down because it caused uprising in the sidewalk below it, but the other did not. Also, recently two more Coastal Redwood trees were chopped down just a few blocks away at 1405 38<sup>th</sup> Ave. Those two trees were not causing sidewalk uprising and seemed to have no good reason to be approved to be taken down. There will soon be a development a little further down 38<sup>th</sup> Ave right after you go over the railroad tracks, on the left. This property is scheduled for the building of more housing which we do need. However, there are abt a dozen beautiful old growth trees which will probably also be cut down and removed. These trees are beautiful and it will be a sad day when they are chopped down. As I write this letter a neighbor has gotten approval on Bulb Ave to chop down an old growth Cedar tree that is beautiful and very large providing much shade in the summer and much cleaner air all around. It also shields my house on Bulb Ave from having to look at that massive and disturbing cell tower behind the cement bldg. at Capitola Rd & Clares. Another sad day for native Heritage trees. When the property is annexed (if they get approval) and developed at the end of my street, Bulb Ave & Capitola Rd many more Heritage Coastal Redwoods will be, once again, chopped down. When Capitola Mall starts its redevelopment it too will chop down many beautiful old growth trees, no doubt.

The science doesn't lie. The tree removals greatly affect our environment, study after study proves this. Even the sound buffering effect of the two Heritage Coastal Redwoods at Clares and Capitola Road are significant when the sound bounces off the large cement bldg. and now has no large trees to buffer it. Trees are also like eye-candy for most of us and down-regulate our nervous system with relaxation, clean air and beauty.

We know that in your district there have been requests to cut down Heritage trees again and again.

Please use your power to vote very conservatively on approvals for tree removals, in favor of preserving our environment in Santa Cruz county.

Thank you,



Kim Frey 1530 Bulb Ave SC 95062 kiannfrey@gmail.com

Jan. 23, 2024

Dear Yvette Brooks,

Within this last month or so, two Heritage Coastal Redwood trees were chopped down at Clares and Capitola Road. Now, if you leave Brown Bulb shopping center and drive towards Capitola Rd you will see a very large cement building with a glaringly large cell phone tower right behind it. Now if you walking in front of this bldg. in the summer time, it will be 10 degrees hotter. And we all know how the summers have been becoming hotter each year. One of these trees may have been cut down because it caused uprising in the sidewalk below it, but the other did not. Also, recently two more Coastal Redwood trees were chopped down just a few blocks away at 1405 38<sup>th</sup> Ave. Those two trees were not causing sidewalk uprising and seemed to have no good reason to be approved to be taken down. There will soon be a development a little further down 38<sup>th</sup> Ave right after you go over the railroad tracks, on the left. This property is scheduled for the building of more housing which we do need. However, there are abt a dozen beautiful old growth trees which will probably also be cut down and removed. These trees are beautiful and it will be a sad day when they are chopped down. As I write this letter a neighbor has gotten approval on Bulb Ave to chop down an old growth Cedar tree that is beautiful and very large providing much shade in the summer and much cleaner air all around. It also shields my house on Bulb Ave from having to look at that massive and disturbing cell town tower behind the cement bldg. at Capitola Rd & Clares. Another sad day for native Heritage trees. When the property is annexed (if they get approval) and developed at the end of my street, Bulb Ave & Capitola Rd many more Heritage Coastal Redwoods will be, once again, chopped down. When Capitola Mall starts it redevelopment it too will chop down many beautiful old growth trees, no doubt.

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Kim Frey 1530 Bulb Ave SC 95062 kiannfrey@gmail.com



Jan. 23, 2024

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Kim Frey 1530 Bulb Ave SC 95062 kiannfrey@gmail.com

Jan. 23, 2024

Dear Joe Clarke,

Within this last month or so, two Heritage Coastal Redwood trees were chopped down at Clares and Capitola Road. Now, if you leave Brown Bulb shopping center and drive towards Capitola Rd you will see a very large cement building with a glaringly large cell phone tower right behind it. Now if you walking in front of this bldg. in the summer time, it will be 10 degrees hotter. And we all know how the summers have been becoming hotter each year. One of these trees may have been cut down because it caused uprising in the sidewalk below it, but the other did not. Also, recently two more Coastal Redwood trees were chopped down just a few blocks away at 1405 38<sup>th</sup> Ave. Those two trees were not causing sidewalk uprising and seemed to have no good reason to be approved to be taken down. There will soon be a development a little further down 38<sup>th</sup> Ave right after you go over the railroad tracks, on the left. This property is scheduled for the building of more housing which we do need. However, there are abt a dozen beautiful old growth trees which will probably also be cut down and removed. These trees are beautiful and it will be a sad day when they are chopped down. As I write this letter a neighbor has gotten approval on Bulb Ave to chop down an old growth Cedar tree that is beautiful and very large providing much shade in the summer and much cleaner air all around. It also shields my house on Bulb Ave from having to look at that massive and disturbing cell tower behind the cement bldg. at Capitola Rd & Clares. Another sad day for native Heritage trees. When the property is annexed (if they get approval) and developed at the end of my street, Bulb Ave & Capitola Rd many more Heritage Coastal Redwoods will be, once again, chopped down. When Capitola Mall starts it redevelopment it too will chop down many beautiful old growth trees, no doubt.

The science doesn't lie. The tree removals greatly affect our environment, study after study proves this. Even the sound buffering effect of the two Heritage Coastal Redwoods at Clares and Capitola Road are significant when the sound bounces off the large cement bldg. and now has no large trees to buffer it. Trees are also like eye-candy for most of us and down-regulate our nervous system with relaxation, clean air and beauty.

We know that in your district there have been request to cut down Heritage trees again and again.

Please use your power to vote very conservatively on approvals for tree removals, in favor of preserving our environment in Santa Cruz county.

Thank you,



Kim Frey 1530 Bulb Ave SC 95062 kiannfrey@gmail.com



Jan. 23, 2024

Dear Margaux Keiser Mayor,

Within this last month or so, two Heritage Coastal Redwood trees were chopped down at Clares and Capitola Road. Now, if you leave Brown Bulb shopping center and drive towards Capitola Rd you will see a very large cement building with a glaringly large cell phone tower right behind it. Now if you walking in front of this bldg. in the summer time, it will be 10 degrees hotter. And we all know how the summers have been becoming hotter each year. One of these trees may have been cut down because it caused uprising in the sidewalk below it, but the other did not. Also, recently two more Coastal Redwood trees were chopped down just a few blocks away at 1405 38<sup>th</sup> Ave. Those two trees were not causing sidewalk uprising and seemed to have no good reason to be approved to be taken down. There will soon be a development a little further down 38<sup>th</sup> Ave right after you go over the railroad tracks, on the left. This property is scheduled for the building of more housing which we do need. However, there are abt a dozen beautiful old growth trees which will probably also be cut down and removed. These trees are beautiful and it will be a sad day when they are chopped down. As I write this letter a neighbor has gotten approval on Bulb Ave to chop down an old growth Cedar tree that is beautiful and very large providing much shade in the summer and much cleaner air all around. It also shields my house on Bulb Ave from having to look at that massive and disturbing cell town tower behind the cement bldg. at Capitola Rd & Clares. Another sad day for native Heritage trees. When the property is annexed (if they get approval) and developed at the end of my street, Bulb Ave & Capitola Rd many more Heritage Coastal Redwoods will be, once again, chopped down. When Capitola Mall starts it redevelopment it too will chop down many beautiful old growth trees, no doubt.

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Kim Frey 1530 Bulb Ave SC 95062 kiannfrey@gmail.com

phys.org/news/2023-09-cities-greener-doesnt-capture-carbon.html

Home / Earth / Earth Sciences

Home / Earth / Environment

SEPTEMBER 1, 2023

✓✓ Editors' notes

## Study shows making cities greener doesn't just capture carbon—it reduces it

by KTH Royal Institute of Technology



Creating more agreeable environments for walking and bicycling not only helps capture carbon, but a new study shows how it can help reduce emissions. Pictured, Karlavägen in Stockholm. Credit: David Callahan

Dozens of European cities could reach net zero carbon emissions over the next 10 years by incorporating nature into their infrastructure, according to a new study.

Published in the journal, *Nature Climate Change*, the analysis shows the ways cities can orchestrate a wide range of green solutions like parks, streetscaping and roof gardens to not only



capture carbon emissions, but help reduce them.

The study was undertaken by researchers from Sweden, the U.S. and China. It recommends the most effective approaches for natural carbon sequestration in 54 cities in the EU. And it shows how blending these steps with other climate actions can enable cities to reach net-zero carbon and actually reduce emissions by an average of 17.4 percent.

Zahra Kalantari, an associate professor in Water and Environmental Engineering at KTH Royal Institute of Technology, says the researchers focused on the indirect ways that so-called "nature-based solutions" can contribute to carbon neutrality.

"Nature-based solutions not only offset a proportion of a city's emissions, but can contribute to reduction in emissions and resource consumption too," Kalantari says.

The results are based on integrating data from previous studies on the effects of nature-based solutions. These include urban farming, permeable pavements which enable rainwater absorption into the ground, narrower roads with more greenery and trees, wildlife habitat preservation, and creating more agreeable environments for walking and bicycling.

For example, urban parks, green space and trees promote more walking, bicycling and other environmentally positive habits that replace automobile driving. Combined with other solutions like green infrastructure, these measures can further improve urban microclimates by absorbing heat and cold, and as a result reduce energy use in buildings.

It also provides guidance on which measures should be prioritized and where to locate them for the best effect, she says. For example, in Berlin the study recommends prioritizing green buildings and urban green spaces, which could result in an emissions reduction rate of 6% for residences, 13% in industry and 14% in transportation.

"There are many studies that examine the effects of individual nature-based solutions, but this merges all of them and analyzes the potential systemic effect," she says. "That's new."

**More information:** Haozhi Pan et al, Contribution of prioritized urban nature-based solutions allocation to carbon neutrality, *Nature Climate Change* (2023). DOI: [10.1038/s41558-023-01737-x](https://doi.org/10.1038/s41558-023-01737-x)

**Journal information:** [Nature Climate Change](#)

Provided by [KTH Royal Institute of Technology](#)

**Citation:** Study shows making cities greener doesn't just capture carbon—it reduces it (2023, September 1) retrieved 1 September 2023 from <https://phys.org/news/2023-09-cities-greener->

**Gautho, Julia**

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**From:** Angela Steely-Deans <angelasteely@yahoo.com>  
**Sent:** Thursday, January 25, 2024 4:55 PM  
**To:** City Council  
**Cc:** Angie Deans; Hillcah Deans; Keiser, Marguax; Brown, Kristen; Brooks, Yvette; Clarke, Joe; Pedersen, Alexander  
**Subject:** 3720 Capitola Rd Development and 1620 Bulb Ave. Annexation

Dear Council,

I am a resident and owner of a house on Bulb Ave. I have previously attended a meeting regarding this development and continue to monitor the movement. One of my concerns is the annexation of the 1610 Bulb Ave. I realize that we may have not have a say in what happens with the property and have been told that it is not really a loss to Santa Cruz because Santa Cruz Country will ultimately benefit. However, once Capitola takes property in a bullying fashion, the residents of Bulb Ave will no longer have a say in what happens on our street because we are Santa Cruz residents and can not vote.

I have reviewed the new packet and have made the following observations and arguments against the new design.

1. The design of the project has changed to accommodate one of our concerns, but it has failed to remove the entrance and exit of vehicles from Bulb Ave. Please see the pictures below that capture the width of the street and the fashion in which cars drive down the middle because it is not a standard size road. The last picture is actually of Capitola Road and the congestion that was present today at 4:19 PM. As it is many cars turn down Bulb Ave to avoid the traffic jam coming from Santa Cruz to 41st Ave.
2. The "token guest parking" for guests and residents, relocated to Capitola Rd. does absolutely nothing to reduce the impact to Bulb traffic. One must just "google" directions Capitola Police Department, for example, to the facility and the fastest route. Google maps will direct you up Brommer Ave from 41<sup>st</sup> Ave. and up Bulb Ave. to the facility and enter on the side entrance of the facility. The same is true upon exiting to get to downtown Santa Cruz. Google maps will have you exit onto Bulb and go to Brommer. The traffic impact, before increasing to 93 units, was and remains unacceptable.
3. The new design still does not meet Capitola Affordability Requirements, prove the Benefit to the Community, nor "Minimize Adverse Impact to Neighbor's Properties to the greatest extent possible". We are impacted no matter which way the builders try to spin it. There can not be any exit or entrance to the facility from Bulb Ave. If there is, then Bulb Ave must be blocked off at the top where Capitola/Santa Cruz lines meet so that we are not impact for this project. Our street can not handle the amount of traffic that will be imposed by this project.
4. The low income housing that the City just approved towards Capitola on Capitola Road (near Dharma<sup>1</sup>) is 3 stories high, why are you so willing to allow these builders exceed the already existing height requirement? Clearly, they have a complete disregard for our community and the benefit to the community.

Below are pictures that I took today at 4:19 PM. The first few shots are cars coming and going down Bulb Ave. A pedestrian walking their dog down the street has to use the roadway because there is not a consistent sidewalk that go from the top to the end of Bulb Ave. Then there is a picture of the traffic congestion in front of Pono's and the projected location of this project. A picture is worth a thousand words and it clearly shows that our street is not equipped to handle this project and flow of traffic on Bulb Ave for this development. We are already facing an huge influx of speeding cars that turn down Bulb from Capitola Road to avoid the congestion. The safety of the residents is a high priority!

Thank you for taking our concerns into consideration! Bulb Ave residents are a tight knitted community and we will continue to advocate for our street.

Respectfully,  
Angie Deans

*Item 5 A.*











Sent from my iPhone

Item 5 A.

# Capitola City Council Agenda Report

**Meeting:** January 25, 2024

**From:** City Manager Department

**Subject:** City Council Meeting Minutes



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Recommended Action: Approve minutes from the regular meeting on January 11, 2024.

Background: Attached for Council review and approval are the draft minutes from the regular City Council meeting on January 11, 2024.

Attachments:

1. Minutes

Report Prepared By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager

# City of Capitola

## City Council Meeting Minutes

### Thursday, January 11, 2024 – 6:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Mayor:** Kristen Brown

**Vice Mayor:** Yvette Brooks

**Council Members:** Joe Clarke, Margaux Keiser, Alexander Pedersen

### Regular Meeting of the Capitola City Council – 6 PM

- 1. Roll Call and Pledge of Allegiance** – The meeting was called to order at 6:00 PM. In attendance: Council Members Clarke, Keiser, Pedersen, Brooks, and Mayor Brown.
- 2. Additions and Deletions to the Agenda** – *None*
- 3. Presentations**
  - A. *The Mayor presented a Proclamation to Soquel High School's Football Team in honor of their State Championship.*
  - B. *Deborah Osterman, Historical Museum Curator, provided a presentation on the history of Capitola's Incorporation.*
  - C. *The Mayor presented a Proclamation in honor of Capitola's 75th Anniversary of Incorporation.*
- 4. Additional Materials**
  - A. *One email was received related to Item 8C.*
- 5. Oral Communications by Members of the Public**
  - *Gorin Klepich, resident, shared concerns about Jade Street Park maintenance.*
  - *James Whitman, resident, shared comments.*
- 6. Staff / City Council Comments**
  - *Public Works Director Kahn shared traffic safety updates with the City Council.*
  - *Council Member Keiser thanked Public Works and Police staff for their work during the December wave event.*
  - *Mayor Brown reminded the public of a parade in Capitola Village on Saturday in honor of the Soquel High School's Football State Championship.*
- 7. Consent Items**
  - A. City Council Meeting Minutes  
Recommended Action: Approved minutes from the regular meeting on December 14, 2023.
  - B. City Check Registers  
Recommended Action: Approved check registers dated December 8, 2023, and December 15, 2023.
  - C. FY 2022-23 Audit Report  
Recommended Action: Received Fiscal Year 2022-23 Audit Report.

**Motion to approve the Consent Calendar: Council Member Keiser**

**Seconded: Council Member Pedersen**

**Voting Yea: Council Members Clarke, Keiser, Pedersen, Vice Mayor Brooks, and Mayor Brown**

## 8. General Government / Public Hearings

A. December 2023 Winter Storm Event

Recommended Action: Received an update regarding the December 2023 Winter Storm Event.

**Public Works Director Kahn presented the staff report.**

**Public Comments:**

- **James Whitman, resident, shared concerns about the Wharf width.**

**City Council commentary included requests that staff prepare a storm response plan and share it with the City Council and that staff provide advance communication during storm events.**

B. Unmanned Aircraft Systems (UAS) Drone Program

Recommended Action: Received a presentation regarding the new Unmanned Aircraft System (UAS) Drone Program.

**Captain Kilroy and Sergeant Newton presented the staff report.**

**Public Comments:**

- **James Whitman, resident, shared concerns about the City's drone usage.**

C. Remote Public Participation

Recommended Action: Provided direction to staff about remote participation options for members of the public at City Council and Planning Commission meetings.

**City Clerk Gautho presented the staff report.**

**Public Comments:**

- **James Whitman, resident, shared concerns about free speech.**

**Direction provided to staff to collect further data from California cities about recent occurrences of Zoom bombing and bring it back to the City Council during the first March meeting.**

D. City Council Appointments to Advisory Bodies

Recommended Action: Reviewed, affirmed, and appointed City Council representatives to County and Regional Boards and Capitola advisory bodies.

**City Clerk Gautho presented the staff report.**

**Public Comments:**

- **James Whitman, resident, shared concerns about free speech.**

**Motion to appoint the following to City and Regional Advisory Groups: Council Member Pedersen**

**Seconded: Vice Mayor Brooks**

**Voting Yea: Council Members Clarke, Keiser, Pedersen, Vice Mayor Brooks, and Mayor Brown**

- **FAC: Mayor Brown, Vice Mayor Brooks**



- **COE: Council Member Keiser**
- **Art & Cultural: Council Member Clarke**
  
- **MBARD: Recommend that the City Selection Committee appoint Council Member Pedersen**
  
- **Area Agency on Aging Advisory Council: Vice Mayor Brooks**
- **Arts Council: Affirm the appointment of Roy Johnson**
- **Zone 5, Flood Control and Water Conservation District: Mayor Brown (Alternate – Council Member Clarke)**
- **Library Financing Authority: Mayor Brown (Alternate – Council Member Clarke)**

**9. Adjournment** – *The meeting was adjourned in honor of Jerry Bowles. Adjourned at 7:36 PM to the next regularly scheduled City Council meeting on January 25, 2024, at 6:00 PM.*

**ATTEST:**

\_\_\_\_\_  
Kristen Brown, Mayor

\_\_\_\_\_  
Julia Gautho, City Clerk

# Capitola City Council

## Agenda Report

**Meeting:** January 25, 2024  
**From:** Finance Department  
**Subject:** City Check Registers



**Recommended Action:** Approve check registers dated December 22, 2023, January 5, 2024, and January 12, 2024.

<b>Account: City Main</b>				
<b>Date</b>	<b>Starting Check #</b>	<b>Ending Check #</b>	<b>Payment Count</b>	<b>Amount</b>
12/22/2023	105011	105094	90	\$ 2,137,698.63
01/05/2024	105095	105163	76	\$ 472,083.32
01/12/2024	105166	105249	84	\$ 1,501,493.35

The main account check register dated December 15, 2023, ended with check #105010. Checks #105164 and 105165 were misprinted and voided.

<b>Account: Payroll</b>				
<b>Date</b>	<b>Starting Check/EFT #</b>	<b>Ending Check/EFT #</b>	<b>Payment Count</b>	<b>Amount</b>
12/22/2023	5855	5856	1	\$ 1701.86
01/05/2024	23971	24066	96	\$ 205,598.79
01/12/2024	24067	24163	97	\$ 206,194.05

The payroll account check register dated December 15, 2023, ended with EFT #23970.

Following is a list of payments issued for more than \$10,000 and descriptions of the expenditures:

<b>Check/EFT</b>	<b>Issued to</b>	<b>Dept</b>	<b>Description</b>	<b>Amount</b>
105018	Betz Works Inc	PW	Wharf Road Slip Out	\$ 35,000.00
105024	Cushman Contracting Corp Escrow	PW	November Wharf Project Retainer	\$ 40,868.79
105025	Cushman Contracting Corporation	PW	November Wharf Project Services	\$ 776,507.06
105043	McKim Corporation	PW	December Capitola RD Pavement Rehabilitation	\$ 1,170,193.88
105049	Pacific Gas & Electric	PW	December Utilities	\$ 15,988.82
1640	CalPERS Member Services Division	CM	PERS contributions PPE 12/9/23	\$ 64,655.55
1641	Employment Development Department	CM	State taxes PPE 12/9/23	\$ 11,734.70
1642	Internal Revenue Service	CM	Federal taxes & Medicare PPE 12/9/23	\$ 38,574.96

1645	Wells Fargo Bank	Fin	November Credit Card Charges	\$ 11,920.02
105122	Instrument Technology Corporation	PW	Sewer camera, locator, drill device	\$ 10,404.05
105132	Moffatt and Nichol	PW	Stockton Ave Bridge Repairs	\$ 16,165.99
105143	Santa Cruz Animal Shelter	PW	Quarterly Animal Services Contribution	\$ 17,558.60
105146	Santa Cruz Regional 911	PD	FY23/24 Third Quarter Operating Contribution	\$ 149,093.25
1639	CalPERS Health Insurance	CM	January Health Insurance	\$ 78,333.79
1646	CalPERS Member Services Division	CM	PERS Contributions PPE 12/23/2023	\$ 64,699.29
1647	Employment Development Department	CM	State Taxes PPE 12/23/2023	\$ 12,498.56
1648	Internal Revenue Service	CM	Federal taxes & Medicare PPE 12/23/2023	\$ 40,529.47
105177	Boone Low Ratliff Architects Inc	PW	December Community Center Renovation Design Services	\$ 31,409.23
105179	Burke Williams and Sorensen LLP	CM	November Legal Services	\$ 44,775.99
105190	Eide Bailly LLP	Fin	FY22/23 Audit Services	\$ 38,000.00
105219	MBASIA	CM	Workers' comp. & liability insurance	\$ 626,498.50
105238	Terry Equipment Inc	PW	EV Street Sweeper	\$ 652,315.52

Attachments:

1. 12-22-23 Check Register
2. 01-05-24 Check Register
3. 01-12-24 Check Register

Report Prepared By: Luis Ruiz, Accountant I

Reviewed By: Julia Gautho, City Clerk and Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager


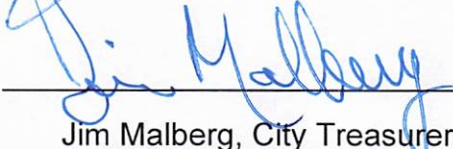
City main account checks dated December 22, 2023, numbered 105011 to 105094 totaling \$2,137,698.63, 6 EFTs totaling \$135,318.22 and 1 payroll check totaling \$1,701.86 for a grand total of \$2,274,718.71, have been reviewed and authorized for distribution by the City Manager.

As of December 22, 2023, the unaudited cash balance is \$5,873,726.56.

**CASH POSITION - CITY OF CAPITOLA  
December 22, 2023**

	<u>12/22/2023</u>
General Fund <sup>(1)</sup>	\$ (845,797.43)
Payroll Payables	\$ 79,720.20
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,461,505.54
Facilities Reserve Fund	\$ 432,714.09
Capital Improvement Fund	\$ 65,076.37
Stores Fund	\$ 56,567.10
Information Technology Fund	\$ 186,557.80
Equipment Replacement	\$ 634,608.37
Self-Insurance Liability Fund	\$ (3,958.92)
Workers' Comp. Ins. Fund	\$ 129,227.04
Compensated Absences Fund	\$ 330,886.06
<b>TOTAL AVAILABLE GENERAL FUNDS</b>	<u><u>\$ 5,873,726.56</u></u>

(1) Dec. 22nd balance includes \$4.68 million non-current investments

 <hr/> Jamie Goldstein, City Manager	1/2/24 <hr/> Date
 <hr/> Jim Malberg, City Treasurer	12/22/23 <hr/> Date

# City Checks Issued December 22, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105011	12/20/2023			JANET RUSSELL KELLER	\$260.00
	Invoice	Date	Description		Amount
	JRK111923	11/19/2023	Instructor payment		\$260.00
105012	12/22/2023			ADRIENNE HARRELL	\$503.10
	Invoice	Date	Description		Amount
	AH121323	12/13/2023	Instructor payment		\$503.10
105013	12/22/2023			AIMEE FITZGERALD	\$707.85
	Invoice	Date	Description		Amount
	AF121323	12/13/2023	Instructor payment		\$707.85
105014	12/22/2023			AMAZON CAPITAL SERVICES	\$2,547.56
	Invoice	Date	Description		Amount
	14F6-3WMG-R4PM	12/17/2023	Urinal		\$119.88
	1X99-9JQD-KNQQ	12/17/2023	Flashlights, scissors, tourniquet, whistles, masks, gauze		\$392.32
	1VXJ-J1JF-JGRV	12/16/2023	Batteries, name plate		\$47.25
	17RL-PMFF-1Y6M	12/14/2023	Work pants		\$245.07
	1Q7M-1VFD-1Q4Q	12/14/2023	Wireless keyboard		\$27.86
	17KK-NNHJ-NVJ3	12/13/2023	Battery backup power supply		\$199.44
	11JG-WYG3-4RPW	12/18/2023	Truck mounted box with insulated lid (2)		\$1,236.54
	1WK9-QKQG-6RHC	12/18/2023	Air purifier		\$54.49
	13YD-VDCX-CX7L	12/19/2023	Work boots		\$174.40
	13PG-MFWY-HYTK	12/12/2023	HDMI cables		\$50.31
			1000 - General Fund		\$1,927.94
			2210 - ISF - Stores Fund		\$392.32
			2211 - ISF - Information Technology		\$227.30
105015	12/22/2023			ANDREW DALLY	\$896.72
	Invoice	Date	Description		Amount
	AD120823	12/08/2023	Executive Development Course (POST Plan IV)		\$896.72
105016	12/22/2023			BENCHMARK ENVIRONMENTAL ENGINEERING	\$3,365.00
	Invoice	Date	Description		Amount
	E23-2476	11/30/2023	Asbestos survey, lead inspection, mold testing for Comm. Cntr.		\$3,365.00
105017	12/22/2023			BENEFIT COORDINATORS CORP.	\$5,668.50
	Invoice	Date	Description		Amount
	B0BWWF	12/01/2023	December dental & vision insurance		\$5,668.50
			1001 - Payroll Payables		
105018	12/22/2023			BETZ WORKS INC	\$35,000.00
	Invoice	Date	Description		Amount
	23367	12/13/2023	Wharf Road Slip Out		\$35,000.00
			1200 - Capital Improvement Fund		



# City Checks Issued December 22, 2023

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105019	12/22/2023			CA DEPARTMENT OF JUSTICE	\$98.00
	Invoice	Date	Description		Amount
	700374	12/05/2023	November fingerprinting		\$98.00
105020	12/22/2023			CAPITOLA PEACE OFFICERS ASSOCIATION	\$1,104.50
	Invoice	Date	Description		Amount
	POA121523	12/15/2023	POA & Gym Dues PPE 12/9/23		\$1,104.50
			1001 - Payroll Payables		
105021	12/22/2023			CARIN HANNA	\$4,274.17
	Invoice	Date	Description		Amount
	CH120723	12/07/2023	Reimbursement - Sip & Stroll, Cookie Walk, Village Enhancem		\$4,024.17
	CH121123	12/11/2023	Sip and Stroll winery stipend (Storrs)		\$250.00
			1321 - BIA - Capitola Village-Wharf BIA		
105022	12/22/2023			CASEY PRINTING	\$7,463.58
	Invoice	Date	Description		Amount
	197342	12/06/2023	Winter 2023 recreation guide		\$7,463.58
105023	12/22/2023			CLAUDIO FRANCA	\$240.50
	Invoice	Date	Description		Amount
	CF122123	12/21/2023	Instructor payment		\$240.50
105024	12/22/2023			CUSHMAN CONTRACTING CORP ESCROW #8	\$40,868.79
	Invoice	Date	Description		Amount
	CCC#04retention	11/30/2023	November Wharf Project retainer		\$40,868.79
			1200 - Capital Improvement Fund		
105025	12/22/2023			CUSHMAN CONTRACTING CORPORATION	\$776,507.06
	Invoice	Date	Description		Amount
	CCC#04	11/30/2023	November Wharf Resiliency and Public Access Project Service		\$776,507.06
			1200 - Capital Improvement Fund		
105026	12/22/2023			DEBORAH OSTERBERG	\$107.29
	Invoice	Date	Description		Amount
	DO121323	12/13/2023	Reimbursement campo tumbler		\$107.29
105027	12/22/2023			FERGUSON ENTERPRISES LLC #795	\$538.96
	Invoice	Date	Description		Amount
	4770726	12/18/2023	Urinal, plug jet, blaster		\$538.96



# City Checks Issued December 22, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105028	12/22/2023			FLYERS ENERGY LLC	\$7,812.66
	Invoice	Date	Description		Amount
	23-985244	12/13/2023	55 gallons hydraulic oil		\$2,865.09
	23-986029	12/12/2023	95 Gallons diesel		\$501.27
	23-986030	12/12/2023	880 gallons gasoline		\$4,446.30
105029	12/22/2023			GINA ENRIQUEZ	\$4,644.64
	Invoice	Date	Description		Amount
	GE122123	12/21/2023	Instructor payment		\$4,644.64
105030	12/22/2023			HANYA FOJACO	\$1,089.11
	Invoice	Date	Description		Amount
	HF121323	12/13/2023	Instructor payment		\$1,089.11
105031	12/22/2023			HINDERLITER DELLAMAS AND ASSOCIATES	\$3,516.71
	Invoice	Date	Description		Amount
	SIN033953	12/18/2023	District sales tax auditing services Q2 44053		\$3,516.71
105032	12/22/2023			HOME DEPOT CREDIT SERVICES	\$350.47
	Invoice	Date	Description		Amount
	4212969	12/14/2023	Foam polishing pad, bit holder, bit set		\$77.29
	7510909	12/11/2023	Sakrete fast sand, cleaning compound, gloves, batteries, scrap		\$273.18
105033	12/22/2023			JANELLE COX	\$90.00
	Invoice	Date	Description		Amount
	JC121223	12/12/2023	Reimbursement for IRS filing 1321 - BIA - Capitola Village-Wharf BIA		\$90.00
105034	12/22/2023			JANET RUSSELL KELLER	\$187.20
	Invoice	Date	Description		Amount
	JRK122123	12/21/2023	Instructor payment		\$187.20
105035	12/22/2023			JEANI MITCHELL	\$386.10
	Invoice	Date	Description		Amount
	JM122123	12/21/2023	Instructor payment		\$386.10
105036	12/22/2023			JENNY SHELTON	\$186.75
	Invoice	Date	Description		Amount
	JS121323	12/13/2023	Plein Air supplies		\$186.75
105037	12/22/2023			KATHLEEN BROWN	\$429.00
	Invoice	Date	Description		Amount
	KB122123	12/21/2023	Instructor payment		\$429.00

# City Checks Issued December 22, 2023

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105038	12/22/2023			KATHLEEN SIMPSON	\$331.50
	Invoice	Date	Description		Amount
	KS121323	12/13/2023	Instructor payment		\$331.50
105039	12/22/2023			KING'S PAINT AND PAPER INC.	\$92.96
	Invoice	Date	Description		Amount
	DJ76S	12/18/2023	Paint		\$92.96
105040	12/22/2023			LAURIE HILL	\$330.25
	Invoice	Date	Description		Amount
	LH121323	12/13/2023	Plein air supplies		\$330.25
105041	12/22/2023			LEWIS TREE SERVICE INC.	\$1,350.00
	Invoice	Date	Description		Amount
	0334	12/15/2023	Prune trees behind home		\$1,350.00
105042	12/22/2023			MARY MCGLENN CAHALEN	\$1,500.00
	Invoice	Date	Description		Amount
	MMC121123	12/11/2023	Capitola Sip & Stroll Coordinator Services 1321 - BIA - Capitola Village-Wharf BIA		\$1,500.00
105043	12/22/2023			McKim Corporation	\$1,170,193.88
	Invoice	Date	Description		Amount
	21066	12/18/2023	December Capitola Road Pavement Rehabilitation Project Serv 1200 - Capital Improvement Fund		\$1,170,193.88
105044	12/22/2023			MICHELLE DAVEY-OUSE	\$117.00
	Invoice	Date	Description		Amount
	MDO121323	12/13/2023	Instructor payment		\$117.00
105045	12/22/2023			MISSION LINEN SUPPLY	\$115.62
	Invoice	Date	Description		Amount
	520640342	12/13/2023	Fleet towels, uniform cleaning		\$34.50
	520622872	12/11/2023	Community Center mop and mat service		\$81.12
105046	12/22/2023			O'REILLY AUTO PARTS	\$293.51
	Invoice	Date	Description		Amount
	2763-402009	12/12/2023	Break caliper repair kit, power master, blue disc		\$293.51
105047	12/22/2023			OUTDOOR SUPPLY HARDWARE	\$9.52
	Invoice	Date	Description		Amount
	I61122	12/12/2023	Bulk fastener, double hook		\$9.52

## City Checks Issued December 22, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105048	12/22/2023			PACIFIC CREST ENGINEERING INC.	\$4,343.50
	Invoice	Date	Description		Amount
	13109	11/30/2023	Noble Gulch Geotechnical Investigation Services through 11/30 1200 - Capital Improvement Fund		\$4,343.50
105049	12/22/2023			PACIFIC GAS & ELECTRIC	\$15,988.82
	Invoice	Date	Description		Amount
	PGE121323-acct9	12/13/2023	December monthly utilities		\$14,256.95
	PGE121323-acct5	12/13/2023	December Pacific Cove parking lot utilities		\$1,731.87
			1000 - General Fund		\$8,010.18
			1300 - SLESF - Supl Law Enfc		\$147.45
			1310 - Gas Tax		\$7,390.92
			1311 - Wharf		\$440.27
105050	12/22/2023			PARKOUR GENERATIONS SANTA CRUZ LLC	\$1,933.75
	Invoice	Date	Description		Amount
	DS121323	12/13/2023	Instructor payment		\$1,706.25
	DS122123	12/21/2023	Instructor payment		\$227.50
105051	12/22/2023			PAULA BLISS	\$637.00
	Invoice	Date	Description		Amount
	PB121323	12/13/2023	Instructor payment		\$637.00
105052	12/22/2023			PHIL ALLEGRI ELECTRIC INC.	\$450.00
	Invoice	Date	Description		Amount
	33365	12/13/2023	Electrical services		\$450.00
105053	12/22/2023			REGIONAL GOVERNMENT SERVICES AUTH	\$6,229.34
	Invoice	Date	Description		Amount
	15982	11/30/2023	November 2023 Compensation Study Services		\$6,229.34
105054	12/22/2023			ROBIN H EVEREST	\$952.90
	Invoice	Date	Description		Amount
	RE121323	12/13/2023	Instructor payment		\$734.50
	RE122123	12/21/2023	Instructor payment		\$218.40
105055	12/22/2023			RRM DESIGN GROUP	\$3,207.80
	Invoice	Date	Description		Amount
	2757-01-1123	12/10/2023	November Capitola Housing Element Update Services 1313 - General Plan Update and Maint		\$3,207.80
105056	12/22/2023			SANTA CRUZ AUTO PARTS INC.	\$113.37
	Invoice	Date	Description		Amount
	14508-485259	12/11/2023	engine assembly lube, rag, memory block, mix		\$113.37



# City Checks Issued December 22, 2023

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105057	12/22/2023			SANTA CRUZ MUNICIPAL UTILITIES	\$273.22
	Invoice	Date	Description		Amount
	SCMU120623	12/06/2023	November water service for medians		\$273.22
105058	12/22/2023			SANTA CRUZ ROLLER PALLADIUM	\$104.00
	Invoice	Date	Description		Amount
	SCR122023	12/20/2023	13 Skaters		\$104.00
105059	12/22/2023			SHANTA SHENOY	\$817.14
	Invoice	Date	Description		Amount
	SS121323	12/13/2023	Instructor payment		\$817.14
105060	12/22/2023			SOQUEL CREEK WATER DISTRICT	\$8,661.88
	Invoice	Date	Description		Amount
	06-14476-0121123	12/11/2023	06-14476-00 430 Kennedy Drive water service		\$108.31
	42-14952-0120423	12/04/2023	42-14952 Cortez Park irrigation		\$298.44
	42-15297-0120423	12/04/2023	42-15297-00 426 Capitola Ave irrigation		\$162.71
	42-15969-0120423	12/04/2023	42-15969-00 Lawn Way irrigation		\$273.64
	42-16122-0120423	12/04/2023	42-16122-00 Esplanade fountain irrigation		\$71.73
	42-10504-0120423	12/04/2023	42-10504-00 Cliff Drive irrigation		\$70.20
	42-11090-0120423	12/04/2023	42-11090-01 Capitola Road irrigation		\$162.71
	42-11467-0120423	12/04/2023	42-11467-00 Jade Street park irrigation		\$3,787.19
	42-11517-0120423	12/04/2023	42-11517-00 41st Avenue irrigation		\$162.71
	42-14404-0120423	12/04/2023	42-14404-00 Monterey Ave. Nobel Gulch Park irrigation		\$278.36
	42-16130-0120423	12/04/2023	42-16130-00 Wharf Road irrigation		\$158.96
	42-16136-0120423	12/04/2023	42-16136-00 1400 Wharf Road irrigation		\$72.03
	42-16407-0120423	12/04/2023	42-16407-00 Bay Ave. irrigation		\$70.20
	42-14431-0120423	12/04/2023	42-14431-00 Monterey Ave irrigation		\$2,844.29
	42-17688-0120423	12/04/2023	42-17688-00 Lawn Way irrigation 2		\$70.20
	42-18238-0120423	12/04/2023	42-18238-00 Capitola Road irrigation		\$70.20
			1000 - General Fund		\$8,589.85
			1311 - Wharf		\$72.03
105061	12/22/2023			STAPLES ADVANTAGE	\$59.07
	Invoice	Date	Description		Amount
	3554121448	12/05/2023	Copier paper		\$59.07
			2210 - ISF - Stores Fund		
105062	12/22/2023			TOWBOATU.S. SANTA CRUZ	\$870.00
	Invoice	Date	Description		Amount
	2023-213	12/17/2023	Vessel day time operation		\$870.00
			1200 - Capital Improvement Fund		



# City Checks Issued December 22, 2023

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105063	12/22/2023			UPEC LIUNA LOCAL 792	\$1,089.00
	Invoice	Date	Description		Amount
	UPEC123123	12/07/2023	December UPEC dues		\$1,089.00
			1001 - Payroll Payables		
105064	12/22/2023			US BANK PARS Acct 6746022400	\$539.63
	Invoice	Date	Description		Amount
	PARS121523	12/15/2023	PARS Contributions PPE 12/9/23		\$539.63
			1001 - Payroll Payables		
105065	12/22/2023			VERIZON WIRELESS	\$2,925.25
	Invoice	Date	Description		Amount
	9951421120	12/10/2023	December telephone charges		\$2,925.25
105066	12/22/2023			WILLDAN FINANCIAL SERVICES	\$8,011.00
	Invoice	Date	Description		Amount
	010-56846	12/19/2023	Comprehensive User Fee Study and Overhead Cost Allocation		\$8,011.00
105067	12/22/2023			37th Parallel	\$250.00
	Invoice	Date	Description		Amount
	37P121123	12/11/2023	Sip and Stroll winery stipend		\$250.00
			1321 - BIA - Capitola Village-Wharf BIA		
105068	12/22/2023			Alfaro	\$250.00
	Invoice	Date	Description		Amount
	A121123	12/11/2023	Sip and Stroll winery stipend		\$250.00
			1321 - BIA - Capitola Village-Wharf BIA		
105069	12/22/2023			Bargetto	\$250.00
	Invoice	Date	Description		Amount
	B121123	12/11/2023	Sip and Stroll winery stipend		\$250.00
			1321 - BIA - Capitola Village-Wharf BIA		
105070	12/22/2023			Bottle Jack	\$250.00
	Invoice	Date	Description		Amount
	BJ121123	12/11/2023	Sip and Stroll winery stipend		\$250.00
			1321 - BIA - Capitola Village-Wharf BIA		
105071	12/22/2023			Burrell School	\$250.00
	Invoice	Date	Description		Amount
	BS121123	12/11/2023	Sip and Stroll winery stipend		\$250.00
			1321 - BIA - Capitola Village-Wharf BIA		

# City Checks Issued December 22, 2023

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105072	12/22/2023			Campos de Solana	\$250.00
	Invoice	Date	Description		Amount
	CDS121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105073	12/22/2023			Capitola Reef	\$250.00
	Invoice	Date	Description		Amount
	CR121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105074	12/22/2023			Chaucer	\$250.00
	Invoice	Date	Description		Amount
	C121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105075	12/22/2023			Clo La Chauce	\$250.00
	Invoice	Date	Description		Amount
	CLC121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105076	12/22/2023			Cottage Creek Vineyards	\$250.00
	Invoice	Date	Description		Amount
	CCV121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105077	12/22/2023			Doon To the Earth	\$250.00
	Invoice	Date	Description		Amount
	DTTE121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105078	12/22/2023			English Ale	\$250.00
	Invoice	Date	Description		Amount
	EA121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105079	12/22/2023			Gali Vineyards	\$250.00
	Invoice	Date	Description		Amount
	GV121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105080	12/22/2023			Hallcrest	\$500.00
	Invoice	Date	Description		Amount
	H121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$500.00



# City Checks Issued December 22, 2023

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105081	12/22/2023			Kissed by the Angel	\$250.00
	Invoice	Date	Description		Amount
	KBTA121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105082	12/22/2023			La Curiosa	\$250.00
	Invoice	Date	Description		Amount
	LC121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105083	12/22/2023			Le'al Vineyards	\$250.00
	Invoice	Date	Description		Amount
	LV121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105084	12/22/2023			Left Bend	\$250.00
	Invoice	Date	Description		Amount
	LB121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105085	12/22/2023			NAVEEN PAI	\$313.50
	Invoice	Date	Description		Amount
	NP121923	12/19/2023	Settlement 2213 - ISF - Self-Insurance Liability		\$313.50
105086	12/22/2023			Pelican Ranch	\$250.00
	Invoice	Date	Description		Amount
	PR121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105087	12/22/2023			Poetic Cellars	\$250.00
	Invoice	Date	Description		Amount
	PC121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105088	12/22/2023			Raffaelli	\$250.00
	Invoice	Date	Description		Amount
	R121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105089	12/22/2023			Roudon Smith	\$250.00
	Invoice	Date	Description		Amount
	RS121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00

# City Checks Issued December 22, 2023

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105090	12/22/2023			Silver Mountain Vineyards	\$250.00
	Invoice	Date	Description		Amount
	SMV121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105091	12/22/2023			Sones	\$250.00
	Invoice	Date	Description		Amount
	S121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105092	12/22/2023			Wargin	\$250.00
	Invoice	Date	Description		Amount
	W121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105093	12/22/2023			Windy Oaks Winery	\$250.00
	Invoice	Date	Description		Amount
	WOW121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
105094	12/22/2023			Wright Station	\$250.00
	Invoice	Date	Description		Amount
	WS121123	12/11/2023	Sip and Stroll winery stipend 1321 - BIA - Capitola Village-Wharf BIA		\$250.00
Type Check Totals:					\$2,137,698.63
<u>EFT</u>					
1640	12/18/2023			CalPERS Member Services Division	\$64,655.55
	Invoice	Date	Description		Amount
	1002527197-200	12/15/2023	PERS Contributions PPE 12/9/23 1000 - General Fund 1001 - Payroll Payables		\$64,655.55 \$0.34 \$64,655.21
1641	12/18/2023			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$11,734.70
	Invoice	Date	Description		Amount
	0-198-726-160	12/15/2023	State Taxes PPE 12/09/23 1001 - Payroll Payables		\$11,734.70
1642	12/18/2023			INTERNAL REVENUE SERVICE	\$38,574.96
	Invoice	Date	Description		Amount
	60457756	12/15/2023	Federal taxes & Medicare PPE 12/09/23 1001 - Payroll Payables		\$38,574.96

# City Checks Issued December 22, 2023

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1643	12/18/2023			STATE DISBURSEMENT UNIT	\$1,662.91
	Invoice	Date	Description		Amount
	46536497	12/15/2023	Employee garnishment PPE 12/9/23		\$1,662.91
			1001 - Payroll Payables		
1644	12/18/2023			VOYA FINANCIAL	\$6,770.08
	Invoice	Date	Description		Amount
	VOYA121523	12/15/2023	Employee 457 Contribution PPE 12/09/23		\$6,770.08
			1001 - Payroll Payables		
1645	12/21/2023			WELLS FARGO BANK	\$11,920.02
	Invoice	Date	Description		Amount
	WF120323	12/18/2023	November credit card charges		\$11,920.02

Type EFT Totals: \$135,318.22

Main City Totals	Count	Total
Checks	84	\$2,137,698.63
EFTs	6	\$135,318.22
All	90	\$2,273,016.85

Payroll Totals	Count	Total
Checks	1	\$1,701.86
EFTs	0	\$0.00
All	1	\$1,701.86

Grand Totals:	Count	Total
Checks	85	\$2,139,400.49
EFTs	6	\$135,318.22
All	91	\$2,274,718.71



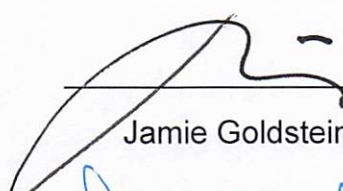
City main account checks dated January 05, 2024, numbered 105095 to 105163 totaling \$267,549.96, 7 EFTs totaling \$204,533.36 and 96 payroll EFTs totaling \$205,598.79 for a grand total of \$677,682.11, have been reviewed and authorized for distribution by the City Manager.

As of January 05, 2024, the unaudited cash balance is \$6,480,721.77.


**CASH POSITION - CITY OF CAPITOLA  
January 5, 2024**

	<u>1/5/2024</u>
General Fund <sup>(1)</sup>	\$ (523,169.52)
Payroll Payables	\$ 3,214.69
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,461,505.54
Facilities Reserve Fund	\$ 432,714.09
Capital Improvement Fund	\$ 44,418.27
Stores Fund	\$ 62,743.51
Information Technology Fund	\$ 242,356.10
Equipment Replacement	\$ 686,704.32
Self-Insurance Liability Fund	\$ 151,575.08
Workers' Comp. Ins. Fund	\$ 241,153.29
Compensated Absences Fund	\$ 330,886.06
<b>TOTAL AVAILABLE GENERAL FUNDS</b>	<u><u>\$ 6,480,721.77</u></u>

(1) Jan. 5th balance includes \$5.06 million non-current investments

  
 \_\_\_\_\_  
 Jamie Goldstein, City Manager

1/8/24  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Jim Malberg, City Treasurer

1/5/24  
 \_\_\_\_\_  
 Date

# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105095	01/05/2024			ABRAHAM CAMACHO	\$909.09
	Invoice	Date	Description		Amount
	AC122923	12/29/2023	Wellness Funded Expense - E-Bike		\$909.09
105096	01/05/2024			AFLAC	\$2,469.54
	Invoice	Date	Description		Amount
	364651	12/29/2023	December supplemental insurance		\$2,469.54
			1001 - Payroll Payables		
105097	01/05/2024			ALLIED UNIVERSAL	\$1,490.30
	Invoice	Date	Description		Amount
	15098485	01/04/2024	January McGregor skate park foot patrol		\$490.08
	15098486	01/04/2024	January Esplanade park foot patrol		\$525.94
	14983898	12/07/2023	December 2023 Jade Street Park Patrol		\$474.28
105098	01/05/2024			AMAZON CAPITAL SERVICES	\$690.30
	Invoice	Date	Description		Amount
	1F7D-WWNY-NTNR	12/26/2023	Work boots		\$174.40
	1GKP-TF4N-3Y7T	12/07/2023	Trash Cans, Plunger and Toilet Bowl Brush		\$60.13
	1JL9-94DQ-R9MJ	12/06/2023	Trash Bags		\$63.04
	1WRT-V3D6-1DJ6	12/07/2023	Storage Cabinet and Hand Soap		\$288.58
	11FN-NL43-4RCC	12/21/2023	Hot glue sticks, craft sticks, paper		\$104.15
105099	01/05/2024			ANDREW DALLY	\$909.09
	Invoice	Date	Description		Amount
	AD122923	12/29/2023	Wellness Funded Expense - Surfboards		\$909.09
105100	01/05/2024			ASCAP	\$434.00
	Invoice	Date	Description		Amount
	500579655-2024	12/20/2023	2024 music license		\$434.00
105101	01/05/2024			B & B SMALL ENGINE REPAIR	\$241.79
	Invoice	Date	Description		Amount
	535490	12/12/2023	Blower inspection		\$47.50
	535489	12/12/2023	String trimmer repair		\$101.03
	535817	12/19/2023	Blower repair		\$93.26
105102	01/05/2024			BATTERIES PLUS BULBS	\$244.60
	Invoice	Date	Description		Amount
	P67238068	11/01/2023	Pay Station Battery		\$77.55
	P69140967	01/02/2024	Pay Station Battery		\$167.05
105103	01/05/2024			CALE AMERICA INC.	\$350.00
	Invoice	Date	Description		Amount
	S46283	12/19/2023	Rate changes services		\$350.00



## City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105104	01/05/2024			CINTAS CORPORATION	\$178.86
	Invoice	Date	Description		Amount
	5190828650	12/29/2023	First Aid Replenishment		\$178.86
105105	01/05/2024			COMPLETE MAILING SERVICE INC.	\$8,227.14
	Invoice	Date	Description		Amount
	8178	12/20/2023	Winter Brochure Mailing		\$8,227.14
105106	01/05/2024			COUNTY OF SANTA CRUZ MEDICRUZ PROGRAM	\$910.00
	Invoice	Date	Description		Amount
	10657	10/31/2023	FY17/18 May - June Blood Alcohol Lab Tests		\$104.00
	11528	10/31/2023	FY18/19 July - June Blood Alcohol Lab Tests		\$338.00
	11537	10/31/2023	FY19/20 July - June Blood Alcohol Lab Tests		\$312.00
	11551	12/06/2023	FY20/21 July - June Blood Alcohol Lab Tests		\$156.00
105107	01/05/2024			CRAIG FEENEY	\$1,140.00
	Invoice	Date	Description		Amount
	171	12/04/2023	Preventative maintenance on facilities		\$1,140.00
105108	01/05/2024			CSG Consultants Inc.	\$171.00
	Invoice	Date	Description		Amount
	B232037	12/01/2023	Building Plan Review Services		\$171.00
105109	01/05/2024			ESMERALDA GONZALEZ	\$327.15
	Invoice	Date	Description		Amount
	EG122823	12/28/2023	Drinks and snacks for PD and PW employees		\$327.15
105110	01/05/2024			EXCEEDIO	\$9,081.36
	Invoice	Date	Description		Amount
	14856	01/01/2024	January IT services		\$9,081.36
			2211 - ISF - Information Technology		
105111	01/05/2024			EXTREME TOWING	\$2,127.33
	Invoice	Date	Description		Amount
	020302	12/27/2023	Tow for 23C-01501		\$1,813.83
	020273	11/27/2023	Tow for 23C-01405		\$313.50
105112	01/05/2024			FERGUSON ENTERPRISES LLC #795	\$59.94
	Invoice	Date	Description		Amount
	4782929	12/21/2023	Vacuum break tube		\$59.94
105113	01/05/2024			FIRST ALARM	\$282.87
	Invoice	Date	Description		Amount
	794614	12/15/2023	Monitoring Service for 1/1/24 - 3/31/24		\$282.87

## City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105114	01/05/2024			FLYERS ENERGY LLC	\$4,273.34
	Invoice	Date	Description		Amount
	23-994086	12/22/2023	632 gallons gasoline		\$2,991.14
	23-996424	12/28/2023	270 Gallons gasoline		\$1,282.20
105115	01/05/2024			GALLS LLC	\$285.22
	Invoice	Date	Description		Amount
	026419084	12/01/2023	Mens L/SPDU Rapid Shirt		\$137.53
	026451663	12/05/2023	Duty Boots		\$147.69
105116	01/05/2024			GEORGE McMENAMIN	\$693.75
	Invoice	Date	Description		Amount
	GM122023	12/20/2023	Riparian restoration services		\$693.75
105117	01/05/2024			GRAINGER	\$467.74
	Invoice	Date	Description		Amount
	9940549398	12/19/2023	Submersible sump pump		\$467.74
105118	01/05/2024			Hi-Line Inc.	\$216.14
	Invoice	Date	Description		Amount
	51079290	12/19/2023	Cable tires, screws, sockets		\$216.14
105119	01/05/2024			HINDERLITER DELLAMAS AND ASSOCIATES	\$2,550.16
	Invoice	Date	Description		Amount
	SIN034269	12/27/2023	District Sales tax auditing services Q2 60113		\$600.00
	SIN034290	12/27/2023	District Sales tax auditing services Q2 60334		\$600.00
	SIN034390	11/30/2023	November TOT and STR admin fees		\$1,350.16
105120	01/05/2024			HOME DEPOT CREDIT SERVICES	\$1,233.95
	Invoice	Date	Description		Amount
	7512833	12/21/2023	Tough tote, cable tie tensioning, crimps		\$118.61
	6513078	12/22/2023	Play sand, sander		\$128.64
	6521437	12/12/2023	Bucket, floor flange, steel pipes		\$368.59
	4622021	12/14/2023	Scrub sponge, tape, sealant, baking soda, disinfect wip		\$88.91
	7623607	12/21/2023	Paint rollers		\$26.85
	1615181	11/27/2023	Toilet auger		\$64.31
	8613823	12/20/2023	Anti-ant spray		\$36.06
	7523074	12/21/2023	Adhesive, drill set, sealant, dry wall		\$119.19
	0613489	12/18/2023	Hoe, mop, bucket		\$54.42
	9613624	12/19/2023	Heavy duty tarp		\$155.39
	0033161	12/28/2023	Gloves, screws, caution tape, framing		\$72.98



# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105121	01/05/2024			HUMBOLDT PETROLEUM LLC	\$51.00
	Invoice	Date	Description		Amount
	INV-103667	11/30/2023	Carwash Closing Date 11/30/2023		\$25.50
	INV-105159	12/15/2023	Carwash Closing Date 12/15/2023		\$25.50
105122	01/05/2024			INSTRUMENT TECHNOLOGY CORPORATION	\$10,404.05
	Invoice	Date	Description		Amount
	22106	06/23/2023	Sewer camera, locator, and drill device		\$10,404.05
			2212 - ISF - Equipment Replacement		
105123	01/05/2024			INTERNATIONAL BRONZE PLAQUE COMPANY	\$1,170.00
	Invoice	Date	Description		Amount
	74481	12/22/2023	Memorial Plaques		\$1,170.00
105124	01/05/2024			KBA Document Solutions LLC	\$345.78
	Invoice	Date	Description		Amount
	55Y1422659	12/21/2023	City Hall copier usage charges		\$345.78
			2211 - ISF - Information Technology		
105125	01/05/2024			LEWIS TREE SERVICE INC.	\$441.00
	Invoice	Date	Description		Amount
	08055-l	01/02/2024	Tree Removal		\$441.00
105126	01/05/2024			LINDE GAS & EQUIPMENT INC.	\$235.53
	Invoice	Date	Description		Amount
	40136494	12/22/2023	Acetylene rental		\$235.53
105127	01/05/2024			LIUNA PENSION FUND	\$1,747.20
	Invoice	Date	Description		Amount
	FQ7106	12/29/2023	December LIUNA pension dues		\$1,747.20
			1001 - Payroll Payables		
105128	01/05/2024			LLOYD'S TIRE AND AUTO	\$3,015.56
	Invoice	Date	Description		Amount
	217907	12/20/2023	Tires, tire services		\$1,243.72
	217929	12/21/2023	Tires, tire services		\$639.30
	217931	12/21/2023	Tires, tire services		\$1,132.54
105129	01/05/2024			MASTER CLEANERS	\$1,202.14
	Invoice	Date	Description		Amount
	MC120823	12/08/2023	November 2023 Uniform Cleaning		\$1,202.14
105130	01/05/2024			MID COUNTY AUTO SUPPLY	\$74.55
	Invoice	Date	Description		Amount
	M-2410162	12/21/2023	Serpentine belt, tensioner		\$74.55



# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105131	01/05/2024			MISSION LINEN SUPPLY	\$513.57
	Invoice	Date	Description		Amount
	520729725	12/27/2023	Fleet towels, uniform cleaning		\$34.50
	520681486	12/20/2023	Corp. Yard linen service		\$113.78
	520681485	12/20/2023	Fleet towels, uniform cleaning		\$34.50
	520706110	12/18/2023	Fleet towels, uniform cleaning		\$27.00
	520729726	12/27/2023	Corp. Yard linen service		\$163.01
	520640343	12/13/2023	Corp. Yard linen service		\$140.78
105132	01/05/2024			MOFFATT AND NICHOL	\$16,165.99
	Invoice	Date	Description		Amount
	00784805	12/27/2023	Stockton Ave Bridge Repairs through 11/25/2023 1200 - Capital Improvement Fund		\$16,165.99
105133	01/05/2024			NORTH BAY FORD	\$89.59
	Invoice	Date	Description		Amount
	291294	12/26/2023	Camshaft sensor		\$89.59
105134	01/05/2024			O'REILLY AUTO PARTS	\$147.76
	Invoice	Date	Description		Amount
	2763-403379	12/19/2023	Glass cleaners		\$28.31
	2763-403377	12/19/2023	Floor mat		\$27.24
	2763-403368	12/19/2023	Cable kit, dust cap, sealant		\$21.76
	2763-404801	12/27/2023	Ignition coil		\$70.45
105135	01/05/2024			OUTDOOR SUPPLY HARDWARE	\$307.71
	Invoice	Date	Description		Amount
	165033	12/19/2023	Bulk fasteners, chains, wall plate, toggles		\$84.22
	169139	12/28/2023	Bulk fasteners, motor oil		\$92.76
	161579	12/13/2023	Nut driver set		\$32.69
	161585	12/13/2023	Hose bibb, valve		\$37.04
	161209	12/12/2023	Screws, washers, threadlocker		\$22.53
	164323	12/18/2023	Brass flare, tube caps		\$8.70
	164292	12/18/2023	Pipe cap, Malleable caps, pipes		\$29.77
105136	01/05/2024			PALACE BUSINESS SOLUTIONS	\$19.41
	Invoice	Date	Description		Amount
	2307426-0	12/20/2023	Wall calendars		\$19.41
105137	01/05/2024			RACHEL TATE	\$185.40
	Invoice	Date	Description		Amount
	RT122923	12/29/2023	Wellness Funded Expense - Skin Care Routine 1300 - SLESF - Supl Law Enfc		\$185.40

# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105138	01/05/2024			RAINBOW CARPETS AND FLOORS	\$1,300.00
	Invoice	Date	Description		Amount
	JU110113	12/06/2023	Carpet install		\$1,300.00
105139	01/05/2024			RINCON CONSULTANTS, INC.	\$4,492.11
	Invoice	Date	Description		Amount
	53341	12/19/2023	SOIS Action Plan Preparation, Monitoring, and Reportir 1200 - Capital Improvement Fund		\$4,492.11
105140	01/05/2024			ROBERT M PATTERSON	\$100.00
	Invoice	Date	Description		Amount
	RMP112223	11/22/2023	Administrative Reviews Billing Statement 11/22/2023		\$100.00
105141	01/05/2024			ROYAL WHOLESALE ELECTRIC	\$28.34
	Invoice	Date	Description		Amount
	7719-1035375	12/21/2023	Nylon cable tie		\$28.34
105142	01/05/2024			SAN LORENZO LUMBER	\$230.87
	Invoice	Date	Description		Amount
	55-0855939	12/20/2023	Roller, sand discs, blend filler, nails, sockets, lumber		\$230.87
105143	01/05/2024			SANTA CRUZ COUNTY ANIMAL SHELTER	\$17,558.60
	Invoice	Date	Description		Amount
	23/24-3CA	12/29/2023	Quarterly animal services contribution		\$17,558.60
105144	01/05/2024			SANTA CRUZ COUNTY LAW ENFORCEMENT CHIEFS /	\$50.00
	Invoice	Date	Description		Amount
	SCCLECA121323	12/13/2023	2024 Membership Dues		\$50.00
105145	01/05/2024			SANTA CRUZ FIRE EQUIPMENT CO.	\$920.31
	Invoice	Date	Description		Amount
	110574	10/13/2023	Community Center Fire Extinguishers Services		\$689.77
	33994	10/13/2023	City Hall Fire Extinguisher Services		\$112.27
	33993	10/13/2023	PD Fire Extinguishers Services		\$68.27
	33997	10/13/2023	Museum Fire Extinguisher Services		\$50.00
105146	01/05/2024			SANTA CRUZ REGIONAL 911	\$149,093.25
	Invoice	Date	Description		Amount
	SCR121523	12/15/2023	FY23/24 Third Quarter Operating Contribution		\$149,093.25
105147	01/05/2024			SERVPRO OF PALO ALTO	\$755.00
	Invoice	Date	Description		Amount
	3862	12/05/2023	Bio Remediation for 211 on 11/15/2023		\$755.00



# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105148	01/05/2024			SESAC	\$581.00
	Invoice	Date	Description		Amount
	781626	01/01/2024	Annual music performance license		\$581.00
105149	01/05/2024			SIRCHIE	\$150.32
	Invoice	Date	Description		Amount
	0623032-IN	12/11/2023	Evidence and Property Supplies		\$150.32
105150	01/05/2024			SOQUEL CREEK WATER DISTRICT	\$1,653.68
	Invoice	Date	Description		Amount
	08-15299-0121823	12/18/2023	08-15299-00 Monterey Ave. water		\$52.34
	08-15562-0121823	12/18/2023	08-15562-00 Cliff and Fairview water service		\$52.34
	09-15964-0121823	12/18/2023	09-15964-00 Monterey Ave. Esplanade water		\$1,151.69
	10-16317-0122623	12/26/2023	10-16317-00 420 Capitola Ave. water		\$221.44
	10-16315-0122623	12/26/2023	10-16315-00 504 Beulah Dr. water		\$57.83
	10-16316-0122623	12/26/2023	10-16316-00 426 Capitola Ave. water		\$118.04
105151	01/05/2024			SPECTRUM BUSINESS	\$3,754.38
	Invoice	Date	Description		Amount
	170005701122123	12/21/2023	January internet service		\$3,754.38
			1000 - General Fund		\$1,644.56
			2211 - ISF - Information Technology		\$2,109.82
105152	01/05/2024			STAPLES ADVANTAGE	\$615.17
	Invoice	Date	Description		Amount
	3555620378	12/28/2023	Cups, Plates, Utensils, Napkins and Paper Towels		\$408.10
	3554477267	12/09/2023	Easymount Drywall Hook		\$122.89
	3554661253	12/13/2023	Duracell batteries		\$44.67
	3554661254	12/13/2023	Folders, file packets		\$39.51
			1000 - General Fund		\$530.99
			2210 - ISF - Stores Fund		\$84.18
105153	01/05/2024			STATE WATER RESOURCES CONTROL BOARD	\$2,509.00
	Invoice	Date	Description		Amount
	WD-0259152	12/15/2023	Soquel Creek Lagoon annual permit fee		\$2,509.00
105154	01/05/2024			TERRY EQUIPMENT INC.	\$982.44
	Invoice	Date	Description		Amount
	P16167	12/20/2023	Street Sweeper Parts		\$982.44
			1310 - Gas Tax		
105155	01/05/2024			THE HOME DEPOT PRO	\$3,364.18
	Invoice	Date	Description		Amount
	780354734	12/15/2023	Cleaning supplies		\$2,014.23
	781226212	12/21/2023	Cleaning supplies		\$1,349.95

# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105156	01/05/2024			TPX COMMUNICATIONS	\$1,653.76
	Invoice	Date	Description		Amount
	176484998-0	12/23/2023	December phone service		\$1,653.76
			1000 - General Fund		\$900.02
			2211 - ISF - Information Technology		\$753.74
105157	01/05/2024			UNITED WAY OF SANTA CRUZ COUNTY	\$30.00
	Invoice	Date	Description		Amount
	UW122923	12/29/2023	December United Way contributions		\$30.00
			1001 - Payroll Payables		
105158	01/05/2024			US BANK EQUIPMENT FINANCE	\$694.34
	Invoice	Date	Description		Amount
	517192803	12/05/2023	PD copier lease		\$204.93
	518546494	12/25/2023	City Hall Copier Lease		\$174.40
	518983853	12/29/2023	City Hall Copier Lease		\$315.01
			1000 - General Fund		\$204.93
			2210 - ISF - Stores Fund		\$489.41
105159	01/05/2024			US BANK PARS Acct 6746022400	\$505.63
	Invoice	Date	Description		Amount
	PARS122923	12/29/2023	PARS contributions PPE 12/23/23		\$505.63
			1001 - Payroll Payables		
105160	01/05/2024			WESTERN EXTERMINATOR COMPANY	\$87.60
	Invoice	Date	Description		Amount
	55406430	12/01/2023	December City Hall rodent control		\$87.60
105161	01/05/2024			ZEP SALES & SERVICE	\$319.59
	Invoice	Date	Description		Amount
	9009270105	12/08/2023	Zep write away - graffiti cleaner		\$319.59
105162	01/05/2024			Department of Alcoholic Beverage Control	\$3.49
	Invoice	Date	Description		Amount
	ABC120523	12/05/2023	Lunch at ABC Grant Conference		\$3.49
105163	01/05/2024			Liang, Ce	\$36.00
	Invoice	Date	Description		Amount
	CL120623	12/06/2023	Citation # 900128223		\$36.00
Type Check Totals:					\$267,549.96
<u>EFT</u>					
1639	01/02/2024			CalPERS Health Insurance	\$78,333.79
	Invoice	Date	Description		Amount
	1002527338	12/15/2023	January health insurance		\$78,333.79
			1000 - General Fund		\$4,385.53
			1001 - Payroll Payables		\$73,948.26



# City Checks Issued January 5, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
1646	01/03/2024			CalPERS Member Services Division	\$64,699.29
	Invoice	Date	Description		Amount
	100253829-32	12/29/2023	PERS contributions PPE 12/23/23		\$64,699.29
			1000 - General Fund		
			1001 - Payroll Payables		
1647	01/02/2024			EMPLOYMENT DEVELOPMENT DEPARTMENT	\$12,498.56
	Invoice	Date	Description		Amount
	0-162-908-688	12/29/2023	State taxes PPE 12/23/23 & final check		\$12,498.56
			1001 - Payroll Payables		
1648	01/02/2024			INTERNAL REVENUE SERVICE	\$40,529.47
	Invoice	Date	Description		Amount
	91944556	12/29/2023	Federal taxes & Medicare PPE 12/23/23 & final check		\$40,529.47
			1001 - Payroll Payables		
1649	01/02/2024			STATE DISBURSEMENT UNIT	\$1,662.91
	Invoice	Date	Description		Amount
	46685232	12/29/2023	Employee garnishments PPE 12/23/23		\$1,662.91
			1001 - Payroll Payables		
1650	01/03/2024			VOYA FINANCIAL	\$6,674.34
	Invoice	Date	Description		Amount
	VOYA122923	12/29/2023	Employee 457 contributions PPE 12/23/23		\$6,674.34
			1001 - Payroll Payables		
1651	12/26/2023			WEX HEALTH INC.	\$135.00
	Invoice	Date	Description		Amount
	0001849992-IN	11/30/2023	November COBRA and FSA admin.		\$135.00

Type EFT Totals: \$204,533.36

Main City Totals	Count	Total
Checks	69	\$267,549.96
EFTs	7	\$204,533.36
All	76	\$472,083.32

Payroll Totals	Count	Total
Checks	0	\$0.00
EFTs	96	\$205,598.79
All	96	\$205,598.79

Grand Totals:	Count	Total
Checks	69	\$267,549.96
EFTs	103	\$410,132.15
All	172	\$677,682.11

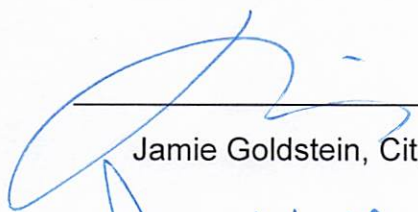
City main account checks dated January 12, 2024, numbered 105166 to 105249 totaling \$1,501,493.35, and 97 payroll EFTs totaling \$206,194.05 for a grand total of \$1,707,687.40, have been reviewed and authorized for distribution by the City Manager.

As of January 12, 2024, the unaudited cash balance is \$5,631,740.42.

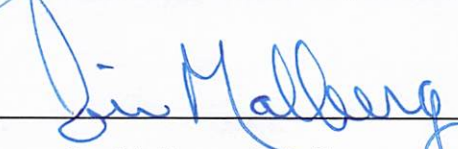
**CASH POSITION - CITY OF CAPITOLA  
January 12, 2024**

	<u>1/12/2024</u>
General Fund <sup>(1)</sup>	\$ (853,482.03)
Payroll Payables	\$ 179,696.68
Contingency Reserve Fund	\$ 2,192,345.66
PERS Contingency Fund	\$ 1,154,274.68
Emergency Reserve Fund	\$ 1,461,505.54
Facilities Reserve Fund	\$ 432,714.09
Capital Improvement Fund	\$ 629,068.03
Stores Fund	\$ 62,494.48
Information Technology Fund	\$ 241,618.56
Equipment Replacement	\$ 34,388.80
Self-Insurance Liability Fund	\$ (128,666.42)
Workers' Comp. Ins. Fund	\$ (105,103.71)
Compensated Absences Fund	\$ 330,886.06
<b>TOTAL AVAILABLE GENERAL FUNDS</b>	<u><u>\$ 5,631,740.42</u></u>

(1) Jan. 12th balance includes \$3.78 million non-current investments

  
 \_\_\_\_\_  
 Jamie Goldstein, City Manager

1/12/24  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Jim Malberg, City Treasurer

1/12/24  
 \_\_\_\_\_  
 Date

# City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105166	01/12/2024			ADT SECURITY SERVICES INC.	\$212.14
	Invoice	Date	Description		Amount
	ADT122923	12/29/2023	Corp. yard & museum ADT monitoring		\$212.14
105167	01/12/2024			AJ'S FUEL MARKET OF CAPITOLA INC	\$72.00
	Invoice	Date	Description		Amount
	AJ123123	12/31/2023	Carwash Closing Date 12/31/2023		\$72.00
105168	01/12/2024			ALBERTO GONZALEZ	\$2,283.08
	Invoice	Date	Description		Amount
	AG010424	01/04/2024	Wellness Funded Expense - Fitness Equipment		\$666.14
	AG102523	10/25/2023	Racial & Identity Profiling Training (POST Plan IV)		\$1,616.94
105169	01/12/2024			ALLIED UNIVERSAL	\$474.28
	Invoice	Date	Description		Amount
	15098474	01/04/2024	January 2024 Jade Street Park Patrol		\$474.28
105170	01/12/2024			AMAZON CAPITAL SERVICES	\$783.21
	Invoice	Date	Description		Amount
	1LJ3-DWKL-1XTX	01/03/2024	AA batteries		\$13.78
	1MML-FX6X-H3J6	01/06/2024	Decorations, table cloths, banner, plastic cups		\$89.06
	1CP3-7H69-KLXP	01/07/2024	Covid rapid tests		\$63.10
	1W1Q-VFP7-JR9R	01/07/2024	Coffee spoons, k cups, tissue holder stand		\$45.63
	1JG1-JHPW-KNFW	01/07/2024	Air filter		\$30.51
	1NM3-XL9M-4NX3	01/09/2024	Two way radio		\$170.02
	11TT-NNCV-FLXC	01/10/2024	Wet floor caution signs		\$120.93
	1GMK-9Y6W-CH3H	01/09/2024	Ergonomic keyboard		\$87.48
	19JM-YK33-CNMG	01/09/2024	California State and Federal Labor Laws Poster		\$162.70
			1000 - General Fund		\$511.93
			2210 - ISF - Stores Fund		\$183.80
			2211 - ISF - Information Technology		\$87.48
105171	01/12/2024			APTOS LANDSCAPE SUPPLY INC.	\$126.05
	Invoice	Date	Description		Amount
	622875	01/05/2024	Floral scissors, beach pebbles		\$126.05
105172	01/12/2024			ARON QUOLAS	\$537.21
	Invoice	Date	Description		Amount
	AQ123023	12/30/2023	Homicide Investigation (23C-01501)		\$90.31
	AQ010924	01/09/2024	Wellness Funded Expense - Whoop wellness band		\$446.90



# City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105173	01/12/2024			AT&T	\$8.73
	Invoice	Date	Description		Amount
	ATT010124	01/01/2024	January long distance charges		\$8.73
			1000 - General Fund		\$4.30
			2211 - ISF - Information Technology		\$4.43
105174	01/12/2024			AXCIENT	\$135.00
	Invoice	Date	Description		Amount
	FY23INEFI157633	12/31/2023	December AppAssure storage		\$135.00
			2211 - ISF - Information Technology		
105175	01/12/2024			B & B SMALL ENGINE REPAIR	\$5,360.54
	Invoice	Date	Description		Amount
	536043	12/22/2023	Lawn mowers, leaf blowers, hedger		\$5,360.54
105176	01/12/2024			BEAR ELECTRICAL SOLUTIONS INC.	\$4,396.70
	Invoice	Date	Description		Amount
	21199	12/28/2023	December traffic signal maintenance services - response		\$3,749.90
	21200	12/28/2023	December traffic signal maintenance services - routine		\$646.80
			1310 - Gas Tax		
105177	01/12/2024			BOONE LOW RATLIFF ARCHITECTS INC	\$31,409.23
	Invoice	Date	Description		Amount
	3946	01/02/2024	December Community Center renovation design services Phase I		\$10,195.16
	3947	01/02/2024	December Community Center renovation design services Phase II		\$21,214.07
			1200 - Capital Improvement Fund		
105178	01/12/2024			Bryan Pybas	\$60.00
	Invoice	Date	Description		Amount
	BP123123	12/31/2023	Instructor payment		\$60.00



# City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105179	01/12/2024			BURKE WILLIAMS AND SORENSEN LLP	\$44,775.99
	Invoice	Date	Description		Amount
	313360	12/27/2023	November Police Legal Services		\$129.55
	313359	12/27/2023	November Parks and Recreation Legal Services		\$1,595.00
	313358	12/27/2023	November Planning Legal Services		\$6,462.50
	313366	12/27/2023	November Litigation Legal Services		\$55.00
	313357	12/27/2023	November Capitola Mall Project Legal Services		\$392.00
	313356	12/27/2023	November City Attorney Services		\$20,629.44
	313367	12/27/2023	November 1098 38th Street Legal Services		\$4,116.00
	313365	12/27/2023	November Public Records Act Requests Legal Services		\$5,760.00
	313364	12/27/2023	November Fee Issues Legal Services		\$1,862.50
	313363	12/27/2023	November 4401 Capitola Road Legal Services		\$219.00
	313362	12/27/2023	November Labor Negotiations Legal Services		\$90.00
	313361	12/27/2023	November Public Works Legal Services		\$3,465.00
105180	01/12/2024			CARIN HANNA	\$6,565.35
	Invoice	Date	Description		Amount
	CH010724	01/07/2024	Sip and Stroll gift certificates reimbursement		\$4,400.00
	CH010824	01/08/2024	BIA Reimbursement 1321 - BIA - Capitola Village-Wharf BIA		\$2,165.35
105181	01/12/2024			CATTO'S GRAPHICS INC.	\$117.72
	Invoice	Date	Description		Amount
	105021	01/10/2024	Signs - Banner		\$117.72
105182	01/12/2024			CINTAS CORPORATION	\$334.60
	Invoice	Date	Description		Amount
	5191496827	01/04/2024	Corp yard first aid supplies		\$154.89
	5191295195	01/03/2024	Community Center first aid supplies		\$179.71
105183	01/12/2024			CLIFF SLOMA	\$773.62
	Invoice	Date	Description		Amount
	CS010424	01/04/2024	Wellness Funded Expense - Gym membership 1300 - SLESF - Supl Law Enfc		\$773.62
105184	01/12/2024			COOPER SANDEN	\$232.14
	Invoice	Date	Description		Amount
	CS011024	01/10/2024	Work boots reimbursement		\$232.14
105185	01/12/2024			CORODATA RECORDS MANAGEMENT, INC.	\$107.91
	Invoice	Date	Description		Amount
	RS3570303	12/31/2023	December records management		\$107.91

## City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105186	01/12/2024			CRYSTAL SPRINGS WATER CO.	\$250.75
	Invoice	Date	Description		Amount
	CSW123023	12/31/2023	December drinking water		\$250.75
105187	01/12/2024			D & G SANITATION	\$501.78
	Invoice	Date	Description		Amount
	303475	12/31/2023	December Skate park hand wash station, portable toilets		\$501.78
105188	01/12/2024			Division of the State Architect	\$180.40
	Invoice	Date	Description		Amount
	DSA123123	12/31/2023	October - December disability education & access fees		\$180.40
105189	01/12/2024			DIXON AND SON INC.	\$923.03
	Invoice	Date	Description		Amount
	33113	01/03/2024	New tires, tire install		\$923.03
105190	01/12/2024			EIDE BAILLY LLP	\$38,000.00
	Invoice	Date	Description		Amount
	EI01607261	12/31/2023	FY22/23 Audit Services		\$38,000.00
105191	01/12/2024			ENTERPRISE UAS, LLC	\$5,992.84
	Invoice	Date	Description		Amount
	5000144547	12/25/2023	DJI Mavic 3 Thermal Drone		\$5,992.84
			1300 - SLESF - Supl Law Enfc		
105192	01/12/2024			ENVIRONMENTAL INNOVATIONS INC.	\$2,707.05
	Invoice	Date	Description		Amount
	2377	01/05/2024	CalRecycle December outreach		\$2,707.05
105193	01/12/2024			EWING IRRIGATION	\$139.78
	Invoice	Date	Description		Amount
	21294268	12/20/2023	PVC adaptor, bushing		\$6.52
	21277996	12/18/2023	Scoop handle, bristle push brooms		\$133.26
105194	01/12/2024			EXCEEDIO	\$480.00
	Invoice	Date	Description		Amount
	14962	12/31/2023	Project labor services		\$480.00
			2211 - ISF - Information Technology		
105195	01/12/2024			EXTREME TOWING	\$380.00
	Invoice	Date	Description		Amount
	020386	01/02/2024	Tow for 23C-01501		\$380.00



# City Checks Issued January 12, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105196	01/12/2024			FERGUSON ENTERPRISES LLC #795	\$734.57
	Invoice	Date	Description		Amount
	4799871	01/03/2024	Battery sensor, urinal sensor		\$734.57
105197	01/12/2024			FLYERS ENERGY LLC	\$3,115.24
	Invoice	Date	Description		Amount
	24-001239	01/04/2024	226 Gallons Diesel		\$1,222.24
	24-001240	01/04/2024	400 gallons gasoline		\$1,893.00
105198	01/12/2024			GALLS LLC	\$422.08
	Invoice	Date	Description		Amount
	026577362	12/18/2023	Duty Boots and High Speed Gear HSGI		\$233.05
	026612030	12/21/2023	4-Pack Keepers		\$46.20
	026638126	12/27/2023	Shield Performance Softshell		\$142.83
105199	01/12/2024			GARDAWORLD	\$384.28
	Invoice	Date	Description		Amount
	10765887	01/01/2024	January 2024 Armored Transportation Service		\$384.28
105200	01/12/2024			GEORGE McMENAMIN	\$1,218.75
	Invoice	Date	Description		Amount
	GM010924	01/09/2024	Bay St. & Peery Park maintenance		\$1,218.75
105201	01/12/2024			GLADWELL GOVERNMENT SERVICES INC.	\$350.00
	Invoice	Date	Description		Amount
	5266	01/03/2024	Records retention legal review		\$350.00
105202	01/12/2024			GLOBAL INDUSTRIAL	\$6,136.01
	Invoice	Date	Description		Amount
	121352000	12/20/2023	Flashing LED Stop Signs		\$6,136.01
			1200 - Capital Improvement Fund		
105203	01/12/2024			HH ASSOCIATES US INC.	\$1,339.50
	Invoice	Date	Description		Amount
	5461957-1	12/18/2023	Notice to Appear Citations		\$1,339.50
105204	01/12/2024			HOME DEPOT CREDIT SERVICES	\$307.82
	Invoice	Date	Description		Amount
	5284623	01/02/2024	Brooms, buckets, flashlights, gold polish		\$143.51
	9513921	12/29/2023	Storage bin, Storage tote, tray, gloves		\$164.31
105205	01/12/2024			HOSE SHOP	\$197.35
	Invoice	Date	Description		Amount
	455945	12/04/2023	Crimp fitting		\$197.35

# City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105206	01/12/2024			HOUSING AUTHORITY OF SANTA CRUZ COUNTY	\$2,622.00
	Invoice	Date	Description		Amount
	24-06 CSD	01/09/2024	Security Deposit Program		\$2,622.00
			5552 - Cap Hsg Succ- Program Income		
105207	01/12/2024			HUMBOLDT PETROLEUM LLC	\$17.00
	Invoice	Date	Description		Amount
	INV-107070	12/31/2023	Carwash Closing Date 12/31/2023		\$17.00
105208	01/12/2024			INTERSTATE BATTERY SYSTEM OF SAN JOSE INC	\$137.11
	Invoice	Date	Description		Amount
	31028698	01/03/2024	Batteries		\$137.11
105209	01/12/2024			INTERSTATE TRAFFIC CONTROL PRODUCTS	\$1,767.62
	Invoice	Date	Description		Amount
	260893	01/04/2024	No parking signs		\$357.58
	260894	01/04/2024	No parking signs, Wharf closed signs		\$1,227.19
	260895	01/04/2024	Traffic sign		\$182.85
105210	01/12/2024			JESSICA KAHN	\$145.00
	Invoice	Date	Description		Amount
	JK010224	01/02/2024	Lunch for PW crew responding to flooding		\$145.00
105211	01/12/2024			KATHY D'ANGELO	\$900.00
	Invoice	Date	Description		Amount
	KD112423	11/24/2023	Jojo birthday celebration production		\$900.00
105212	01/12/2024			KBA Document Solutions LLC	\$30.63
	Invoice	Date	Description		Amount
	55Y1424142	01/02/2024	City Hall copier usage charges		\$30.63
			2211 - ISF - Information Technology		
105213	01/12/2024			KOSMONT COMPANIES	\$1,128.40
	Invoice	Date	Description		Amount
	2309.5-003	11/30/2023	Consulting services Capitola Mall		\$1,128.40
105214	01/12/2024			LAURA ALIOTO	\$52.50
	Invoice	Date	Description		Amount
	LA123123	12/31/2023	Instructor payment		\$52.50



# City Checks Issued January 12, 2024

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Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105215	01/12/2024			LEAGUE OF CALIFORNIA CITIES	\$5,585.00
	Invoice	Date	Description		Amount
	INV-11793-R7V2M2	01/01/2024	Membership dues for 2024		\$5,585.00
105216	01/12/2024			LEO MORENO	\$1,827.09
	Invoice	Date	Description		Amount
	LM010924	01/09/2024	Wellness Funded Expense - Mattress		\$909.09
	LM010824	01/08/2024	Education reimbursement		\$918.00
105217	01/12/2024			LINDE GAS & EQUIPMENT INC.	\$49.57
	Invoice	Date	Description		Amount
	40458693	01/10/2024	LGE package		\$49.57
105218	01/12/2024			LISA RUPP	\$1,690.00
	Invoice	Date	Description		Amount
	LMR010724	01/07/2024	Instructor payment		\$1,690.00
105219	01/12/2024			MBASIA	\$626,498.50
	Invoice	Date	Description		Amount
	240101-01	01/01/2024	Workers' comp. & liability insurance		\$626,498.50
			2213 - ISF - Self-Insurance Liability		\$280,241.50
			2214 - ISF - Workers Compensation		\$346,257.00
105220	01/12/2024			MBS BUSINESS SYSTEMS	\$629.48
	Invoice	Date	Description		Amount
	461436	12/21/2023	Copier Rate Charge for 10/1/23 - 12/31/23		\$629.48
105221	01/12/2024			MICHAEL G LEW	\$56.16
	Invoice	Date	Description		Amount
	ML123123	12/31/2023	Instructor payment		\$56.16
105222	01/12/2024			MICHELLE DAVEY-OUSE	\$78.00
	Invoice	Date	Description		Amount
	MDO123123	12/31/2023	Instructor payment		\$78.00
105223	01/12/2024			MISSION LINEN SUPPLY	\$331.82
	Invoice	Date	Description		Amount
	520768856	01/03/2024	Corp. Yard linen service		\$133.33
	520768855	01/03/2024	Fleet towels, uniform cleaning		\$34.98
	520814510	01/10/2024	Corp. Yard linen service		\$163.51
105224	01/12/2024			MONTEREY BAY AIR RESOURCES DISTRICT	\$450.00
	Invoice	Date	Description		Amount
	2012-122923	12/29/2023	Corp yard gasoline dispenser permit		\$450.00

## City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105225	01/12/2024			NAPA AUTO PARTS	\$64.45
	Invoice	Date	Description		Amount
	6841-125939	01/02/2024	Car cover		\$64.45
105226	01/12/2024			NATALIE XILONZOCHILT	\$434.91
	Invoice	Date	Description		Amount
	NX010424	01/04/2024	Wellness Funded Expense - Apple watch		\$434.91
			1300 - SLESF - Supl Law Enfc		
105227	01/12/2024			OUTDOOR SUPPLY HARDWARE	\$136.20
	Invoice	Date	Description		Amount
	I54136	11/30/2023	Buckets, headlamp, flashlights, batteries		\$136.20
105228	01/12/2024			PALACE BUSINESS SOLUTIONS	\$105.21
	Invoice	Date	Description		Amount
	2303320-0	12/04/2023	Adhesive pads		\$20.68
	2303898-0	12/06/2023	Copier paper		\$23.59
	2303956-0	12/06/2023	Clipboards		\$35.45
	2307554-0	12/20/2023	Dry erase markers		\$6.19
	2307426-1	12/29/2023	Calendar		\$19.30
			1000 - General Fund		\$39.98
			2210 - ISF - Stores Fund		\$65.23
105229	01/12/2024			PAVEMENT ENGINEERING INC.	\$425.00
	Invoice	Date	Description		Amount
	2401-040	01/08/2024	2024 Pavement Management services through 12/31/23		\$425.00
			1200 - Capital Improvement Fund		
105230	01/12/2024			PHIL ALLEGRI ELECTRIC INC.	\$150.00
	Invoice	Date	Description		Amount
	33493	01/10/2024	Troubleshoot sump pump		\$150.00
105231	01/12/2024			PHOENIX GROUP INFORMATION SYSTEMS	\$3,064.85
	Invoice	Date	Description		Amount
	112023070	01/02/2024	November 2023 Citation Processing		\$3,064.85
105232	01/12/2024			SANTA CRUZ AUTO PARTS INC.	\$203.23
	Invoice	Date	Description		Amount
	14508-486635	01/03/2024	Oil filters. prime guard, carb cleaner		\$203.23
105233	01/12/2024			SANTA CRUZ COUNTY TAX COLLECTOR	\$1,084.14
	Invoice	Date	Description		Amount
	2284119-2	01/08/2024	City Hall sanitation district charges		\$1,084.14

# City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105234	01/12/2024			SANTA CRUZ COUNTY TAX COLLECTOR	\$9,349.36
	Invoice	Date	Description		Amount
	2285495-2	01/08/2024	Esplanade sanitation district charges		\$9,349.36
105235	01/12/2024			SANTA CRUZ COUNTY TAX COLLECTOR	\$545.77
	Invoice	Date	Description		Amount
	2285476-2	01/08/2024	Library sanitation district charges		\$545.77
105236	01/12/2024			SANTA CRUZ COUNTY TAX COLLECTOR	\$1,284.74
	Invoice	Date	Description		Amount
	2286175-2	01/08/2024	Wharf sanitation district charges 1311 - Wharf		\$1,284.74
105237	01/12/2024			SCCRTC	\$639.88
	Invoice	Date	Description		Amount
	115	01/04/2024	RTC lease 194279 annual rent		\$639.88
105238	01/12/2024			TERRY EQUIPMENT INC.	\$652,315.52
	Invoice	Date	Description		Amount
	16379	12/28/2023	EV Street Sweeper 2212 - ISF - Equipment Replacement		\$652,315.52
105239	01/12/2024			THE PIN CENTER	\$649.00
	Invoice	Date	Description		Amount
	1223028	12/07/2023	Label pins		\$125.00
	0124021	01/04/2024	City of Capitola 75th Anniversary Pins		\$524.00
105240	01/12/2024			THE SIGN SHOP	\$1,950.00
	Invoice	Date	Description		Amount
	2053	01/05/2024	Single sided matte laminated digital print of Capitola Logo		\$1,950.00
105241	01/12/2024			TRANSPARENTSEA MEDIA CO.	\$5,068.00
	Invoice	Date	Description		Amount
	00038	01/01/2024	BIA marketing, website management, media boost		\$2,668.00
	2023-17	12/09/2023	Production, Post production & deliverables 1321 - BIA - Capitola Village-Wharf BIA		\$2,400.00
105242	01/12/2024			UNITED RENTALS (NORTH AMERICA) INC.	\$997.24
	Invoice	Date	Description		Amount
	228699724-001	01/05/2024	Mini excavator rental		\$997.24
105243	01/12/2024			US BANK	\$8,617.55
	Invoice	Date	Description		Amount
	15-103-224	01/01/2024	Pac Cove facility lease #CIEDB-BC15-103 A/C#207877000 1421 - Pac Cove Park		\$8,617.55



# City Checks Issued January 12, 2024

Item 8 B.

Check Number	Invoice Number	Invoice Date	Description	Payee Name	Transaction Amount
105244	01/12/2024			US BANK EQUIPMENT FINANCE	\$631.47
	Invoice	Date	Description		Amount
	519399042	01/04/2024	Recreation copier lease		\$205.61
	519491344	01/05/2024	PD copier lease		\$425.86
105245	01/12/2024			WITMER TYSON IMPORTS INC.	\$2,250.00
	Invoice	Date	Description		Amount
	T15183	12/15/2023	September 2023 K-9 Maintenance Training		\$750.00
	T15184	12/15/2023	October 2023 K-9 Maintenance Training		\$750.00
	T15185	12/15/2023	November 2023 K-9 Maintenance Training		\$750.00
105246	01/12/2024			ZACKARY CURRIER	\$3,897.53
	Invoice	Date	Description		Amount
	ZC123023	12/30/2023	Homicide Investigation (23C-01501)		\$3,897.53
105247	01/12/2024			BELLOWS PLUMBING, HEATING & AIR	\$137.89
	Invoice	Date	Description		Amount
	BP010824	01/08/2024	Permit 20230556 Refund		\$137.89
			1000 - General Fund		\$113.12
			1313 - General Plan Update and Maint		\$19.18
			1317 - Technology Fee Fund		\$5.59
105248	01/12/2024			City of Fresno	\$860.00
	Invoice	Date	Description		Amount
	20003978	10/04/2023	Jackie Yeung Rifle Marksmanship & Sniper Training		\$860.00
105249	01/12/2024			SUGAR BAKERY	\$108.80
	Invoice	Date	Description		Amount
	10381	01/09/2024	Cupcakes		\$108.80

Type Check Totals: \$1,501,493.35

Main City Totals	Count	Total
Checks	84	\$1,501,493.35
EFTs	0	\$0.00
All	84	\$1,501,493.35

Payroll Totals	Count	Total
Checks	0	\$0.00
EFTs	97	\$206,194.05
All	97	\$206,194.05

Grand Totals:	Count	Total
Checks	84	\$1,501,493.35
EFTs	97	\$206,194.05
All	181	\$1,707,687.40

# Capitola City Council

## Agenda Report



**Meeting:** January 25, 2024  
**From:** Public Works Department  
**Subject:** Capitola Wharf Resiliency Project Funding

**Recommended Action:** Adopt a resolution authorizing the acceptance of grant funds from the California Natural Resources Agency for the Capitola Wharf Resiliency and Public Access Project, authorizing the City Manager to execute the grant agreement on behalf of the City, and amending the FY 2023-24 Adopted Budget.

**Background:** The primary objective of the Wharf Phase 2 Project is to enhance the resilience of the most vulnerable section of the Wharf, which has suffered the most significant damage in the past. This involves widening the trestle portion and conducting structural repairs throughout. The project also addresses damages incurred during the storm event on January 5, 2023, particularly at the midspan and head of the structure, including decking, trestle, piles, lighting, and stairways. The widened trestle aims to mitigate future damage to the midspan of the Wharf. In July 2023, the City contracted Cushman Contracting to undertake the Wharf Resiliency Project, which began work in September and is currently underway.

Funding for the Wharf Phase 2 Project comes from various sources. The City secured grants for the project from the California Coastal Conservancy (CCC) in 2020 (\$1.3M) and HUD in 2022 (\$3.5M). The City's insurance claim payout for storm damage is estimated at \$1M. The remaining project funds are budgeted from Measure F and the General Fund.

This summer, with support from State Senator John Laird, State Assembly Bill 102 was passed, allocating \$500,000 for "Capitola Wharf Resiliency".

**Discussion:** To accept the funding, which will be administered by the California Natural Resources Agency (CNRA), the City Council must adopt a resolution authorizing the City Manager to accept the funding and sign a grant agreement with CNRA. The grant funding will contribute to the construction costs associated with the project.

**Fiscal Impact:** This will increase State Grant Funding in the FY 2023-24 Capital Improvement Program Adopted Budget by \$500,000. The adopted FY 2023-24 budget allocated \$8.9M for completion of construction of this project, bringing total project funding to \$9.4M.

There is no match associated with this grant funding. There are no fiscal impacts associated with the recommended action.

**California Environmental Quality Act (CEQA):** This action does not constitute a "project" pursuant to Section 15378 of the California Environmental Quality Act.

**Attachments:**

1. Resolution

**Report Prepared By:** Jessica Kahn, Public Works Director

**Reviewed By:** Julia Gautho, City Clerk; Jim Malberg, Finance Director

**Approved By:** Jamie Goldstein, City Manager

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
APPROVING THE ACCEPTANCE OF GENERAL FUND GRANT FUNDS FOR THE  
CAPITOLA WHARF RESILIENCY PROJECT AND AMENDING THE FY 2023-24 ADOPTED  
BUDGET**

**WHEREAS**, the Legislature and Governor of the State of California have approved a grant for the project shown above; and

**WHEREAS**, the California Natural Resources Agency has been delegated the responsibility for the administration of the grant project, setting up necessary procedures; and

**WHEREAS**, said procedures established by the California Natural Resources Agency require the Grantee to certify by resolution the approval of a Project Information Package before submission of said package to the State; and

**WHEREAS** the Grantee will enter into an agreement with the State of California for the above project:

**WHEREAS**, it is necessary to amend the Fiscal Year 2023-24 Adopted Capital Improvement Program Budget to include \$ 500,000 in grant funding from the California Natural Resources Agency.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Capitola:

1. Approves the acceptance of a general fund allocation for local assistance for the above project(s); and
2. Certifies that said agency understands the assurances and certification in the Project Information Form; and
3. Certifies that said agency will have sufficient funds to develop, operate and maintain the project consistent with the land tenure requirements of the Grant Agreement; or will secure the resources to do so; and
4. Certifies that said agency will comply with the provisions of Section 1771.5 of the California Labor Code.
5. If applicable, certifies that the project will comply with any laws and regulation including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable licenses and permits will have been obtained.
6. Certifies that said agency has reviewed and understands the General Provisions contained in the sample Grant Agreement contained in the Procedural Guide; and



- 7. Appoints the City Manager as agent to conduct all negotiations, execute and submit all documents including, but not limited to the Project Information Form, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).
- 8. Amend the Fiscal Year 2023-24 Capitola Wharf Resiliency and Public Access Project Capital Improvement Budget.

**I HEREBY CERTIFY** that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 25<sup>th</sup> of January, 2024 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Kristen Brown, Mayor

ATTEST:

\_\_\_\_\_  
Julia Gautho, City Clerk

# City of Capitola Budget Adjustment Form



Item 8 C.

Date 1/11/2024

Requesting Department Public Works

Administrative Council

Item # TBD  
 Council Date Jan. 25, 2024  
 Council Approval \_\_\_\_\_

Revenues		
Account #	Account Description	Increase/Decrease
1200-00-00-000-3320.200	State Grants	500,000
<b>Total</b>		<b>500,000</b>

Expenditures		
Account #	Account Description	Increase/Decrease
<b>Total</b>		<b>-</b>

**Net Impact** 500,000

Purpose: Accepting California Natural Resources Agency grant funding  
Capitola Wharf

Department Head Approval \_\_\_\_\_  
 Finance Department Approval \_\_\_\_\_  
 City Manager Approval \_\_\_\_\_

# Capitola City Council

## Agenda Report

**Meeting:** January 25, 2024

**From:** Public Works Department

**Subject:** Community Center Renovation Project Funding



**Recommended Action:** Adopt a resolution authorizing the acceptance of grant funds from the California Natural Resources Agency (CNRA) for the Community Center Renovation Project, authorizing the City Manager to execute the grant agreement on behalf of the City, and amending the FY 2023-24 Adopted Budget.

**Background:** On November 22, 2022, the City Council authorized the City Manager to sign a Long-Term Use Agreement (LTUA) between the City of Capitola and Soquel Union Elementary School District for the Jade Street Park Property, including the Capitola Community Center. The agreement requires the City to complete certain specific infrastructure improvements to the Community Center within four years. Additional “ancillary” improvements, such as replacement of flooring and partitions, are also specified as intended improvements to be made by the City. The City is currently under contract with Boone Low Ratliff Architects (BLRA) for the design of the remodel of the Community Center, inclusive of site analysis, preparation of conceptual design, and development of construction documents. The project received design approval from the Planning Commission on December 7, 2023.

On July 27, 2023, staff provided an update on the project budget, with a preliminary estimated construction cost of \$5M. Phase A will consist of the infrastructure improvements specified in the LTUA. These improvements are estimated at \$2.3M. Phase B will consist of the ancillary improvements specified in the LTUA. Phase B will be structured so that some, or all, of the improvements can be constructed within Phase A dependent on additional funding and bid pricing.

With support from State Assembly Member Dawn Addis, State Assembly Bill 102 was passed this summer, which allocated an additional \$1,000,000 for this project.

**Discussion:** To accept the additional funding, which will be administered by the California Natural Resources Agency (CNRA), the City Council must adopt a resolution authorizing the City Manager to accept the funding and sign a grant agreement with CNRA. The grant funding will contribute to the construction costs associated with the project.

In addition to State funding allocations, staff is in the process of preparing an application for Community Development Block Grant (CDBG) funding in a maximum amount of \$3.5M. Staff anticipates the Notices of Funding Availability for 2024 will be issued in the coming week. If unsuccessful in the current round, the City may reapply this fall. As required by the CDBG program, a public hearing on the CDBG application will be held and a resolution brought to the City Council for approval before application submittal.

**Fiscal Impact:** This will increase State Grant Funding in the FY 2023-24 Capital Improvement Program Adopted Budget by \$1,000,000. The adopted FY 2023-24 Budget allocated \$1.65M for completion of design and construction of this project, bringing total project funding to \$2.65M.

There is no match associated with this grant funding. There are no fiscal impacts associated with the recommended action.

**California Environmental Quality Act (CEQA):** This action does not constitute a “project” pursuant to Section 15378 of the California Environmental Quality Act.

### Attachments:

1. Resolution



Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk; Jim Malberg, Finance Director

Approved By: Jamie Goldstein, City Manager

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA  
APPROVING THE ACCEPTANCE OF GENERAL FUND GRANT FUNDS FOR THE  
COMMUNITY CENTER RENOVATION PROJECT AND AMENDING THE FY 2023-24  
ADOPTED BUDGET**

**WHEREAS**, the Legislature and Governor of the State of California have approved a grant for the project shown above; and

**WHEREAS**, the California Natural Resources Agency has been delegated the responsibility for the administration of the grant project, setting up necessary procedures; and

**WHEREAS**, said procedures established by the California Natural Resources Agency require the Grantee to certify by resolution the approval of a Project Information Package before submission of said package to the State; and

**WHEREAS** the Grantee will enter into an agreement with the State of California for the above project:

**WHEREAS**, it is necessary to amend the Fiscal Year 2023-24 Adopted Capital Improvement Program Budget to include \$1,000,000 in grant funding from the California Natural Resources Agency.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Capitola:

1. Approves the acceptance of a general fund allocation for local assistance for the above project(s); and
2. Certifies that said agency understands the assurances and certification in the Project Information Form; and
3. Certifies that said agency will have sufficient funds to develop, operate and maintain the project consistent with the land tenure requirements of the Grant Agreement; or will secure the resources to do so; and
4. Certifies that said agency will comply with the provisions of Section 1771.5 of the California Labor Code.
5. If applicable, certifies that the project will comply with any laws and regulation including, but not limited to, the California Environmental Quality Act (CEQA), legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable licenses and permits will have been obtained.
6. Certifies that said agency has reviewed and understands the General Provisions contained in the sample Grant Agreement contained in the Procedural Guide; and

7. Appoints the City Manager as agent to conduct all negotiations, execute and submit all documents including, but not limited to the Project Information Form, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned project(s).
8. Amend the Fiscal Year 2023-24 Community Center Renovation Project Capital Improvement Budget.

**I HEREBY CERTIFY** that the above and foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 25<sup>th</sup> of January, 2024 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Kristen Brown, Mayor

ATTEST:

\_\_\_\_\_  
Julia Gautho, City Clerk



**City of Capitola Budget Adjustment Form**



Item 8 D.

Date 1/11/2024

Requesting Department Public Works

Administrative Council

Item # TBD  
 Council Date Jan. 25, 2024  
 Council Approval \_\_\_\_\_

Revenues		
Account #	Account Description	Increase/Decrease
1200-00-00-000-3320.200	State Grants	1,000,000
<b>Total</b>		<b>1,000,000</b>

Expenditures		
Account #	Account Description	Increase/Decrease
<b>Total</b>		<b>-</b>

**Net Impact** 1,000,000

Purpose: Accepting California Natural Resources Agency grant funding  
Community Center

Department Head Approval \_\_\_\_\_  
 Finance Department Approval *Jim Mallory*  
 City Manager Approval \_\_\_\_\_

# Capitola City Council

## Agenda Report



**Meeting:** January 25, 2023

**From:** Public Works Department

**Subject:** Stockton Bridge Debris Mitigation Project Design

**Recommended Action:** Authorize the City Manager to execute a Professional Services Agreement with CSW/Stuber-Stroeh Engineering Group, Inc. in an amount not to exceed \$125,343 to conduct a comprehensive feasibility study and create design documents for mitigating debris on Stockton Bridge in substantially similar form, as approved by the City Attorney, as the attached agreement.

**Background:** The Stockton Avenue Bridge, constructed in 1934, is a beam bridge with three openings and two support piers. It spans Soquel Creek and is the furthest downstream bridge of the Creek. Soquel Creek is prone to large woody debris, which historically causes flooding by blocking bridges. Unlike the upstream bridges at Soquel Drive and Highway 1, the Stockton Avenue Bridge has smaller spans, increasing the risk of debris accumulation and flooding.

Due to its vulnerability, the Stockton Avenue Bridge is identified as a critical at-risk facility in the City's 2013 Local Hazard Mitigation Plan (LHMP). In 2016, a due diligence memorandum was completed to assess the potential impact of debris flow on the bridge during a catastrophic flooding event. The memorandum recommended the installation of debris fins to guide debris through the larger center span of the bridge.

The development of a debris mitigation project for the Stockton Avenue Bridge involves conducting a feasibility study and detailed site study, including a hydraulic model, evaluation of alternative debris control measures, consideration of permits, infrastructure requirements, and cost analysis. The FY 2022-23 Budget allocated \$350,000 for the initial phase of the "Stockton Bridge Reinforcement Project." With support from State Senator John Laird, State Assembly Bill 102 was passed this summer, which allocated \$500,000 for this project.

**Discussion:** Staff issued a request for proposals (RFP) for a project engineer on December 5, 2023. The RFP was advertised on the City's website, on industry sites, and through direct solicitation of experienced firms in order to solicit qualified consultants. CSW/Stuber-Stroeh Engineering Group, Inc. (CSW/ST2) submitted the only response by the January 11, 2024, deadline (Attachment 1). Staff interviewed the consultant and contacted their references. CSW/ST2 has successfully completed several similar projects along the coastal areas of California. CSW/ST2 is also the consultant completing the planning, permitting, and design services for the Cliff Drive Resiliency Project.

**Fiscal Impact:** On August 24, 2023, the City Council accepted \$500,000 in grant funds from the California Department of Water Resources (CDWR) for the Stockton Bridge Debris Mitigation Project. The adopted FY 2022-23 budget allocated \$350,000 for the initial phase of the "Stockton Bridge Reinforcement Project," bringing total project funding to \$850,000. Sufficient funds are available for approval of this Professional Services Agreement.

**California Environmental Quality Act (CEQA):** This action does not constitute a "project" pursuant to Section 15378 of the California Environmental Quality Act.

**Attachments:**

1. Project Proposal CSW/ST2
2. Draft Agreement

**Report Prepared By:** Jessica Kahn, Public Works Director

**Reviewed By:** Julia Gautho, City Clerk; Jim Malberg, Finance Director

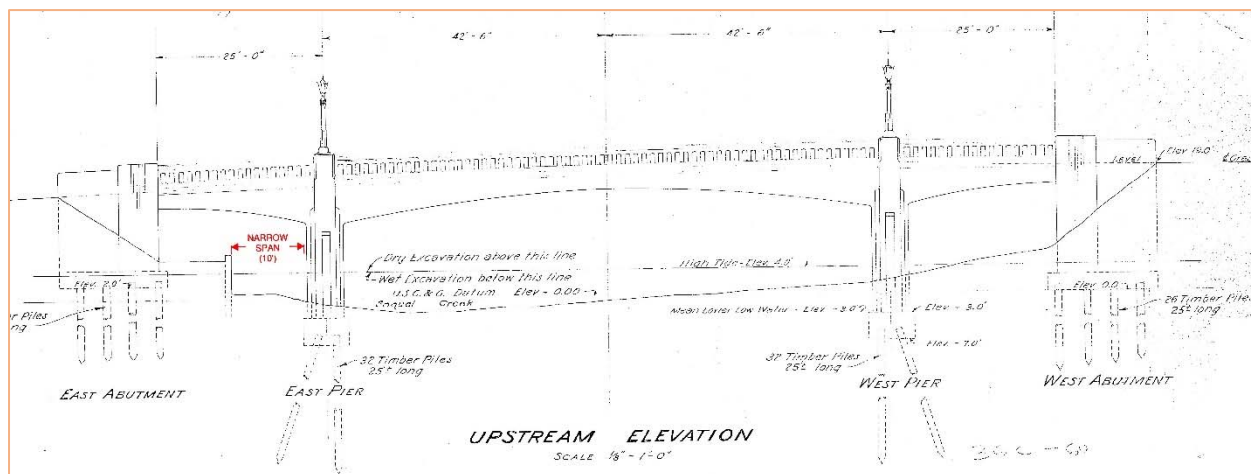
Approved By: Jamie Goldstein, City Manager



## WORK PLAN

Stockton Avenue Bridge is located in the lower reaches of the Soquel Creek Watershed, which is located between the cities of Santa Cruz and Watsonville. Soquel Creek watershed drains an area of approximately 42 square miles. The watershed is comprised of urban development, rural residential development, agriculture, parks and recreation, and mining and timber harvesting. The Village, a cultural and business center in Capitola, is located at the terminus of Soquel Creek, where it enters the Pacific Ocean.

The Stockton Avenue Bridge and low lying Capitola Village are located in the flood zone. Storm events can result in a significant amount of large woody debris (LWD), which can get blocked at the Stockton Bridge and further exacerbate flood conditions. LWD is important to the ecology of rivers and streams, however to mitigate and reduce the risk to flooding, LWD is typically removed. Removal is a costly and annual maintenance issue. To address flooding risks at Stockton Avenue Bridge, which has a history of LWD-related flooding, a LWD-passing approach rather than removal is suggested in the 2011 UC Berkeley study titled "Large Woody Debris in Urban Stream Channels: Redefining the Problem." The study identifies the average tree length in the watershed is between 15 and 30 feet long. The narrows clear span of the bridge piers is 10 feet. This appears to cause buildup of debris that can span the whole creek width and cause significant flooding to the Capitola Village.



The 2016 Due Diligence memorandum, prepared by Kimley Horn, identified four potential debris control countermeasures: debris sweeper, debris fins, debris deflectors and bridge replacement.

Our scope of work generally follows the City's proposed work plan, however, we have identified potential additional scope for environmental permitting that is not covered in our scope of work. Soquel Creek is both a water of the United States and California and located within the California Coastal Zone. Any work proposed below the ordinary high water line will require permits from both State and Federal agencies including:

- Central Coast Regional Water Quality Control Board Clean Water Act Section 401 Water Quality Certification.
- California Department of Fish and Wildlife Section 1602 Streambed Alteration Agreement
- Army Corps of Engineers Rivers and Harbor Act Section 10 Permit
- Based on the result of a habitat assessment, Biological Opinions may also be needed from United States Fish and Wildlife Service and National Marine Fisheries Service.
- Coastal Development Permit

The following scope of work separates the project into two tasks which are summarize as follows:

**Phase 1.** Under this task we will evaluate the debris mitigation measures for constructability, cost, effectiveness, and hydraulics. We will develop reports and 35% conceptual plans depicting the preferred debris mitigation measure.

**Phase 2.** In this phase we will perform final design of the preferred debris mitigation measures sufficient for contract bidding. We assume that if bridge replacement is the preferred method of debris mitigation then the design work will be addressed under a separate contract and exclude it from this scope of work.

Our scope of work to support the debris mitigation at Stockton Street Bridge includes the following elements:

### **PHASE 1: Concept Design & Preliminary Design Engineering Services**

*In this initial phase, our team will work with City staff to review project goals and develop a process for stakeholder outreach.*

**1.1 Project Kickoff.** Key members of our team will meet with City staff to review the goals and objectives of the project. During this meeting, we will review opportunities to finalize the schedule for Phase 1.

**1.2 Data Collection.** Our team will perform a site visit to assess the existing conditions and review all documents prepared by Capitola, Santa Cruz County, FEMA and other agencies.

**1.3 Hydraulic Model.** The most recent modeling performed for Soquel Creek, according to the 2017 Federal Emergency Management Agency (FEMA) Flood Insurance Study (FIS) for Santa Cruz County, CA, was done in 1983 and consisted of the United States Army Corps of Engineers (USACE) Hydraulic Engineering Center (HEC) HEC-2 model, and was based upon 1978 aerial topography of 4' contour interval. It will be more efficient and better suited to the goal of the analysis, to create a new model based on current available topographic elevation reflecting contemporary development and terrain conditions, rather than submitting a record request to FEMA for the 1983 model.

A 1D/2D model will be developed using the USACE Hydraulic Engineering Center River Analysis System (HEC-RAS) to evaluate hydraulic conditions upstream and downstream of the bridge, vertical clearance under the bridge, and possible floating debris flow paths. Channel information will be drawn from 2'-interval contours available from Santa Cruz County Geographic Information Services. Dimensions for the Stockton Bridge will be pulled from the 1933 structural plans. 10- and 100-year flow information and channel roughness from the FIS will be used.

- 1.4 Geotechnical Assessment.** ENGEO will review the as-built bridge drawings and attend the site visit under Task 1.2. ENGEO will provide a geotechnical assessment of the four (4) debris counter measures and their associated geotechnical impact on the existing bridge. Phase 2 geotechnical work is assumed to be covered under a separate contract.
- 1.5 Structural Assessment.** Biggs Cardosa Associates will review the as-built bridge drawings and attend the site visit under Task 1.2. They will prepare an assessment of the structural condition of the bridge to support the four (4) debris counter measures.
- 1.6 Biological Resources & Permitting Strategies.** Denise Duffy & Associates will prepare a Biological Technical Memorandum and Wetland Delineation. The Biological Technical Memorandum will evaluate up to three potential debris mitigation solutions and will include a discussion of the applicable natural resource agency permits that may be required to construct the solutions. The Wetland Delineation will be of sufficient content to secure a jurisdictional determination from the Army Corps of Engineers. Denise Duffy & Associates will prepare a memorandum outlining necessary environmental permits and strategies to obtain permitting, this scope assumes consultant services for environmental permitting will be covered under a separate scope.
- 1.7 Bridge Pier Debris Mitigation Feasibility Report.** We will prepare a feasibility report summarizing the site conditions, debris control measure alternatives assessed, evaluation of the debris control measures, permitting requirements, infrastructure assessment, geotechnical assessment, and cost analysis.
- 1.8 Preliminary Engineering Design Report.** We will prepare a report that summarizes our findings and recommendations outlined in the Bridge Pier Debris Mitigation Feasibility report completed as part of Task 1.4. The report will include analysis of each debris mitigation measure, cost estimate and 35% conceptual plan of the recommended debris mitigation measure.
- 1.9 Presentation to Council.** Our team will present the findings of the Preliminary Engineering Design Report to the Council.
- 1.10 Contract Management.** CSW/ST2 will be responsible for overall management of our design team including the following:
- A. Project Management.** We will manage the design team as well as track progress, schedule, and budget. We will be responsible for documenting decisions and keeping an official record of the project. Furthermore, we will submit monthly progress reports identifying tasks completed, budget status, and issues status.
  - B. Quality Control/ Assurance.** We will perform an independent quality control review of the team's documents prior to submittal.
  - C. Meetings.** In addition to the kickoff meeting, we will attend two meetings during this phase to coordinate the activity.

## **PHASE 2. Final Design**

*Objective: With the conclusion of the environmental review process, our team will prepare final documents for use in bidding and construction. We assume that if bridge replacement is the preferred method of debris mitigation then the final design will be addressed under a separate contract.*



**7.1 Final Design.** Our team will prepare final documents at the 65%, 95%, and final level of design including the following:

- A.** Plans
  - i. Title sheet and vicinity map
  - ii. Resource Protection Plan
  - iii. Site Clearing Plan
  - iv. Debris Mitigation Layout Plan and Sections
  - v. Details
  - vi. Erosion Control Plan
- B.** Structural calculations, as needed
- C.** Specifications and bid schedule consistent with the Capitola's standards with modifications for federal funding should it be available.
- D.** Recommended Construction Schedule
- E.** Storm Water Pollution and Prevention Plan, as needed
- F.** Water Quality Management Plan, as needed
- G.** Cost estimate and bid schedule

**7.2 Contract Management.** CSW/ST2 will complete the tasks as defined in Task 1 as well as attend two (2) meetings during this phase.

**Key Deliverables.** We will provide electronic (PDF and native format) of the following documents:

- a. Plans, specifications, and support documents in PDF and hardcopy formats
- b. Final documents in PDF, hardcopy, and AutoCAD format

ID	Task Name	Duration	Start	Finish	2024	2025
1	<b>Stockton Bridge Debris Mitigation Project</b>	<b>365 days</b>	<b>Thu 2/15/24</b>	<b>Wed 7/9/25</b>	Jan	Jan
2	Notice to Proceed	0 days	Thu 2/15/24	Thu 2/15/24	Feb	Feb
3	<b>Phase 1 Preliminary Engineering &amp; Conceptual</b>	<b>149 days</b>	<b>Thu 2/15/24</b>	<b>Tue 9/10/24</b>	Mar	Mar
4	Kick off Meeting	1 day	Thu 2/15/24	Thu 2/15/24	Feb	Feb
5	Data Collection	14 days	Fri 2/16/24	Wed 3/6/24	Feb	Feb
6	Hydraulic Modeling	60 days	Thu 3/7/24	Wed 5/29/24	Mar	Mar
7	Geotechnical Assesment	30 days	Thu 3/7/24	Wed 4/17/24	Mar	Mar
8	Biological Resources & Permitting Strategie	60 days	Thu 3/7/24	Wed 5/29/24	Mar	Mar
9	Structural Assesment	30 days	Thu 3/7/24	Wed 4/17/24	Mar	Mar
10	Bridge Pier Debris Mitigation Feasibility Rep	14 days	Thu 5/30/24	Tue 6/18/24	May	May
11	Preliminary Engineering Design Report & 35% Concept Plans	40 days	Wed 6/19/24	Tue 8/13/24	Jun	Jun
12	Staff Review	14 days	Wed 8/14/24	Mon 9/2/24	Aug	Aug
13	Presentation to Council	1 day	Tue 9/10/24	Tue 9/10/24	Sep	Sep
14	<b>Environmental Permitting (not in scope)</b>	<b>198 days</b>	<b>Thu 5/30/24</b>	<b>Mon 3/3/25</b>	May	May
15	<b>Phase 2 Final Design</b>	<b>102 days</b>	<b>Wed 9/18/24</b>	<b>Thu 2/6/25</b>	Oct	Oct
16	Prepare 65% PSE	30 days	Wed 9/18/24	Tue 10/29/24	Oct	Oct
17	Staff Review	14 days	Wed 10/30/24	Mon 11/18/24	Nov	Nov
18	Coordination Meeting	0 days	Mon 11/18/24	Mon 11/18/24	Nov	Nov
19	Prepare 95% PSE	30 days	Tue 11/19/24	Mon 12/30/24	Dec	Dec
20	Staff Review	14 days	Tue 12/31/24	Fri 1/17/25	Jan	Jan
21	Coordination Meeting	0 days	Fri 1/17/25	Fri 1/17/25	Jan	Jan
22	Prepare 100% PSE	14 days	Mon 1/20/25	Thu 2/6/25	Jan	Jan
23	Project ready for Bidding	0 days	Thu 2/6/25	Thu 2/6/25	Feb	Feb



Project: mspj11  
Date: Tue 1/9/24

Task	Project Summary	Inactive Milestone	Deadline
Split	External Tasks	Inactive Summary	Progress
Milestone	External Milestone	Manual Task	Manual Progress
Summary	Inactive Task	Duration-only	

**CITY OF CAPITOLA  
PROFESSIONAL SERVICES AGREEMENT  
Community Center Renovation Project  
Boone Low Ratliff Architects, Inc.**

THIS AGREEMENT is entered into on January 25, 2024, by and between the City of Capitola, a Municipal Corporation, hereinafter called "City" and CSW/Stuber-Stroeh Engineering Group, 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 are for the Stockton Bridge Debris Mitigation Project and further detailed in Appendix One.

**SECTION 2  
Duties of Consultant**

In providing services under this Agreement, Consultant shall perform, consistent with but limited to, that degree of skill and care ordinarily used by other reputable members of Consultants profession, practicing in the same or similar locality and under similar circumstances. ("Standard of Care") Consultant makes no warranties, guarantees, express or implied, under this Agreement or otherwise in connection with consultants' services except that the services will be performed consistent with the standard of care stipulated herein."

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 Public Works 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. City shall not control or direct the manner in which the services are to be performed. However, 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 if 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 February 15, 2024.

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  
Insurance**

Consultant shall procure and maintain for the duration of the contract and for \_\_\_ years thereafter, 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 General Liability coverage (Occurrence Form CG 0001, or insurer's equivalent).
2. Insurance Services office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto) , or insurer's equivalent.
3. Workers' Compensation insurance as required by the State of California, and Employer's Liability Insurance.
4. Professional (Errors and Omissions) Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage shall include limited contractual liability.

***Minimum Limits of Insurance***

Consultant shall maintain limits no less than:

- |  |   |
|--|---|
| 1. General Liability:<br>(including operations,<br>products and completed<br>operations) | <b>\$1,000,000</b> per occurrence and <b>\$2,000,000</b> in<br>aggregate (including operations, for bodily injury,<br>personal and property damage. |
| 2. Automobile Liability:   | <b>\$1,000,000</b> per accident for bodily injury and<br>property damage.   |
| 3. Employer's Liability Insurance  | <b>\$1,000,000 per accident for bodily injury and<br/>property damage.</b>  |
| 4. Errors and Omissions<br>Liability:<br>Limits  | <b>\$1,000,000</b> per claim and <b>\$2,000,000</b> in the<br>aggregate.  |

***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 except after prior written notice has been given to the City.
4. If Consultant has no owned autos, Code 8 (hired) and Code 9 (non-owned) satisfies the requirement.

**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.

**Waiver of Subrogation**

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Capitola** for all work performed by the Contractor, its employees, agents and subcontractors.

**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**

For General Services: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the City, its directors, officers, employees from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses (including attorneys' fees and costs) arising from the acts or omissions of Consultant's employees or agents in any way related to the obligations or in the performance of services under this Agreement, except for design professional services as defined in Civil Code § 2782.8, and except where caused by the sole or active negligence, or willful misconduct of the City.

For Design Professional Services under Civil Code §2782.8: To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless the City, its directors, officers, and employees

from and against any and all claims, demands, actions, liabilities, damages, or expenses (including attorneys' fees and costs) but only to the extent actually caused by the negligence, recklessness, or willful misconduct of the Consultant, Consultant's employees, or agents in any way related to the obligations or in the performance of design professional services under this Agreement as defined in Civil Code §2782.8, except where caused by the sole or active negligence, or willful misconduct of the City. The costs to defend charged to the Consultant relating to design professional services shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8. and against all claims, damages, losses, and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the Consultant, Consultant's employees, agents or subcontractors, except where caused by the active negligence, sole negligence, or willful misconduct of the City.

**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, tenure or terms and conditions of employment. Consultant agrees to abide by all of 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. 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 12**  
**Assignment**

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

**SECTION 13**  
**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 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 thereby represents that he or she has an established trade, occupation, or business in the same nature of services Consultant is performing under this Agreement. 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. *Ownership of Material.* Any reports and other material prepared by or on behalf of CONSULTANT under this Agreement (collectively, the "Documents") shall be and remain the property of CONSULTANT, and made available to the City upon request. All Documents not already provided to CITY shall be delivered to CITY on the date of termination of this Agreement for any reason. The Documents may be used by CITY and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes CITY may deem appropriate without further employment of or payment of any compensation to CONSULTANT. 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. Consultant expressly warrants not to represent, at any time or in any manner, that Consultant is an employee of the City.

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

CONSULTANT  
Boone Low Ratliff Architects  
2837 Mission Street,  
Santa Cruz CA 95060  
831-423-1316

By: \_\_\_\_\_  
Benjamin Goldstein, City Manager

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Samantha W. Zutler, City Attorney

**APPENDIX ONE**  
**Scope of Services**

## **APPENDIX TWO Fees and Payments**

For the services performed, City will pay consultant on a not-to-exceed, lump sum basis upon satisfactory completion of the services and delivery of work products. Payments will be issued monthly as charges accrue.

Consultant hereby represents and warrants, based upon Consultant's independent determination of the time and labor, which will be required to perform said services, that Consultant will provide all said services at a cost which will not exceed the maximum price set forth in this agreement for Consultant's services. Consultant hereby assumes the risk that Consultant will perform said services within this maximum price constraint and Consultant acknowledges that its inability to do so shall not excuse completion of the services and shall not provide a basis for additional compensation.

Expenses may 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.

In no event shall the total fee charged for the scope of work set forth in Appendix One exceed the total budget of \$ 125,343 (One Hundred Twenty-Five Thousand Three Hundred Forty-Three Dollars and Zero Cents), 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 a brief description of the services performed, the date the services were performed, the hours spent and by whom, and a brief description of the actual costs and expenses incurred. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person. 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 Verde Design, Inc, that the charge of \$125,343 as summarized above and shown in detail on the attachments is fair and reasonable, is in accordance with the terms of the Agreement dated January 25, 2024 and has not been previously paid."



# Capitola City Council

## Agenda Report



**Meeting:** January 25, 2024

**From:** City Manager Department

**Subject:** New Brighton Middle School Field Restoration Project

**Recommended Action:** Receive presentation regarding New Brighton Middle School Field Restoration Project.

**Background:** The Soquel Union Elementary School District (District), and New Brighton Middle School (NBMS) specifically, pride themselves in holistically supporting child development. Physical fitness and athletic competition opportunities constitute part of the “whole child” education mindset.

The Physical Education (PE) Team at NBMS is an award-winning team of teachers. The NBMS Athletic Director spearheads interscholastic opportunities in multiple competitive sports for NBMS students of all ages and genders. With all this in mind, the District seeks to continuously improve their facilities. In recent years, the gymnasium has been refurbished and they have added modern locker rooms for PE classes.

**Discussion:** The District’s next planned improvement aimed at physical fitness is to create a modern playing field at NBMS. The fields at NBMS were prioritized as all the District’s students eventually attend NBMS and the school supports interscholastic competitive sports programs.

The District has developed a conceptual design for a field renovation project, which includes a regulation sized all-weather soccer field and running track. The project is expected to involve the utilization of a few thousand square feet of the City’s Monterey Park. The City and the District are in discussions about how best to facilitate this partnership project, including potentially swapping portions of property.

At the City Council meeting, District staff will present information about the nuts and bolts of the field project, outline the input received on the project, and describe plans to share information and seek input moving forward.

**Fiscal Impact:** None, this item is informational only.

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**Attachments:**

1. New Brighton Middle School Field Restoration Project Overview

**Report Prepared By:** Jamie Goldstein, City Manager

**Reviewed By:** Julia Gautho, City Clerk

**Approved By:** Jamie Goldstein, City Manager



SEPTEMBER 25, 2023

NEW BRIGHTON MIDDLE SCHOOL JOINT-USE TRACK & FIELD - OPTION 1

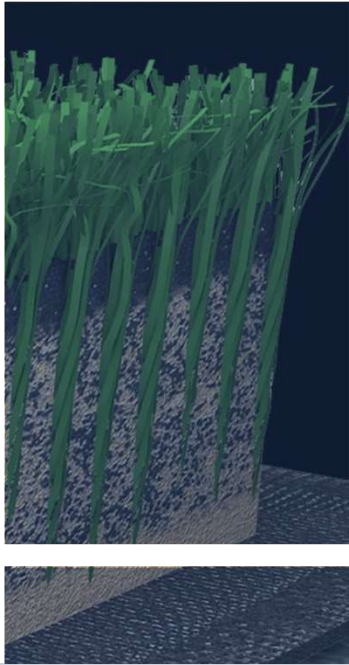
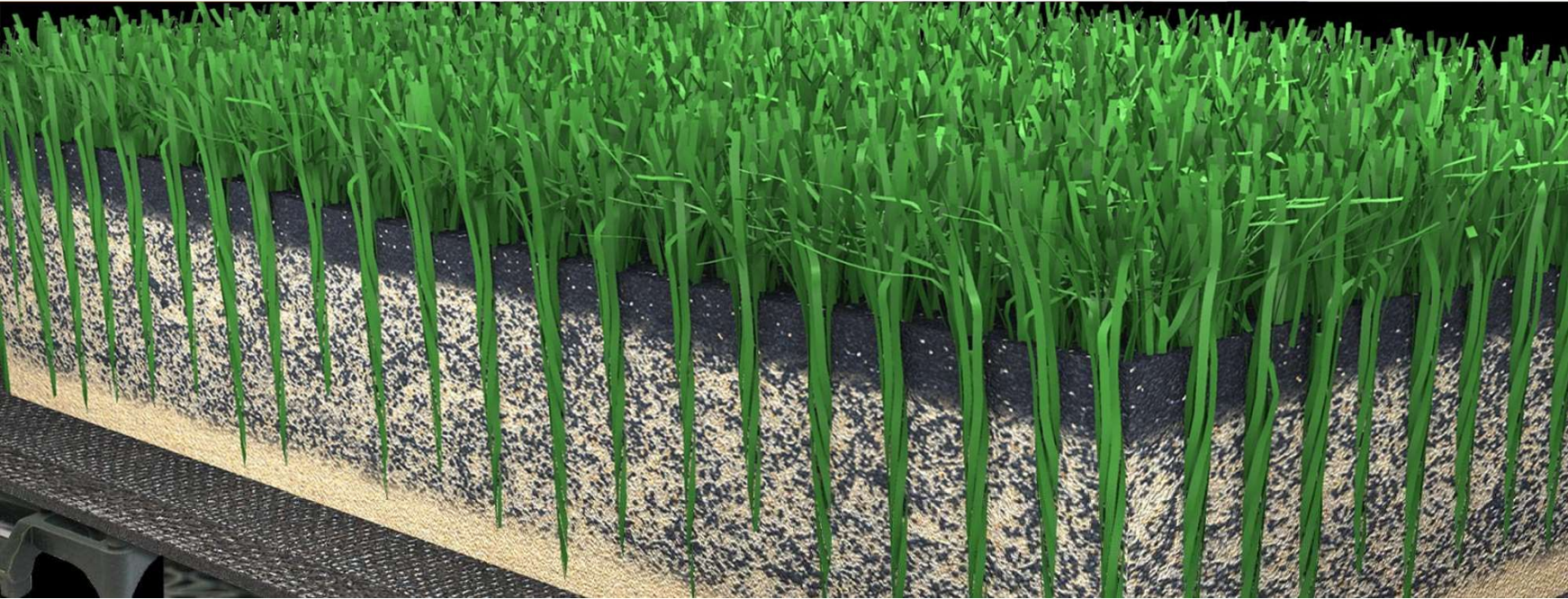
SOQUEL UNION ELEMENTARY SCHOOL DISTRICT

nine  
teen  
SIX  
ARCHITECTS



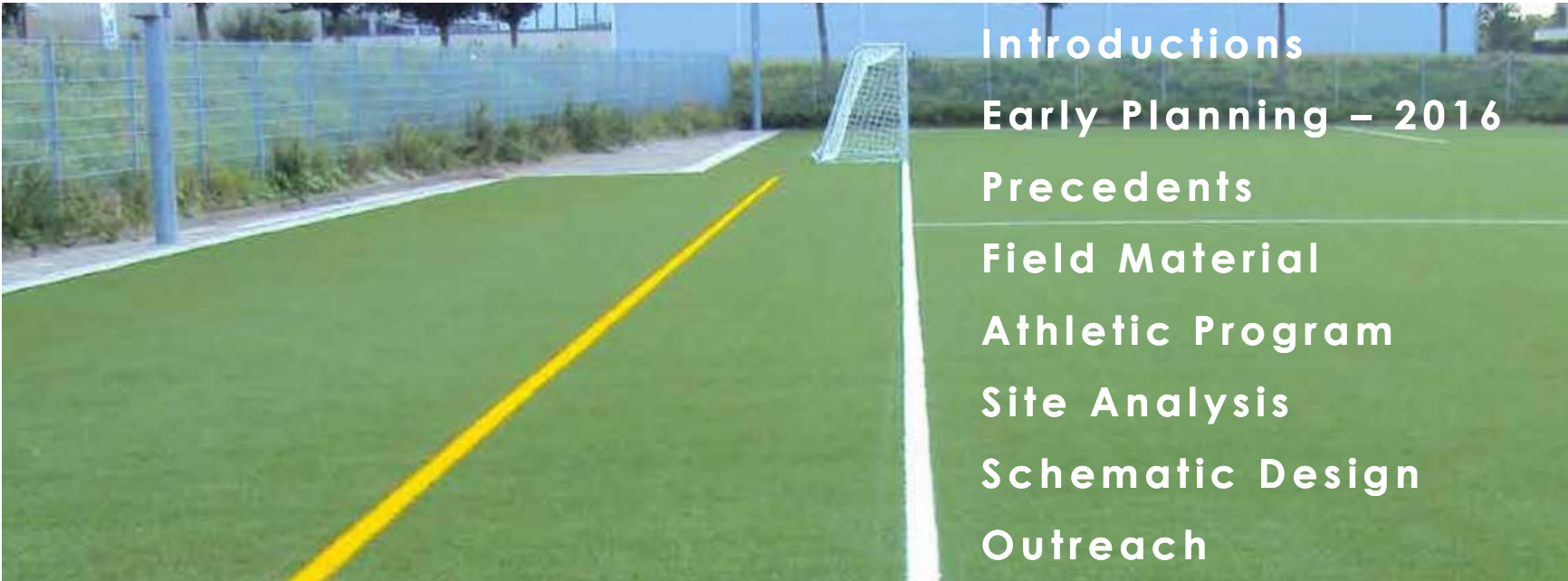


# NEW BRIGHTON FIELD RESURFACING



CITY OF CAPITOLA MEETING – JANUARY 25<sup>TH</sup> 2024

# AGENDA



- Introductions
- Early Planning – 2016
- Precedents
- Field Material
- Athletic Program
- Site Analysis
- Schematic Design
- Outreach





COMMITMENT  
& LEGACY

**FIRM LEGACY**  
FOUNDED IN 1906



- 1906 A.B. Higginson
- 1908 Ray & Higginson
- 1910 E. Russell Ray
- 1912 Ray & Soule
- 1917 Winsor Soule
- 1921 Soule, Murphy & Hastings
- 1931 Soule & Murphy
- 1954 Soule & Mosher
- 1955 Glen Mosher

- Henry Howell 1920
- Edwards, Plunkett & Howell 1927
- Henry Howell 1929
- Howell & Arendt 1946

**LARGE MERGE**

**1956**  
Howell Arendt Mosher Grant

- 1959 Arendt Mosher Grant
- 1975 Arendt/Mosher/Grant/Pedersen/Phillips
- 1983 Grant Pedersen Phillips
- 1993 Grant Pedersen Phillips Metsch Sweeney
- 1995 Phillips Metsch Sweeney Moore

- Kerr Beggs 1959
- Kerr 1967
- D. Stewart Kerr & Associates 1969
- Kerr Hall Hurley Deutsch 1975
- Hall Hurley Deutsch 1980

**ACQUISITION**

**2004** Hall Hurley Deutsch joins Phillips Metsch Sweeney Moore

**2009**  
PMSM Architects

**2015** DJW Architects joins PMSM Architects

**2018**  
19six Architects

**2020** MADI Group joins 19six Architects

**2021** Ehlen Spiess & Haight Structural Engineers joins 19six Architects

**2022** Williams + Paddon Architects + Planners joins 19six Architects





# 2106 BOND FACILITIES MASTER PLAN

## EARLY PLANNING

PORTABLE REPLACEMENT  
SMALL FIELD  
UNFUNDED IN 2016



01

- 01 DEMOLISH EXISTING PORTABLES
- 02 NEW TWO-STORY CLASSROOM BUILDINGS
- 03 NEW WOODSHOP
- 04 NEW LOCKER ROOMS
- 05 NEW JOGGING TRACK
- 06 NEW ART CLASSROOM
- 07 NEW SHADE STRUCTURE
- 08 FUTURE PHOTOVOLTAIC POWER GENERATION
- 09 NEW PHYSICAL EDUCATION CLASSROOMS
- 10 NEW PATHWAY
- 11 NEW ASPHALT PARKING AREA
- 12 FOODSERVICE UPGRADE
- 13 FUTURE CLASSROOM EXPANSION
- 14 CAMPUS TECHNOLOGY UPGRADE
- 15 OUTDOOR GATHERING / LUNCH
- 16 NEW FENCING 4' X 8"
- 17 LIBRARY MODERNIZATION
- 18 1,000 SF STORAGE / LOCKER TUB
- 19 NEW ALL-WEATHER SOCCER FIELD
- 20 GARDEN / OUTDOOR CLASSROOM
- 21 RE-ROOFING
- 22 CLASSROOM MODERNIZATION



nine  
teen  
six  
196  
ARCHITECTS

## NEW BRIGHTON MIDDLE SCHOOL

DESIGN DEVELOPMENT

nine  
teen  
six  
196  
ARCHITECTS





# EA HALL RIBBON CUTTING



## PRECEDENT REVIEW 1

TIGHT BUDGET

ARTIFICIAL FIELD  
WITH ASPHALT TRACK

DESIGNED TO ALLOW  
FOR FUTURE TRACK



# SHORELINE MS NEW FIELD



**PRECEDENT REVIEW 2:**  
**COMPETITION FIELD**  
**2 PRACTICE FIELDS**  
**JOGGING TRACK**  
**LIGHTS**

nine  
teen  
six  
ARCHITECTS





# OCEAN VIEW JNR H TRACK & FIELD

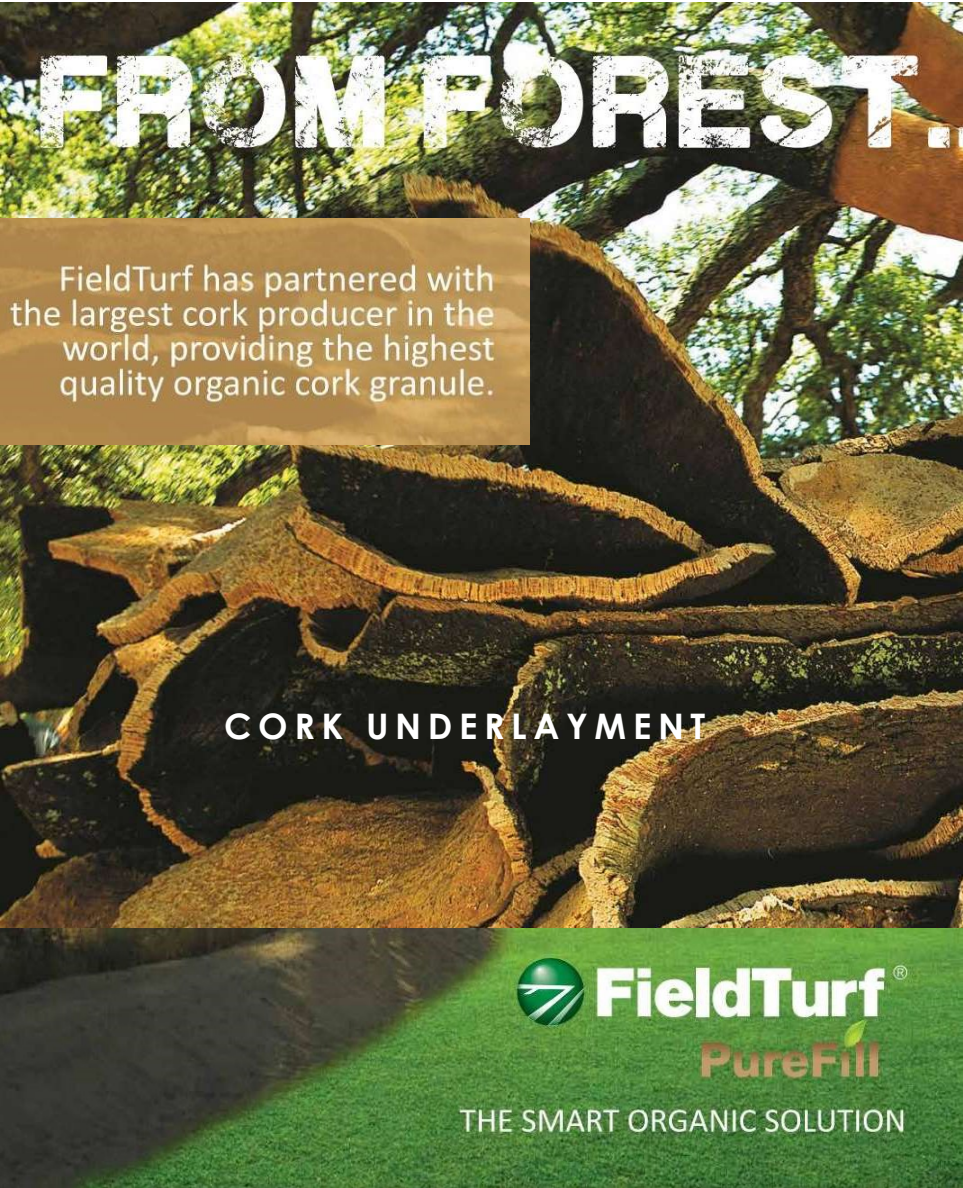


PRECEDENT REVIEW 3:

FIELD  
SIX LANE TRACK  
100-METER DASH








# FROM FOREST.

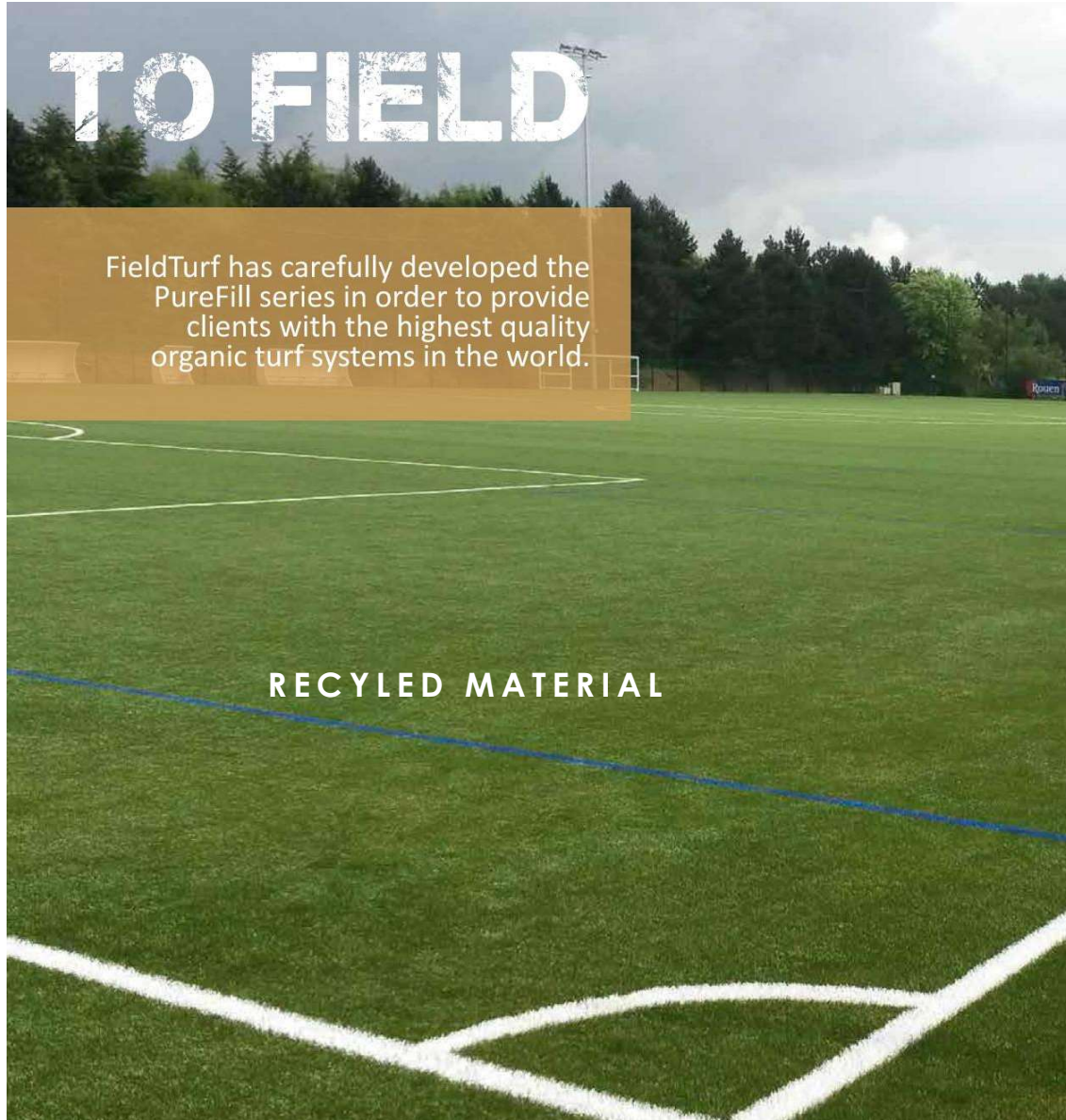
FieldTurf has partnered with the largest cork producer in the world, providing the highest quality organic cork granule.

CORK UNDERLAYMENT



**FieldTurf**<sup>®</sup>  
PureFill

THE SMART ORGANIC SOLUTION



# TO FIELD

FieldTurf has carefully developed the PureFill series in order to provide clients with the highest quality organic turf systems in the world.

RECYLED MATERIAL

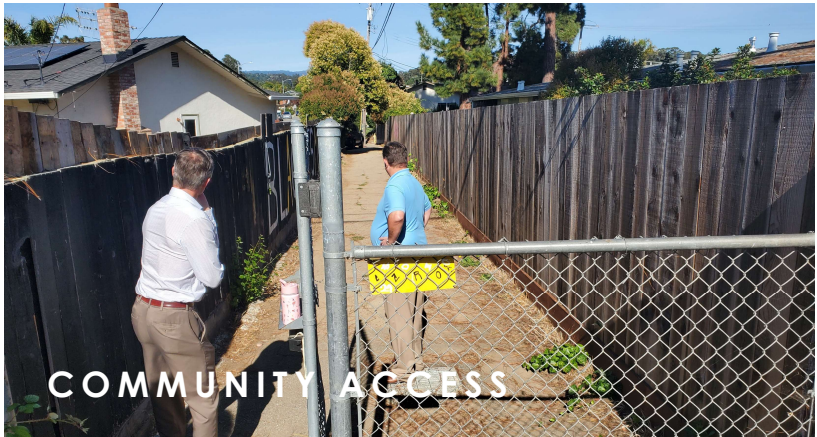


## ATHLETIC PROGRAM

- Soccer field: 330' x 195'
- Practice soccer fields (2): 195' x 135'
- Jogging Track: 3 lanes, 4' wide lanes
- Sprint 100 Meter track: 5 lanes at 42" per lane.
- Multi-Use courts (2) 30' x 60' EA (Volleyball and PE)
- Long Jump Pit, High Jump, Circuit Training
- Four sets of bleachers under the solar array
- Scoreboard at opposite site of soccer field along the halfway line
- Practice diamond (future)



    SITE ANALYSIS















- Fri, Oct 13, 2:00: New Brighton MS Athletic Dept.
- Thu, Dec 14, 6:00: Supt Town Hall (virtual)
- Wed, Dec 20, 6:30: SUESD Board Meeting (SUESD Board Room)
- Thu, Jan 24, 6:00: Capitola City Council Meeting Wed,
- Jan 31, 6:30: SUESD Community Forum (NBMS PAC)





DEDICATED TO PROJECTS THAT ENRICH THE COMMUNITY  
**THANK YOU**

# Capitola City Council

## Agenda Report

**Meeting:** January 25, 2024

**From:** Community Development Department

**Subject:** Conceptual Review for Senior Living Facility at 3720 Capitola Road and 1610 Bulb Avenue



**Recommended Action:** 1) Provide feedback on the conceptual plans for a 93-unit senior assisted-living facility and assess the community benefits of the project pursuant to Capitola Municipal Code Chapter 17.88; and 2) authorize the Mayor to sign a letter of support for the annexation of 1610 Bulb Avenue into Capitola City limits to the Local Agency Formation Commission.

**Background:** On July 6, 2022, the Community Development Department received a complete conceptual review application for an assisted-living facility with integrated memory care at 3720 Capitola Road and 1610 Bulb Avenue. The property at 3720 Capitola Road is located within the Community Commercial (C-C) zoning district. The property at 1610 Bulb Avenue is located within the County of Santa Cruz and is currently zoned residential.

The applicant sought an increase to the maximum floor area ratio (FAR) and height standards in accordance with Capitola Municipal Code Chapter 17.88: Incentives for Community Benefits. With a qualified community benefit, the C-C zone maximum height can increase from 35 feet to 50 feet and the maximum floor area ratio can increase from 1.0 to 2.0. Such increases require the City Council to find the project provides community benefits that advance the goals of the General Plan, can be accommodated by existing public services and infrastructure, and minimizes adverse impacts to neighboring properties. The applicant is seeking an increase in the FAR to approximately 1.65 and the height to 50 feet.

All incentives for community benefit applications require conceptual review prior to a formal entitlement application. Following the conceptual review, the planning commission will review the formal entitlement application request submitted by the applicant and provide recommendation to the City Council on the proposed project and requested incentives.

The original 2022 application was for an assisted living facility that included 80 rooms within a four-story building. The building was situated toward the front of the property, along the frontage of Capitola Road, with an outdoor patio and trellised entryway adjacent to the sidewalk. Parking was proposed behind the building, with vehicle access from Bulb Avenue, a residential street.

City staff sent the 2022 application to RRM Design for a third-party review of conformance with Capitola's design criteria.

The Planning Commission reviewed the application and provided feedback to the applicant during a special meeting held on October 20, 2022. There was significant public comment in opposition to the project which included concerns about vehicle noise (ambulances), traffic, privacy, tree removal, and general incompatibility with a single-family neighborhood. The Planning Commission provided feedback that the project did not appear to include an eligible community benefit. The Planning Commission meeting minutes are included as Attachment 5.

In advance of the Planning Commission meeting, staff received eight public comment letters were received in opposition to the project and are included as Attachment 6.

Following the Planning Commission meeting, the applicant put the project on hold to assess the feedback and make changes. The architect has now reversed the building orientation by moving the surface parking and primary entrance toward Capitola Road (away from the neighborhood). The rear façade of the building is now located closer to the adjacent residential property, however the design now includes a stepped back third and fourth story. The interior layout of the building was modified, and the room count

increased from 80 rooms to 93 rooms. The current proposal includes 93 units in an approximately 70,000 square-foot, four-story building. The facility can accommodate 97 residents within the 93 units.

Discussion: As a conceptual review application, the plans provide the City with a broad understanding of the intent of the use and future site planning, but do not include many of the details necessary for a complete formal application. A complete application will require a land survey, landscape plans, complete elevations, CEQA compliance, stormwater plans, architectural design review, third-party reports (traffic study), and more.

It should be noted that the current application does not include enough detail to determine compliance with all development standards and objective standards of the City Code, which will be required for an official entitlement application. Attachment 4 is a table of the C-C Zone's development standards relative to the proposed project. The updated plans were not reviewed by RRM Design for conformance with the City's design review criteria or objective design standards but will be if the applicant submits a formal application. The current application is to fulfill the conceptual review requirement, as well as receive authorization from the City Council for the proposed annexation of 1610 Bulb Avenue into Capitola city limits. The reoriented design, which puts the parking lot between the building and Capitola Road, is a response by the applicant to address feedback from the public regarding traffic and activity associated with the parking lot. However pursuant to Objective Standards in Municipal Code Chapter 17.82.060 buildings are supposed to face the street and parking lots are to be behind buildings.

Assisted living units that do not have separate eating and living facilities within the unit do not count toward the City's Regional Housing Needs Assessment (RHNA). The same is true for single room occupancy housing, dorms, and group housing. There are no affordability requirements associated with this project. The applicant reportedly explored the possibility of including affordable units within this project but concluded that privately owned assisted living facilities with affordable units are not compatible for the business model.

Incentives for Community Benefits: Pursuant to Chapter 17.88: Incentives for Community Benefits, the applicant is seeking an increase to the maximum floor area ratio (FAR) and height standards in exchange for the community benefit of a senior assisted living facility. FAR is the ratio of a building's total floor area to the size of the piece of land upon which it is built. The maximum FAR in the C-C Zone is 1.0. The applicant is seeking an increase in the maximum FAR from 1.0 to approximately 1.65, and an increase in maximum height from 35 feet to 50 feet.

The purpose of Chapter 17.88: Incentives for Community Benefits is to establish incentives for applicants to locate and design development projects in a manner that provides substantial benefits to the community. These incentives are intended to facilitate the redevelopment of underutilized properties consistent with the vision for the 41<sup>st</sup> Avenue corridor as described in the General Plan. The City may grant incentives only when community benefits or amenities are offered that are not otherwise required by the City's code. A community benefit must significantly advance the General Plan or incorporate a project feature that substantially exceeds the City's minimum requirements.

Properties located in the C-C zoning district that fronts Capitola Road between Clares Street and 42<sup>nd</sup> Avenue are eligible for incentives. Section 17.88.040 lists ten eligible project types that are considered Community Benefits, including, but not limited to, public open space, public infrastructure, pedestrian and bicycle facilities, low-cost visitor-serving amenities, childcare facilities, and more. The list does not include assisted-living facilities; however, it allows for "other community benefits not listed, as proposed by the applicant that are significant and beyond normal requirements". The applicant is seeking feedback from the Council as to whether the Council would consider the proposed 93-unit assistant living facility as a public benefit under the "other community benefits" provision.

All incentives for community benefit applications require conceptual review by the Planning Commission and City Council in which the applicant receives nonbinding input as to whether the request for incentives is potentially acceptable (17.88.070.B). Pursuant to Capitola Municipal Code Chapter 17.88.080, the City Council may approve the requested incentives for eligible projects only if all the following underlined findings can be made in addition to the findings required for any other discretionary permit required by



the zoning code. Although no action will be taken to approve or deny the project during the conceptual review process, staff has provided analysis following each finding. The applicant provided a project narrative and market demand study, included as Attachments 2 and 3.

1. The proposed amenities will provide a substantial benefit to the community and advance the goals of the General Plan.

Staff Analysis: The General Plan Housing Element highlights elderly households as a special needs group that is of important concern in Capitola. The elderly may have different needs related to housing construction, often requiring ramps, handrails, lower cupboards, and counters to allow for greater access and mobility. Fifteen percent of Capitola's residents are 65 years of age or older (1,539 residents). Capitola has several age-restricted and financially-assisted housing developments and programs that serve as resources for elderly residents, but there are currently no memory care facilities within the City.

The following goals and policies are from the recently adopted Capitola General Plan Housing Element and are supportive of senior assisted living facilities:

Goal 3.0 Housing for Persons with Special Needs - Accessible housing and appropriate supportive services that provide equal housing opportunities for special needs populations: Capitola is home to people with special housing needs due to income, family characteristics, disabilities, or other issues. These groups include, but are not limited to, seniors, families with children, people with disabilities, single-parent families, and people who are homeless or at risk of becoming homeless. Capitola is dedicated to furthering a socially and economically integrated community and therefore is committed to providing a continuum of housing and supportive services to help address the diverse needs of its residents.

Policy 3.1: Support and facilitate programs that address the housing needs of special needs groups, including the elderly population, homeless persons, single-parent headed households, large households, extremely low-income households, and persons with disabilities, including developmental disabilities.

Policy 3.3: Support the development of accessible and affordable housing that is designed to serve all ages and is readily accessible to support services.

Policy 3.6: Encourage the integration of special needs housing in residential environments, readily accessible to public transit, shopping, public amenities, and supportive services.

Policy 3.7: Encourage the provision of supportive services for persons with special needs to further the greatest level of independence and equal housing opportunities.

Policy 3.8: Investigate and encourage the development of a variety of housing options for seniors including congregate housing, continuing care retirement communities (CCRCs), assisted living, mobile home parks, co-housing, accessory dwelling units, and independent living.

2. There are adequate public services and infrastructure to accommodate the increased development potential provided by the incentive.

Staff Analysis: The site is serviced by the City of Santa Cruz Water Department and the County of Santa Cruz Sanitation Department. Both entities provided will-serve letters noting that adequate public services and infrastructure are available to accommodate the assisted living facility. The proposed facility would be located on Capitola Road which can accommodate the intensification of use.

3. The public benefit exceeds the minimum requirements of the zoning code or any other provisions of local, state, or federal law.

Staff Analysis: Not applicable. Assisted living facilities are not a requirement of the zoning code or local, state, or federal law. This criterion was put in place for public benefits which have a minimum requirement in the zoning code.

4. The project minimizes adverse impacts to neighboring properties to the greatest extent possible.

Staff Analysis: As explained in the background section of the report, the site layout has been modified since the Planning Commission review to minimize adverse impacts to neighboring properties. The proposed assisted-living facility is sited with the structure located toward the rear of the property relative to the Capitola Road frontage with the surface parking area between the road and the building. During the Planning Commission meeting, there were many complaints about traffic and noise on Bulb Avenue related to the proposed use. By moving the vehicle access, parking, and main entrance to the front of the building, the project now minimizes the impacts of vehicles on the adjacent residential neighborhood.

The project complies with the setback requirements of the C-C Zone. Along the front and street side property line, the building is at least 15 feet from the curb or street edge and the building placement allows for a minimum 10 foot sidewalk along the property frontage. The C-C zone has a no setback requirement for interior side or rear yards, unless adjacent to a residential zoning district. The property behind 3720 Capitola Road is residential, therefore a 20 rear foot set back is required. The building is proposed with 65 foot front setback, a 15 foot street side yard setback from the curb along Bulb Avenue, and a five foot setback on the interior side yard.

The architect has introduced design elements to mitigate adverse impacts to neighboring properties that include step backs in massing on the third and fourth floors, windows recessed behind balconies that face the single-family neighborhood, and no guestroom windows facing the neighborhood on the fourth floor. The conceptual design also complies with daylight plane requirements in order to not shadow adjacent residential. Additionally, most residents will not have vehicles onsite.

5. If in the coastal zone and subject to a coastal development permit, the project enhances coastal resources.

Staff Analysis: The property is not located in the Coastal Zone.

Design Review: New multi-family residential structures require a Design Permit according to §17.120.030 and compliance with the Objective Design Standard for Multifamily according to §17.82.040 – 17.82.090. The City contracted with architecture and landscape firm RRM Design Group to provide a comprehensive peer review of the assisted living facility. RRM reviewed the original application in 2022 relative to the Design Permit Criteria and the Objective Standards and provided in-depth analysis and a summary list of items to be further addressed in future revisions (Attachment 5). RRM reviewed the original 2022 version of the plan. If the City Council provides feedback indicating that it believes the proposed use provides a community benefit, the updated design will again be reviewed by RRM Design. The parking lot orientation toward Capitola Road will be further evaluated at that time and the applicant may need to request a deviation from the Objective Standards pursuant to Municipal Code Chapter 17.82.030.

The prior design review is no longer applicable to the project. The primary focus of the City Council review of the conceptual review application is to determine whether the assisted living facility qualifies as a public benefit and whether or not the City will support annexation of 1610 Bulb Avenue.

Annexation: The Local Agency Formation Commission (LAFCO) will not process an annexation request unless it is clear the City is in support and willing to provide services to the subject area. If in favor of the assisted-living facility concept and annexation, the City Council should authorize the Mayor to send a letter of support to LAFCO.

Fiscal Impact: None.

Attachments:

1. Conceptual Plan
2. Applicant’s Project Narrative

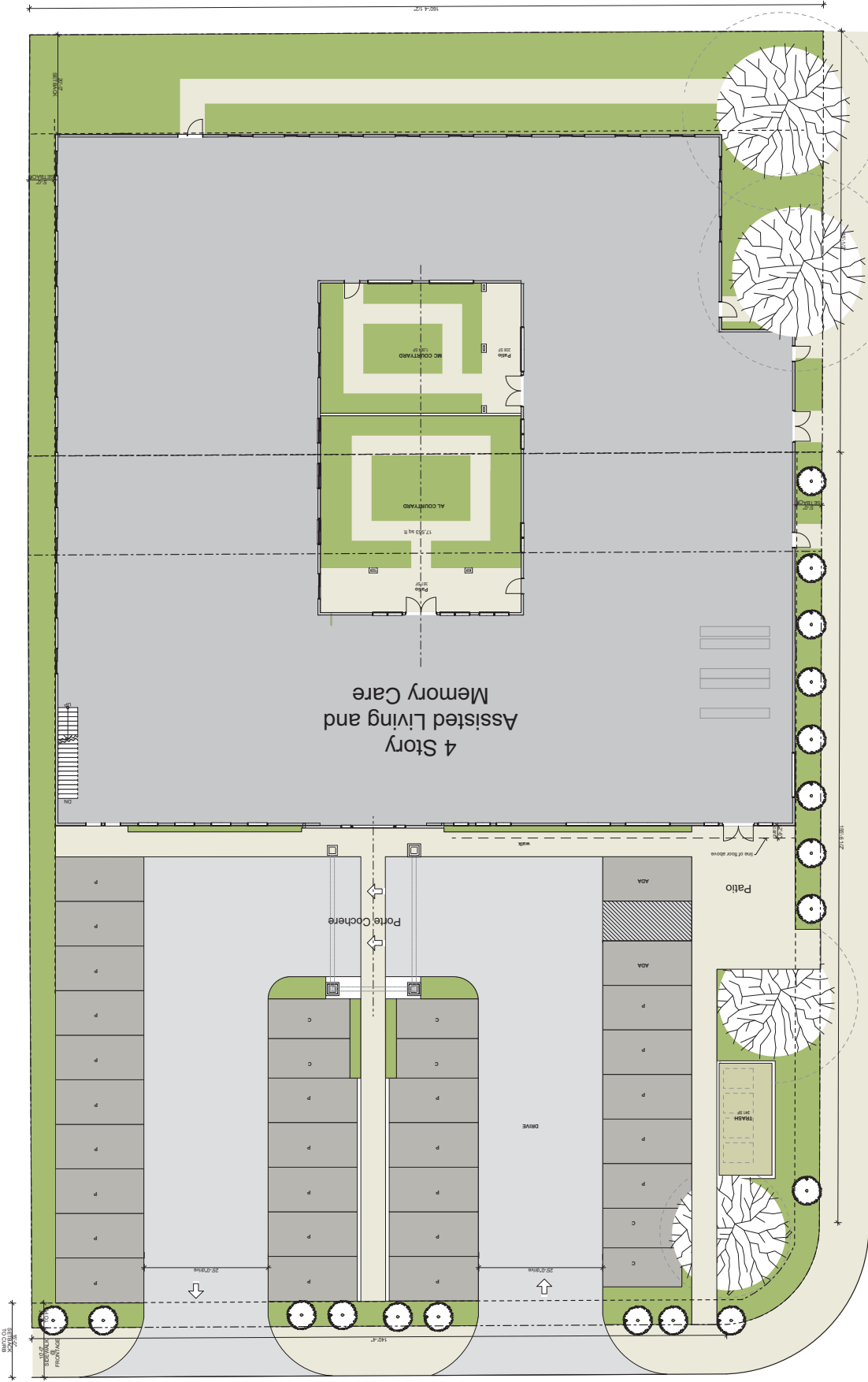
3. Applicant's Market Demand Study
4. Development Standards Table
5. Planning Commission Meeting Minutes 10/20/2022
6. Written Public Comments

Report Prepared By: Brian Froelich, Senior Planner

Reviewed By: Julia Gautho, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager





UNIT MIX	AL - Assisted Living	MC - Memory Care	Block	Qty	Area (SF)	Total (SF)
AL-1A	ASSISTED LIVING - STUDIO		1	17	415	1,075
AL-1C	ASSISTED LIVING - STUDIO		1	5	305	1,005
AL-1A	ASSISTED LIVING - 1 BED		1	37	538	10,006
AL-2	ASSISTED LIVING - 2 BED		2	4	794	3,176
MC			67	63		32,062 sq ft
MC-1b	MEMORY CARE - STUDIO A 1 BED		1	24	256	6,144 sq ft
			24	24		6,144 sq ft
SITE						31,112 sq ft
Deck	HARDSCAPE		1	1	83	83
Deck	HARDSCAPE		1	1	82	82
Deck	HARDSCAPE		1	1	92	92
Deck	HARDSCAPE		1	2	105	210
Deck	HARDSCAPE		1	1	443	443
			8	8		312 sq ft
			8	8		31,112 sq ft

Gross Area Check	Area (SF)	Parking Count
GROSS - LIST	17,562	ADA
GROSS - 2ND	17,538	C
GROSS - 3TH	10,012	P
		33
		67/141 REG

BULB AVENUE

Capitola Senior Living  
Zurite LLC  
3720 Capitola Rd.  
Capitola, CA 95010

IRWIN PARTNERS  
ARCHITECTS  
37 Elbow Avenue, Suite B2, Costa Mesa, CA 92626  
(714) 982-7448 www.irwin.com  
ARCHITECTURE PLANNING CONSULTING



BULB AVENUE

CAPITOLA ROAD

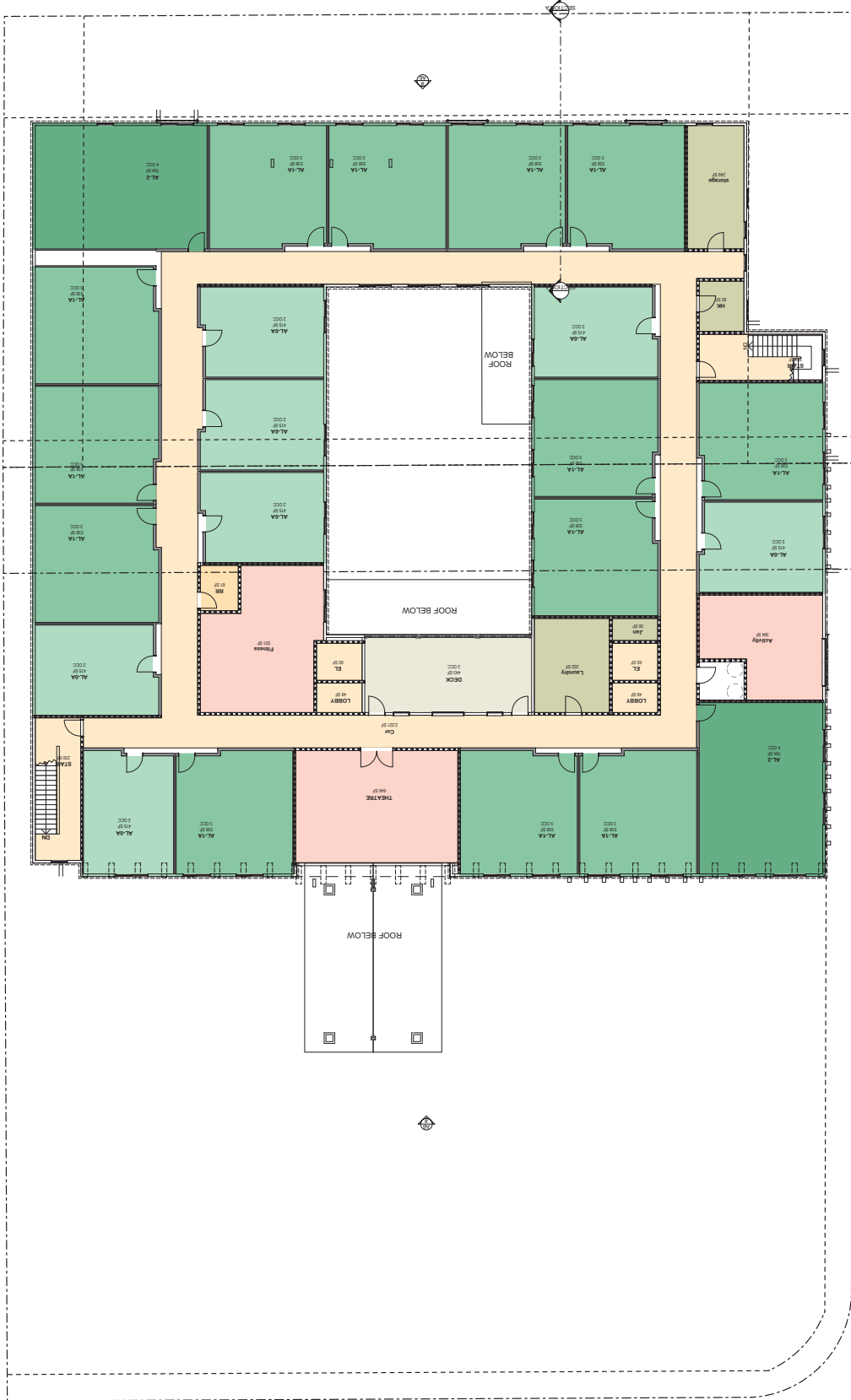
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Capicola, CA 95010

**ROOF METAL**  
GALVALUME  
COLOR: GRIFFIN BLACK

**ROOF SHINGLES**  
ASPHALT/FLUOROPOLYMER SINGLE  
COLOR: DEEPWOOD

**STUCCO 1**  
HORIZONTAL  
DET: 66 (REAR ELEVATION)  
DET: 67 (FRONT ELEVATION)

**STONE VENEER**  
ULTIMATE 12" X 12" X 4"  
COLOR: SEASHELL

**TRIM 1**  
FASCIA, TRUSS/SLAB BEAMS,  
CORNER TRIM, WINDOW AND DOOR TRIM,  
DET: 68 (FRONT ELEVATION)

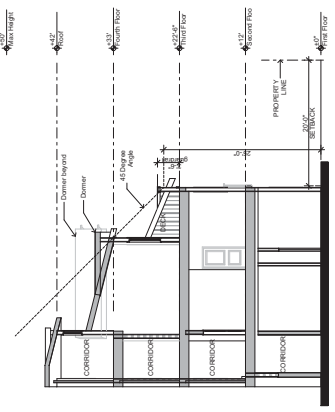
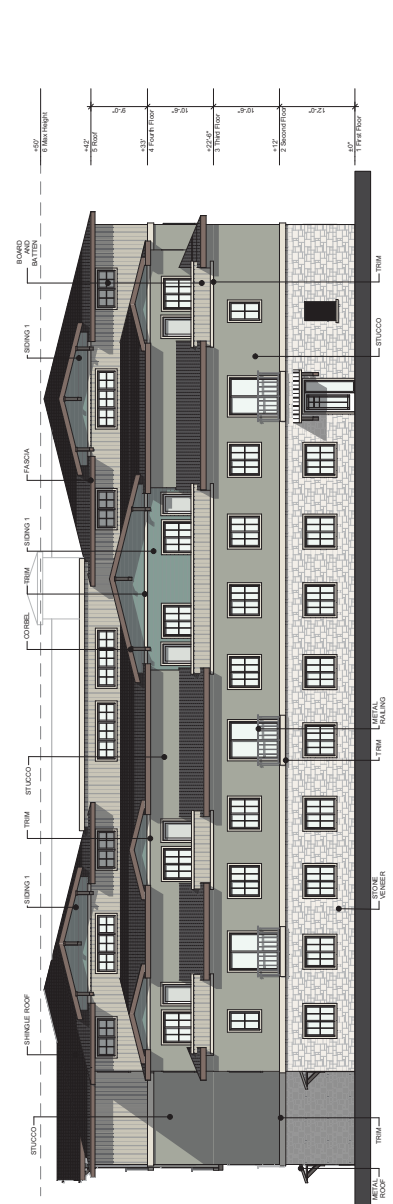
**TRIM 2**  
WINDOW AND DOOR TRIM,  
DET: 69 (FRONT ELEVATION)

**ACCENT 1**  
ENTRYWOODS, TRUSS/SLAB BEAMS,  
DET: 67 (FRONT ELEVATION)

**ACCENT 2**  
WINDOW AND DOOR TRIM,  
DET: 69 (FRONT ELEVATION)

**BOARD AND BATTEN**  
DET: 65 (FRONT ELEVATION)

**ROOF METAL**  
GALVALUME  
COLOR: GRIFFIN BLACK







**OVERALL**



**FRONT - SOUTH**



**BULB AVENUE**



**REAR - NORTH**

## **3720 Capitola Road and 1610 Bulb Avenue Senior Assisted Living Project**

### **Project Description**

The proposed project is a 97 bed, 4-story, 67,041 square foot Craftsman-style Senior Assisted Living and Memory Care building with on-site parking to be located on the combined parcels of 3720 Capitola Road, Capitola and 1610 Bulb Avenue, Santa Cruz, California.

### **Owners' Background and Experience:**

The two parcels are owned by Frank and Shana DeBernardo and Nicholas and Kristen Joutz. Frank DeBernardo, who will be the project manager, has over 27 years of Real Estate and development experience having worked for his family's construction and development company, DeBernardo Construction, Inc. since childhood. DeBernardo Construction successfully developed over 17 Santa Cruz County subdivisions providing the local community with approximately 200 housing units since 1975. Frank worked closely on the approval, development and construction of several single family home subdivisions, townhome developments and apartment developments including projects on Silvana Lane in Live Oak, Chanticleer Avenue in Santa Cruz, Paradiso Court in Soquel, and Calabria Street in Aptos. The DeBernardo Family also owns and operates office and retail buildings in Capitola along 41st Avenue and Capitola Road.

Nicholas and Kristen Joutz own and operate a financial services company and have provided mortgages to thousands of Californians since 2005.

### **Project Team:**

**Architect:** The designer and architect of the Capitola Senior Assisted Living Project is renowned California architect, Greg Irwin, Irwin Architectural Group (IPA). IPA has been involved with over 3,000 senior housing projects that range from 55+ housing to skilled nursing facilities across the country. Greg's mentor and father Carl Irwin essentially wrote the code for Senior Assisted Living architecture in the 1980's. Together with their clients IPA has received numerous awards and recognition for their innovation and creativity. IPA's projects have been continually recognized as outstanding projects within the senior community and in 2018 Greg received NAHB Associate of the Year Award for his knowledge and experience.

**Assisted Living Operator:** The operator of the Capitola project will be Paradigm Senior Living (PSL). PSL is owned and operated by industry leader, Lee Cory. Since 1983, members of the PSL Team have been instrumental in the development, operation, and marketing of more than 75 successful senior living communities. PSL's experience encompasses more than 8,500 units,

including continuum-of care, retirement, assisted living, Alzheimer's care and congregate care communities. Lee Cory has been a nationally recognized speaker and educator for many regional and national seniors housing and health care associations including the National Association for Senior Living Industry Executives (NASLIE), Member and Past Board Member – Assisted Living Federation of America (ALFA), Advisory Member The American Seniors Housing Assn. (ASHA), AIC Conferences, and The American Health Care Association (AHCA).

### **Funding, Financing and Ability to Complete Project:**

The property owners have enlisted the services of a national leader in Senior Assisted Living capital to secure financing upon approval of the conceptual review and final entitlement approvals.

### **Why Does Capitola Need a Senior Assisted Living Project:**

The property owners invested in a robust and detailed analysis report (please see attached Market Demand Analysis For Senior Housing in Capitola, CA by Paradigm Senior Living dated 1/04/2024) researching the demand specifically for Senior Assisted Living units in Capitola in 2022. The report focused on a 7-mile radius from the project location.

In addition, the property owners reviewed the City of Capitola Housing Element of the General Plan 2023-2031 Adopted November 9, 2023 and determined there is a significant unmet demand for Assisted Living projects.

Here are the highlights of our findings:

- 1) According to the “City of Capitola’s latest Housing Element Update Report dated November 9, 2023”, chapter 2, 2-4, explicitly addresses the need for Assisted Living: “If a city has a substantial elderly population, special housing types or services may be needed, such as assisted living facilities, housing rehabilitation programs, paratransit, meals on wheels, and home health care services, to enable seniors to remain in the community.” Further citing “While most age groups declined between 2010 and 2020, (Capitola City residents from 2010 to 2020) age 65 to 74 increased by almost 200% (from 490 residents to 1,427)”.
- 2) According to the Paradigm study, Capitola is in desperate need of between 169 to 211 assisted living and memory care units as of 2021. And the deficit of needed units will increase by approximately 17% to between 198 and 247 by the year 2026.
- 3) There are presently 4,027 households that meet the qualifications for the need of Assisted Living within the 7 mile radius from the project.
- 4) The number of households in potential need for assisted living care is expected to increase 17% to 4,724 households by 2026.



- 5) The fastest growing segment of this population are those aged 75+. There are currently approximately 11,269 seniors aged 75+ within the 7 mile radius and that number will exceed 10.7% growth to 12,478 by 2026. While at the same time the general population of all ages in the same area will only increase by 1.67%.
- 6) Seniors aged 75+ who live within 7 miles of the Capitola project will increase in population by a rate that is over 6 times the general population.

And currently there is little to no plan for Capitola to accommodate for these Seniors who may likely be in need of assisted living or memory care. Currently, Capitola residents would need to relocate to surrounding cities such as Aptos, Santa Cruz, Santa Clara or San Jose to receive such care.

### **Current Supply and Demand of Senior Assisted Living Units:**

There are approximately only 354 total senior assisted living and memory care units in and around Santa Cruz with an occupancy rate of 89%. Santa Cruz has a near 10% higher occupancy rate than the rest of the country given the higher demand and lack of units near the coast.

More popular and well located facilities such as Aegis of Aptos and Dominican Oaks of Santa Cruz are currently at 100% and 96% capacity respectively with many of the area's best facilities boasting long waitlists.

### **Benefit Zone "Why is this Project a Benefit to Capitola"**

- 1) The project lies inside the City of Capitola's current benefit zone. Please see City Benefit "Community" Section 17.88.080 (incentives for Community Benefit).
- 2) Although Senior Care is not explicitly listed as one of the community benefits, Child Care is currently listed as well as "Other". We believe this gives an applicant the ability to propose that caring for the elderly should be considered as important as caring for our youth as both are in need of full-time care.
- 3) This project will seek to house, care-for, and protect patients with Alzheimers, Memory Loss, Dementia, and various other conditions that affect the elderly and make it dangerous for them to remain at home without professional care. Many elderly who suffer from these conditions and do not reside in Assisted Living very often injure themselves in household accidents, die while being unattended or can wander outside of the home and into the streets without recognition of their own well being. We believe this is a benefit to the entire community to provide a safe and local solution to their care needs.
- 4) If the argument can be made for children who require the same supervised care as a "benefit" to the community, then we respectfully believe that age should not be a discriminating factor in determining community benefit and that caring for a child in need is the same benefit to Capitola as caring for an elderly person with memory care needs.

Both are great benefits and thus we feel it is imperative to approve this project with Community Benefit status.

### **Parking and Traffic**

Comments from the initial public meeting in 2022 focused on traffic and parking. Here are some answers and responses to those comments on this subject:

- 1) Assisted Living facilities are actually one of the least impacted types of housing projects with an expected 6-7 cars parking per day. These typically include cars from staff and food service providers.
- 2) The actual residents of the Assisted Living Facility do not drive.
- 3) Residents at Assisted Living facilities are almost always 100% beyond the ability to operate a vehicle, thus remaining on property the majority of their stay, except for organized outings or family visits which are usually leisurely walks around the property, the courtyard or nearby restaurants and shops that Capitola will offer.
- 4) Staff turnover during the day is light, usually limited to 2-3 shifts. Shifts are longer than most other occupations and it is anticipated that many employees will be able to take public transportation, walk or bike to the Capitola Road location.
- 5) In comparison, other commercial projects that could be developed on the CC Zoned property, such as a Liquor Store, a Laundry Mat, an Auto Repair facility, an Auto Service facility or a Restaurant, have much higher parking demand and much higher in-and-out traffic rates.

### **Affordability:**

Assisted Living facilities are labor intensive and the majority of the expense to the residents is the full time care provided. It is not typical or possible to offer “affordable” or “income restricted” units to residents, because even if a unit is designated as affordable, it is not possible to discount the labor cost to the employees in California. Meaning that a rent restricted unit would still require full labor expense for the staff and skilled nurses tending to the resident.

### **Conclusion**

In conclusion, we believe the City of Capitola will greatly benefit from our proposed Senior Assisted Living project. Based upon the facts listed above, we encourage the city to recognize the project as worthy of the incentives afforded by the Community Benefit Zone not solely by virtue of the property being located squarely inside the Benefit Zone, but also by virtue of the fact that it is incumbent upon all of the City to care for and provide assisted living housing options for our local seniors in need.

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Market Demand Analysis

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For Senior Housing in Capitola, CA

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*Lee Cory* - President

[www.psliving.com](http://www.psliving.com)



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## **EXECUTIVE SUMMARY**

Zurite LLC, “the client” has engaged **Paradigm Senior Living** to analyze and review market conditions and demand analysis for additional senior living housing units in the primary market area of Capitola, CA.

For this scope of service, the client has identified a parcel of land located at 3720 Capitola Rd. Santa Cruz, CA 95062. The client is considering the development of a senior living community which may include assisted living, and memory care rental apartments with care services.

The purpose of this analysis is to identify the existing and near-term elder demographic conditions and trends within the Primary Market Area (PMA) for the development site. The trends were then compared to the existing supply of elder housing options in the target market area to determine if any opportunities exist for the development of additional senior housing units.

Our analysis of demand involves estimation of current demand using Environics 2021 estimates and projections of future demand using 2026 demographic projections. If developed, it is likely that the proposed project would open in 2022 or later, and the current dynamics in the market, we believe that the 2021 projections and estimates of demand are the most conservative and relevant to this discussion/analysis.

### **Study Objectives & Approach**

In our approach, we evaluated a variety of market factors and issues including, without limitation, the following:

- We defined the Primary Market Area (PMA) as a 7-mile radius from the subject site. We assumed that 80% of the units in the community would originate from within the primary market area. A more detailed discussion of the impact of secondary market demand, and the influence of “affluent adult children” living in the PMA on penetration rates, will be found later in the report.
- What is the age, income, household, and housing demographic trends in the market area for seniors aged 75+ with annual incomes of \$50,000+? ( overall median annual income in the PMA is \$91,850)
- What are the number “adult children” of seniors seeking senior-living housing and services, those ages 45-64 with above median household incomes ?
- From what geographic area, would The Project be likely to capture most of its residents?
- Is the site on which The Project is to be developed suitable for this use?
- What are the characteristics (demographic) of the elderly population in the defined geographic market area(s) and what will be the profile of the most likely residents of The Project?
- What competition does the Project face, and what impact would competition have on its future potential for success?
- Are the characteristics of the target market and its depth suitable to allow each component of the project to fill up, given the project site and prevailing market rate? Also, what will be the pace of absorption?

This report presents a summary of these results, with specific findings and recommendations that emerged from the analysis.

**GROSS DEMAND** for Assisted Living that could be expected to be drawn *exclusively* from the PMA is sufficient to support an estimated 169-211 (2021) increasing to 198-247 units (2026) of market rate Assisted Living & Memory Care units. When one factors in the impact of those originating from outside of the PMA and the impact of “affluent adult children” aged 45-64 with above median annual incomes, 2021 estimates suggest that there may be 9,533 households within the PMA that meet these criteria, increasing to 10,561 by year 2026. Conservatively estimating penetration rates of 2-3% of this segment of the population could conceivably create demand for up to an additional 143 units at present, increasing to up to 158 additional units by 2026.

It is important to note that much of the gross demand is attributed to this sector of the population. If there is intergenerational crossover between the seniors 75+, and the affluent adult children 45-64 years old, the estimate of demand could be reduced.

There are currently 354 comparable/competitive assisted living & memory care units and 157 competitive/comparable independent living units within the current PMA. Additional comments regarding its status will be found later in the report.

Considering the demographics and the competitive set within the PMA, we believe the best option would be to develop 75-80 units, with an emphasis on Assisted Living, Memory Care and possibly an additional component of High Acuity Assisted Living within that model.

Given the state and reputation of the current supply of professionally managed, competitive senior living housing in the PMA, if the client were to proceed with development of this community, we would recommend a medium-sized unit-count community, weighting the unit mix heavily towards strictly private pay Assisted Living/ Memory Care (ALZ) units. Furthermore, it would be prudent to conservatively estimate the lease up through stabilization period to be 18-24 months.

<b>Assisted Living / Memory Care</b>	<b>2021</b>	<b>2026</b>
Estimated Total Demand AL/ALZ within the PMA	169-211	198-247
Estimated Total Demand outside the PMA	42-53	49-62
Estimated Adult Children Demand	95-143	106-158
Estimate of <b>GROSS DEMAND</b>	<b>306- 407</b>	<b>353-468</b>

Given the results of this preliminary market feasibility analysis and PSL’s significant national experience in evaluating successful senior living communities, it is our opinion that there may be demographics to support additional units within the PMA.

While this report focuses on demand for rental assisted and memory care units, our recommendations, depending on site planning and zoning limitations, should include one or more of the following product types:

**45-50 Market Rate Assisted Living** – including high acuity, requiring assistance with more than three activities of daily living, (ADLs) and low acuity, requiring assistance with 1-3 ADLs. AL units characterized by private occupancy, kitchenette, 3-fixture bathroom, independent environmental control units and services including: 24-hour supervision, three meals per day, medication management, weekly housekeeping, personal laundry/linens, social activities, assistance with bathing, dressing, grooming etc. and emergency call systems.

**20-30 Market Rate Memory Care** in a secured environment characterized by private occupancy, 3-fixture bathroom, and services including: 24-hour supervision, three meals per day, medication management, weekly housekeeping, personal laundry/linens, specialized according to ability--social activities, assistance with bathing, dressing, grooming etc. and emergency egress systems. These units are specifically for residents with Alzheimer’s-type dementia, who require specialized care and 24-hour supervision for cognitive impairments.

**TOTAL UNITS: 75-80**

We believe the key competitive elements for the success of a project in this marketplace include:

- Offer all units on a pay as you go rental basis.
- Develop private apartments with “higher-end” finishes for AL & Memory Care
- Offering “next generation” common areas & amenities that are catered toward the frailer elderly and memory loss clientele
- Innovative programs, therapies for Memory Care
- Larger square footage assisted living apartments with private washer/dryer to set yourself apart from competitors’ offerings

Should the developer proceed, if the project were to be successful in pre-leasing 15% of its total units (11) prior to the completion of construction, and experience net absorption of 3-4 units per month thereafter, the project would achieve stabilized occupancy (93%) 15-20 months of opening. The Client should plan on 24 months and set aside significant amount of reserve funding during lease up.

For the purposes of this report, it is assumed that the subject facility will be 100% private pay.

Our conclusions and recommendations in this report are based on more than 30 years of experience in the senior housing industry and an understanding of the location, site amenities, market dynamics, and population trends of senior housing communities across the country.

## **METHODOLOGY**

This report presents a detailed description of these results, with specific findings and recommendations that emerged from the analysis.

The following data was collected, reviewed, analyzed, and/or compiled into relevant tables and a narrative:



1. General population and household demographics and trends in the market area for 2000, 2021, 2026, from Environics, Inc. and the 2000 US Census.
2. 75+ population and household demographics and trends in the market area from Environics, Inc. and the US Census for 2000, and estimates/projections from Environics, Inc. for 2021 and 2026.
3. Nearly 30 years' experience of market analysis and marketing senior living communities throughout the US.
4. Current market data collected by personal site visits, senior housing directories, websites, and affiliations with industry associations.
5. Industry publications:
  - Seniors Housing Digest, American Seniors Housing Association, 2001-2019
  - National Housing Survey of Adults Age 60+, National Investment Center for Senior living and Long-Term Care Industries, 1999-2010
  - Understanding Senior Housing – Into the Next Century, American Association of Retired Persons
  - NIC National Survey of Adult Children: How They Influence Their Parents' Housing and Care Decisions, ProMatura Group/National Investment Center for Senior Living, and Long-Term Care Industries
  - State of Seniors Housing, American Seniors Housing Association, 2001-2020
  - Senior Housing & Care Insights, CBRE National Senior Housing, 2019

#### **PROJECT DESCRIPTION-IMMEDIATE LOCAL AREA**

Every neighborhood has a dynamic quality of its own. This quality can be described as the life cycle of the neighborhood. There are four stages that a neighborhood will typically encounter. These phases, in the order in which they typically appear, are defined below:

- Growth – a period during which the neighborhood gains public favor and acceptance.
- Stability – a period of equilibrium without marked gains or losses.
- Decline – a period of diminishing demand
- Revitalization – a period of renewal, modernization, and increasing demand.

The complementary land uses that comprise a neighborhood typically evolve around these stages. These stages describe the neighborhood in a general way and are not a specific guide to market trends. No set number of years is assigned to any of the cycles and a neighborhood can remain in a cycle for many years.

The subject's area is projected to see a modest increase in population (1.67%) between 2021 and 2026. On a positive note, the 75+ segment of the population is projected to increase by 11% over the same time frame. The rate of increase for those seniors over seventy-five with incomes of \$50,000 or greater, is expected to increase by 17% over the same time frame.

This bodes well for future demand for senior housing.

A neighborhood is affected by social factors that will determine why people reside and work in the area. Potential residents and workers are attracted or put off from a neighborhood based upon its status, physical environment, services, affordability, safety, and convenience.

The potential site is in Santa Cruz, CA, a city located within Santa Cruz County, approximately 1.2 miles from the nearest direct competitors, Valley Haven and 1.3 miles from Paradise Villa. These two closest competitors only have 30 and 29 apts, respectively, with Valley Haven being the newer of the two, licensed since 2013, while Paradise Villa is much older, open since 1978. While counted as a competitor, given the size and age, these would attract a different clientele than this proposed project. Paradise Villa needs updating and repairs before it would truly compete. Given the condition, location, and approach to marketing, it is our opinion that they will be focusing on the lower end of the market.

Many of the sales directors we met in the Santa Cruz area indicated that they do not "pull" from the San Jose nor Monterey markets and that most people, particularly seniors, like to stay closer to home.

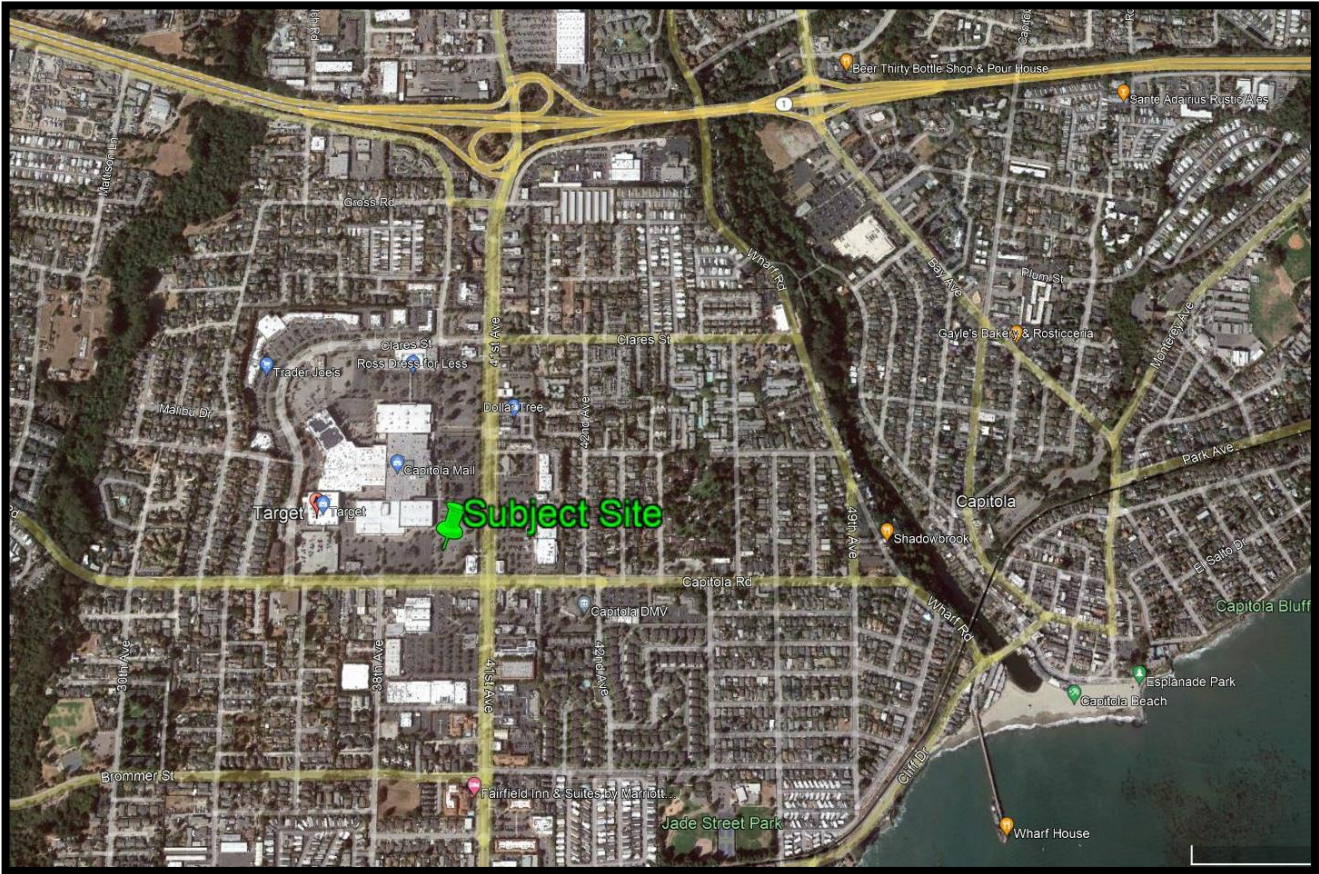
In our opinion Santa Cruz/Capitola would support a new community in the market and with modern amenities, close ties to the community referral sources and strong operations, a new community should be able to pull from the older existing facilities as well as surrounding areas within the Secondary Market.

Governmental considerations relate to the laws, regulations, and taxes that are imposed on the neighborhoods' properties. The more desirable these attributes are, the more desirable the neighborhood becomes to prospective residents. Real estate tax rates appear to be in-line with neighboring communities, and do not pose an adverse effect on the neighborhood. Regulations regarding zoning and land use are dictated by the city. There appears to be no adverse effects on the neighborhood due to governmental considerations.

### **PROJECT LOCATION**

Located behind the Capitola Mall, on Capitola Rd. off of 41<sup>st</sup> Avenue which is a busy street with substantial amounts of routine drive by traffic, will provide easy access for potential families and visitors to the proposed community. That combined with street front signage, advertising, and outreach by staff, should provide ample foot traffic and awareness of the local community. The site is located just behind the Capitola Mall but has quick access to Dominican Hospital and other surrounding medical offices, which bodes well for a potential project at this location.

Covering the market to include Santa Cruz, Aptos, Capitola and Soquel, there are numerous current competitors; some are doing well in terms of occupancy, others have decreased as of the last 2 years due to covid but anticipate occupancy trending up in the coming 6 months. After visiting the competitors in the market, the nicest project in our opinion is Atria Aptos. It is 100% occupied, well maintained, and located, and are without any current covid cases.



The area around the site consists primarily of retail businesses and single-family housing. The recommendations of project size should be determined through site-density analysis, architectural design, local zoning restrictions, and other planning considerations. The recommendations in this report are also taking into consideration the ongoing operations and marketability of a senior living community.

**OVERVIEW – CAPITOLA , CA**

According to local news sources, Capitola is built on the location of an Indian village that existed for more than a thousand years. The Native inhabitants were removed to the Mission Santa Cruz when it was established in 1791. The village area was originally founded as a resort, “Camp Capitola,” in 1869 and was incorporated as a city in 1949, the third city in Santa Cruz County. As settlers engaged in logging and agriculture, the beach became a busy shipping point known as Soquel Landing. Santa Cruz County was formed in 1850, shortly before German immigrant Frederick Hihn—a pioneer credited with developing much of the county’s early industry—acquired the site of present-day Capitola Village.

Capitola is located near the center of Santa Cruz County. The city lies on Hwy 1 between the towns of Santa Cruz and Aptos, approximately 35 miles south of San Jose. According to the United States Census Bureau, the city has a total area of just under 2.0 square miles.

Communities neighboring Capitola include Live Oak, Soquel, Pleasure Point, Aptos, Rio Del Mar, and Twin Lakes.

### **HOSPITALS/MEDICAL CENTERS NEAR PROPOSED COMMUNITY**

Dominican Hospital (Santa Cruz, CA) – Emergency Services Available – Approx. 2 miles from site

Sutter Health (Santa Cruz, CA) - Non-emergency services only – Approx 1.7 miles from site

East Cliff Family Health Center (Santa Cruz, CA) – Non-emergency services only – Approx 2.3 miles from site

Palo Alto Medical Foundation (Santa Cruz, CA) – Non-emergency services only – Approx 2.2 miles from site

### **ECONOMY**

Capitola has an unemployment rate of 8.1%. The US average is 6.0%. Capitola has seen the job market increase by 1.8% over the last year. Future job growth over the next ten years is predicted to be 31%, which is lower than the US average of 33.5%.

#### **Tax Rates for Capitola**

- The Sales Tax Rate is 9%. The US average is 7.3%.
- The Income Tax Rate is 9.3%. The US average is 4.6%.

#### **Income and Salaries for Capitola**

- The average income of a resident is \$37,940 a year. The US average is \$28,555 a year.
- The Median household income in 2019 was \$69,016 a year. The US average was \$53,482 a year.

As of October, on average, homes in Capitola, CA sell after 35 days on the market with a median home sold price of \$660K.

### **DEFINITION OF TARGET MARKET**

#### **PRIMARY MARKET AREA**

To define the market for senior assisted and senior living, the best methodology is to examine credible national sources of information on the resident profiles of such facilities. ALFA, the Assisted Living Federation of America, studied the independent living market for the first time ever. In conjunction with their Overview of the Assisted Living Industry, they surveyed eighty-three properties in thirty states, representing 8,992 units and about 8,470 residents.

Of the responding properties, 69.5% were in metropolitan areas and 30.5% were in non-metropolitan areas. Most the responding properties were for-profit operations. What ALFA found were the following important statistics relating to the location of metropolitan residents (cities over 50,000 populations):



- 76.4% relocated from a private residence.
- 14.9% relocated from living with family.
- Only 19.4% relocated from within a 5-mile radius, 37.7% from within fifteen miles.
- 25.8% relocated from more than twenty-five miles' distance.
- 50.4% of family members live within fifteen miles of the facility.

Studying these statistics in detail, it appears that the adult children of seniors are also a factor with assisted living & memory care. In assisted living, per the same ALFA survey, 14% of metropolitan seniors relocated from outside a 25-mile radius and 54% lived within fifteen miles of the facility, while 58% of family members lived within fifteen miles.

The much greater percentage of relocations from greater distances with independent living coupled with only a slightly smaller percentage of family residents from within fifteen miles, implies more relative deciding power in the hands of adult children than the seniors in the choice of location, or perhaps a greater emphasis on family “closeness” in the location decision.

### **IDENTIFICATION OF PRIMARY MARKET AREA BOUNDARIES**

For the reasons previously mentioned, and for the purposes of this study, we have defined the primary market area as encompassing a 7.0-mile radius from the site, which is consistent with our definition of many “coastal/suburban” markets nationwide. We did factor in that there would be some migration to Capitola within the 20% Secondary Market Area assumptions.

Given the way things are trending in the market in terms of growth and normal distances people are routinely willing to drive to visit a loved one, we have narrowed down the PMA radius to the above 7-mile radius, as people have several current options wherever they live in the area. A map depicting the approximate boundaries of this PMA is shown below.

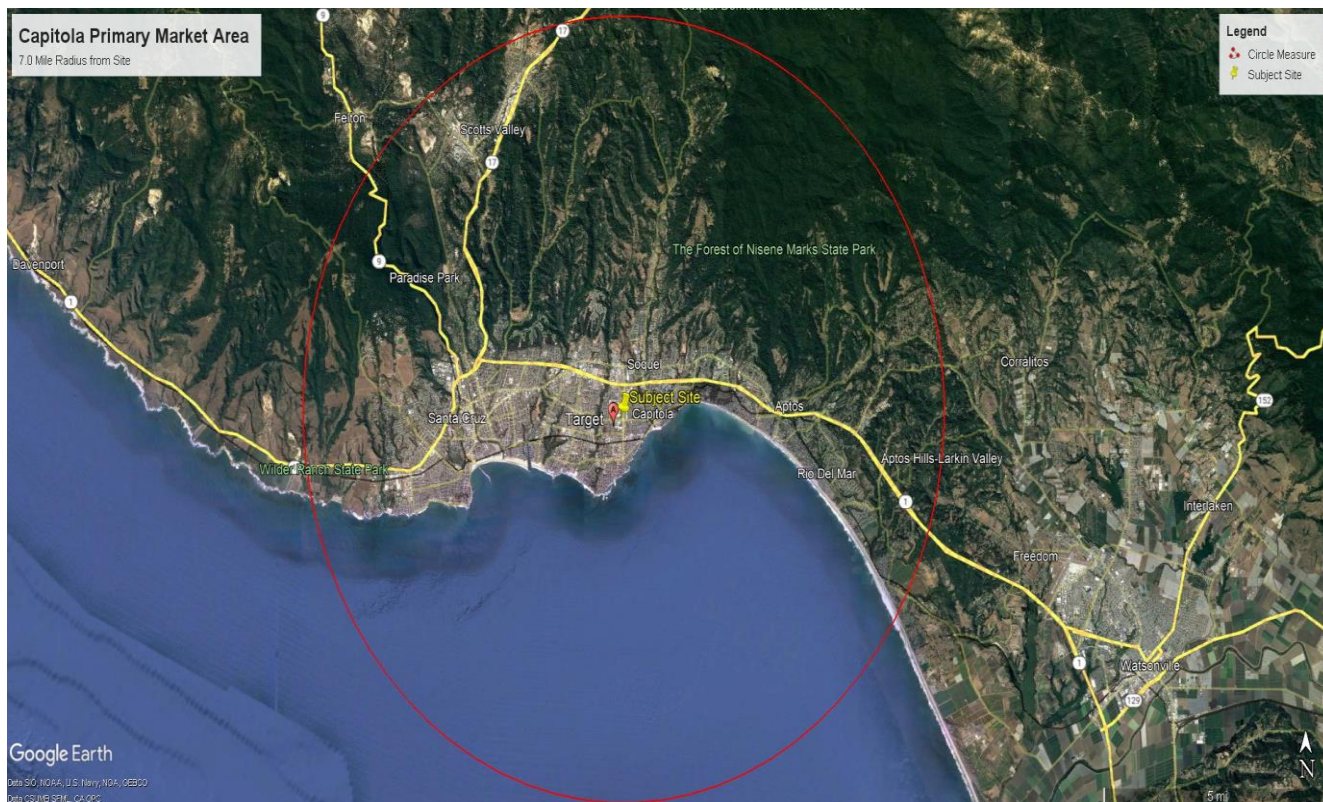
*The rationale for selection of this market area includes:*

- The location of similar properties – including recently built communities.
- Transportation patterns in the area and likely times and distances people are willing to travel for healthcare services
- The location of shopping, work, and other area destinations

### **PRIMARY MARKET AREA (PMA) DEFINITION**

For this analysis, as noted above, we have assumed that approximately 80% of these senior living units will be absorbed (or occupied) by senior households originating in this PMA. The remaining 20% are expected to come from secondary and tertiary market areas as in-migration from outside the PMA or even outside of Santa Cruz County. This in-migration is primarily driven by the actions of the adult children/decision influencers attempting to bring their aging parents closer to them in the later stages of their life. If feasible demand levels for a proposed project can be proven within a conservatively defined area, the need to exactly define and analyze secondary and tertiary markets is reduced.

There are no physical or logistical factors that will decrease or increase the available market to the proposed project from that strictly defined by PMA radius. It is our opinion that the proposed project will primarily draw from within the PMA as defined as a 7-mile radius from the proposed development site as defined in this report.



## SECONDARY MARKET

It is conservatively estimated that 80% of the proposed units will be filled from within the primary market area. It is also expected that some of the remaining 20% of the proposed units will be filled by those living in communities directly adjacent to the market area, or other parts of the region.

Another secondary market typical for senior housing is those seniors who do not live in the primary market area, but whose adult children live in the primary market area or are relocating to Santa Cruz County for work or retirement. It is anticipated that the bulk of those from secondary markets will be the parents of those who already live in the market area. This is consistent with our experience in managing and marketing senior living communities over the past 30 years.

## TARGET AUDIENCE

As mentioned above, we have defined the target audience for all senior housing product types to be those seniors aged 75+ with annual incomes more than \$50,000, ( overall 2022 median income for the PMA was \$91850) .

**TABLE ONE**  
**Senior Life Demographic Analysis**

7 Mile Radius from Subject Site								TOTAL	% OF TOTAL
SENIORS AGED 75+								75+	
City, State	Area	Age 75+ < \$50K	Age 75+ > \$50K	ALL AGE 75+ TOTAL	ALL AGES		%T	INCOME QUAL 75+	
Capitola, CA									
	2026 Projection	7,754	4,724	12,478	161,876		7.71%	37.86%	
	2021 Estimate	7,242	4,027	11,269	159,215		7.08%	35.74%	
Growth Rate	2021-2026	<b>7.07%</b>	<b>17.31%</b>	<b>10.73%</b>	<b>1.67%</b>				

**SOURCE :**  
 Environics  
 Paradigm Senior Living

Our research indicates that there are presently 4,027 households that meet the qualifications. This is expected to increase 17% to 4,724 households by 2026.

It is important to note that the fastest growing segment of this population are those aged 75+ with incomes in excess of \$150,000 at 41%, followed by those with annual incomes between \$100K and \$150K\$ at 15%.

**ELDERLY POPULATION: DERIVED PREVALENCE FACTOR ANALYSIS**

Another available method of estimating senior living demand is the application of prevalence factors derived from the National Health Statistics compiled by the National Center for Health Statistics. The assisted living definition utilized in that analysis is similar to the definition applied by the Assisted Living Federation of America (ALFA).

Assisted living is defined as requiring assistance with two or more of the activities of daily living. The study measured the number of people receiving assistance with self-care and/or mobility limitations. When applied against the entire age group, a prevalence factor is derived.

Our experience tells us that (conservatively) 35% of households comprised of individuals aged seventy-five and over are unable to carry out at least two ADL's or have mobility limitations "prevalence factor." By applying the actual prevalence ratio against the target population (75+; \$50,000+) total private-pay demand within the primary market can be estimated.





- ◆ Average monthly base rental fee in 2018 for Assisted Living alone across the country was \$3,564, and communities offering both assisted living and memory care was \$4,744.
- ◆ Nationally, the Memory Care average monthly base fee per occupied unit, with average Level of Care (LOC) Fees included, was \$7,104 in 2019.
- ◆ The median assisted living apartment square footage size in 2019 was 386, median independent was 577 square feet, and independent with assisted living was 666 square feet.

While there are vast inconsistencies between how each defines Assisted Living facilities, there are certain basic service offerings which generally characterize this senior housing type. These include: 24-hour on-site supervision, provision of two or three meals per day, housekeeping services, regular snacks, provision of some level of daily personal care, recreational activities, transportation services, social services, and a personalized health care plan to address each resident's health needs.

Memory Care monthly fees generally entail a fixed amount which covers housing costs, utilities, meals, snacks and often some level of reminders. Many memory care facilities now are moving towards a more all-inclusive care model, where the base rate covers the care as well.

Care needs are generally measured by the extent to which residents require assistance with regular activities of daily living (ADLs). ADLs may include activities such as: dressing, showering, walking, eating, or toileting. A clinician measures dependency by determining whether the individual is at risk of not meeting an essential daily need unless outside help is provided. While residents generally have at least one ADL dependency, many residents will have up to three or four ADL needs. It should also be noted that ADL dependencies do not imply a greater need for medical care, as ADLs are associated with personal care services rather than medical care.

In California, Assisted Living Communities are regulated by the Department of Social Services. All adult residential care facilities for the elderly (RCFEs) (also known as board and care facilities, assisted living facilities (ALFs), personal care homes, shelter care homes, foster homes, and other names) must be licensed, including facilities or agencies owned or operated by any governmental, profit, non-profit, private, or church organization. California also has two other license types for senior living, Residential Care Facilities for the Chronically Ill, as well as Continuing Care Retirement Communities (CCRC), but this report focuses solely on RCFEs.

A link to the state regulations can be found in the appendix of this report.

## STAFFING TRENDS

Stand-alone memory care facilities have higher staffing ratios than their independent living and CCRC counterparts. In 2019, according to State of Senior Housing, average staff-to-resident ratios range from about 0.21 (meaning, one full-time-equivalent employee for every five residents) in freestanding independent living communities, to approximately 0.41 (that is, two FTEs for every five residents) when assistance with activities of daily living is involved, up to 0.80 where Alzheimer's care is involved. An FTE (full time equivalent) is a unit of 2,080 hours worked in one year, whether by one full-time employee or multiple employees. Roughly 20% of the staffing need within the Assisted Living setting comes from dietary and cafeteria staff, and half of the staffing demand is for Assisted Living care professionals who provide non-medical assistance with daily activities. Another 13.5% of the staffing

breakdown arises from skilled nursing professionals which provide some level of professional medical care to the Assisted Living residents.

### **DESIGN-CONSTRUCTION TRENDS**

Across the board, new Assisted Living & Memory Care facilities are beginning to favor independent living (IL) environments in terms of amenity offerings, interior and exterior finishes, and spaciousness.

Observed trends in personal living space allocation are as follow:

- Individual units are roughly 100 to 150 square feet (SF) larger in new construction.
- New construction Memory Care (ALZ) private apartments ranging from 300-400+ SF.
- Developers are further accentuating spaciousness by incorporating higher 9-foot ceilings, generous window openings for more light into the apartment.
- Fully accessible, ADA approved three-fixture bathrooms are also becoming the standard as the aging population seeks to maintain a sense of privacy and independence.
- Other popular features include walk-in closets with organizers and personal linen closets to reduce clutter and create a home-like atmosphere.
- Like other senior housing property types, warm colors, rich molding, plush carpet, and other home-like finishes are defining features within the modern Senior Living space

Even for memory care, the residents' adult children (and staff) who visit them are also more tech savvy and wish to remain connected to family and the outside world through technology. To meet this demand, many communities are now offering broadband connections, computers with stimulating software, and wireless internet.

Though many new upscale features and design trends are emerging, balancing consumer demand for larger units and increased amenities with affordability constraints, has proven to be quite challenging. Special attention will need to be paid to the cost versus benefit decision of each option as it pertains to each facility's projected resident profile.

### **DEMENTIA/ALZHEIMER/MEMORY CARE UNITS**

According to the 2019 Alzheimer's disease Facts and Figures, published by the Alzheimer's Association, an estimated 5.5 million people in the U.S. are afflicted with some form of Alzheimer's disease. Of this total, 5.3 million people aged sixty-five and older are afflicted, while the 200,000 remaining people have early onset Alzheimer's. That works out to approximately 1 in 10 people aged 65+ having Alzheimer's dementia. Women are more likely to have Alzheimer's disease than men.

It is anticipated that by 2025, the number of people sixty-five and older who have Alzheimer's disease will grow to 7.1 million, which represents more than a 50% increase over those currently afflicted. Between 2019 and 2025 every state across the country is expected to experience an increase of at least 14 percent in the number of people with Alzheimer's due to increases in the population age 65 and older.

Recent improvements in dementia unit design have centered on mitigating various components of Alzheimer's and dementia ailments. For added comfort and security, many facilities offer shelving to display and/or store familiar personal effects such as pictures or sentimental items. New facilities are being laid out to allow spontaneous and frequent access to an outdoor environment, often dedicated exclusively to dementia residents.

Where appropriate, those residents who are not prone to behavioral outbursts are urged to participate in social activities with the larger assisted living community. Likewise, these lower acuity residents are extended access to the full amenity offerings available to assisted living residents.

Modern facilities offer comprehensive technological integration that extends beyond traditional medication management and other skilled nursing applications. Among pertinent applications, nurses and administrators can be alerted to deviations from regular movements and routines of the residents, as well as entrance/exit activities among residents from a central station.

## **OCCUPANCY PATTERNS**

Median senior housing occupancy rates continue to display softening occupancy patterns across all facility types. Per the National Investment Center for Seniors Housing (NIC), for the 2<sup>nd</sup> quarter of 2021, overall occupancy across all senior living communities in 31 major markets, hit a record low of 78.7%. However, for reference, in the 2019 "The State of Seniors Housing" industry report, median occupancy for stand-alone, private, for-profit memory care facilities was 84.7% while those with strictly assisted living units were 89.9% and those with AL/ALZ were 90.2%. Though most professionals in this industry project that covid-19 is not a forever issue affecting senior living occupancy, these past 2 years have seen a dramatic decrease in overall occupancy; with covid vaccines now widely available, project owners across the country anticipate an increase in occupancy over the coming years.

This trend is also due in large part to the influx of new construction and new units coming into already busy markets; plus, the trend that seniors are waiting longer to make the move into communities such as these until their medical needs are much more advanced to save money, and their length of stays are therefore decreasing.

Facilities which cater to higher acuity residents and those which require a greater level of personal care have fared better than the non-need driven facilities. However, it often is tied to shorter lengths of stay and therefore more frequent unit turnover.

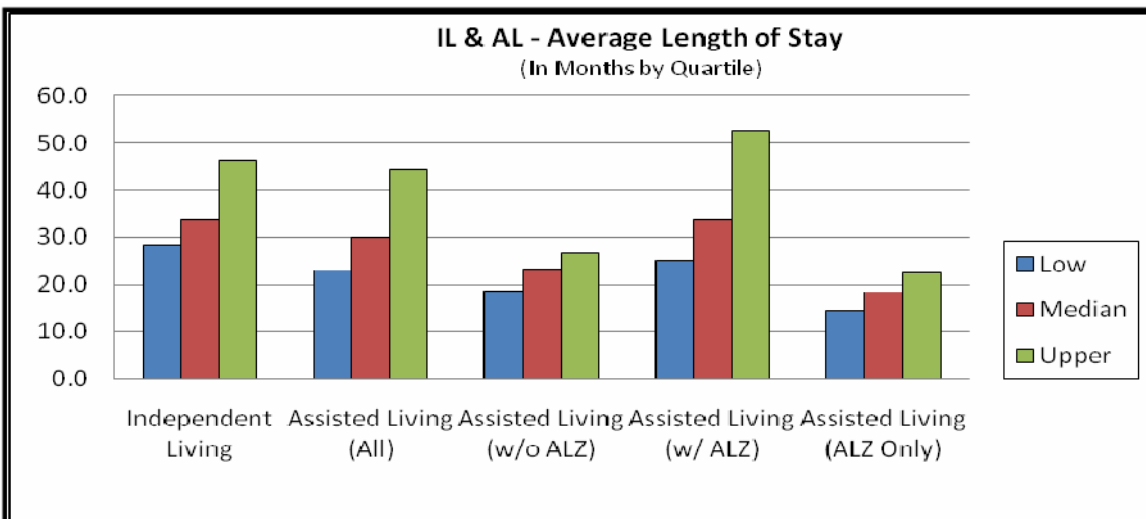
While adding levels of care (i.e., assisted living within an independent living setting or Alzheimer's care in assisted living) has not proven to boost occupancy levels, it may curb declines in communities that would have otherwise suffered more during the fallout since the housing bubble burst.

## **LENGTH OF STAY & ABSORPTION**

Per the most recent "The State of Seniors Housing, 2019," among all senior housing types, annual turnover was highest for stand-alone Memory Care residences; with a median rate of 72.5%. This is consistent with the purpose of these facilities, as their residents are often frail and vulnerable to illness when they are admitted, which generally leads to shorter life expectancies and thus, shorter stays.

In the same 2019 report, the median length of stay for a resident in a strictly Assisted Living facility was roughly 22.4 months. This is approximately seventy-five percent of the length for independent living (37.3 months) and approximately 43% of the CCRC rate (71.5). The standalone Assisted Living facility had a

median annual resident turnover rate of 53.5%. There was a 1.3% differential between Assisted Living facilities which offer memory care, versus those who do not. Additional length of stay observations for each property type is represented in the graph below:



**SENIOR HOUSING GROSS PENETRATION RATES – TRENDS AND BENCHMARKS**

Project “capture rate” is defined as the percentage of the age and income qualified prospects an individual senior housing community will have to attract or capture to achieve stabilized occupancy. The required capture rate for a senior housing community is calculated by dividing the number of units to be absorbed from within the PMA, by the number of net potentials, age-, income- and health-qualified prospects residing in that market area.

While there have been various industry standards for acceptable capture rates, 12% to 16% are recognized as the acceptable capture rate ranges for an individual assisted living community in a specific market area.

Although there are several unique approaches to calculating capture and penetration rates, this range is generally recognized by other senior housing industry professionals including market feasibility consultants/appraisers and senior housing trade associations including ASHA, NIC and ALFA.

**WHAT ARE THE BASIC COMPONENTS OF A PENETRATION RATE CALCULATION?**

**PRIMARY MARKET AREA DEFINITION**

The primary market area (PMA) for senior living services is typically defined as the geographic area from which most prospective residents reside, prior to assuming occupancy at a project. The PMA for a project is typically determined by the origin of its depositors, the historical experience of the provider (if applicable) and/or the experience of existing providers in the PMA.

**PERCENT OF SENIORS ORIGINATING FROM THE PMA**

Once the PMA is determined, the percentage draw from the PMA is applied to estimate how many ages



and income-qualified persons would originate from the PMA, versus other areas. This number can be subjective and can vary based on the firm and/or the individual performing the calculation. Industry experience and data suggests that the draw from the PMA typically ranges from 60% to 80%. The percentage draw from the PMA can be lower if a project is in an area considered to be a retirement destination. We used a rate of 80% for this report.

### **Number of Existing and Planned Units in the PMA**

Determining the number of existing and planned units to include in a penetration rate is one of the more subjective components affecting the calculation. While there may be several existing and planned units in the PMA, it is important to consider which units are comparable to a project. Do the units have a similar pricing structure and income qualification? What are the product and service offerings at the community?

We typically use a conservative approach and consider all units with similar services to be competing for the same pool of age and income-qualified persons.

### **Number of Units Available Due to Attrition**

To calculate the net market penetration rate, the number of units to be absorbed in each year must be determined. Available units could enter the marketplace via planned communities and through the turnover of existing units in the PMA. Therefore, it is necessary to take into consideration the number of existing units in the PMA that would be vacated due to attrition.

### **Age and Income Qualification**

To qualify for residency at a senior living community, a prospective resident must meet an age requirement – generally 62 years of age – and demonstrate sufficient financial resources to pay the required monthly service fees and other expenses not provided by a project.

Accordingly, management typically establishes certain criteria to identify prospective residents who would be eligible to reside in an independent living unit at the project (i.e., annual income from all sources and assets of approximately 1.25 to 1.5 times the annualized monthly service fee at the project). For quantifying the number of age-qualified persons in the PMA, management of a project typically assumes that persons aged seventy-five or older are most likely to move to a senior living community. In 2010 the average age of residents moving into a senior living community was 79 years old; however, in 2019, CBRE reported in their 2<sup>nd</sup> quarter senior housing report that the average age when moving into assisted living was 87 years old indicating people are waiting longer to move into these types of communities, and often time arrive with much higher care needs, which results in shorter lengths of stay.

### **How are industry penetration rates calculated?**

While there are multiple penetration rates, each one has a different purpose and set of components. They all intend to paint a picture of the estimated market demand for senior living units. Although terminology varies within the industry, we have found the methodologies applied for feasibility studies to be generally consistent.

We have analyzed the penetration rate methodologies of BB&T Capital Markets (BB&T), Fitch Ratings (Fitch), the National Investment Center for the Seniors Housing and Care Industry (NIC) and Ziegler

Capital Markets Group (Ziegler). BB&T, Fitch and Ziegler calculate penetration rates using similar methodologies. BB&T refers to its calculations as “project saturation rates” and “market saturation rates.” Fitch and Ziegler refer to their calculations as “penetration rates” and “saturation rates.”

Regardless of the industry term used to describe these calculations, project penetration rates show a project’s inventory of units relative to market depth, whereas market penetration and saturation rates show the market’s total inventory of units relative to market depth.

These calculations assume that all communities in the market are competing for the same or similar pool of age and income-qualified persons.

A penetration rate is a simple ratio between the number of ALF units in each market area and age-income qualified households in the same area. Historical average penetration rates for Assisted Living have averaged 12% to 16% in underserved markets.

Using these rates would suggest that there is sufficient unmet demand in the PMA for additional assisted living and independent units. The proposed project would need to capture a slightly above average number of income qualified seniors with self-care or mobility limitations to fill to stabilization within a reasonable timeframe.

Under normal conditions this would be difficult to achieve, however given the high historical penetration rates for Assisted Living and Memory Care units, and the lack of larger units in the area, we can safely assume one or more of the following to be true:

- More residents may be originating from outside the boundaries of the Primary Market Area than the 20% that we assumed.
- Many residents may not meet the \$50,000 income qualifier but may still afford community living due to income and assets from other sources, as well as financial assistance from their affluent adult children who reside in the PMA.
- Possible pent-up demand in the marketplace.

Therefore, it is our opinion that the capture rates assumed in this report are within the minimum acceptable range for assisted living & memory care.

Judging from the older competitive properties offering assisted living and memory care housing, it seems likely that if the project were to proceed, providing a new, more modern purpose-built community would help set itself apart in a meaningful way and provide a better option than most of the current supply in the market.

It is reasonable to assume that by offering large units at a reasonable price point, specifically in memory care, it would absorb more than its share of new customers in the market and should draw from neighboring communities.

TABLE THREE PENETRATION RATES

<b>Capitola, CA</b>				
<b>Absolute Market Penetration</b>				
<b><u>Market Rate Assisted Living &amp; Memory Care</u></b>				
<b>Total Existing and Planned Units in PMA</b>				
	<b>Total Units</b>	<b>Total</b>	<b>Vacant</b>	<b>Occupancy Rate</b>
Proposed Subject (80% Drawn From PMA)	57	0	57	0.00%
Paradise Villa	29	25	4	85.00%
Dominican Oaks	49	47	2	96.00%
Valley Haven	30	24	6	80.00%
Aegis Aptos	88	88	0	100.00%
Sunshine Villa	107	91	16	85.00%
Westwind ALZ	51	43	8	84.00%
Totals (existing and pipeline)	354	317	93	89.68%
Total income eligible households (> \$50,000) within the Primary Service Area	2021	2026		
	1409	1653		
Historical Penetration Rate	22.53%	19.20%		
Penetration Rate Req.to Fill Proposed Project/ Mkt Vacancies	6.60%	5.62%		

<b>Capitola, CA</b>		<b>Market Rate Assisted Living</b>			
		<b>Dynamic Penetration Rate Analysis</b>			
<b>Total Existing and Planned Units in Primary Service Area</b>	<b>Total Units</b>	<b>Occupied Units</b>	<b>Vacant Units</b>	<b>Occupancy Rate</b>	
Competitive Units	354	317	36.52	89.68%	
Proposed Project ( from PMA)	57	0	57	0.00%	
<b>Total</b>	<b>411</b>	<b>317</b>	<b>93</b>	<b>77.28%</b>	
Units requiring re marketing annually @40% per year ( Occupied Units X 40%)	89				
	2021	2026			
Net Total Units to Market ( from PMA)	182	182			
Total Age and Income Qualified Seniors With Care or Mobility Limitations	1,409	1,653			
Dynamic income and Age Penetration Ratio ( Net Units/ Eligible Households)	13%	11%			
<b>SOURCE :</b>					
US Census Bureau-Claritas Nielsen					

The penetration rate required to fill the proposed project is well within acceptable norms for both 2021 and 2026 projections.

Even when one factors in demand from annual turnover at existing facilities , the project’s projected penetration rates are well within acceptable industry norms.

The historical penetration rate within the PMA is 23%. This combined with a probability that La Posada caters to a lower income clientele and will probably never really compete with a new private pay community, mitigates the higher overall penetration rate within the PMA.

**AVERAGE INCOMES IN THE MARKET AREA**

It is also important to look at median incomes and income trends in the market area as shown in the tables below. The 2020 average household income for households of all ages in the market area was estimated at \$106,894. While it remains average when compared to other parts of the state and the nation, it is expected to grow significantly to \$120,295 by year 2026.



The 2021 median income for seniors ages 75+ the PMA is illustrated in the chart below:

**TABLE FOUR**

<b>Age Group</b>	<b>2000 Median Household Income</b>	<b>2021 Median Household Income</b>	<b>2026 Median Household Income</b>
75-84	\$33,435	\$59,436	\$67,137
85+	\$25,900	\$39,291	\$45,068
All Households	\$40,376	\$60,728	\$65,575

This illustrates that while median incomes for seniors in the PMA are considerably below those of comparison to younger wage earners, they are, by comparison, like comparable markets in the region as is the overall average household income for the PMA.

#### **HOUSING VALUES IN THE MARKET AREA**

As noted previously, the median home sale price for homes in Capitola was \$660K. The average size for an apartment is 669 square feet, but this number varies greatly depending on unit type, with an average rent of \$2,324/mo. as of November 2021.

#### Capitola Occupied Housing Units

- Renter-occupied Households 46%
- Owner-occupied Households 53%

2,053 or 46% of the households in Capitola are renter-occupied while 2,408 or 53% are owner-occupied.

Because most people over the age of seventy-five own their houses free and clear, this increase in housing values will have minimal impact on seniors' net worth, and hence their ability to pay for service enriched housing.

#### **POTENTIAL IMPACT OF "ADULT CHLADREN" ON MARKET DEMAND**

As most professionals in this field are aware, projections about seniors and their behavior are less than accurate if they do not consider the local economy and the likely behavior of adult children. If the local economy is strong, adult children typically stay and care for their parents and other senior relatives.

## WILLINGNESS OF ELDERLY TO MOVE AND REASONS FOR MOVING

It is typical for the elderly to have strong emotional ties to remaining in their homes. These ties are based on the memories and family histories associated with the home and are related to an elderly person's desire and ability to continue to maintain an image of independence and self-reliance.

Our interviews indicate that the elderly in this market area tend to remain in their homes for as long as possible and move only after some type of crisis has occurred, or when their family has intervened. For those who choose to remain in their original homes, if possible, the move that is eventually made is frequently to a senior care facility or a nursing home.

These moves are generally precipitated by a change in health status and/or increased frailty that results in the inability to maintain the home, the death of a spouse, or the desire for more security, companionship, and activities.

The adult children reflect the pressures of the “sandwich” generation, caring for both elderly relatives and their own children. Adult children of seniors are more likely to have their own children under eighteen living at home, are more likely to be employed full-time, have a greater number of living parents, have fewer siblings with whom to share the responsibility for the senior, and have a higher proportion of elder relatives for whom they are responsible.

Upon retirement, some parents of adult children relocate to be closer to their children and their grandchildren. Adult persons aged 45-64 comprise the age group considered most likely to have parents in the age 75+ category, which are those people considered most likely to move to retirement or assisted living communities.

In 2021 it is estimated that there are 39,395 households in the 45 to 64 age group; this number is projected to decrease to 37,803 by 2026.

Experience has shown that people with incomes above the median are most likely to select senior living communities as an option for their parents and are most likely to be able to assist with payment if necessary.

Of those households 45-64, it is estimated that there are 9,533 households that meet the income criteria of \$150,000+ annually within the PMA. By year 2026 that number is expected to increase by an additional 27% to an estimated 10,561 households. This is particularly important as it is this demographic cohort that typically assists with or manages to care for their elderly relatives.

This is a positive trend considering the total population is only expected to grow by less than 2% over the same period, indicating an above average affluent “caregiver” or adult child demographic in the PMA. The 45-64 population is expected to decrease over the next 5 years. The population of the more affluent members of that group is expected to increase.

This bodes well for senior living, specifically assisted living as the adult children influences or direct the decision to move to a senior living environment.

A likely percentage of these adult children will have parents and/or in-laws that reside “outside” of the PMA (so, they are not counted in penetration rate analysis). Many of these adult children are in the work force and may seek out local housing/care provisions for their geographically displaced senior parents, due to wanting them nearby. Doing this will help to ensure that they reduce disruptions in their own lives, and simply be within comfortable driving distance for regular visitation.

How large of a possible demand source will these adult children be in the subject’s primary target market?

**DEMAND – PARENTS OF ADULT CHILDREN RESIDING IN SULPHUR**

**TABLE FIVE**

<u>Potential Adult Children Demographics</u>		<u>Above average Income Aged 45-64 cohort</u>		
			Age 45-64	%T
<b>Capitola, CA</b>		<b>Tot. Hshlds</b>	<b>Income \$150K+</b>	
	2026	161,876	10,561	6.52%
	2021	159,215	9,533	5.99%
	Growth Rate		27%	
<b>SUGGESTED</b>	<b>PENETRATION RATES</b>	<b>Potential Impact on Unit Demand ( Units)</b>		
Those Actively Seeking Shelter for Parents				
	<b>Capture Rate</b>	<b>1.00%</b>	<b>1.50%</b>	
	<b>2021</b>	95	143	
	<b>2026</b>	106	158	

While this chart conservatively indicates that if only 1% of these households are seeking housing for their parents or elderly relatives at any given time, they could impact demand by up to 95 additional units in 2021 and 106 units in 2026 because of the “caregiver effect” in the PMA alone.

Nonetheless, they are a positive indicator of both current and future demand for service-enriched housing. Considering this data, the analyst foresees above average growth in the affluent adult children population in the PMA through the year 2026.

The data indicates that the average annual population growth rate over the next 5 years expected among the senior population will likely be matched by the growth in the adult children population. In summary, high concentrations of affluent caregivers within a PMA are an excellent indicator of both current and future senior housing demand.

## COMPETITIVE ANALYSIS

As noted previously, Capitola has six truly competitive /comparable senior living communities offering some form of assisted living, and or memory care: Sunshine Villa, Dominican Oaks, Aegis Aptos, Valley Haven, Paradise Villa and Westwind, which combine for a total of 511 apts. They are reporting occupancy rates of 85, 96, 100, 80, 80%, respectively. (Paradise Villa would not disclose their occupancy) Though built in 1999, Aegis of Aptos in our opinion is the best competitor in the market and would be the benchmark in terms of amenities, quality of care, apartment features, pricing, etc. for assisted living. While Dominican Oaks offers a small contingent of assisted living apartments, which are nearly fully occupied, their primary product type (157 out of 209 units) is independent living. Though a much older project, built in 1989, this has direct ties to Dominican Hospital; it also offers government low-income financial assistance as a payment method to some residents. Westwind, a strictly memory care community, is the newest built of all the communities. It shares an entrance driveway with the Elks Club and has views of the cemetery just down the street. It would be the benchmark to compare for the memory care side of this potential project.



### Competitive Units in the Primary Market Area

A summary of unit sizes and rental rates can be found in the Appendix of this report the design and the interiors are dated, and the feel was institutional and uninspiring. Any new project if designed to “next generation” standards will have a distinct competitive edge.

## REGULATORY INFORMATION

As noted previously in the report, California is overseen by the California Department of Social Services. More information can be found at: <https://www.cdss.ca.gov/inforesources/senior-care-licensing>



## CONCLUSION

Paradigm Senior Living believes that this analysis accurately depicts demand for senior living (including assisted living, and memory care) in the Capitola, CA primary market area, as defined in this report.

Analysis based upon that methodology suggests that from a purely senior income demographic standpoint, and penetration rate analysis there is sufficient demand to support the development of a 75-80 unit assisted living community within this market. Gross demand is somewhat dependent upon the affluent adult child 45-64 with above average household incomes.

The senior life report section of this report illustrates the factors of the senior population most important to the operation of a senior housing development. The raw demographics for the primary market areas can be found in the back of this report.

Operational/financial feasibility for the proposed project can only be determined through a more in-depth compilation and analysis of local development cost assumptions, absorption trends, rental rates, wage rates and other operating variables.

## ABOUT THE CONSULTANT

*Paradigm Senior Living* is a professional management and consulting firm that specializes exclusively in the development, marketing, and management of Senior Living Communities. Presently, PSL has communities under development or management and has ongoing consulting relationships with clients across the US.

PSL was established in 1994 and its principals' experience in the Senior Living Industry spans nearly 30 years. Our clients include private investors, hospitals, banks, and not-for-profit organizations.

Over that time, the company has been instrumental in the acquisition, development, marketing, and ongoing operation of more than 75 Senior Living Communities throughout the United States including: Continuum of Care Retirement Communities, Age-Restricted Housing, Assisted Living, and Memory Care communities totaling more than 6,000 living units and valued at more than \$750MM. PSL has been involved as Management Agent for \$150 MM of HUD- 232 insured loans.

Additionally, PSL has performed financial feasibility, investment, and underwriting analysis for more than two hundred proposed senior housing projects, in more than thirty-five states. Our work has been accepted and highly regarded by HUD, conventional lenders, and equity investors.

Lee E. Cory is the founder and President of Paradigm Senior Living. Prior to beginning his involvement with senior housing in 1983, Mr. Cory spent several years in the field of Hotel and Restaurant Management. Mr. Cory earned a BS Degree from Michigan State University in 1979.

He has been a nationally recognized speaker and educator for many regional and national senior housing and health care associations including: The National Association for Senior Living Industry Executives (NASLIE), Member and Past Board Member – Assisted Living Federation of America (ALFA), Advisory Member of The American Seniors Housing Assn. (ASHA), AIC Conferences, and The American Health Care Association (AHCA). Mr. Cory's viewpoints and insights have been published in numerous trade periodicals including Assisted Living Success, Journal of Property Management, Retirement Community Business, Contemporary Long-Term Care, Assisted Living Business, and Assisted Living Today.

## ACKNOWLEDGEMENT

Information estimates and opinions contained herein were obtained from sources believed to be reliable and are believed to be true and correct. No single item of information was completely relied upon to the exclusion of any other. However, Paradigm Senior Living “PSL” assumes no responsibility for accuracy.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions. Neither PSL, nor its principals have a present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

Our compensation is not contingent upon the reporting of a predetermined result or direction that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.

I do not authorize the out-of-context quoting from or partial reprinting of this market study report.

Further, neither all nor any part of this market study report shall be disseminated to the public using media for public communication without the prior written consent of the consultant signing this market study report.

Furthermore, neither the consultant nor Paradigm Senior Living assumes any responsibility for the business decisions of those who become aware of this feasibility study.

November 15, 2021

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## APPENDIX



- RAW DEMOGRAPHIC DATA
- COMPETITIVE ANALYSIS DATA
- SITE MAPS

## APPENDIX



- RAW DEMOGRAPHIC DATA
- COMPETITIVE LISTINGS SUMMARY
- PMA MAP



# Pop-Facts® Senior Life Demographics | Summary

Trade Area: Capitola Project - 7 mi Radius

	Population
2000 Census	148,357
2010 Census	152,737
2021 Estimate	159,215
2026 Projection	161,876

	Population Change (%)
Growth 2000 - 2010	2.95
Growth 2010 - 2021	4.24
Growth 2021 - 2026	1.67

Benchmark: USA

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Trade Area: Capitola Project - 7 mi Radius

	2000*/2010**		2021		2026	
	Census	%	Estimate	%	Projection	%
<b>Total Population**</b>						
Total Population	152,737	100.00	159,215	100.00	161,876	100.00
Age 45 - 54	22,459	14.70	18,686	11.74	18,520	11.44
Age 55 - 64	21,813	14.28	20,709	13.01	19,284	11.91
Age 65 - 74	9,886	6.47	19,430	12.20	23,228	14.35
Age 75 - 84	5,586	3.66	7,786	4.89	8,902	5.50
Age 85 and over	3,214	2.10	3,483	2.19	3,576	2.21
Age 65 and over	18,686	12.23	30,699	19.28	35,707	22.06
Age 80 and over	5,889	3.86	6,503	4.08	7,179	4.43
<b>Population by Single - Classification Race**</b>						
White Alone	121,645	79.64	120,297	75.56	119,290	73.69
White Alone: Age 65 and over	17,371	14.28	27,768	23.08	31,788	26.65
Black/African American Alone	1,970	1.29	2,302	1.45	2,459	1.52
Black/African American Alone: Age 65 and over	126	6.40	270	11.73	337	13.71
American Indian/Alaskan Native Alone	1,107	0.72	1,299	0.82	1,371	0.85
American Indian/Alaskan Native Alone: Age 65 and over	72	6.50	152	11.70	190	13.86
Asian Alone	8,034	5.26	10,125	6.36	11,073	6.84
Asian Alone: Age 65 and over	574	7.14	1,216	12.01	1,605	14.49
Native Hawaiian/Pacific Islander Alone	243	0.16	271	0.17	288	0.18
Native Hawaiian/Pacific Islander Alone: Age 65 and over	17	7.00	33	12.18	46	15.97
Some Other Race Alone	12,170	7.97	15,361	9.65	16,895	10.44
Some Other Race Alone: Age 65 and over	309	2.54	744	4.84	1,027	6.08
Two or More Races	7,568	4.96	9,560	6.00	10,500	6.49
Two or More Races: Age 65 and over	218	2.88	516	5.40	714	6.80
<b>Population by Hispanic or Latino**</b>						
Hispanic/Latino	26,931	17.63	32,843	20.63	35,593	21.99
Hispanic/Latino: Age 65 and over	1,058	3.93	2,282	6.95	3,054	8.58
Not Hispanic/Latino	125,806	82.37	126,372	79.37	126,283	78.01
<b>Total Population, Male**</b>						
Total Population, Male	75,411	49.37	78,038	49.01	79,344	49.02
Male: Age 45 - 54	11,042	14.64	9,346	11.98	9,198	11.59
Male: Age 55 - 64	10,772	14.28	9,983	12.79	9,347	11.78
Male: Age 65 - 74	4,662	6.18	9,433	12.09	11,257	14.19
Male: Age 75 - 84	2,204	2.92	3,401	4.36	3,852	4.86
Male: Age 85 and over	1,043	1.38	1,126	1.44	1,199	1.51
Male: Age 65 and over	7,909	10.49	13,960	17.89	16,308	20.55
Male: Age 80 and over	2,066	1.35	2,400	1.51	2,702	1.67
<b>Total Population, Female**</b>						
Total Population, Female	77,326	50.63	81,177	50.99	82,532	50.98
Female: Age 45 - 54	11,417	14.77	9,340	11.51	9,322	11.29
Female: Age 55 - 64	11,041	14.28	10,726	13.21	9,936	12.04
Female: Age 65 - 74	5,224	6.76	9,997	12.31	11,971	14.51
Female: Age 75 - 84	3,382	4.37	4,386	5.40	5,051	6.12
Female: Age 85 and over	2,171	2.81	2,356	2.90	2,377	2.88
Female: Age 65 and over	10,777	13.94	16,739	20.62	19,398	23.50
Female: Age 80 and over	3,823	2.50	4,102	2.58	4,477	2.77

Benchmark: USA

\*2000 Census generated data/\*\*2010 Census generated data

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<https://claritas.easptlight.com/Spotlight/About/3/2021>

Trade Area: Capitola Project - 7 mi Radius

	2000*/2010**		2021		2026	
	Census	%	Estimate	%	Projection	%
<b>Householder Age 45 - 54*</b>						
Householder Age 45 - 54	14,628	28.35	10,210	16.41	9,900	15.56
Income Less than \$15,000	1,038	7.10	383	3.75	314	3.17
Income \$15,000 - \$24,999	899	6.15	177	1.73	153	1.55
Income \$25,000 - \$34,999	873	5.97	462	4.53	360	3.64
Income \$35,000 - \$49,999	1,968	13.45	542	5.31	376	3.80
Income \$50,000 - \$74,999	2,939	20.09	939	9.20	773	7.81
Income \$75,000 - \$99,999	2,348	16.05	1,026	10.05	842	8.51
Income \$100,000 - \$124,999	1,880	12.85	1,052	10.30	872	8.81
Income \$125,000 - \$149,999	894	6.11	1,002	9.81	946	9.56
Income \$150,000 - \$199,999	950	6.49	1,388	13.60	1,361	13.75
Income \$200,000 or more	838	5.73	3,240	31.73	3,903	39.42
Median Household Income	-	71,272.89	-	137,676.93	-	187,007.73
<b>Householder Age 55 - 64*</b>						
Householder Age 55 - 64	7,197	13.95	12,175	19.57	11,078	17.42
Income Less than \$15,000	755	10.49	726	5.96	559	5.05
Income \$15,000 - \$24,999	491	6.82	322	2.65	249	2.25
Income \$25,000 - \$34,999	723	10.05	636	5.22	495	4.47
Income \$35,000 - \$49,999	898	12.48	777	6.38	509	4.59
Income \$50,000 - \$74,999	1,226	17.04	1,235	10.14	976	8.81
Income \$75,000 - \$99,999	910	12.64	1,271	10.44	1,027	9.27
Income \$100,000 - \$124,999	714	9.92	1,160	9.53	943	8.51
Income \$125,000 - \$149,999	526	7.31	1,142	9.38	1,023	9.23
Income \$150,000 - \$199,999	499	6.93	1,442	11.84	1,359	12.27
Income \$200,000 or more	456	6.34	3,463	28.44	3,938	35.55
Median Household Income	-	64,111.58	-	124,122.72	-	143,786.72
<b>Householder Age 65 - 74*</b>						
Householder Age 65 - 74	4,987	9.66	12,153	19.53	14,172	22.28
Income Less than \$15,000	714	14.32	754	6.20	763	5.38
Income \$15,000 - \$24,999	707	14.18	698	5.74	705	4.97
Income \$25,000 - \$34,999	753	15.10	792	6.52	791	5.58
Income \$35,000 - \$49,999	741	14.86	1,012	8.33	971	6.85
Income \$50,000 - \$74,999	907	18.19	1,746	14.37	1,820	12.84
Income \$75,000 - \$99,999	492	9.87	1,467	12.07	1,592	11.23
Income \$100,000 - \$124,999	235	4.71	1,207	9.93	1,358	9.58
Income \$125,000 - \$149,999	198	3.97	924	7.60	1,118	7.89
Income \$150,000 - \$199,999	155	3.11	1,258	10.35	1,609	11.35
Income \$200,000 or more	83	1.66	2,295	18.88	3,446	24.32
Median Household Income	-	40,683.43	-	92,847.88	-	107,718.78
<b>Householder Age 75 - 84*</b>						
Householder Age 75 - 84	4,678	9.07	5,277	8.48	5,873	9.23
Income Less than \$15,000	1,027	21.95	546	10.35	555	9.45
Income \$15,000 - \$24,999	789	16.87	553	10.48	560	9.54
Income \$25,000 - \$34,999	613	13.10	604	11.45	614	10.46
Income \$35,000 - \$49,999	834	17.83	593	11.24	584	9.94
Income \$50,000 - \$74,999	652	13.94	830	15.73	871	14.83
Income \$75,000 - \$99,999	310	6.63	526	9.97	575	9.79
Income \$100,000 - \$124,999	190	4.06	414	7.84	469	7.99
Income \$125,000 - \$149,999	77	1.65	338	6.41	407	6.93
Income \$150,000 - \$199,999	71	1.52	340	6.44	431	7.34
Income \$200,000 or more	114	2.44	532	10.08	806	13.72
Median Household Income	-	33,435.31	-	59,436.23	-	67,137.64
<b>Householder Age 85 and over*</b>						
Householder Age 85+	1,230	2.38	2,449	3.94	2,481	3.90
Income Less than \$15,000	370	30.08	373	15.23	352	14.19
Income \$15,000 - \$24,999	230	18.70	429	17.52	396	15.96
Income \$25,000 - \$34,999	144	11.71	327	13.35	305	12.29
Income \$35,000 - \$49,999	192	15.61	273	11.15	262	10.56
Income \$50,000 - \$74,999	143	11.63	346	14.13	355	14.31
Income \$75,000 - \$99,999	55	4.47	224	9.15	223	8.99
Income \$100,000 - \$124,999	32	2.60	115	4.70	121	4.88
Income \$125,000 - \$149,999	21	1.71	109	4.45	122	4.92
Income \$150,000 - \$199,999	20	1.63	101	4.12	125	5.04
Income \$200,000 or more	24	1.95	152	6.21	219	8.83
Median Household Income	-	25,900.18	-	39,291.89	-	45,068.64

Benchmark: USA

\*2000 Census generated data/\*\*2010 Census generated data

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<https://claritas.easptight.com/Spotlight/About/3/2021>

Trade Area: Capitola Project - 7 mi Radius

	2000*/2010**		2021		2026	
	Census	%	Estimate	%	Projection	%
<b>Households by Household Income*</b>						
Total Households	58,500	100.00	62,221	100.00	63,605	100.00
Income Less Than \$15,000	6,893	11.78	5,336	8.58	4,647	7.31
Income \$15,000 - \$24,999	5,558	9.50	3,459	5.56	3,137	4.93
Income \$25,000 - \$34,999	5,904	10.09	3,584	5.76	3,244	5.10
Income \$35,000 - \$49,999	8,546	14.61	4,614	7.42	3,963	6.23
Income \$50,000 - \$74,999	10,893	18.62	7,295	11.72	6,776	10.65
Income \$75,000 - \$99,999	7,453	12.74	6,705	10.78	6,191	9.73
Income \$100,000 - \$124,999	5,213	8.91	5,972	9.60	5,693	8.95
Income \$125,000 - \$149,999	2,811	4.80	4,867	7.82	5,050	7.94
Income \$150,000 - \$199,999	2,669	4.56	6,519	10.48	7,101	11.16
Income \$200,000 - \$249,999	1,209	2.07	4,241	6.82	5,019	7.89
Income \$250,000 - \$499,999	962	1.64	5,320	8.55	6,901	10.85
Income \$500,000 or more	378	0.65	4,310	6.93	5,882	9.25
Average Household Income	-	73,650.00	-	147,047.00	-	168,574.00
Median Household Income	-	54,691.96	-	100,462.28	-	116,591.08
Age 55+ Median Household Income	-	44,246.64	-	92,110.18	-	105,668.63
Age 65+ Median Household Income	-	35,729.57	-	75,622.83	-	88,515.37
<b>Owner-Occupied Housing Units by Value*</b>						
Value Less Than \$20,000	309	0.91	323	0.93	328	0.93
Value \$20,000 - \$39,999	567	1.68	95	0.27	79	0.22
Value \$40,000 - \$59,999	643	1.90	94	0.27	100	0.28
Value \$60,000 - \$79,999	477	1.41	79	0.23	75	0.21
Value \$80,000 - \$99,999	710	2.10	176	0.51	86	0.24
Value \$100,000 - \$149,999	1,129	3.34	419	1.21	448	1.27
Value \$150,000 - \$199,999	1,480	4.38	237	0.68	285	0.81
Value \$200,000 - \$299,999	4,937	14.60	552	1.59	472	1.33
Value \$300,000 - \$399,999	7,540	22.30	738	2.13	705	1.99
Value \$400,000 - \$499,999	6,901	20.41	1,087	3.14	934	2.64
Value \$500,000 - \$749,999	6,319	18.69	5,794	16.73	5,024	14.20
Value \$750,000 - \$999,999	1,808	5.35	8,935	25.80	7,667	21.66
Value \$1,000,000+	969	2.87	-	-	-	-
Value \$1,000,000 - \$1,499,999	-	0.00	10,185	29.41	10,771	30.43
Value \$1,500,000 - \$1,999,999	-	0.00	3,597	10.39	4,932	13.94
Value \$2,000,000+	-	0.00	2,322	6.71	3,486	9.85
Median All Owner-Occupied Housing Unit Value	-	388,298.76	-	964,404.95	-	1,055,556.42
<b>Group Quarters by Population Type**</b>						
Group Quarters Population	9,469	6.20	12,486	7.84	12,485	7.71
Correctional Facilities	352	3.72	460	3.68	460	3.68
Nursing Homes	469	4.95	611	4.89	611	4.89
Other Facilities	7	0.07	9	0.07	9	0.07
Juvenile Facilities	50	0.53	67	0.54	67	0.54
College Dormitories	6,698	70.74	8,824	70.67	8,822	70.66
Military Quarters	5	0.05	7	0.06	7	0.06
Other Noninstitutional Quarters	1,888	19.94	2,509	20.09	2,510	20.10
<b>Occupied Housing Units by Tenure*</b>						
Owner-Occupied	33,788	53.28	34,632	55.66	35,392	55.64
Renter-Occupied	24,683	38.92	27,588	44.34	28,212	44.35

	2000*/2010**		2021		2026	
	Census	%	Estimate	%	Projection	%
<b>Households by Tenure by Age of Householder**</b>						
Total Households	59,878	100.00	62,221	100.00	63,605	100.00
Owner-Occupied	33,346	55.69	34,632	50.34	35,392	50.41
Householder Age 55 - 64	9,571	28.70	8,504	24.55	7,571	21.39
Householder Age 65 - 74	5,054	15.16	9,359	27.02	10,903	30.81
Householder Age 75 - 84	2,977	8.93	3,976	11.48	4,366	12.34
Householder Age 85 and over	1,483	4.45	1,518	4.38	1,551	4.38
Renter-Occupied	26,532	44.31	27,588	44.34	28,212	44.35
Householder Age 55 - 64	3,690	13.91	3,671	13.31	3,507	12.43
Householder Age 65 - 74	1,341	5.05	2,793	10.12	3,269	11.59
Householder Age 75 - 84	917	3.46	1,301	4.72	1,508	5.34
Householder Age 85 and over	832	3.14	931	3.38	930	3.30

Benchmark: USA

\*2000 Census generated data/\*\*2010 Census generated data

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# Report Details

**Name:** Pop-Facts® Senior Life Demographics 2021  
**Date / Time:** 10/18/2021 2:52:51 PM  
**Workspace Vintage:** 2021

## Trade Area

Name	Level	Geographies
Capitola Project - 5 mi Radius	5 mi Radius	N/A
Capitola Project - 7 mi Radius	7 mi Radius	N/A
Capitola Project - 10 mi Radius	10 mi Radius	N/A

## Benchmark

Name	Level	Geographies
USA	Entire US	United States

## DataSource

Product	Provider	Copyright
Claritas Pop-Facts® Premier 2021	Claritas	©Claritas, LLC 2021 ( <a href="https://claritas.easpotlight.com/Spotlight/About">https://claritas.easpotlight.com/Spotlight/About</a> )
SPOTLIGHT Pop-Facts® Premier 2021, including 2000 and 2010 US Census, 2021 estimates and 2026 projections	Claritas	©Claritas, LLC 2021 ( <a href="https://claritas.easpotlight.com/Spotlight/About">https://claritas.easpotlight.com/Spotlight/About</a> )

**COMPETITIVE ANALYSIS**



Item 9 B.

Location: 3720 Capitola Rd. Santa Cruz, CA 95062

Date: 11/22/2021

	InDirect Competitor #1	Competitor #1	Competitor #2	Competitor #3	Competitor #4	Competitor #5	Competitor #6
Name	La Posada Retirement Community	Paradise Villa	Dominican Oaks	Valley Haven	Aegis Living Apts	Sunshine Villa	Westwind ALZ
Address	609 Frederick St Santa Cruz, CA 95062	2177 17th Ave Santa Cruz, CA 95062	3400 Paul Sweet Road Santa Cruz, CA 95065	2266 Chanticleer Ave Santa Cruz, CA 95062	125 Heather Terrace Aptos, CA 95003	80 Front St Santa Cruz, CA 95060	160 Jewell St Santa Cruz, CA 95060
Phone	831-429-9230	831-475-1380	831-462-6257	831-818-8372	831-706-2977	831-226-1879	831.421.9100
Website Address	<a href="http://laposadaretirementcommunity.com">laposadaretirementcommunity.com</a>	<a href="http://paradisevillaassistedliving.com">paradisevillaassistedliving.com</a>	<a href="http://www.dominican-oaks.com/">www.dominican-oaks.com/</a>	<a href="http://www.valleyhaven-care.com/home">www.valleyhaven-care.com/home</a>	<a href="http://www.aegislivingof.com/aegis-living-of-jennifer-andronico">www.aegislivingof.com/aegis-living-of-jennifer-andronico</a>	<a href="http://www.merrillgardens.com/senior-emorycare.com/">www.merrillgardens.com/senior-emorycare.com/</a>	<a href="http://www.westwindemorycare.com/">www.westwindemorycare.com/</a>
Marketing Director	Sam Sunday		Cheir Harty		Jennifer Andronico	Kathleen Gleitsmann	Ricardo de la Cruz
General Manager		Erin Wiley		Josephine Arcilla		Tami Ojwang	

City / Miles from property	2.3	1.3	2.5	1.2	4.4	3.9	4.4
# of Units	150	29	206	30	88	107	51
Profit/Not-For-Profit	HUD - Section 8	Profit	NFP	Profit	Profit	Profit	Profit
Care Type Offered	IL - 62+	AL / ALZ	IL/AL	AL/ALZ	AL / ALZ	IL/AL/ALZ	ALZ
Date Opened	1980	1978	1989	2013	1999	1990	2017
Current Occupancy	100%	would not divulge	AL - 96%	80%	100%	85%	84%
Accept Medicaid	Yes	No	Yes	No	No	No	No
Direct Competitor?	No	Yes	Yes	Yes	Yes	Yes	Yes

**CURRENT STREET RATE in \$ (monthly or daily)**

Deposit Amount	n/a	\$2,500	2500*	1500	\$2,500	1 mo rent	2000
Date of Last Increase							
IL Studio						3495	
IL 1 Bdrm			5580-5940				
IL 2 Bdrm			6510-6900				
AL Studio	\$3,890				\$6,448	3495	
AL 1 Bdrm					\$7,843		
AL 2 Bdrm							
ALZ - Semi Private							
ALZ - Private							6300
ALZ - Companion						4995	5750
Cottage/Villa							
Buy-In (Y/N)	No			No	No	No	
2nd Person Fee	\$400		\$1,200		\$1,500		

**COMPETITOR ASSESSMENT AND CARE CAPABILITIES**

Care Cost Method (if applicable)							
All Inclusive, Points, Levels, Hybrid					Points	Levels	

**SIZES (sq. ft.)**

IL - Studio							
IL - 1 Bdrm			640				
IL - 2 Bdrm			850-980				
AL - Studio		225			377	320	
AL - 1 Bdrm		425-575	640		650	490-576	
AL - 2 Bdrm			850-980				
ALZ - Semi Private							
ALZ - Private							312
ALZ - Companion							330

**SERVICES INCLUDED IN RATE**

Meals (#/day)	2	3	3	3	3	3	3
Housekeeping (x's/wk.)	1	1	1	1	1	1	1
Laundry (#/wk)	1	1	1	1	1	1	1
Utilities (yes/no)	yes	yes	yes	yes	Yes	Yes	yes
Cable TV (yes/no)	yes	yes	yes	yes	Yes	yes	yes
Telephone (yes/no)	no	yes	no	yes	yes	yes	no
Internet (yes/no)	no	yes	no	yes	Yes	yes	yes
Furniture (yes/no)	No	no	no	no	No	no	no
Care (yes/no)	No	no	no	no	No	no	no

**OTHER**

Managed By			Dominican Hospital Group		Aegis Living	Merrill Gardens	
Photo of Bldg Exterior							
Observations / Notes	Low-income HUD project. With private pay option. Has heated swimming pool and jacuzzi	residential feel. Needs lots of improvements and updates. Not a true competitor	located next to dominican hospital. Older building, primarily IL. Currently being updated as it looks very dated interior. Accepts low income for some rooms	very residential feel, like large homes.	Respite is 10 day minimum, \$300-350/day. Sold in 2018 for \$80M	close proximity to wharf/beach. Good views from top of hill location. Entry very dark, low ceilings.	stand alone ALZ. Shares driveway with Elks club. On hill, overlooking cemetery. Nice new interior and common areas

**COMMENTS/MARKET PULSE INFORMATION:** In this section provide a "snap shot" of activity/information about the competitor - i.e. "just opened", "20 residents" or "low occupancy due to high staff turnover" or "under new management", etc.

Completed by/Title: Karl Drucks

# Pop-Facts® Senior Life Demographics | Map



Trade Area: Capitola Project - 7 mi Radius



Benchmark: USA

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**Development Standards:** The following table includes the development standards for the Community Commercial zoning district relative to the proposed assisted living project at 3720 Capitola Road.

Development Standards		
<b>Building Height</b>		
<b>CC regulation</b>	<b>Proposed</b>	
40 feet – Up to 50 feet with Community Benefit	53 feet <b>(Not in compliance)</b>	
<b>Floor Area Ratio</b>		
<b>C-C Regulation</b>	<b>Proposed</b>	
1.0 – Up to 2.0 with a Community Benefit	1.65	
<b>Setbacks</b>		
	<b>C-C Regulation</b>	<b>Proposed</b>
Front	<p><u>Buildings</u> shall be set back from the front and <u>street</u> side property line so that:</p> <ol style="list-style-type: none"> <li>The <u>building</u> is at least fifteen feet from the curb or <u>street</u> edge;</li> <li><u>Building</u> placement allows for a minimum ten-foot sidewalk along the property <u>frontage</u>.</li> </ol>	Building is 15 feet from curb.
Street Side		Building placement allows a ten-foot sidewalk along property frontage
Rear	0 ft. unless <u>adjacent</u> to a residential zoning district (see Section <u>17.24.030(E)</u> )	15 feet from curb
Interior Side	0 ft. unless <u>adjacent</u> to a residential zoning district (see Section <u>17.24.030(E)</u> )	20 feet
		5 feet
<b>Landscaping</b>		
<b>Required</b>	<b>Proposed</b>	
5% and <i>Where a commercial or industrial zoning district abuts a residential zoning district a landscaped planting area, extending a minimum of ten feet from the property line, shall be provided along all residential property lines. A tree screen shall be planted in this area with trees planted at a minimum interval of fifteen feet</i>	A ten-foot-deep landscape strip must be included at the rear property line. A tree screen with trees planted at a minimum interval of 15 feet must be planted along the rear property.	



<b>Parking</b>		
<b>Residential Care Facility for the Elderly</b> .5 spaces per bed plus 1 space per 300 sq. ft. of office and other non-residential areas	<b>Required</b>	<b>Proposed</b>
	<u>54</u> spaces total <u>49</u> Residents (97 beds x 0.5) <u>5</u> Office Space	<u>33</u> spaces total <u>0</u> covered <u>32</u> uncovered <b>Does Not Comply – Requires parking study</b>
<b>Electric Vehicle Parking</b>		
	<b>Required</b>	<b>Proposed</b>
25 – 49 Parking Spaces requires 1 EV Space.	<u>5</u> EV Spaces	TBD
<b>Bicycle Parking</b>		
Multifamily Dwellings and Group Housing: <ul style="list-style-type: none"> <li>• <b>Short-Term spaces:</b> 10% of required automobile spaces, minimum 4 spaces</li> <li>• <b>Long-Term spaces:</b> 1 per unit</li> </ul>	<b>Required</b>	<b>Proposed</b>
	<u>98</u> Spaces Total <u>5</u> Short-Term Spaces <u>93</u> Long-Term Spaces	<b>Does not comply – Pending Parking Study</b>

# City of Capitola

## Special Planning Commission Meeting

### Minutes



**Thursday, October 20, 2022 – 6:00 PM**

City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Chairperson:** Peter Wilk

**Commissioners:** Courtney Christiansen, Ed Newman, Susan Westman, Mick Routh

#### 1. Roll Call and Pledge of Allegiance

Commissioners Mick Routh, Courtney Christiansen, Ed Newman, Susan Westman, Peter Wilk

#### 2. Oral Communications

##### A. Additions and Deletions to the Agenda

Director Herlihy reported ten additional written public comment were submitted for item 3.B.

##### B. Public Comments

##### C. Commission Comments

Commissioner Westman thanked the city for putting on the fireworks.

Chair Wilk informed the Commission of a recent Committee on the Environment meeting in which a representative from AMBAG reported out on the City's climate action plan. Commission Wilk suggested the city could consider creating incentives for EV charging stations.

##### D. Staff Comments

#### 3. Public Hearings

##### A. 2022 Zoning Code Amendments

**Permit Number: #22-0441**

**APN: All Zoning Districts**

Project description: Draft ordinance to adopt clean-up amendments to the Zoning Code. The proposal involves development within the Coastal Zone and is not effective unless certified by the California Coastal Commission.

Environmental Determination: Categorically Exempt under Section 15061(b)(3)

Property Owner: Effects all Zoning Districts

Representative: Ben Noble, Ben Noble Planning

Recommendation: Accept presentation on the Zoning Code Clean-up Amendments and consider forwarding a positive recommendation on the ordinance to the City Council.

Director Herlihy introduced Ben Noble of Ben Noble Planning to present on the Zoning Code update. Mr. Noble highlighted 10 topics of the Zoning Code with recommended updates to be compliant with state law.

Nara Dahlbacka, representing the Apothecarium, provided support for amended code.

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The Planning Commission provided the following direction on the items discussed:

1. Large Retail Uses. Accepted amendments as proposed.
2. Cannabis Retail Signs. Remove all cannabis-specific sign standards. Cannabis signs to be regulated the same as any retail sign.
3. Pergolas. Accepted amendments as proposed.
4. Accessory Dwelling Units. Accepted amendments as proposed plus new statement about conformance with changing state law.
5. Parking in R-1 Front Setback Area. Rejected proposed changes. Keep existing language.
6. Outdoor Showers. Revise Table 17.4-2 to clarify rule for outdoor showers.

**Motion: Continue the item for a second reading to the November 3, 2022, Planning Commission meeting.**

**Result: Passed, 5-0 (Unanimous)**

**Mover:** Commissioner Westman

**Second:** Commissioner Newman

**Yea:** Commissioner Wilk, Commissioner Westman, Commissioner Christiansen, Commissioner Newman, Commissioner Routh

#### **B. Monarch Cove Inn – Code Amendments**

**Project Number: #21-0267**

**Location: 620 El Salto Drive, Parcel Numbers 036-143-31, 036-142-27, and 036-142-28**

Project Description: Draft ordinance to adopt amendments to the Zoning Code, Zoning Map, and General Plan Land Use Map to change the Monarch Cove Inn property from a Visitor Serving base zone to R-1 Single-Family Residential base zone with a Visitor Serving overlay zone. The proposal involves development within the Coastal Zone and is not effective unless certified by the California Coastal Commission.

Environmental Determination: Categorically Exempt under Section 15061(b)(3)

Property Owner: Bob and Lonna Blodgett

Senior Planner Froelich presented a staff report

Recommended Action: Accept presentation on the Zoning Code, Zoning Map, and General Plan Map Amendments and consider forwarding a positive recommendation to the City Council.

No public comments.

Planning Commission Deliberation and Feedback:

Commissioner Newman acknowledged the Planning Commission has reviewed this before.

**Motion: Positive recommendation to City Council for amendments to the Zoning Code, Zoning Map, and General Plan Land Use Map related to the Monarch Cove Inn.**

**Result: Passed, 5-0 (Unanimous)**

**Mover:** Commissioner Routh

**Second:** Commissioner Westman

**Yea:** Commissioner Wilk, Commissioner Westman, Commissioner Christiansen, Commissioner Newman, Commissioner Routh

#### **C. 3720 Capitola Road & 1610 Bulb Avenue**

**Permit Number: #22-0149**

**APN: 034-18-114 and 031-12-139**

Conceptual Review for (1) future annexation of 1610 Bulb Avenue into Capitola City limit and (2) Community Benefit Application for Senior Living facility at 3720 Capitola Road and 1610 Bulb Avenue in the Community Commercial (CC) Zoning District.

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Environmental Determination: To be determined  
Property Owner: Zurite LLC and Capitola Land Ventures LLC  
Representative: Zurite LLC and Capitola Land Ventures LLC

Commissioner Newman recused due to proximity.

Director Herlihy presented a staff report.

Rafael Ortiz from Zurite LLC spoke about the project and the community benefits it offers. Intention to provide senior housing, create jobs, property tax, and generates visitors to the commercial area.

Greg Irwin, project Architect, explained there is no by-right for senior housing land use. Explained they are seeking an annexation and feedback on the conceptual review.

Chair Wilk asked if the project would contribute to the City's RHNA requirements. Director Herlihy responded that it would not count toward RHNA because the proposed units do not have kitchens.

Commissioner Routh asked if the applicant has completed preliminary traffic analysis, to which applicant said they had not.

Susan Steely, Bulb Avenue resident, expressed her opposition to the project and disagreed with the edibility of substantial benefit as well as the proposed project siting on Bulb Avenue.

Marilyn, Bulb Avenue resident, also criticized the project, citing traffic issues as a concern.

Community member stated this is a residential area and they do not want to live across the street from a business. Concern for no sidewalks.

Vic Clouser, Bulb Avenue resident, expressed concern for facilities like this on the block, citing the lack of affordability of the new units and increased traffic impacts.

Rebecca Russell inquired as to the monthly rates of the new units but was not against the idea of a senior living facility or affordable housing for seniors.

Angie, nearby resident, expressed concern that the project would impact County residents more than Capitola residents and was opposed to a vehicular entrance on Bulb Avenue.

Scott, Bulb Avenue resident, lives directly next door to the proposed project and expressed opposition to the location and size of the project.

Donna Jensen Lewis expressed concerns regarding emergency vehicle traffic up and questioned whether the development met the criteria for a community benefit project.

Christina Scheer questioned if the development would receive tax incentives if they apply as a community benefit project and expressed concerns for corporate development.

Doug expressed concern that the intersection at Bulb Avenue and Capitola Road is not sufficient to accommodate the changes in traffic.

Michael expressed concerns regarding traffic, noise, property value, and pedestrian safety.

Jason expressed concerns regarding traffic and pedestrian safety.

Rich expressed concern for future residents of the facility so close to the busy Capitola Road. He also expressed concerns regarding emergency vehicle noise.

Jennifer expressed opposition to the project and stated that many nearby properties cannot vote on the City Council because they are County residents.

Theresa Stolaroff spoke against the annexation.

Commissioner Routh did not believe the project qualified as a community benefit. Mr. Routh further felt that Bulb Avenue lacked the road infrastructure necessary and that the current proposal did not sufficiently address adverse impacts to the neighborhood. He stated the emergency vehicle traffic



Special Planning Commission Meeting Minutes – October 20, 2022

and access would need to be addressed and that the current proposal would not protect the integrity of the neighborhood as required by the General Plan.

Commissioner Westman did not believe the project qualified as a community benefit but acknowledged a local need for more assisted living facilities. Commissioner Westman felt that the project could be eligible as a true community benefit if it provided affordable units. She also expressed an interest in the units including kitchens so as to qualify towards the City RHNA requirements. She also felt the project massing should be stepped towards Capitola Road and expressed concern for impacts to Bulb Avenue. Commissioner Westman expressed interest in the prospect of annexation as it would provide a larger site to help mitigate impacts.

Commissioner Christiansen agreed that the annexation could benefit the city but expressed concern for the site of the project relative to the lots. She felt a four-story design would not benefit the community and stated they did not have enough information to determine if the site access and traffic impacts were acceptable. Commissioner Christiansen suggested increasing the building articulation and including additional information on the traffic and ingress/egress.

Chair Wilk explained after looking through the list of allowed public benefits, he does not believe the use fits within the community benefit. No justification for allowing a variance to the code, regardless of the design or other support for the project. Does not support annexation because the county residents do not have representation.

Director Herlihy clarified that the Conceptual Review is for non-binding input from the Commission. No vote is necessary. City Council will review at their next meeting Thursday, October 27 at 7pm. All letters to PC will be included in the packet for City Council.

#### 4. Director's Report

#### 5. Commission Communications

#### 6. Adjournment

The meeting was adjourned at 8:32 pm to the next Regular Meeting of the Planning Commission on November 3, 2022.

#### ATTEST:

DocuSigned by:

*Julia Moss*

062A33A128F1485...

City Clerk's Office

**Herlihy, Katie (kherlihy@ci.capitola.ca.us)**

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**From:** Angela Deans <angelasteely@gmail.com>  
**Sent:** Wednesday, October 19, 2022 4:21 PM  
**To:** City Council; PLANNING COMMISSION; Hillcah Deans  
**Cc:** first.district@santacruzcounty.us  
**Subject:** Opposition to the annex of 1610 Bulb Ave.

Attention: City of Capitola Planning Commission  
 RE: 3720 Capitola Rd.&1610 Bulb Ave.  
 Permit # 22-0149  
 APN:034-18-114 and 131-12-139

We are owners of a property on Bulb Ave and have resided in this community for over 15 years. We are concerned about this very intrusive development, especially the annex of 1610 Bulb Ave, which is a residential property of Santa Cruz. We are a very tight net community, established relationships, and involved in the welfare of our community. As a community member, it has been very difficult to get information and to actively participate in discussions regarding this massive project. Our concerns are as follows:

1. **Facility:** This facility is way out of proportion to the existing facilities/buildings in Capitola and is far from blending into the community. The structural plans grossly exceed the norm of the community and to propose that it is put in a residential neighborhood is outrageous.
2. **Traffic:** Currently, the traffic flow is already very congested at Capitola Road and Blub Ave. There is a heavy flow of cars that already use Bulb Ave to circumvent the traffic that is backed up on Capitola Road heading towards Capitola. It is already a very unsafe corner for pedestrians as the cars turn onto Bulb Ave. The primary objections are the physical street size, lane width, and inconsistency of the width of the street. The neighborhood of families uses the street for parking and it is often impossible for two cars to pass without one moving to the side.
3. **Serving Senior Population:** To slightly even suggest that this would serve the population of Capitola senior citizens is highly misleading and a far deception of the truth. I would like to see the actual data of how many senior citizens in the City of Capitola would benefit from the facility and compare it to the currently existing facilities that are serving the senior population.
4. **Community Benefit:** The residents of Blub Ave would not benefit from this project as suggested by the developers. We are residents of Santa Cruz, not Capitola. There is zero benefit to the residents of Bulb Ave.
5. **Entrance and Exit:** To have the only entrance and exit to this facility is on Bulb Ave, not Capitola Road is a huge disregard to the safety of all the residents on Bulb Ave. All the ingress and egress is planned to enter the facility from Bulb Ave. is beyond feasible or acceptable to the residents. This is a neighborhood with a population of families of small children (directly across the street from the planned driveway), kids on bikes, wheelchair neighbors, kids playing basketball, and riding bikes. There are no continuous sidewalks so to go from Capitola Rd to Brommer St. and anyone of these examples will have to enter the street at some point.

6. Trees- Has any consideration been made about the 4-5 well developed Redwood trees that would be removed? Conversations have been started about the environmental impact and the need to preserve these very old Redwood trees at the corner of Bulb and the 1610 Bulb Ave property.

Please take these concerns into consideration and the impact to the residential neighborhood. 1610 Bulb Ave must remain a residential property. The design of this facility is not congruent to the community and clearly the residents of Santa Cruz will be impacted, not the City of Capitola.

We appreciate your serious consideration of facts that have been erroneously overlooked in the project developers and that it does not “minimize adverse impacts to neighboring properties to the greatest extent possible....” as stated in the proposal.

Sincerely,

Angela and Hillcah Deans

Sent from my iPhone

**Herlihy, Katie (kherlihy@ci.capitola.ca.us)**

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**From:** Ron Goad <rgsolcon@aol.com>  
**Sent:** Thursday, October 20, 2022 1:36 PM  
**To:** PLANNING COMMISSION  
**Cc:** Herlihy, Katie (kherlihy@ci.capitola.ca.us)  
**Subject:** 3270 capitola rd,1610 bulb

Hello

I'm a neighbor 1560 bulb of proposed project and it will impact me directly as loss of privacy in a residential neighborhood.the upper floors will look right in my backyard ,I'm not against the use but size and vehicles,bulb ave isn't wide enough for 2 vehicles at one time . The noise from heating and cooling devices ,delivery trucks will impact my neighbors 24/7 .this commercial project has no place on top of us ,it should be at the mall where access and transportation are optimal .

Ron Goad  
1560 bulb ave  
831/247/1372

RG



**Herlihy, Katie (kherlihy@ci.capitola.ca.us)**

---

**From:** Zerreniah Tran <ztran914@gmail.com>  
**Sent:** Wednesday, October 19, 2022 9:54 PM  
**To:** PLANNING COMMISSION  
**Subject:** Bulb Ave - Concerned project (APN: 034-18-114 and 031-12-139)

Dear Council Members and Planning Commission,

I am an owner and resident at [1478 Bulb Ave.](#) I've reviewed the proposed plans at 3720 [Capitola Road](#) & [1610 Bulb Ave](#) (APN: 034-18-114 and 031-12-139). I am not opposed of the use of the project itself, however, I have a few concerns:

1. The size of this project (Four story, 80+ units) is extremely large for a residential neighborhood.
2. Bulb Ave is a quiet street filled with cars parked along the streets most evenings. Only a handful of homes have an actual sidewalk. The street is not wide enough to allow two passing cars - we typically have to pull to the side to let another car pass us. The street is not equipped to handle the extra traffic. Additionally, a lot of children play on the streets in this neighborhood and the extra traffic can create a safety concern for them.
3. We are concerned about the increase in noise level - extra traffic, generators, ambulances, etc.

I hope that we can address these concerns before any approval of construction on the property.

Thank you,  
Zerreniah Tran

October 18, 2022

City of Capitola – Planning Department  
420 Capitola Ave.  
Capitola, CA 95010

Re: 3720 Capitola Road & 1610 Bulb Avenue  
Permit Number: 22-0149  
APN: 034-18-114 & 031-12-139

Dear Council Members and Planning Commission,

I am the homeowner and resident at 1484 Bulb Avenue, and I have concerns with the proposed development. In the 45 years I have lived here I have watched as our street has become too small for the traffic that passes through. Most of the time there isn't room for two cars to pass so we must wait like a one-way street. Seeing as the proposed development calls for ingress and egress on Bulb Avenue this is going to significantly impact the residents. Due to the median, it isn't possible to turn left on Capitola Road which would direct traffic right down Bulb Ave. This could be remedied by blocking off Bulb just past the parking lot so there wouldn't be cars coming up and down our street. I think that would be a reasonable accommodation. Bulb Avenue should not be affected by this project. Changing the property to the "City of Capitola" does not change the fact that this is a residential area that barely accommodates the residents it currently houses.

Thank you for your consideration,

Marilyn McCallum-White  
1484 Bulb Ave  
Santa Cruz, CA 95062  
831-295-3253

October 9, 2022

Scott Barnes  
1574 Bulb Ave.  
Santa Cruz, CA 95062

City of Capitola – Planning Commission  
420 Capitola Ave.  
Capitola, CA 95010

Re: 3720 Capitola Road & 1610 Bulb Avenue  
Permit Number: #22-0149  
APN: 034-18-114 and 031-12-139

Dear Council Members and Planning Commission,

I am owner and reside at 1574 Bulb Ave. The property adjacent to the proposed project mentioned above. Although I am not opposed to the proposed use for the project. I do have some serious concerns and hope that considerations will be afforded to me and other Bulb residents prior to approving this very intrusive project.

- 1) Footprint and height of the building: A four-story, 80+ units building is taller than anything that currently exists in the city and is outrageous to suggest one should be built in a residential neighborhood.
  
- 2) Bulb Ave. even at the section closest to Capitola Rd. cannot absorb the ingress and egress of a **commercial parking lot** – as per the plans. The parking lot is not accessed via Capitola Rd. It is accessed entirely on Bulb Ave.
  - a. Bulb Ave. is a quiet residential street on which there are only a few lots that have sidewalks. At most hours of the day the street is full of on street parked cars. Drivers coming from opposite directions need to stop, pull to the side and wait for the on coming car to pass, then pull back into the roadway. This street cannot absorb any more traffic.  
The landscaped center median on Capitola Rd. opposite the intersection of Bulb and Capitola Rd. inhibits left turns from Capitola Rd. on to Bulb as well as left turns from Bulb onto Capitola Rd. This creates a situation where every car turning out of the development, who wished to travel in the North/West direction, would turn left on Bulb, then drive down Bulb to Brommer. Turning Bulb into a one-way street in the Brommer to Capitola Rd. direction would cause all vehicles on Bulb who wish to drive in the North/West direction to turn right on Capitola Rd. (as there is no left turn), then make a U turn on 41<sup>st</sup> Ave. OR travel South, down 38<sup>th</sup> Ave. down Brommer, and to 30<sup>th</sup> Ave. to access the traffic light at 30<sup>th</sup> and Capitola Rd.  
Ingress and Egress must be designed on the Capitola Rd. portion of the project and not on Bulb Ave.
  
- 3) Noise: Parking, garbage, generator, ambulance access on Bulb Ave. is unacceptable.

- 4) We will require, at the developer's expense to construct a stucco wall between my property and the project that would mitigate sound and as much of view of the project as possible.
- 5) The current initial design also displays a Generator and Dumpster enclosures at the rear of the property directly next to my back yard. What is so worrisome is that had the designer spent one minute walking the property before creating the design, they would know that they had placed the dumpster enclosure and generator at the worst possible location as far as neighbor disturbance. My bedroom is only a few yards from these enclosures.

Lastly, it is time for Capitola to open its public meetings to the public, in person. Create a hybrid meeting so that those who remain fearful of COVID 19 may interact electronically. The website question feature is too unreliable – we attempted to speak at the October 6 meeting, but the feature was not available, and the audio was not working.

Thank you,

DocuSigned by:  
  
0C073B3E802D46C...

Scott Barnes  
(831) 818-5067  
Sbarnes1574@yahoo.com

cc: Manu Koenig  
701 Ocean St. #500A  
Santa Cruz, CA 95060



October 18, 2022

Susan Steely

1475 Bulb Avenue

Santa Cruz, CA 95062

Attention: City of Capitola Planning Commission

RE: 3720 Capitola Rd.&1610 Bulb Ave.

Permit # 22-0149

APN:034-18-114 and 131-12-139

Dear Planning Commission and Council Members,

I am an owner on 1475 Bulb Ave. and have reviewed the development packet and have concerns that need to be addressed before annexation of 1610 Bulb Ave by Capitola and the development of this intrusive project into our residential neighborhood.

1. First of all, I am of that age group, 65 and older, to which that this development is purportedly to be a "substantial benefit to the community. However, no one has taken into consideration that this age group are dominantly long-time homeowners who will make the improvements necessary to live their lives in their own homes and have no need for this facility. I believe that it is a stated goal of Capitola to help to seniors to maintain their homes.
2. The proposed height and land dominance of 80+ units is ludicrous to say it will not have an aesthetic impact on a single family residence street.
3. The primary objections is that the physical street size, lane width, inconsistency of contiguous sidewalks, is proof that Bulb Ave is not adequate to handle increased traffic density in both directions. The neighborhood of families uses the street for parking and it is often impossible for two cars to pass without one moving to the side.
4. Not only will the street be impacted by shuttles, cars, deliveries, emergencies, etc., the idea that ALL this ingress and egress is planned to enter the facility from Bulb Ave. ONLY is beyond feasible or acceptable to the residents. This is a neighborhood with a population of families of small children(directly across the street from the planned driveway), kids on bikes, wheelchair neighbors, kids playing basketball, and riding bikes. Remember, there are no continuous sidewalks so to go from Capitola Rd to Brommer St., anyone of these examples will have to enter the street at some point. Therefore, any further addition of traffic, is a definite safety issue to us.
5. This location is also a physically unacceptable location for such a facility because of the landscaped center median on Capitola Rd.at the corner of Bulb inhibits left turns from Capitola onto Bulb. This creates the obvious scenario that every vehicle leaving the facility would traverse the ENTIRE block of Bulb in order to head NW on Capitola Rd and go around the block and affect traffic density on Thompson Ave. or any other road connecting to Capitola Rd.

6. Not mentioned at all is the impact of becoming a busy street with added traffic beyond the resident traffic, cut through traffic from Jade St and Capitola Rd going toward the beach, Lucky's large food trucks, and our normal delivery/mail/garbage trucks, on the real estate values. As a real estate broker of 30+ years, it is a given fact that families with children do not want to live on busy streets. Period. Therefore, this special cohesive neighborhood of block parties and neighborhood sharing will decrease in value to prospective family homebuyers.

I appreciate your serious consideration of facts that have been overlooked in the project analysis and the primary fact that it does not "minimize adverse impacts to neighboring properties to the greatest extent possible...." as stated in the proposal.

Sincerely,

Susan Steely

831-713-8818

October 18, 2022

Capitola Planning Commision/Capitola City Council

RE: 3720 Capitola Rd & 1610 Bulb Ave

#22-0149

APN: 034-181-14, 031-12-139

Dear representatives of Capitola, my family and I are residents on Bulb Avenue. We have seen the conceptual plans for the proposed senior living facility and have concerns that it, as currently designed, will create a negative impact on our neighborhood.

Although the property owner claims this facility will have a minimal impact on the community, they must be referring to the Capitola community only and not the residents of Bulb Avenue. Let's be clear, the footprint of this campus is mostly on Bulb Ave and not on Capitola Rd. As well, there are no city residents close to this property. Only the residents of Live Oak. Please give our concerns some credence as you make your decisions on this building and design request.

1. The intersection of Bulb Ave and Capitola Rd is and has always been problematic. The AT&T building located there is built out to the sidewalk and obscures the right turn onto our street. Because it is already narrow; anyone making that turn has to hope there are no cars coming down Bulb as this creates a head on collision possibility. Any parked vehicles will greatly exacerbate the situation. Increased traffic associated with the care facility will cause traffic congestion and could cause an increase in vehicle accidents.
2. Traffic coming from Brommer will most assuredly increase. There are many young families that reside here. You can often see kids playing in the street, people walking their dogs, or residents strolling down the middle of the street. This is not 41<sup>st</sup> avenue as the brochures have tried to suggest. It is actually quite narrow to the point that two cars cannot travel past each other without one pulling to the side and waiting for the other to pass. Any additional traffic load would strain the functionality of our street.
3. Not to be ignored is the visual impact of the facility on neighbors. As proposed, the building and parking area are visually overbearing. There is no attempt in the design to blend it with adjacent buildings and homes. No one wants to walk out their front door and feel that they live in the middle of a hospital campus. Obscuring the building and parking area with landscaping and fencing would go a long way to make this project more palatable to the people that live here.

4. Community benefit. Will the senior citizens of Capitola really be able to afford to live in this care facility or is this another high-priced senior residence that will only cater to those lucky enough to have healthy bank accounts. It is not uncommon that senior care facilities charge \$10,000 or more per month per resident. It is mostly beneficial to the property owner and the city that receives the tax revenue.

Thank you for taking the time to consider these points of concern.

Tony and Georgina Ainsworth

1535 Bulb Avenue

Santa Cruz, CA

Cc: Manu Koenig

701 Ocean St. #500A

Santa Cruz, CA 95060



October 19, 2022

The city received a letter from Alison and Tim Knox on October 19, 2022. The archived digital file was damaged and unrecoverable. The original email that delivered the comment letter was also deleted pursuant to the City's email retention policy.



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review & Annexation



Conceptual Review  
Incentives for  
Community Benefit

Annexation Request

Community Benefit:  
Senior Living and  
Care Facility



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Presentation Overview

1. Processes
  - a) Conceptual Review
  - b) Annexation
2. Site Overview
3. Background - Planning Commission Review
4. Updated Design
5. Community Benefit Analysis
6. Annexation Request



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Community Benefit Review Process

**Step 1:** Conceptual Review Application submitted

**Step 2:** Planning Commission Conceptual Review

**Step 3:** City Council Conceptual Review

**Step 4:** Applicant submits formal application for entitlements

**Step 5:** PC hearing and recommendation

**Step 6:** City Council Action (approve/deny)

Conceptual Review:  
Nonbinding input from the PC and City Council as to whether project qualifies as a Public Benefit and eligible for incentives.





# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Annexation Process – 9-12 Months

**Step 1:** Applicant initiation request to LAFCO

**Step 2:** LAFCO requests authorizing to proceed from agencies (first 30 days)

**Step 3:** City Pre-zoning, LAFCO prepares recording documents

**Step 4:** City / County revenue neutrality agreement

**Step 5:** LAFCO Hearing (approval/denial)

**Notes:** Agencies can pull support for annexation at anytime prior to recording.  
Annexation can be conditioned to hold recording until project approved.



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review



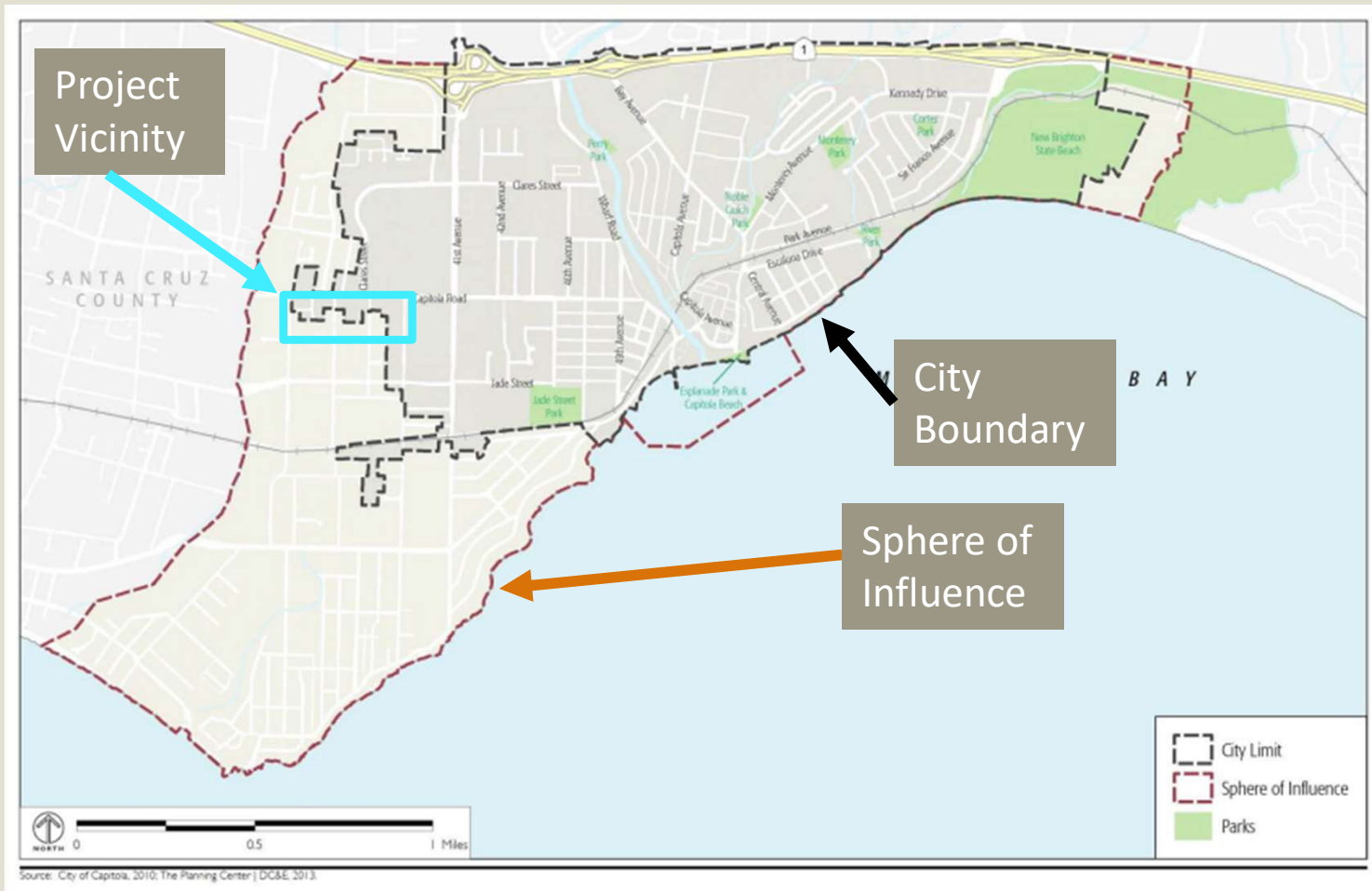
## Site Plan Annexation Request

**3720** = 27,094 sf  
**1610** = 13,416 sf  
Total = 40,510 sf



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

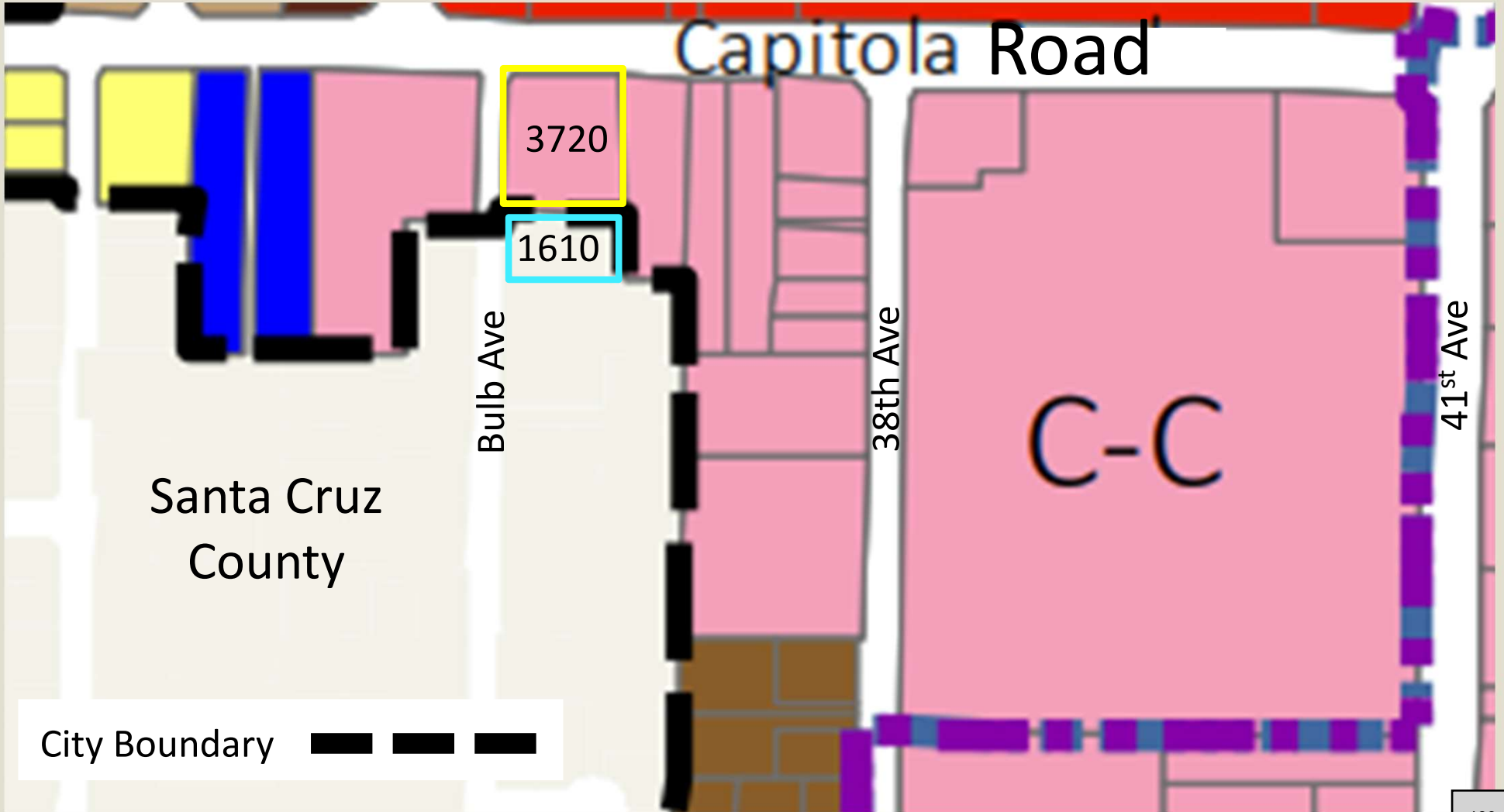
## Sphere of Influence Map





# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Zoning and City Boundary







# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Site Overview







# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Site Overview







# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Site Overview





# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Background/Planning Commission Review

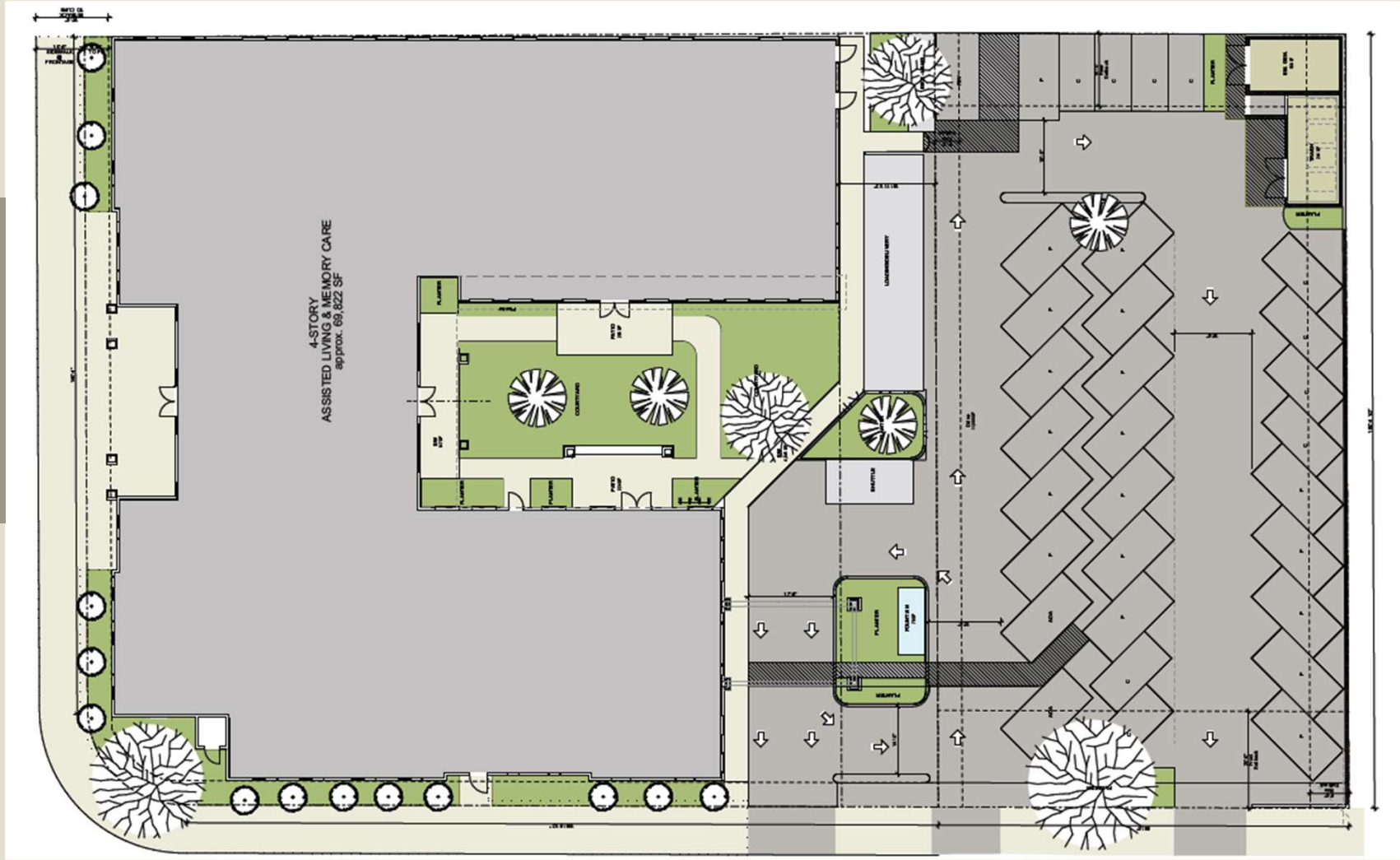
- Heard on October 20, 2022 – Four Commissioners suggested not eligible for Public Benefit
- Neighborhood comments: parking, narrow street, noise, traffic, incompatible use
- Applicant placed project on hold
- Reversed layout
- Objective Design Standards: Buildings along primary frontage with parking behind





# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

Capitola Road



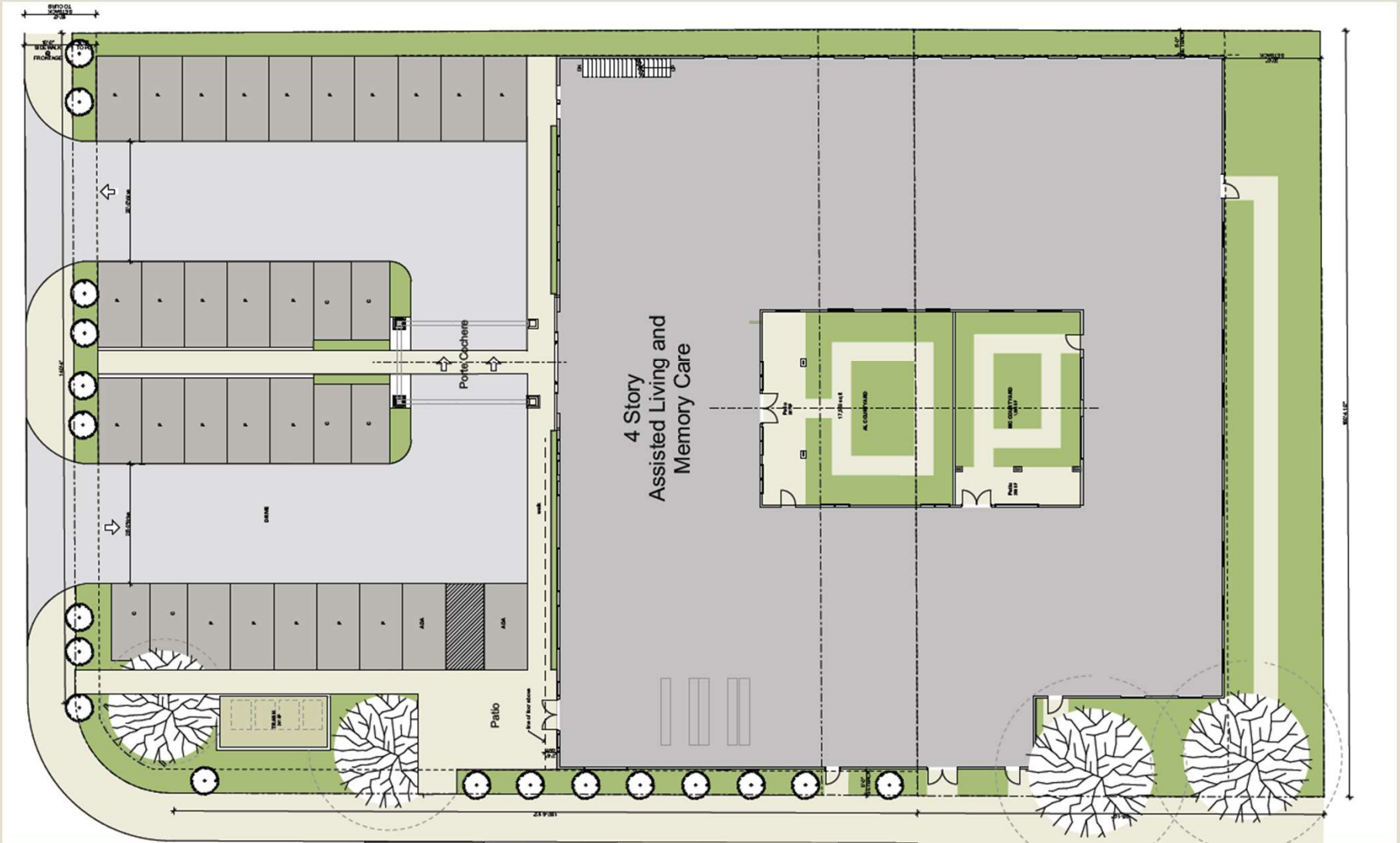
Bulb Avenue

(previous) Site Plan



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

Capitola Road



Bulb Avenue

(current) Site Plan



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

(p) Front







# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

(p) Bulb Side



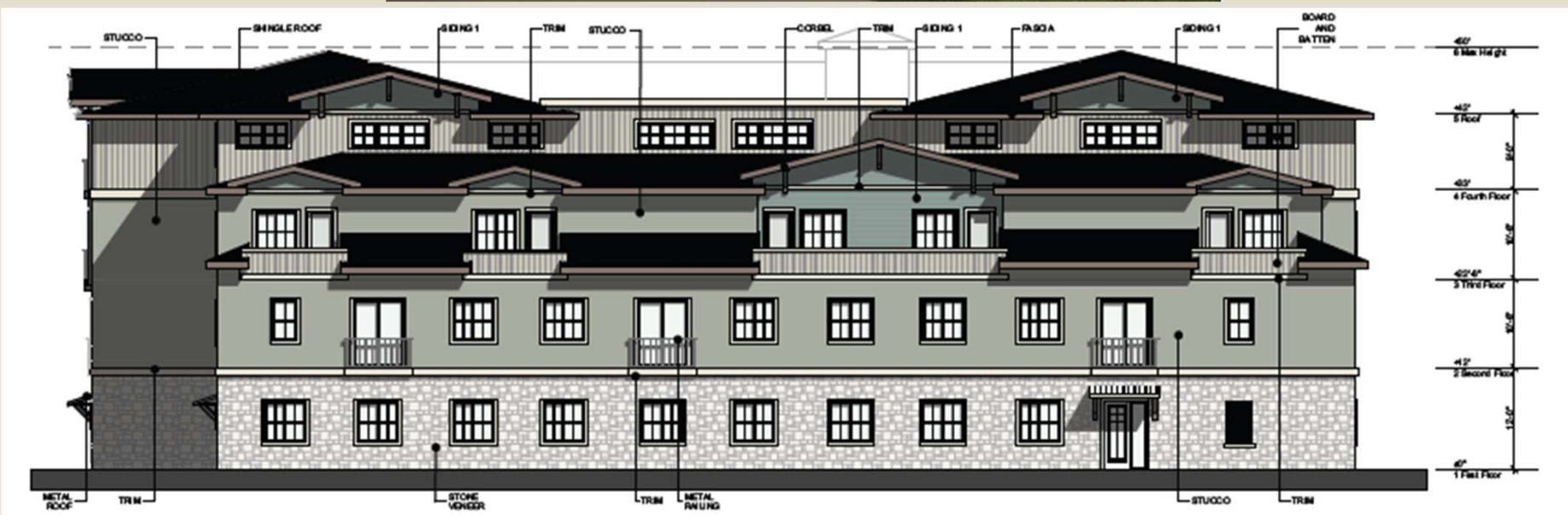
Right Elevation - East  
SCALE: 1/8" = 1'-0"





# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

(p) Rear



Rear Elevation - North  
SCALE: 1/8" = 1'-0"



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Project Fact Sheet

Lots Size	40,510 sf	Front Setback (North)	60+ feet
Units/Beds	87/91	Rear Setback (South)	20 feet
Building Size	67,041 sf	Interior Side (East)	5 feet
Building Height	50 feet	Street Side (West)	15 feet from curb
Parking Spaces	33* 54 required *Parking Study	Design Mitigations	-3 <sup>rd</sup> and 4 <sup>th</sup> floor step backs -3 <sup>rd</sup> floor decks -4 <sup>th</sup> floor corridor facing R-1



## 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

### Chapter 17.88: Incentives for Community Benefits

Purpose: Establishes incentives for projects that provide substantial benefits to community

- Intended to facilitate redevelopment of underutilized properties consistent with general plan along 41<sup>st</sup> Avenue and Capitola Road corridor
- Must significantly advance general plan goals and policies.



## 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

### Eligible Projects - 17.88.040 A

1. Public Open Space
2. Public Infrastructure
3. Pedestrian and Bicycle Facilities
4. Low-Cost Visitor Serving Amenities
5. Transportation Options
6. Historic Resource Preservation
7. Public Parking
8. Green Building
9. Public Art
10. Child Care Facility
11. Other Community Benefit – proposed by the applicant that are significant and substantial beyond normal requirements.





## 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

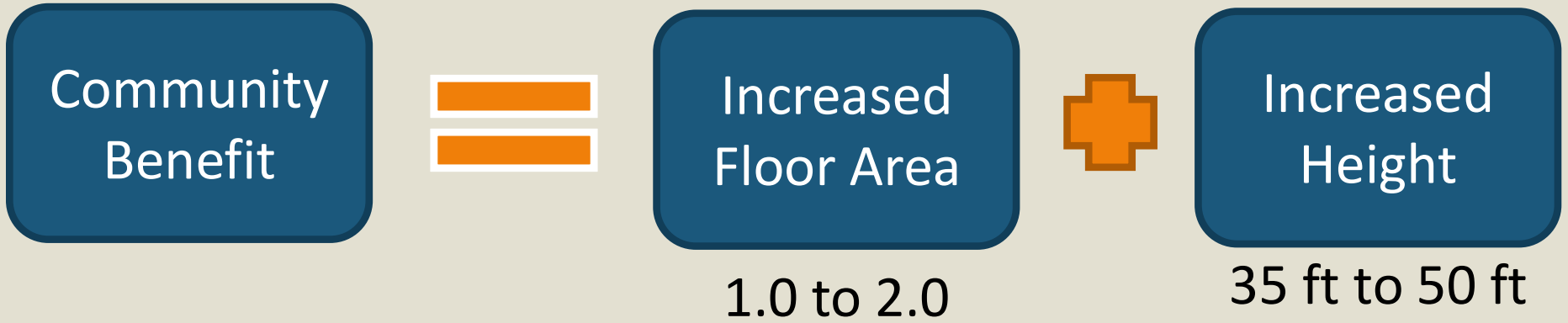
### Community Benefit Required Findings:

1. Provides a substantial benefit to the community and advance the goals of the general plan.
2. There are adequate public services and infrastructure to accommodate.
3. The public benefit exceeds the minimum requirements of the zoning code or any other provisions of local, state, or federal law.
4. Minimizes adverse impacts to neighboring properties to the greatest extent possible.
5. Enhances coastal resources, if in Coastal Zone (N/A)



# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## Allowed Incentives





# 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

## General Plan – Housing Element

Goal 3.0 Housing for Persons with Special Needs - opportunities for seniors and people with disabilities.

Policy 3.1: Support housing needs of special needs groups, including the elderly population.

Policy 3.3: Support the development of accessible and affordable housing that is designed to serve all ages.

Policy 3.6: Encourage special needs housing readily accessible to public transit, shopping, public amenities, and supportive services.

Policy 3.7: Encourage supportive services for persons with special needs.

Policy 3.8: Encourage the development of a variety of housing options for seniors including assisted living, mobile home parks, co-housing, accessory dwelling units, and independent living.



## 3720 Capitola Road & 1610 Bulb Avenue Conceptual Review

### Staff Recommendation:

Provide applicant with nonbinding input on eligibility for Public Benefit – no vote required

If there is general support for the project concept, provide preliminary design feedback – no vote required

Authorize Mayor to sign a letter of support for annexation of 1610 Bulb Avenue into Capitola City limits to the Local Agency Formation Commission – vote required



# Capitola City Council

## Agenda Report



**Meeting:** January 25, 2024  
**From:** Finance Department  
**Subject:** Transient Occupancy Tax Audit Update

Recommended Action: Receive report and provide direction to staff.

Background: In January 2022 HdL Lodging Tax began administering the City’s Transient Occupancy Tax (TOT) program. HdL’s services include processing registrations, tax returns, and payments, monitoring short-term rental sites, and conducting audits. HdL’s first audit was conducted in 2022.

Discussion: During 2023 HdL audited five hotel properties for the three years between January 2020 and July 2023. The hotels were provided with a three week notice to gather requested documentation and an opportunity to meet virtually with HdL following a review of the submitted documents.

Four of the hotel operators were responsive to the requests and the auditors were able to complete the audit of those properties. One operator has requested several extensions and HdL and staff continue to work with the operator to complete the fifth audit.

Of the four completed audits, one property was found to be completely compliant, while the other three had various charges that were not properly taxed. The Capitola Municipal Code defines Rent as *“the consideration, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever.”* The charges that were not taxed included items such as cancellation fees, pet fees, room upgrades, extra person charges, smoking, and cleaning fees, as well as exempt and compensated rooms. A summary of the audit findings is as follows:

Property	Finding	TOT	Penalties	Interest	Total
Hotel 1	Untaxed guest charges	6,448	1,290	2,206	\$9,944
Hotel 2	Untaxed guest charges	14,377	2,875	4,458	\$21,710
Hotel 3	Untaxed guest charges, exemptions, comp rooms	10,678	2,136	4,324	\$17,138
Totals		31,503	6,301	10,988	\$48,792

It should be noted the TOT was not collected by the hotels and the penalties and interest are calculated from the date the TOT was due if it had been collected as a portion of the rent charged.

HdL has provided three options for the City to consider regarding the audit findings:

1. Require hotels to provide all requested documents to confirm tax-exemptions. Hotels unable to provide all requested documents will have exemptions become taxable rent with uncollected TOT charges, penalties, and interest.
2. Follow option one but waive penalties and interest.
3. Allow hotel exemptions to stand during the audit period. Require hotels to use updated forms with a standard checklist as provided by the City beginning with a specified filing period.

HdL is recommending option 1, however, staff would like to use the audit as an educational opportunity and is recommending option 3 beginning with the January 2024 filing period due March 11, 2024. This item was presented to the Finance Advisory Committee (FAC) on January 16<sup>th</sup> and the FAC concurred with staff's recommendation.

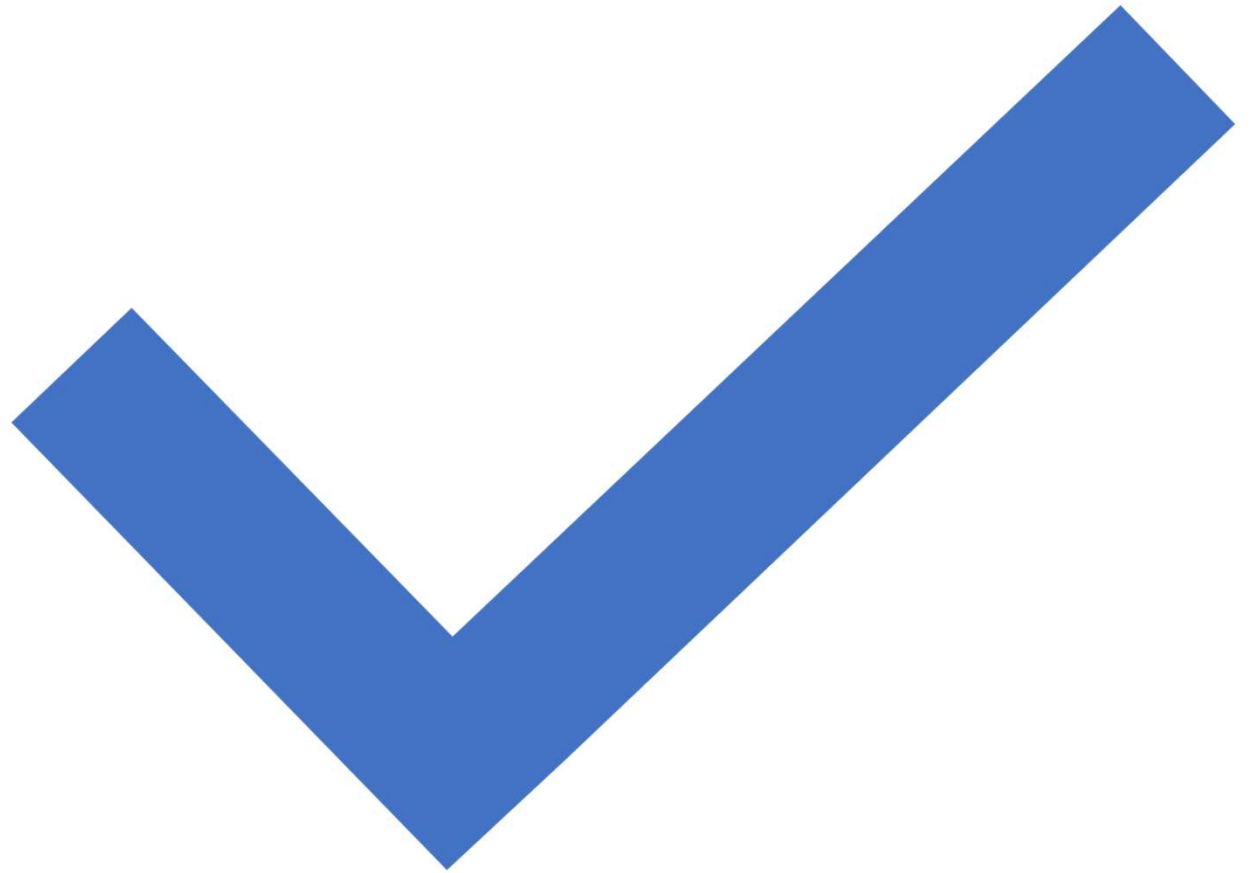
Fiscal Impact: Option 1 would result in additional one-time revenue of \$48,792 and an estimated on-going annual revenue of \$10,000; Option 2 would result in additional one-time revenue of \$31,503 and an estimated on-going annual revenue of \$10,000; and Option 3 would result in estimated additional on-going annual revenue of \$10,000.

Report Prepared By: Jim Malberg, Finance Director

Reviewed By: Julia Gautho, City Clerk, Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager

# 2023 TOT Audit Update



# 2023 TOT Audit

- HdL audited 5 hotels
  - Completed 4 audits, still working on 5<sup>th</sup>
- One hotel in 100% compliance
- Three hotels with audit findings
  - Untaxed charges such as cleaning fees, cancellation fees, compensated rooms, etc.
  - Unconfirmed exempted rooms
- Summary of findings:

Property	Finding	TOT	Penalties	Interest	Total
<b>Hotel 1</b>	Untaxed guest charges	6,448	1,290	2,206	9,944
<b>Hotel 2</b>	Untaxed guest charges	14,377	2,875	4,458	21,710
<b>Hotel 3</b>	Untaxed guest charges, exemptions, comp rooms	10,678	2,136	4,324	17,138
<b>Totals</b>		31,503	6,301	10,988	48,792



# 2023 TOT Audit

- HdL provided 3 options for consideration
  1. Require hotels to provide all requested documents to confirm tax-exemptions. Hotels unable to provide all requested documents will have exemptions become taxable rent with uncollected TOT charges, penalties, and interest.
  2. Follow option one but waive penalties and interest.
  3. Allow hotel exemptions to stand during the audit period. Require hotels to use updated forms with a standard checklist as provided by the City beginning with a specified filing period.

# 2023 TOT Audit

- Fiscal Impact
  - Option 1 would result in additional one-time revenue of \$48,792 and estimated on-going annual revenue of \$10,000
  - Option 2 would result in in additional one-time revenue of \$31,503 and estimated on-going annual revenue of \$10,000
  - Option 3 would result in estimated additional on-going annual revenue of \$10,000.
- HdL recommends Option 1
- Staff recommends Option 3
  - Use audit as educational, not punitive
  - Hotels did not actually collect TOT

# 2023 TOT Audit

- Finance Advisory Committee (FAC)
  - Presented to the FAC Jan. 16, 2024
  - FAC concurred with staff's recommendation of Option 3
    - Beginning February 2024
- Hotels
  - Staff advised all 3 hotel operators of tonight's agenda item
  - Operators noted that other agencies in SC County exempt some charges from TOT that Capitola includes

# 2023 TOT Audit

- Recommended Action:
  - Authorize staff to waive amount due based on audit.
  - Direct staff to work with hotel operators regarding future TOT collections.