

CITY OF SANTA CRUZ  
809 Center Street  
Santa Cruz, California 95060



**JOINT CITY COUNCIL - REDEVELOPMENT AGENCY AGENDA**

Regular Meeting

December 14, 2010

- 1:30 P.M.                    CLOSED LITIGATION SESSION, COURTYARD CONFERENCE ROOM
- 3:00 P.M.                    CONSENT, GENERAL BUSINESS, ORAL COMMUNICATIONS AND PUBLIC HEARINGS, COUNCIL CHAMBERS
- 7:00 P.M.                    CITY COUNCIL ELECTION MATTERS, COUNCIL CHAMBERS

*Written correspondence and telephone calls received after 5:00 p.m. on Monday preceding a Council meeting may not have time to reach Councilmembers, nor be read by them prior to consideration of an item. Please make any communication to Councilmembers regarding Council meeting items prior to 5:00 p.m. Monday.*

Council meetings are cablecast on Comcast Channel 25.

Written material for every item listed in the open sessions is available for review at the Central Branch Library Reference Desk.

Time limits set by Council Policy are guidelines. Unless otherwise specified, procedures for all items, except those approved in one motion on the Consent Agenda, are:

- Oral staff report
- Public comment - 2 minutes each; maximum total time may be established by the Presiding Officer at the beginning of the item
- Council/Agency deliberation and action

## **Closed Litigation Session**

**1:30 PM**

At 1:30 p.m., the Presiding Officer will open the City Council and Redevelopment Agency Closed Litigation sessions in a public meeting in the Courtyard Conference Room, for the purpose of announcing the agenda and considering items 1 and 2; thereafter the meeting will be closed to the public.

### **Referral to Closed Session**

1. Referral to Closed Session - 1120 Pacific Avenue, APN 005-153-10. (ED)

Motion to refer to closed session the lease assignment of 1120 Pacific Avenue for the purpose of instructing the negotiator concerning price, terms, or both.

2. Referral to Closed Session – Lease of 705 Woodrow Avenue, APN 004-173-09. (ED)

Motion to refer to closed session the lease of 705 Woodrow Avenue for the purpose of instructing the negotiator concerning price, terms, or both.

### **Closed Litigation Session**

- A. Conference with Legal Counsel – Liability Claims (Government Code §54956.95).

1. Claimant: Dana O'Brien
2. Claimant: Silvia V. Quintero
3. Claimant: Ethan Shenkman
4. Claimant: Pacific Bell Telephone Co.
5. Claimant: Pacific Gas & Electric
6. Claimant: Patricia Cross
7. Claimant: AT&T Mobility LLC/New Cingular Wireless PCS LLC
8. Claimant: Engineering Soil Repairs, Inc.
9. Claimant: Steve Hoberg

Claims Against: City of Santa Cruz

**Closed Litigation Session (continued)****B. Conference with Real Property Negotiator- Real Property Negotiations (Government Code §54956.8).**

1. 1120 Pacific Avenue Lease Negotiations (La Playa-Del Mar Building - City of Santa Cruz Redevelopment Agency-Owner)  
RDA Negotiator: Bonnie Lipscomb  
APN: 005-153-10
2. 705 Woodrow Avenue Lease Negotiations (City of Santa Cruz-Owner, Garfield Branch Library Cell Tower Lease)  
City Negotiator: Bonnie Lipscomb  
APN: 004-173-09

**C. Conference With Legal Counsel - Existing Litigation (Government Code §54956.9).**

1. Community Water Coalition v. Santa Cruz County LAFCO, et al.  
Santa Cruz County Superior Court Case No. CV 167407
2. Habitat and Watershed Caretakers v. City of Santa Cruz  
Santa Cruz County Superior Court Case No. CV 168697

**D. Conference With Legal Counsel - Anticipated Litigation (Government Code §54956.9).**

Initiation of Litigation by City (Government Code §54956.9(c)).

(2 cases to be discussed)

**E. Personnel Session (Government Code §54957).**

City Council Appointment/Employment of Interim City Clerk.

**F. Public Employee Performance Evaluations (Government Code §54957).**

City Council's performance evaluation of City Manager  
City Council's performance evaluation of the City Clerk

An oral report will be presented in the 3:00 p.m. Session (item 29).

## **Joint City Council/Redevelopment Agency**

**3:00 PM**

- \* Call to Order
- \* Roll Call
- \* Pledge of Allegiance
- \* Presentation - "Green" Sidewalks on Morrissey Blvd. and Rooney Street - Presentation by Santa Cruz County Regional Transportation Commission and Calera Corporation.
- \* Presiding Officer's Announcements
- \* Statements of Disqualification
- \* Additions and Deletions
- \* Joint City Council/Redevelopment Agency Oral Communications - 30 Minutes

### **Consent Agenda**

3. Minutes of the November 23, 2010 Regular City Council Meeting. (CC)  
Motion to approve as submitted.
4. Minutes of the November 23, 2010 Regular Redevelopment Agency Meeting. (CC)  
Motion to approve as submitted.
5. Resolution Setting the City Council Calendar for 2011. (CC)  
Resolution setting the regular meeting schedule for the calendar year 2011, canceling the regular City Council meetings on August 9th and 23rd, and December 27th.



**Consent Agenda (continued)**

6. Appointment of Councilmembers Robinson and Councilmember-elect Bryant to the Santa Cruz Metropolitan Transit District. (CC)

Motion to appoint Councilmember Robinson and Councilmember-elect Bryant to the Santa Cruz Metropolitan Transit District to a term expiring 12/31/12.

7. Appointment of Councilmember Beiers and Councilmember-elect Terrazas to the Library Joint Powers Authority Board. (CC)

Motion to appoint Councilmember Beiers and Councilmember-elect Terrazas to the Library Joint Powers Authority Board.

8. 17-E Municipal Wharf - Municipal Wharf Lease Agreement with Gary Phariss and Joan Phariss. (ED)

Motion to authorize and direct the City Manager to execute a Municipal Wharf Lease Agreement and any amendments thereto of a non-substantive nature, in a form approved by the City Attorney, with Gary Phariss and Joan Phariss for the operation of a gift store at 17-E Municipal Wharf.

9. 344 La Fonda Avenue – Resolution Rescinding Resolution No. NS-28,254 which Granted a Temporary Construction Easement at 344 La Fonda Avenue. (ED)

Resolution rescinding Resolution No. NS-28,254 which was a resolution authorizing and directing the City Manager to execute a Temporary Construction Easement Agreement with the State of California Department of Transportation for temporary use of vacant property located at 344 La Fonda Avenue (APN 009-332-01).

10. Louden Nelson Community Center Fence Replacement Funding. (ED)

Motion authorizing the City Manager to amend the scope of work for the Loudon Nelson Roof and Window Replacement Improvement Project to include fence replacement in both the City Capital Improvement Program and the 2010-2011 Annual Action Plan and rename the project the Loudon Nelson Community Center Improvement Project.

**Consent Agenda (continued)**

11. Annual Report of the Redevelopment Agency Fiscal Year 2010. (ED)

City Council motion to accept the Redevelopment Agency's Annual Report for the Fiscal Year 2010.

Redevelopment Agency resolution to adopt the Redevelopment Agency's Annual Report for the Fiscal Year 2010.

12. Tannery Arts Center – Authorization for Interior Improvements and Architectural Services. (ED)

Redevelopment Agency resolution authorizing the Executive Director to approve change orders necessary to construct interior improvements and execute a contract for architectural services for the Kron House Phase of the Tannery Working Studios and Digital Media Center Project, so long as these actions do not exceed the Agency budget for the the project.

13. Retail Market Analysis and Urban Retail Brokerage – Authorization for Consultant Services. (ED)

Redevelopment Agency motion authorizing the Executive Director to advertise, select, and execute a contract with a consultant firm specializing in retail market analysis and a consultant firm specializing in urban retail brokerage services.

14. Liability Claims Filed Against City of Santa Cruz. (HR)

Motion to reject liability claim a) Dana O'Brien; b) Silvia V. Quintero; c) Ethan Shenkman; d) Pacific Bell Telephone Co. (dba AT&T); e) Pacific Gas & Electric Company; f) Patricia Cross; and g) AT&T Mobility LLC/New Cingular Wireless PCS LLC; based upon staff investigation.

15. Sole Source Vendor - New Integrated Library System (ILS) for the Santa Cruz Public Libraries. (LB)

Motion to approve Equinox as sole source vendor to provide migration services to Evergreen, an open source Integrated Library System (ILS).

**Consent Agenda (continued)**

16. Authorization to Enter into a Lease with the Santa Cruz Museum Association for Use of the Natural History Museum. (PK)

Resolution authorizing and directing the City Manager to enter into a lease agreement with the Santa Cruz Museum Association for use of the Museum of Natural History.

17. Stroke Center Building Demolition - DeLaveaga Park. (PK)

Motion to authorize the City Manager to advertise for bids and enter into an agreement in a form acceptable to the City Attorney for demolition of the Stroke Center Building in DeLaveaga Park.

Resolution appropriating funds and amending the FY 2011 budget in the amount of \$100,000 to cover the costs associated with demolition of the Stroke Center Building in DeLaveaga Park.

Resolution authorizing the City Manager to apply for and, if funded, accept a grant from the Redevelopment Agency Brownfield Revolving Grant Fund in for lead and asbestos removal an amount not to exceed \$75,000.

18. Acceptance of Grant - Proposition 84. (PK)

Motion to accept the \$1,792,000 grant from the State Office of Grants and Local Services (OGALS) for the purchase of property and development of a park in the Lower Ocean Street neighborhood and authorize the City Manager to execute a contract with the State of California to accept the grant.

Motion to Approve the purchase agreement between the City of Santa Cruz and John R. Giottonini and authorize the purchase of parcel #007-422-04; 007-422-15 and 007-422-16.

19. Paint Truck Purchase - Budget Adjustment. (PW) (P&R)

Resolution transferring funds and amending the FY 2011 budget in the amount of \$36,243.52 to partially fund the purchase of a replacement paint truck.

**Consent Agenda (continued)**

20. Purchase of Six (6) Replacement Police Patrol Vehicles - Authorization to Award. (PW)

Motion to accept the bid of North Bay Ford of Santa Cruz, CA for six (6) police patrol vehicles in the amount of \$134,502.54 and authorize the City Manager to execute an agreement in a form approved by the City Attorney with North Bay Ford and reject all other bids.

21. Safe Routes to School Grant Acceptance and Budget Adjustment - Gault School Sidewalk Infill Project (c401113). (PW)

Motion to authorize and direct the City Manager to accept the Safe Routes to School (SR2S) Grant Award for the Gault School Sidewalk Infill Project (c401113).

Resolution appropriating/transferring funds and amending the FY2011 budget in the amount of \$444,963 for the State Safe Routes to School Cycle 9 Program Grant to Gault School Sidewalk Infill Project and \$49,440 for the local match, for a total project cost of \$494,403.

22. Sewer Cleaning Truck - Budget Adjustment and Bid Award. (PW)

Resolution transferring funds and amending the FY 2011 wastewater budget in the net amount of \$259,895 to fund the purchase of one sewer cleaning truck.

Motion awarding the bid to Municipal Maintenance Equipment, Inc. of Sacramento, California in the amount of \$300,030.

23. Cowell's Beach Stair Rehabilitation - Budget Adjustment. (PW)

Resolution appropriating funds and amending the FY 2011 budget in the amount of \$84,000, ratifying the rehabilitation of the Cowell's Beach Stairs.

24. Santa Cruz World Surfing Reserve - Resolution of Support. (CN)

Resolution supporting the establishment of a Santa Cruz World Surfing Reserve.

**End Consent Agenda**

## General Business

25. Local Purchasing Preference - Research and Development of Draft Ordinance for Future Consideration. (CN)

Motion to direct staff to research and assess the implications of an enhanced local preference in City of Santa Cruz purchasing and to return to the City Council within four months with a draft ordinance or other recommendation.

## Public Hearings

26. Ordinance No. 2010-24 - Ordinance Amending Section 1.01.010 and Adding Section 1.01.035 Pertaining to Repealing of Outdated Codes Adopted by Reference and Granting Publication Authority to Code Publishing Company. (CC)

Final adoption of Ordinance No. 2010-24.

**Note: Item 27 will be continued to the meeting of January 11, 2010**

27. Residential Rental Inspection Program Fees. (PL)

Resolution adopting a new Department of Planning and Community Development Fee Schedule creating fees for the Residential Rental Inspection Program, and rescinding Resolution No. NS-28,171.

## General Business

28. Council Meeting Calendar

That the City Council review the meeting calendar attached to the agenda and revise as necessary.

29. City Attorney Oral Report on Closed Session. (See Page 2.)

30. Council Memberships in City Groups and Outside Agencies.

The Presiding Officer will provide Councilmembers with the opportunity to update Council and the public regarding City Groups and Outside Agencies.

**Adjournment** — The Redevelopment Agency will adjourn from the regularly scheduled meeting of December 14, 2010 to the next regularly scheduled meeting on January 11, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

**The City Council will recess to a Council dinner at Café Mare, 700 Front Street, and then to the 7:00 p.m. Session.**

**Joint City Council/Redevelopment Agency  
7:00 PM**

\* Call to Order

\* Roll Call

**Note:** 30 Minutes of Oral Communications will be held in the 3:00 p.m. Session only.

**General Business**

31. Certification of the November 2, 2010 Election. (CC)

Resolution confirming and approving the canvass of ballots and returns for the City of Santa Cruz General Municipal Election held on November 2, 2010, and declaring the results.

Ordinance No. 2010-25 passed and adopted by a majority vote of the electorate of the City of Santa Cruz at the November 2, 2010 Election.

32. Remarks by Outgoing Councilmembers.

Councilmember Mathews.  
Mayor Rotkin.

33. Installation of New Councilmembers.

Councilmember-Elect Bryant.  
Councilmember-Elect Robinson.  
Councilmember-Elect Terrazas.

34. Remarks by Incoming Councilmembers.

Councilmember Bryant  
Councilmember Robinson.  
Councilmember Terrazas.

35. Election of the Mayor.

36. Election of the Vice Mayor.

**Adjournment** — The City Council will adjourn from the regularly scheduled meeting of December 14, 2010, to a Special Closed Session on Thursday, December 16, 2010 in the Courtyard Conference Room. The next regularly scheduled meeting will be on January 11, 2011, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

**Note:** The Council Chambers will be closed ten minutes after the meeting is adjourned.

## Advisory Body Appointments

The following at-large positions are will be open for reappointment and or appointment in January 2011. Council will interview candidates at the meeting of January 18, 2011 and make appointments at the meeting of January 25, 2011.

Arts Commission	Three (3) vacancies and one (1) reappointment
Board of Building Appeals	Six (6) reappointments
Commission for the Prevention of Violence Against Women	Three (3) vacancies and or reappointments
Downtown Commission	One (1) vacancy and one (1) reappointment
Equal Employment Opportunity Committee	One (1) vacancy
Historic Preservation Commission	One (1) reappointment
Latino Affairs Commission (County)	One (1) vacancy
Measure K Oversight Committee	Three (3) vacancies and one (1) reappointment
Parks and Recreation Commission	Two (2) vacancies and one (1) reappointment
Planning Commission	One (1) vacancy and one (1) reappointment
Sister Cities Committee	Three (3) vacancies and one (1) reappointment
Transportation & Public Works Commission	One (1) reappointment
Water Commission	One (1) vacancy

**Public Hearing:** If, in the future, you wish to challenge in court any of the matters on this agenda for which a public hearing is to be conducted, you may be limited to raising only those issues which you (or someone else) raised orally at the public hearing or in written correspondence received by the City at or before the hearing.

Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that action either 60 days or 90 days following the date on which the decision becomes final as provided in Code of Civil Procedure Section 1094.6 Please refer to code of Civil Procedure 1094.6 to determine how to calculate when a decision becomes "final." The 60-day rule applies to all public hearings conducted pursuant to the City's Zoning Ordinance, Title 24, Santa Cruz Municipal Code. The 90-day rule applies to all other public hearings.

## City Council Agenda Legislative History Addendum

No information was submitted.

City staff is responsible for providing the City Clerk with such documentation and information for the Legislative History Addendum. The information will be on file in the City Clerk's Department.

The Addendum is a listing of information specific to City Council business, but which does not appear on a Council meeting agenda. Such entities would include, but not be limited to:

Court decisions

Coastal Commission Appeals of City Council actions

Closed Session Agreements/Settlements, which are public record

Association of Monterey Bay Area Governments

Local Agency Formation Commission

ADDENDUM TO CITY COUNCIL AGENDA – DECEMBER 14, 2010

### **INFORMATION ITEMS PREVIOUSLY DISTRIBUTED TO CITY COUNCILMEMBERS**

(Copies available in the Central Branch Library at the Reference Desk)

City Clerk

Resignation of Linda Bixby from the Arts  
Commission- 12/1/10 (CC FYI 126)

Resignation of Melissa Nix from the Sister Cities  
Committee - 12/1/10 (CC FYI 127)

Resignation of David Partida from the Measure K  
Oversight Committee - 12/7/10 (CC FYI 128)

City Manager

Monthly Camping Incident and Homeless Shelter  
Attendance Reports -11/30/10 (CM FYI 151)

Economic Development Department

\*Quarterly Sales Tax Reports – 2010 2<sup>nd</sup> Quarter  
- 1/22/10 (ED FYI 039)



ADDENDUM TO CITY COUNCIL AGENDA – DECEMBER 14, 2010  
**INFORMATION ITEMS PREVIOUSLY DISTRIBUTED TO CITY COUNCILMEMBERS**  
(Copies available in the Central Branch Library at the Reference Desk)  
(CONTINUED)

Finance Department	Monthly Financial Reports for September 2010 - 11/18/10 (FN FYI 156)  *Quarterly Sales Tax Reports – 2010 2 <sup>nd</sup> Quarter - 11/22/10 (FN FYI 157)  October 2010 Portfolio Management Report – Pooled Cash and Investments -11/23/10 (FN FYI 158)
Planning Department	Approval of Minor Modification for Mixed-Use Commercial/Residential Project, 1109–1111 Ocean Street (Application No. CP10-0099) - 10/22/10 (PL FYI 026)
Public Works Department	Transportation and Public Works Commission Actions on the Draft Climate Action Plan -11/17/10 (PW FYI 0066)

\* Report submitted jointly by departments.

ADDENDUM TO CITY COUNCIL AGENDA – DECEMBER 14, 2010  
**MAYOR'S PROCLAMATIONS**

1. Proclaiming December 1, 2010 as “Linda Wolfe Day” and encouraging all citizens and her coworkers to join in wishing her a long and fulfilling retirement, traveling to Idaho, Mexico, and beyond; becoming a waitress at the local breakfast spot; and enjoying her family and friends.
2. Proclaiming December 4, 2010 as “Dr. Keith McKenzie Day” and urging all citizens to join in expressing heartfelt thanks to Dr. Keith McKenzie and the Santa Cruz Rotary Club for these significant medical achievements over the last 15 years in rural Guatemala.
3. Proclaiming December 10, 2010 as “Narconon Vista Bay Day” and encouraging all citizens to join in expressing heartfelt appreciation for its contributions to those in need of effective drug rehabilitation and drug treatment and for its volunteerism.



## REDEVELOPMENT AGENCY AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: Referral to Closed Session - 1120 Pacific Avenue, APN 005-153-10. (ED)

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RECOMMENDATION: Motion to refer to closed session the lease assignment of 1120 Pacific Avenue for the purpose of instructing the negotiator concerning price, terms, or both.

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BACKGROUND: Betty Black, dba La Playa, currently leases commercial space in the Del Mar Theater building located at 1120 Pacific Avenue. The lease expires September 30, 2011 and includes an option to extend for an additional five years. She has received an offer to sell her business and is interested in assigning her lease.

DISCUSSION: Staff recommends that the Redevelopment Agency refer this matter to closed session to discuss the assignment and instruct the negotiator.

FISCAL IMPACT: None at this time.

Prepared by:  
Julie Hendee  
Redevelopment Manager

Submitted by:  
Bonnie Lipscomb  
Agency Executive Director

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: None



## CITY COUNCIL AGENDA REPORT

DATE: 12/6/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: Referral to Closed Session – Lease of 705 Woodrow Avenue, APN 004-173-09. (ED)

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RECOMMENDATION: Motion to refer to closed session the lease of 705 Woodrow Avenue for the purpose of instructing the negotiator concerning price, terms, or both.

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BACKGROUND: T-Mobile contacted the Planning Department and proposed installing a cell antenna in a flag pole at the Garfield Park Library, 705 Woodrow Avenue.

DISCUSSION: A lease must be negotiated in order for T-Mobile to install a cell antenna on city property. Staff recommends that the City Council refer this matter to closed session.

FISCAL IMPACT: None at this time.

Prepared by:  
Julie Hendee  
Redevelopment Manager

Submitted by:  
Bonnie Lipscomb  
Director of Economic Development

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: None

**MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL**

CITY OF SANTA CRUZ  
809 Center Street  
Santa Cruz, California 95060

**MINUTES OF A REGULAR JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING**

November 23, 2010

**2:00 P.M. SESSION**

Mayor Rotkin opened the Closed Litigation Session at 2:08 p.m. in a public session in the Courtyard Conference Room, for the purpose of announcing the agenda. No members of the public were present. Council closed the session to the public at 2:08 p.m. All Councilmembers were present. (See page 1331 for a report on closed session.)

**3:00 P.M. SESSION**

Mayor/Chair Rotkin called the meeting to order at 3:08 p.m. in the Council Chambers.

**Roll Call**

Present: Councilmembers/Members Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor/Vice Chair Coonerty; Mayor/Chair Rotkin.

Absent: None.

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Staff: City Manager M. Bernal, Assistant City Manager T. Shull, City Attorney J. Barisone, Director of Finance J. Dilles, Director of Human Resources L. Sullivan, Director of Parks and Recreation D. Shoemaker, Director of Public Works M. Dettle, Assistant Director of Public Works/City Engineer C. Schneiter, Parking Program Manager M. Granlund, City Clerk L. Brewer, Deputy City Clerk T. Graves.

**Pledge of Allegiance**

**Presentation** - Mayor's Proclamation Declaring November as Pancreatic Cancer Awareness Month – accepted by Jennifer Flanakin.

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JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**Presentation** - 2010 Officer Jim Howes Community Service Award Presentation – presented by Retired Officer Jim Howes and Mayor Rotkin to Laura Kasa, Executive Director of Save Our Shores, and Deborah Elston of Santa Cruz Neighbors; and to Officers Jose Garcia and Joe Hernandez of the Santa Cruz Police Department.

**Presiding Officer's Announcements**

**Statements of Disqualification** – None.

**Additions and Deletions** – None.

**Joint City Council/Redevelopment Agency Oral Communications**

Pat Arnold spoke favorably of Tony Madrigal's work in the community, especially on the Coalition on Overcoming Racism. Ms. Arnold also announced the Third Annual Human Rights Fair at the Galleria.

Marilyn Garrett spoke about the negative health effects of EM radiation, and of her opposition to PG&E's SmartMeter Program.

Mike Tomasi spoke about peace and freedom.

Ed Davidson spoke about the red legged tree frog and its status as "threatened," not "endangered," and also decried the Santa Cruz Seaside Company's letter writing attacks on Councilmember Madrigal.

Marlin Granlund, Parking Program Manager, announced the Holiday Parking Program effective dates of December 8, 2010 through December 25, 2010.

Don Lane announced the Community Thanksgiving Dinner at the Civic Auditorium on Thursday, November 25, 2010 from Noon to 3:00 p.m.

JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

### **Consent Agenda**

Items 5 and 7 were removed from the Consent Agenda.

#### Action

Councilmember/Member Lane moved, seconded by Vice Mayor/Vice Chair Coonerty, to approve the remaining items on the Consent Agenda. The motion carried unanimously.

1. Minutes of the November 9, 2010 Regular City Council Meeting. (CC)

Motion carried to approve as submitted.

2. Minutes of the November 9, 2010 Regular Redevelopment Agency Meeting. (CC)

Motion carried to approve as submitted.

3. Funding for CPVAW Safety Skills and Self Defense Program. (CM/PD)

Resolution No. NS-28,293 was adopted transferring funds and amending the FY 2011 budget in the amount of \$5,000 to fund the CPVAW Safety Skills and Self Defense Program from the Police Department Asset Seizure/Youth Crime Prevention Fund.

4. Highway 1/9 Intersection Improvements – Fifth Amendment to Consultant Agreement and Budget Adjustment. (ED) (PW)

Redevelopment Agency motion carried to authorize the Executive Director to execute an amendment with BKF Engineers in the amount of \$184,830 for additional consulting engineering and environmental services for the Highway 1/9 Intersection Improvement project.

Redevelopment Agency Resolution No. 1511 was adopted transferring funds and amending the FY 2011 budget in the amount of \$23,000 from the Phase II budget of the HWY 1/9 Intersection Improvement Project to the current Phase I.

City Council Resolution No. NS-28,294 was adopted amending the FY 2011 budget to reduce the RDA funding and the appropriation by \$23,000 for the Phase II Hwy 1/9 Intersection Improvement Project.

**Consent Agenda (continued)**

5. FY 2010 Traffic Impact Fee Annual Report. (FN)

Assistant Director of Public Works/City Engineer C. Schneiter presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR IN OPPOSITION AND/OR EXPRESSING CONCERNS:

Micah Posner  
Frank Correa

SPEAKING FROM THE FLOOR IN SUPPORT AND/OR EXPRESSING CONCERNS:

Ron Pomerantz

Director of Finance J. Dilles and City Attorney J. Barisone presented oral reports and responded to Council's questions.

Councilmember Madrigal moved, seconded by Councilmember Beiers, to continue this item to a future evening session. The motion FAILED by the following vote:

AYES: Councilmembers Madrigal, Beiers.  
NOES: Councilmembers Mathews, Lane, Robinson; Vice Mayor Coonerty; Mayor Rotkin.  
ABSENT: None.  
DISQUALIFIED: None.

Action

Vice Mayor Coonerty moved, seconded by Councilmember Lane, to accept the FY 2010 Traffic Impact Fee Annual Report; and to make certain findings to: A) identify the purpose to which the fee is to be put; B) demonstrate a reasonable relationship between the fee and the purpose for which it is charged; C) identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and D) designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund, with the additional finding that it is not the Council's intention to take action on the allocation component at this time. The motion carried unanimously.

JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**Consent Agenda (continued)**

6. Liability Claims Filed Against City of Santa Cruz. (HR)

Motion carried to reject liability claims a) Barbara Dyer, b) William Hartley and c) Jamal Kamli; and reject and deny late claim d) Keith Howard, based upon staff investigation.

7. Burke, Williams & Sorensen, LLP - Sole Source Contract. (HR)

Director of Human Resources L. Sullivan presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR IN OPPOSITION AND/OR  
EXPRESSING CONCERNS:

Doris Henry, SEIU  
Gary Klems, SEIU

Action

Councilmember Mathews moved, seconded by Mayor Rotkin, to adopt Resolution No. NS-28,295 authorizing and directing the City Manager to execute a sole source contract, in a form approved by the City Attorney, with Burke, Williams & Sorensen, LLP in the amount of \$150,000 for legal representation relating to employee and labor relations. The motion carried by the following vote:

AYES: Councilmembers Mathews, Lane, Robinson, Beiers;  
Vice Mayor Coonerty; Mayor Rotkin.  
NOES: Councilmember Madrigal.  
ABSENT: None.  
DISQUALIFIED: None.

8. City's Classification and Compensation Plans and the FY 2011 Budget Personnel Complement – Public Works Department. (HR)

Resolution No. NS-28,296 was adopted amending the Classification and Compensation Plans to delete both the classification and one position of Wastewater Facilities Lead Electrical/Instrumentation Technician and replace with a new classification and one position of Wastewater Facilities Instrumentation Technician I/II in the Public Works Department.



**Consent Agenda (continued)**

9. New Year's Eve Safety Enhancement Zone. (PD)

Resolution No. NS-28,297 was adopted authorizing a temporary safety enhancement zone for New Year's Eve downtown from 6:00 p.m. December 31, 2010 to 3:00 a.m. January 1, 2011, designating the geographic boundary of the temporary safety enhancement zone and increasing fines and penalties for certain Municipal Code violations within the zone.

10. 2010 State Mandated Court Construction Costs – Increase to Parking Citation Fines. (PW)

Resolution No. NS-28,298 was adopted modifying parking fines for parking violations by increasing fines as illustrated in Exhibit 1; and rescinding Resolution NS-28,028, amending the start date of the fee increase to January 1, 2011.

11. Implementation of Deferred Water Rate Increase. (WT)

Motion carried to ratify the 5% water rate increase scheduled to take effect on January 1, 2011.

**End Consent Agenda**

JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

### General Business

Note: This item was considered out of agenda order.

12. In-Home Supportive Services Workers' Livable Wage – Resolution of Support. (CN)

SPEAKING FROM THE FLOOR IN SUPPORT, AND/OR EXPRESSING CONCERNS:

Nora Hochman, Coalition for a Living Wage  
Mike Tomasi

#### Action

Councilmember Mathews moved, seconded by Councilmember Madrigal, to adopt Resolution No. NS-28,299 supporting In-Home Supportive Service workers and urging the provision of a livable wage for these valued workers. The motion carried unanimously.

13. Ordinance Amending Section 1.01.010 and Adding Section 1.01.035 Pertaining to Repealing of Outdated Codes Adopted by Reference and Granting Publication Authority to Code Publishing Company. (CC)

#### Action

Councilmember Robinson moved, seconded by Vice Mayor Coonerty, to introduce for publication Ordinance No. 2010-24 amending Section 1.01.010 and adding Section 1.01.035 pertaining to repealing of outdated codes adopted by reference and granting publication authority to Code Publishing Company. The motion carried unanimously.

### Public Hearings

Note: Item 14 was continued to the meeting of December 14, 2010 at 3 p.m. There was no written material for this item.

14. Residential Rental Inspection Program Fees. (PL)

A new Department of Planning and Community Development Fee Schedule creating fees for the Residential Rental Inspection Program, and rescinding Resolution No. NS-28,171.

**Public Hearings (continued)**

15. Ordinance No. 2010-23 - Ordinance Amending Building Regulations Contained in Title 18 of the Santa Cruz Municipal Code and Adopting the California Code of Regulations Title 24, 2010 Building Standards Codes and Other Codes and Standards to Establish Minimum Requirements to Safeguard Public Health, Life, Safety and General Welfare. (PL)

Mayor Rotkin opened the public hearing at 4:35 p.m.

There was no public comment.

Mayor Rotkin closed the public hearing at 4:35 p.m.

Action

Councilmember Robinson moved, seconded by Councilmember Lane, to pass Ordinance No. 2010-23 for final adoption. The motion carried unanimously.

**General Business**

16. Tobacco Retailer License Fee. (CN)

SPEAKING FROM THE FLOOR IN SUPPORT AND/OR EXPRESSING CONCERNS:

Kathleen Hofvendahl-Clark, Tobacco Coalition  
Jairo Hernandez, Pajaro Valley Prevention Services  
Al Richards, County Drug & Alcohol Commission

Action

Vice Mayor Coonerty moved, seconded by Mayor Rotkin, to direct staff to research and assess the implications of a Tobacco Retailer License Fee in the City of Santa Cruz and to return to the City Council at an upcoming meeting with a draft ordinance or other recommendation. The motion carried unanimously.

JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**General Business (continued)**

17. Council Meeting Calendar

The City Council reviewed the meeting calendar attached to the agenda and revised as necessary.

18. City Attorney Oral Report on Closed Session.

A. Conference with Legal Counsel – Liability Claims (Government Code §54956.95).

1. Claimant: California State Automobile Association
  2. Claimant: USAA Casualty Insurance Company
  3. Claimant: AMCO Insurance Company
  4. Claimant: Barbara Dyer
  5. Claimant: William Hartley
  6. Claimant: Jamal Kamli
  7. Claimant: Keith Howard
- Claims Against: City of Santa Cruz

Claims 1-3 were authorized for settlement. Claims 4-7 were not discussed. Mayor Rotkin noted for the record that claim 7. was denied both on its merit and because it was late.

B. Conference With Legal Counsel - Anticipated Litigation (Government Code §54956.9).

Initiation of Litigation by City (Government Code §54956.9(c)).

1 case was discussed. Council took no reportable action.

C. Appointment of City Employee (Government Code Section 54957)

Appointment of City Clerk.

Council discussed the appointment of the City Clerk, but took no reportable action.

19. Council Memberships in City Groups and Outside Agencies.

The Presiding Officer provided Councilmembers with the opportunity to update Council and the public regarding City Groups and Outside Agencies.

**At 4:58 p.m. the City Council and Redevelopment Agency recessed to the 7:00 p.m. session.**

CITY OF SANTA CRUZ  
809 Center Street  
Santa Cruz, California 95060

**MINUTES OF A JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING**

November 23, 2010

**7:00 P.M. SESSION**

Mayor/Chair Rotkin called the meeting to order at 7:05 p.m. in Council Chambers.

**Roll Call**

Present: Councilmembers/Members Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor/Vice Chair Coonerty; Mayor/Chair Rotkin.

Absent: None.

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Staff: City Manager M. Bernal, Assistant City Manager T. Shull, Deputy City Attorney C. Cassman, Acting Director of Planning and Community Development A. Khoury, City Clerk L. Brewer, Deputy City Clerk T. Graves.

**Joint City Council/Redevelopment Agency Oral Communications**

Norma Jean Tasker spoke about The Carnation Café at Louden Nelson Center.

Nereida Robles spoke in support of Councilmember Madrigal.

Victor Bonderos spoke in support of Councilmember Madrigal.

Marvel Armijo spoke in favor of Councilmember Madrigal.

Joan Laskin thanked the Council for sponsoring Festival de Nopales, and in support of Councilmember Madrigal.

Tomas Alejo spoke in support of Councilmember Madrigal.

JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2009  
7:00 P.M. SESSION

**Joint City Council/Redevelopment Agency Oral Communications  
(continued)**

Celia Montesino spoke in support of Councilmember Madrigal.

Alex spoke in support of Councilmember Madrigal.

Barbara Hayes spoke in support of Councilmember Madrigal.

Annaliese Cube spoke about Jingle Bell Rock at 8:00 a.m. on December 12, 2010, and encouraged all residents to attend.

Jessica Roja spoke in support of Councilmember Madrigal.

Santito Gomes spoke in support of Councilmember Madrigal.

**General Business**

20. Residential Rental Inspection and Maintenance Ordinance Checklists.  
(PL)

Assistant Director of Planning and Community Development A. Khoury presented an oral report and responded to Council's questions.

**SPEAKING FROM THE FLOOR IN OPPOSITION AND/OR  
EXPRESSING CONCERNS:**

Harold Griffith  
Candace Bradfield  
Nick Volaich  
Claire Sanders  
Michelle Nicely  
An unidentified woman  
Elia Volaich  
Anthony Silveira

**SPEAKING FROM THE FLOOR IN SUPPORT AND/OR EXPRESSING  
CONCERNS:**

Josh Howard  
Gretchen Regenhardt

**General Business (continued)**

20. Residential Rental Inspection and Maintenance Ordinance Checklists.  
(PL) (continued)

Action

Vice Mayor Coonerty moved, seconded by Councilmember Robinson, to adopt Resolution No. NS-28,300 adopting the Residential Rental Inspection and Maintenance Ordinance checklists. The motion carried by the following vote:

AYES: Councilmembers Mathews, Lane, Robinson, Beiers;  
Vice Mayor Coonerty; Mayor Rotkin.  
NOES: Councilmember Madrigal.  
ABSENT: None.  
DISQUALIFIED: None.

Note: Council recessed at 8:39 p.m. and reconvened at 8:50 p.m.

Note: Written material was provided prior to the meeting for item 21.

21. Community Programs Committee -- Affirmation of Social Services Strategic Allocation Funding Framework and Funding Principles. (CN)

SPEAKING FROM THE FLOOR WITH CONCERNS:

Taylor Bancroft	Katherine Johnson
Tom Helman	Karen Delaney
Robin Haas	Clay Kemp
Kathy Huntly	Carolyn Coleman
Bob Rey	Harvey
Gloris Ploss	

Action

Vice Mayor Coonerty moved, seconded by Councilmember Robinson, to endorse the allocation methodology, funding principles, funding parameters and funding cycle and process recommended by the City Council Community Programs Committee; and to change the title of Funding Principle 6 from "Make a Systemic and Long-Term Difference" to "Make a Measurable Difference"; and to replace the 5% set-aside funding methodology recommendation with "The Council adopts the principle that Community Programs will have administrative costs and that staff will propose these costs at budget time, with the understanding that costs should be minimum in the first year and then be ongoing; and to change the grant minimum to \$5,000 with no reference to indexing a percentage to the Community Programs General Fund budget. The motion carried unanimously

JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2009  
7:00 P.M. SESSION

**General Business (continued)**

21. Community Programs Committee -- Affirmation of Social Services Strategic Allocation Funding Framework and Funding Principles. (CN)  
(Continued)

Action

By consensus, the Council directed the Committee to explore oversampling of the City of Santa Cruz for future Community Assessment Project surveys.

Action

By consensus, the Council adopted the following Funding Principles:

1. Align with the Strategic Framework by funding only programs that directly address at least one of the Highlighted Results in the Strategic Framework. Programs addressing more than one Highlighted Result will be encouraged.
2. Leverage Resources by applying City funds to match Federal, State and private funds, and by broadening the range of funding sources.
3. Move Toward Service Collaboration by funding programs that reduce fragmentation and promote effectiveness of existing services through collaboration and coordination, making services more accessible and comprehensive.
4. Promote Inclusion by funding programs and activities that are responsive to, and reflective of, the needs of our diverse community.

**Adjournment** — At 11:58 p.m., the Redevelopment Agency adjourned from the regularly scheduled meeting of November 23, 2010 to the next regularly scheduled meeting on December 14, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.



1336  
JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2009  
7:00 P.M. SESSION

**Adjournment** — At 11:58 p.m., the City Council adjourned from the regularly scheduled meeting of November 23, 2010, to the next regularly scheduled meeting on December 14, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Respectfully submitted

---

Tom Graves  
Deputy City Clerk

Approved

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Lorrie Brewer  
City Clerk

Approved

---

Michael Rotkin  
Mayor

**MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL**

CITY OF SANTA CRUZ  
809 Center Street  
Santa Cruz, California 95060

**MINUTES OF A REGULAR REDEVELOPMENT AGENCY MEETING**

November 23, 2010

**2:00 P.M. SESSION**

Mayor Rotkin opened the Closed Litigation Session at 2:08 p.m. in a public session in the Courtyard Conference Room, for the purpose of announcing the agenda. No members of the public were present. Council closed the session to the public at 2:08 p.m. All Councilmembers were present. (See page 1815 for a report on closed session.)

**3:00 P.M. SESSION**

Mayor/Chair Rotkin called the meeting to order at 3:08 p.m. in the Council Chambers.

**Roll Call**

Present: Councilmembers/Members Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor/Vice Chair Coonerty; Mayor/Chair Rotkin.

Absent: None.

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Staff: City Manager M. Bernal, Assistant City Manager T. Shull, City Attorney J. Barisone, Director of Finance J. Dilles, Director of Human Resources L. Sullivan, Director of Parks and Recreation D. Shoemaker, Director of Public Works M. Dettle, Assistant Director of Public Works/City Engineer C. Schneiter, Parking Program Manager M. Granlund, City Clerk L. Brewer, Deputy City Clerk T. Graves.

**Pledge of Allegiance**

**Presentation** - Mayor's Proclamation Declaring November as Pancreatic Cancer Awareness Month – accepted by Jennifer Flanakin.

REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**Presentation** - 2010 Officer Jim Howes Community Service Award Presentation – presented by Retired Officer Jim Howes and Mayor Rotkin to Laura Kasa, Executive Director of Save Our Shores, and Deborah Elston of Santa Cruz Neighbors; and to Officers Jose Garcia and Joe Hernandez of the Santa Cruz Police Department.

**Presiding Officer's Announcements**

**Statements of Disqualification** – None.

**Additions and Deletions** – None.

**Joint City Council/Redevelopment Agency Oral Communications**

Pat Arnold spoke favorably of Tony Madrigal's work in the community, especially on the Coalition on Overcoming Racism. Ms. Arnold also announced the Third Annual Human Rights Fair at the Galleria.

Marilyn Garrett spoke about the negative health effects of EM radiation, and of her opposition to PG&E's SmartMeter Program.

Mike Tomasi spoke about peace and freedom.

Ed Davidson spoke about the red legged tree frog and its status as "threatened," not "endangered," and also decried the Santa Cruz Seaside Company's letter writing attacks on Councilmember Madrigal.

Marlin Granlund, Parking Program Manager, announced the Holiday Parking Program effective dates of December 8, 2010 through December 25, 2010.

Don Lane announced the Community Thanksgiving Dinner at the Civic Auditorium on Thursday, November 25, 2010 from Noon to 3:00 p.m.

REDEVELOPMENT AGENCY MEETING  
 NOVEMBER 23, 2010  
 3:00 P.M. SESSION

### **Consent Agenda**

Items 5 and 7 were removed from the Consent Agenda.

#### Action

Councilmember/Member Lane moved, seconded by Vice Mayor/Vice Chair Coonerty, to approve the remaining items on the Consent Agenda. The motion carried unanimously.

1. Minutes of the November 9, 2010 Regular City Council Meeting. (CC)

Motion carried to approve as submitted.

2. Minutes of the November 9, 2010 Regular Redevelopment Agency Meeting. (CC)

Motion carried to approve as submitted.

3. Funding for CPVAW Safety Skills and Self Defense Program. (CM/PD)

Resolution No. NS-28,293 was adopted transferring funds and amending the FY 2011 budget in the amount of \$5,000 to fund the CPVAW Safety Skills and Self Defense Program from the Police Department Asset Seizure/Youth Crime Prevention Fund.

4. Highway 1/9 Intersection Improvements – Fifth Amendment to Consultant Agreement and Budget Adjustment. (ED) (PW)

Redevelopment Agency motion carried to authorize the Executive Director to execute an amendment with BKF Engineers in the amount of \$184,830 for additional consulting engineering and environmental services for the Highway 1/9 Intersection Improvement project.

Redevelopment Agency Resolution No. 1511 was adopted transferring funds and amending the FY 2011 budget in the amount of \$23,000 from the Phase II budget of the HWY 1/9 Intersection Improvement Project to the current Phase I.

City Council Resolution No. NS-28,294 was adopted amending the FY 2011 budget to reduce the RDA funding and the appropriation by \$23,000 for the Phase II Hwy 1/9 Intersection Improvement Project.

REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**Consent Agenda (continued)**

5. FY 2010 Traffic Impact Fee Annual Report. (FN)

Assistant Director of Public Works/City Engineer C. Schneiter presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR IN OPPOSITION AND/OR EXPRESSING CONCERNS:

Micah Posner  
Frank Correa

SPEAKING FROM THE FLOOR IN SUPPORT AND/OR EXPRESSING CONCERNS:

Ron Pomerantz

Director of Finance J. Dilles and City Attorney J. Barisone presented oral reports and responded to Council's questions.

Councilmember Madrigal moved, seconded by Councilmember Beiers, to continue this item to a future evening session. The motion FAILED by the following vote:

AYES: Councilmembers Madrigal, Beiers.  
NOES: Councilmembers Mathews, Lane, Robinson; Vice Mayor Coonerty; Mayor Rotkin.  
ABSENT: None.  
DISQUALIFIED: None.

Action

Vice Mayor Coonerty moved, seconded by Councilmember Lane, to accept the FY 2010 Traffic Impact Fee Annual Report; and to make certain findings to: A) identify the purpose to which the fee is to be put; B) demonstrate a reasonable relationship between the fee and the purpose for which it is charged; C) identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and D) designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund, with the additional finding that it is not the Council's intention to take action on the allocation component at this time. The motion carried unanimously.

REDEVELOPMENT AGENCY MEETING  
 NOVEMBER 23, 2010  
 3:00 P.M. SESSION

**Consent Agenda (continued)**

6. Liability Claims Filed Against City of Santa Cruz. (HR)

Motion carried to reject liability claims a) Barbara Dyer, b) William Hartley and c) Jamal Kamli; and reject and deny late claim d) Keith Howard, based upon staff investigation.

7. Burke, Williams & Sorensen, LLP - Sole Source Contract. (HR)

Director of Human Resources L. Sullivan presented an oral report and responded to Council's questions.

SPEAKING FROM THE FLOOR IN OPPOSITION AND/OR  
 EXPRESSING CONCERNS:

Doris Henry, SEIU  
 Gary Klems, SEIU

Action

Councilmember Mathews moved, seconded by Mayor Rotkin, to adopt Resolution No. NS-28,295 authorizing and directing the City Manager to execute a sole source contract, in a form approved by the City Attorney, with Burke, Williams & Sorensen, LLP in the amount of \$150,000 for legal representation relating to employee and labor relations. The motion carried by the following vote:

AYES: Councilmembers Mathews, Lane, Robinson, Beiers;  
 Vice Mayor Coonerty; Mayor Rotkin.  
 NOES: Councilmember Madrigal.  
 ABSENT: None.  
 DISQUALIFIED: None.

8. City's Classification and Compensation Plans and the FY 2011 Budget Personnel Complement – Public Works Department. (HR)

Resolution No. NS-28,296 was adopted amending the Classification and Compensation Plans to delete both the classification and one position of Wastewater Facilities Lead Electrical/Instrumentation Technician and replace with a new classification and one position of Wastewater Facilities Instrumentation Technician I/II in the Public Works Department.

REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**Consent Agenda (continued)**

9. New Year's Eve Safety Enhancement Zone. (PD)

Resolution No. NS-28,297 was adopted authorizing a temporary safety enhancement zone for New Year's Eve downtown from 6:00 p.m. December 31, 2010 to 3:00 a.m. January 1, 2011, designating the geographic boundary of the temporary safety enhancement zone and increasing fines and penalties for certain Municipal Code violations within the zone.

10. 2010 State Mandated Court Construction Costs – Increase to Parking Citation Fines. (PW)

Resolution No. NS-28,298 was adopted modifying parking fines for parking violations by increasing fines as illustrated in Exhibit 1; and rescinding Resolution NS-28,028, amending the start date of the fee increase to January 1, 2011.

11. Implementation of Deferred Water Rate Increase. (WT)

Motion carried to ratify the 5% water rate increase scheduled to take effect on January 1, 2011.

**End Consent Agenda**

REDEVELOPMENT AGENCY MEETING  
 NOVEMBER 23, 2010  
 3:00 P.M. SESSION

### General Business

Note: This item was considered out of agenda order.

12. In-Home Supportive Services Workers' Livable Wage – Resolution of Support. (CN)

SPEAKING FROM THE FLOOR IN SUPPORT, AND/OR EXPRESSING CONCERNS:

Nora Hochman, Coalition for a Living Wage  
 Mike Tomasi

Action

Councilmember Mathews moved, seconded by Councilmember Madrigal, to adopt Resolution No. NS-28,299 supporting In-Home Supportive Service workers and urging the provision of a livable wage for these valued workers. The motion carried unanimously.

13. Ordinance Amending Section 1.01.010 and Adding Section 1.01.035 Pertaining to Repealing of Outdated Codes Adopted by Reference and Granting Publication Authority to Code Publishing Company. (CC)

Action

Councilmember Robinson moved, seconded by Vice Mayor Coonerty, to introduce for publication Ordinance No. 2010-24 amending Section 1.01.010 and adding Section 1.01.035 pertaining to repealing of outdated codes adopted by reference and granting publication authority to Code Publishing Company. The motion carried unanimously.

### Public Hearings

Note: Item 14 was continued to the meeting of December 14, 2010 at 3 p.m. There was no written material for this item.

14. Residential Rental Inspection Program Fees. (PL)

A new Department of Planning and Community Development Fee Schedule creating fees for the Residential Rental Inspection Program, and rescinding Resolution No. NS-28,171.



REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2010  
3:00 P.M. SESSION

**Public Hearings (continued)**

15. Ordinance No. 2010-23 - Ordinance Amending Building Regulations Contained in Title 18 of the Santa Cruz Municipal Code and Adopting the California Code of Regulations Title 24, 2010 Building Standards Codes and Other Codes and Standards to Establish Minimum Requirements to Safeguard Public Health, Life, Safety and General Welfare. (PL)

Mayor Rotkin opened the public hearing at 4:35 p.m.

There was no public comment.

Mayor Rotkin closed the public hearing at 4:35 p.m.

Action

Councilmember Robinson moved, seconded by Councilmember Lane, to pass Ordinance No. 2010-23 for final adoption. The motion carried unanimously.

**General Business**

16. Tobacco Retailer License Fee. (CN)

SPEAKING FROM THE FLOOR IN SUPPORT AND/OR EXPRESSING CONCERNS:

Kathleen Hofvendahl-Clark, Tobacco Coalition  
Jairo Hernandez, Pajaro Valley Prevention Services  
Al Richards, County Drug & Alcohol Commission

Action

Vice Mayor Coonerty moved, seconded by Mayor Rotkin, to direct staff to research and assess the implications of a Tobacco Retailer License Fee in the City of Santa Cruz and to return to the City Council at an upcoming meeting with a draft ordinance or other recommendation. The motion carried unanimously.

REDEVELOPMENT AGENCY MEETING  
 NOVEMBER 23, 2010  
 3:00 P.M. SESSION

**General Business (continued)**

17. Council Meeting Calendar

The City Council reviewed the meeting calendar attached to the agenda and revised as necessary.

18. City Attorney Oral Report on Closed Session.

A. Conference with Legal Counsel – Liability Claims (Government Code §54956.95).

1. Claimant: California State Automobile Association
  2. Claimant: USAA Casualty Insurance Company
  3. Claimant: AMCO Insurance Company
  4. Claimant: Barbara Dyer
  5. Claimant: William Hartley
  6. Claimant: Jamal Kamli
  7. Claimant: Keith Howard
- Claims Against: City of Santa Cruz

Claims 1-3 were authorized for settlement. Claims 4-7 were not discussed. Mayor Rotkin noted for the record that claim 7. was denied both on its merit and because it was late.

B. Conference With Legal Counsel - Anticipated Litigation (Government Code §54956.9).

Initiation of Litigation by City (Government Code §54956.9(c)).

1 case was discussed. Council took no reportable action.

C. Appointment of City Employee (Government Code Section 54957)

Appointment of City Clerk.

Council discussed the appointment of the City Clerk, but took no reportable action.

19. Council Memberships in City Groups and Outside Agencies.

The Presiding Officer provided Councilmembers with the opportunity to update Council and the public regarding City Groups and Outside Agencies.

**At 4:58 p.m. the City Council and Redevelopment Agency recessed to the 7:00 p.m. session.**

CITY OF SANTA CRUZ  
809 Center Street  
Santa Cruz, California 95060

**MINUTES OF A JOINT CITY COUNCIL/  
REDEVELOPMENT AGENCY MEETING**

November 23, 2010

**7:00 P.M. SESSION**

Mayor/Chair Rotkin called the meeting to order at 7:05 p.m. in Council Chambers.

**Roll Call**

Present: Councilmembers/Members Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor/Vice Chair Coonerty; Mayor/Chair Rotkin.

Absent: None.

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Staff: City Manager M. Bernal, Assistant City Manager T. Shull, Deputy City Attorney C. Cassman, Acting Director of Planning and Community Development A. Khoury, City Clerk L. Brewer, Deputy City Clerk T. Graves.

**Joint City Council/Redevelopment Agency Oral Communications**

Norma Jean Tasker spoke about The Carnation Café at Louden Nelson Center.

Nereida Robles spoke in support of Councilmember Madrigal.

Victor Bonderos spoke in support of Councilmember Madrigal.

Marvel Armijo spoke in favor of Councilmember Madrigal.

Joan Laskin thanked the Council for sponsoring Festival de Nopales, and in support of Councilmember madrigal.

Tomas Alejo spoke in support of Councilmember Madrigal.

REDEVELOPMENT AGENCY MEETING  
 NOVEMBER 23, 2009  
 7:00 P.M. SESSION

**Joint City Council/Redevelopment Agency Oral Communications  
 (continued)**

Celia Montesino spoke in support of Councilmember Madrigal.

Alex spoke in support of Councilmember Madrigal.

Barbara Hayes spoke in support of Councilmember Madrigal.

Annaliese Cube spoke about Jingle Bell Rock at 8:00 a.m. on December 12, 2010, and encouraged all residents to attend.

Jessica Roja spoke in support of Councilmember Madrigal.

Santito Gomes spoke in support of Councilmember Madrigal.

**General Business**

20. Residential Rental Inspection and Maintenance Ordinance Checklists.  
 (PL)

Assistant Director of Planning and Community Development A. Khoury presented an oral report and responded to Council's questions.

**SPEAKING FROM THE FLOOR IN OPPOSITION AND/OR  
 EXPRESSING CONCERNS:**

Harold Griffith  
 Candace Bradfield  
 Nick Volaich  
 Claire Sanders  
 Michelle Nicely  
 An unidentified woman  
 Elia Volaich  
 Anthony Silveira

**SPEAKING FROM THE FLOOR IN SUPPORT AND/OR EXPRESSING  
 CONCERNS:**

Josh Howard  
 Gretchen Regenhardt

REDEVELOPMENT AGENCY MEETING  
NOVEMBER 23, 2009  
7:00 P.M. SESSION

**General Business (continued)**

- 20. Residential Rental Inspection and Maintenance Ordinance Checklists.  
(PL) (continued)

Action

Vice Mayor Coonerty moved, seconded by Councilmember Robinson, to adopt Resolution No. NS-28,300 adopting the Residential Rental Inspection and Maintenance Ordinance checklists. The motion carried by the following vote:

AYES: Councilmembers Mathews, Lane, Robinson, Beiers;  
Vice Mayor Coonerty; Mayor Rotkin.  
NOES: Councilmember Madrigal.  
ABSENT: None.  
DISQUALIFIED: None.

Note: Council recessed at 8:39 p.m. and reconvened at 8:50 p.m.

Note: Written material was provided prior to the meeting for item 21.

- 21. Community Programs Committee -- Affirmation of Social Services Strategic Allocation Funding Framework and Funding Principles. (CN)

SPEAKING FROM THE FLOOR WITH CONCERNS:

Taylor Bancroft	Katherine Johnson
Tom Helman	Karen Delaney
Robin Haas	Clay Kemp
Kathy Huntly	Carolyn Coleman
Bob Rey	Harvey
Gloris Ploss	

Action

Vice Mayor Coonerty moved, seconded by Councilmember Robinson, to endorse the allocation methodology, funding principles, funding parameters and funding cycle and process recommended by the City Council Community Programs Committee; and to change the title of Funding Principle 6 from "Make a Systemic and Long-Term Difference" to "Make a Measurable Difference"; and to replace the 5% set-aside funding methodology recommendation with "The Council adopts the principle that Community Programs will have administrative costs and that staff will propose these costs at budget time, with the understanding that costs should be minimum in the first year and then be ongoing; and to change the grant minimum to \$5,000 with no reference to indexing a percentage to the Community Programs General Fund budget. The motion carried unanimously

REDEVELOPMENT AGENCY MEETING  
 NOVEMBER 23, 2009  
 7:00 P.M. SESSION

**General Business (continued)**

21. Community Programs Committee -- Affirmation of Social Services Strategic Allocation Funding Framework and Funding Principles. (CN) (continued)

Action

By consensus, the Council directed the Committee to explore oversampling of the City of Santa Cruz for future Community Assessment Project surveys.

Action

By consensus, the Council adopted the following Funding Principles:

1. Align with the Strategic Framework by funding only programs that directly address at least one of the Highlighted Results in the Strategic Framework. Programs addressing more than one Highlighted Result will be encouraged.
2. Leverage Resources by applying City funds to match Federal, State and private funds, and by broadening the range of funding sources.
3. Move Toward Service Collaboration by funding programs that reduce fragmentation and promote effectiveness of existing services through collaboration and coordination, making services more accessible and comprehensive.
4. Promote Inclusion by funding programs and activities that are responsive to, and reflective of, the needs of our diverse community.

**Adjournment** — At 11:58 p.m., the Redevelopment Agency adjourned from the regularly scheduled meeting of November 23, 2010 to the next regularly scheduled meeting on December 14, 2010, for a closed litigation session at 1:30 p.m., in the Courtyard Conference Room, followed by open sessions at the approximate hours of 3:00 p.m. and 7:00 p.m. in Council Chambers.

Approved

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Michael Rotkin  
 Chair

Attest

---

Bonnie Lipscomb  
 Executive Director



## CITY COUNCIL AGENDA REPORT

DATE: December 1, 2010

AGENDA OF: December 14, 2010

DEPARTMENT: City Clerk

SUBJECT: CITY COUNCIL REGULAR MEETING SCHEDULE

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RECOMMENDATION: Resolution setting the regular meeting schedule for the calendar year 2011, canceling the regular City Council meetings on August 9<sup>th</sup> and 23<sup>rd</sup>, and December 27<sup>th</sup>.

---

### DISCUSSION:

Every year the Council adopts its regular meeting schedule which typically calls for an August recess and the cancellation of the second regular meeting in December. This enables both staff and Councilmembers to plan ahead with respect to work flow and scheduling of vacations.

The August recess also applies to City advisory bodies, unless a time-sensitive issue, such as an appeal, requires a decision prior to the next regular meeting.

Submitted by:

Lorrie Brewer, MMC  
City Clerk

Attachment: Resolution

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
SETTING THE 2011 CITY COUNCIL MEETING SCHEDULE

WHEREAS, the City Council meets regularly on the second and fourth Tuesdays of each month; and

WHEREAS, the City Council typically cancels the two regular meetings scheduled in the month of August and the second regular meeting scheduled in December to allow for proper scheduling of workflow and vacations; and

WHEREAS, in anticipation of a lack of quorum and possible lack of items needing immediate Council action during the month of August and the second meeting in December, the Council wishes to cancel certain Council meetings; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that the two regularly scheduled meetings in August, as well as the meeting of December 27, 2011 are hereby cancelled.

PASSED AND ADOPTED this 14th day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk





## CITY COUNCIL AGENDA REPORT

DATE: December 7, 2010

AGENDA OF: December 14, 2010

DEPARTMENT: City Clerk

SUBJECT: Appointment of Councilmember Robinson and Councilmember-elect Bryant to the Santa Cruz Metropolitan Transit District. (CC)

---

RECOMMENDATION: Motion to appoint Councilmember Robinson and Councilmember-elect Bryant to the Santa Cruz Metropolitan Transit District to a term expiring 12/31/12.

---

BACKGROUND: Councilmembers Robinson and Mayor Rotkin are the City's representatives to the Santa Cruz Metropolitan Transit District (METRO board). Les White, Transit District General Manager, has notified the City that in light of Mayor Rotkin leaving the Santa Cruz Council in December, in order to avoid a lapse in representation, the METRO board has requested that an appointment be made prior to the traditional January inside/outside Councilmember appointments.

State law requires that Transit District terms be four year terms. Since the Mayor nominates and Council appoints inside/outside agency assignments, the actual representation may change, but the term expiration will remain December 31, 2012.

DISCUSSION: In order to maintain continuous City representation on the METRO board, the Council will need to appoint representatives prior to its regularly scheduled meeting on December 17, 2010. I am requesting that Council appoint Councilmember Robinson and Councilmember-elect Bryant. These appointments may or may not change each January with the new Mayor's nomination of inside/outside appointments.

FISCAL IMPACT: None.

Submitted by:  
Mike Rotkin  
Mayor

ATTACHMENTS:  
September 22, 2010 Santa Cruz Metropolitan Transit District Letter

*Santa Cruz Metropolitan  
Transit District*



September 22, 2010

**RECEIVED**  
- SEP 27 2010  
CITY CLERK'S DEPT.

Ms. Lorrie Brewer, City Clerk  
CITY OF SANTA CRUZ  
809 Center Street, Room 9  
Santa Cruz, CA 95060

Dear Ms. Brewer:

It has come to our attention that Mike Rotkin will leave the Santa Cruz City Council in December of this year, effectively leaving an opening on the METRO Board of Directors for a term that ends in December of 2012.

It is my understanding that new appointments to Boards and Commissions are not scheduled to be made until January 2010. This schedule could result in a lapse of representation for the City of Santa Cruz on the METRO Board of Directors. Pursuant to Public Utilities Code §98104, it is necessary for the City Council to appoint successors to occupy the positions of representatives whose terms have expired if continuous representation is desired. Currently the METRO Board of Directors is scheduled to meet on January 14, 2011 and January 28, 2011.

I will be happy to coordinate with you to ensure that the City of Santa Cruz appointee to the METRO Board of Directors is sworn in as quickly as possible in order to avoid or minimize any potential lapsed in representation.

If you have any questions with regard to the City of Santa Cruz appointed seats on the METRO Board please contact me.

Sincerely,

LESLIE R. WHITE  
General Manager

LRW:tt

cc: Ellen Pirie, Board Chair  
Mike Rotkin, Member, Director  
Margaret Gallagher, District Counsel



## CITY COUNCIL AGENDA REPORT

DATE: 11/23/10

AGENDA OF: 12/14/10

DEPARTMENT: City Clerk

SUBJECT: Appointment of Councilmember Beiers and Councilmember-elect Terrazas to the Library Joint Powers Authority Board. (CC)

---

RECOMMENDATION: Motion to appoint Councilmember Beiers and Councilmember-elect Terrazas to the Library Joint Powers Authority Board.

---

BACKGROUND: Mayor Rotkin and Councilmember Beiers are currently the City's representatives to the Library Joint Powers Authority Board (Library board). The Library board's first meeting in 2011 will be held on January 10<sup>th</sup>, prior to Council's first meeting on January 11<sup>th</sup>. In order to avoid a lapse in representation, Director of Libraries T. Landers has requested that an appointment be made prior to the traditional January inside/outside Councilmember appointments.

DISCUSSION: In order to maintain continuous City representation on the Library Joint Powers Authority Board, Council will need to appoint representatives prior to January, 2011. I am requesting that Council appoint Councilmember Beiers and Councilmember-elect Terrazas.

FISCAL IMPACT: None.

Submitted by:  
Mike Rotkin  
Mayor



## CITY COUNCIL AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: 17-E Municipal Wharf - Municipal Wharf Lease Agreement with Gary Phariss and Joan Phariss. (ED)

---

**RECOMMENDATION:** Motion to authorize and direct the City Manager to execute a Municipal Wharf Lease Agreement and any amendments thereto of a non-substantive nature, in a form approved by the City Attorney, with Gary Phariss and Joan Phariss for the operation of a gift store at 17-E Municipal Wharf.

---

**BACKGROUND:** On April 12, 1995, Gary and Joan Phariss entered into a Lease Agreement for the premises now known as 17-E Municipal Wharf. The lease provided for the operation of a retail gift store known as Buccaneer. Subsequent amendments to the Lease Agreement extended the term through December 31, 2010.

**DISCUSSION:** Gary and Joan Phariss have successfully operated the 450 sq.ft. Buccaneer at the same location since 1995; they are now requesting a new lease. Staff and the Pharisses have negotiated terms of the new lease to include:

Term of Lease: Three years expiring on December 31, 2013.

Extension Options: None.

Rent: The greater of an annual minimum rent of \$14,069 (starts at 2% more than the expiring lease and increases by 2% annually over the term) or 10% of gross annual sales.

Tenant Improvements: Installation of new hardwood floors at an estimated cost of \$6,000-8,000.

**FISCAL IMPACT:** The revenue generated from Lease will post to the general fund. Expected annual rental revenues are as stated above in the section describing terms of the Lease.

Prepared by:

Norm Daly

Wharf Property Manager

Submitted by:

Bonnie Lipscomb

Director of Economic Development

Approved by:

Martin Bernal

City Manager

ATTACHMENTS: None



## CITY COUNCIL AGENDA REPORT

DATE: 12/7/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: 344 La Fonda Avenue – Resolution Rescinding Resolution No. NS-28,254 which Granted a Temporary Construction Easement at 344 La Fonda Avenue. (ED)

---

**RECOMMENDATION:** Resolution rescinding Resolution No. NS-28,254 which was a resolution authorizing and directing the City Manager to execute a Temporary Construction Easement Agreement with the State of California Department of Transportation for temporary use of vacant property located at 344 La Fonda Avenue (APN 009-332-01).

---

**BACKGROUND:** On September 14, 2010, the City Council adopted Resolution No. NS-28,254 authorizing and directing the City Manager to execute a Temporary Construction Easement Agreement with the State of California Department of Transportation for temporary use of vacant City property located at 344 La Fonda Avenue (APN 009-332-01) and to deposit the funds in the City General Fund.

**DISCUSSION:** Although 344 La Fonda Avenue is listed in the City property inventory, Santa Cruz County records obtained by Caltrans list City of Santa Cruz City High School District as the property owner of 344 La Fonda Avenue. In order to clear up the discrepancy between the County records and the City records, a chain of title guarantee was ordered. The research showed that Santa Cruz City High School District was awarded the property pursuant to a Judgment in Condemnation by the Superior Court in 1968. Caltrans was notified about the findings and did not execute the Temporary Construction Easement Agreement with the City of Santa Cruz.

**FISCAL IMPACT:** The City General Fund will not increase by \$12,500.

Prepared by:  
Julie Hendee  
Redevelopment Manager

Submitted by:  
Bonnie Lipscomb  
Director of Economic Development

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: Resolution

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
RESCINDING RESOLUTION NO. NS-28,254  
WHICH AUTHORIZED AND DIRECTED THE CITY MANAGER TO EXECUTE A  
TEMPORARY CONSTRUCTION EASEMENT AGREEMENT WITH THE STATE OF  
CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR CITY PROPERTY LOCATED  
AT 344 LA FONDA AVENUE (APN 009-332-01)

WHEREAS, On September 14, 2010 the City Council adopted Resolution No. NS 28,254 authorizing and directing the City Manager to execute a temporary construction easement agreement with the State of California Department of Transportation (Caltrans) for city property located at 344 La Fonda Avenue (APN 009-332-01); and

WHEREAS, A chain of title guarantee, which was ordered to clear up a discrepancy between Santa Cruz County and City of Santa Cruz records, shows that the property owner of 344 La Fonda Avenue is Santa Cruz High School District; and

WHEREAS, Caltrans was notified that the City of Santa Cruz was not the property owner and did not execute the temporary construction easement agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz rescinds Resolution No. NS-28,254 that authorized and directed City Manager to execute a temporary construction easement agreement with Caltrans and directed that revenue from granting the temporary construction agreement be deposited into the City General Fund.

PASSED AND ADOPTED this 14th day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk



## CITY COUNCIL AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: Louden Nelson Community Center Fence Replacement Funding. (ED)

---

**RECOMMENDATION:** Motion authorizing the City Manager to amend the scope of work for the Louden Nelson Roof and Window Replacement Improvement Project to include fence replacement in both the City Capital Improvement Program and the 2010-2011 Annual Action Plan and rename the project the Louden Nelson Community Center Improvement Project.

---

**BACKGROUND:** On July 13, 2010, the City Council approved \$262,000 in Community Development Block Grant (CDBG) funds for a Louden Nelson Community Center Roof and Window Replacement Project. Bids and expenses for the roof replacement portion of this work are about \$20,000 below the original budgeted amount of \$80,000.

**DISCUSSION:** In the process of constructing outdoor improvements for the Teen Center located at the Louden Nelson Community Center, Parks and Recreation Department staff discovered that sections of the existing fence required replacement. The estimated replacement cost for this fence is about \$15,000 for fabrication and installation of fencing to match the existing wrought iron fence. Staff is requesting that cost savings from the roof repair portion under the original Louden Nelson Roof and Window Replacement Improvement Project be used for this purpose and the scope of work for the Louden Nelson Community Center Roof and Window Replacement Project be expanded to include this fence replacement project.

No amendment to the 2010-2011 Annual Action Plan for the City's Housing and Community Development Program is required since the inclusion of fence replacement for the facility would not constitute a substantial change in the "purpose, scope, location, or beneficiaries of the activity."

**FISCAL IMPACT:** No fiscal impact since cost savings of CDBG funds that are already allocated to the project will be used to replace the fence.

Prepared by:  
Carol Berg  
Housing and Community  
Development Manager

Submitted by:  
Bonnie Lipscomb  
Director of Economic Development

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: None



## JOINT CITY COUNCIL/ REDEVELOPMENT AGENCY AGENDA REPORT

DATE: 12/3/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: Annual Report of the Redevelopment Agency Fiscal Year 2010. (ED)

---

RECOMMENDATION: City Council motion to accept the Redevelopment Agency's Annual Report for the Fiscal Year 2010.

Redevelopment Agency resolution to adopt the Redevelopment Agency's Annual Report for the Fiscal Year 2010.

---

BACKGROUND: California Redevelopment Law requires that the Redevelopment Agency prepare and submit to the City Council an Annual Report on the Agency's activities. The requirement specifies that the Annual Report be submitted no later than six months following the end of the fiscal year the report covers. Therefore, the Annual Report for Fiscal Year (FY) 2010 must be submitted and accepted before December 31, 2010. To ensure strict compliance with California Redevelopment Law, the FY 2010 Annual Report has been scheduled for this meeting and is attached to this report. The audited financial reports, a component of the Annual Report, will be submitted separately to the Council when they are available.

DISCUSSION: The Agency's Annual Report discusses Agency activities relating to affordable housing and development to eliminate blight which occurred during the previous fiscal year within the two redevelopment project areas. Among projects discussed are Phase Two of the Tannery Arts Center for the Digital Media Center and Working Studios, the Monterey Bay National Marine Sanctuary Exploration Center, and a discussion of economic development activities including the establishment of the Grow Santa Cruz Loan Program. Significant FY 2010 accomplishments include:

- initiating Phase One of the Wayfinding study;
- completing funding for the Highway 1 Bridge Underpass;
- providing funding and support for the Street Light Improvements along Pacific and lower Pacific Avenue;
- funding and assistance for the Zero Motorcycles California Energy Commission Grant to develop an electric powertrain manufacturing facility and point-of-sale in the City of Santa Cruz;
- providing a \$150,000 loan to Nickelodeon Theatres, Inc. for upgrading 3D and digital projection equipment;
- collaborating with City Planning Department in designing a new plan for the Ocean Street Corridor and the River Front/Lower Pacific corridor;



- funding design of Soquel Avenue Improvements to the Soquel/Hagemann and Parkway/Frederick intersections, and a storm drain on Pine Street between Soquel and Broadway Avenues;
- issuing Recovery Zone Facility tax-exempt revenue bonds not exceeding \$3 million dollars for the Cruzio Building Renovation and Data Center Project on at 207 Church Street;
- funding and assistance for the design of the Beach Area Roundabout at the intersection of West Cliff Drive, Pacific Avenue and Beach Street; and
- providing a variety of acquisition and advisory services to the Santa Cruz Metropolitan Transit District for the Pacific Station Project.

The Annual Report also highlights other Agency programs ongoing for a number of years including the façade improvement grant program which has assisted hundreds of locally-owned small businesses as well as the graffiti abatement program which has removed over 1,449 graffiti tags in FY 2010.

In addition to the above programs and projects, the Annual Report reviews the financial impact of recent state takeaways. In July 2009, the State of California (State) passed state budget trailer bill ABX4-26 as part of the 2009/2010 state budget package. This bill shifts a total of \$2.05 billion statewide from redevelopment agencies to the Supplemental Educational Revenue Augmentation Fund (ERAF) for schools in fiscal years 2010 and 2011. The bill requires that the Agency make payments of \$3,746,760 in FY 2010 and \$770,661 in FY 2011. The Agency paid the initial FY 2010 payment in May 2010 and has funding budgeted in FY 2011 to make the second payment. Since the bill was passed prior to October 20, 2009, the second ERAF payment is not repealed by the recent passage of Proposition 22 protecting local funds. The ERAF funds diverted to the State are Agency funds that would have otherwise funded local projects and programs in our redevelopment project areas.

FISCAL IMPACT: None

Prepared by:  
J Guevara  
Management Analyst

Submitted by:  
Bonnie Lipscomb  
Director of Economic Development/  
Agency Executive Director

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS:  
Resolution  
FY 2010 Annual Report

RESOLUTION NO.

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CRUZ  
ADOPTING THE FISCAL YEAR 2010 ANNUAL REPORT

WHEREAS, by Ordinance No. 90-37, adopted on October 9, 1990, the Council approved and adopted the Redevelopment Plan (the "Eastside Redevelopment Plan") for the Eastside Business Improvement Project (the "Eastside Project"); and

WHEREAS, by Ordinance Nos. 90-40 and 90-41, adopted on November 13, 1990, the City Council of the City of Santa Cruz (the "Council") approved and adopted the Redevelopment Plan (the "Merged Redevelopment Plan") for the Merged Earthquake Recovery and Reconstruction Project (the "Merged Project"); and

WHEREAS, on December 8, 2009, the Santa Cruz Redevelopment Agency adopted a Five-Year Implementation Plan, pursuant to Section 33490 of the California Redevelopment Law wherein specific projects and programs were set forth, including actions and expenditures to be made within the term of the Implementation Plan and further described how these projects and programs would alleviate blight;

WHEREAS, pursuant to California Health & Safety Code Section 33080.1, annual reports are submitted to the City of Santa Cruz Redevelopment Agency (Agency) Board of Directors by the Redevelopment Director and the 2010 Annual Report is attached;

WHEREAS, the planning and administrative expenses for the redevelopment low- and moderate-income funds were necessary to support the production, improvement, and preservation of low- and moderate-income housing during Fiscal Year 2010;

WHEREAS, the expenditures for public improvements in Fiscal Year 2010 are of benefit to the Agency's respective redevelopment project areas in and near where such improvements will be constructed;

WHEREAS, such improvements will help to alleviate blighting conditions in the applicable project areas; and

WHEREAS, pursuant to California Health and Safety Code section 333334.2(g), the use of moneys from the Agency's Housing Set-Aside Fund to fund housing projects outside any redevelopment project was of benefit to each redevelopment project area within the City of Santa Cruz.

RESOLUTION NO.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2010 Annual Report is hereby adopted. The report consists of:

1. Financial Overview;
2. Loan Report;
3. Property Report;
4. Blight Progress Report; and
5. Housing Activities.

PASSED AND ADOPTED this 14<sup>th</sup> day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Executive Director



**SANTA CRUZ**  
REDEVELOPMENT  
AGENCY

**ANNUAL REPORT**  
Redevelopment Agency of the City of Santa Cruz  
Fiscal Year 2010

**Board of Directors**

**Mike Rotkin, Chair**

**Katherine Beiers, Member**

**Tony Madrigal, Member**

**Lynn Robinson, Member**

**Ryan Coonerty, Vice Chair**

**Don Lane, Member**

**Cynthia Mathews, Member**

**Martín Bernal, City Manager**

**Bonnie Lipscomb, Executive Director**

**December 2010**  
**Santa Cruz, California**

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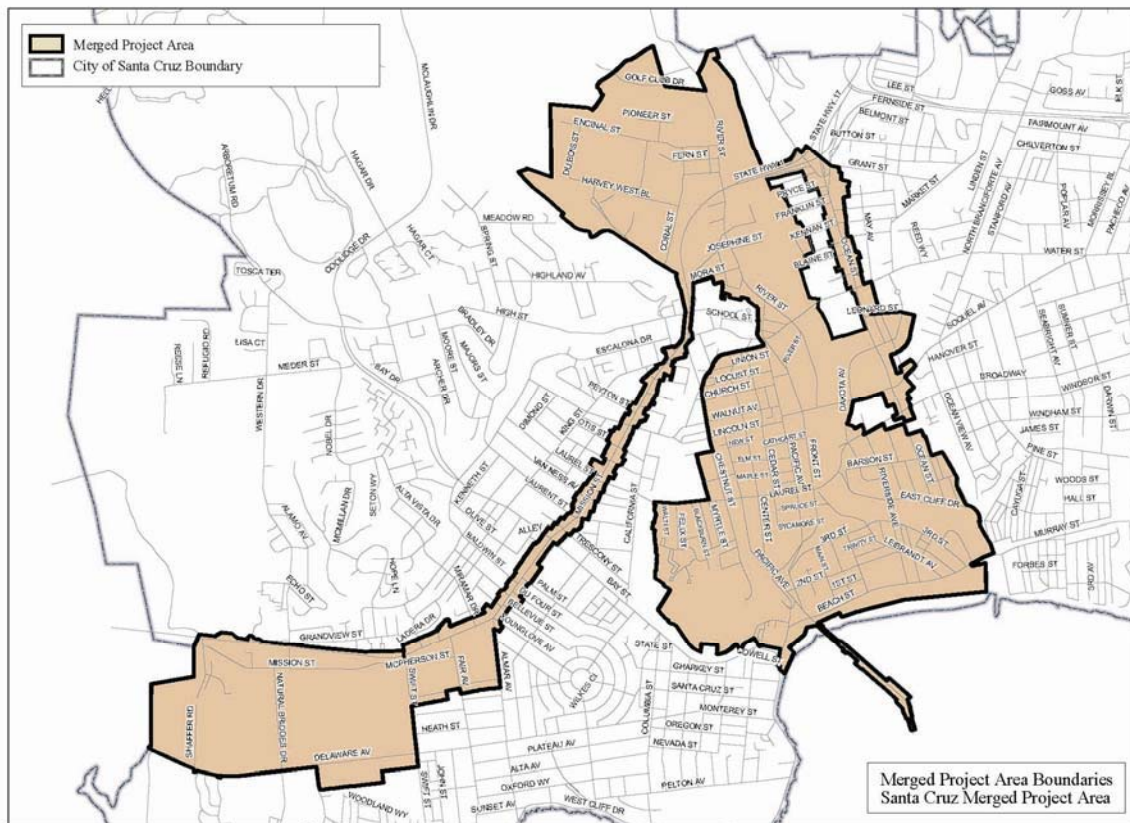
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## Overview of the City of Santa Cruz Redevelopment Agency

The Redevelopment Agency is a separate governmental entity created under California Redevelopment Law to promote improvement in designated redevelopment project areas. The City Council serves as the Agency's Board of Directors, while the staffing for the Agency is provided by the City's Economic Development and Redevelopment Department with the Department's Director serving as the Agency's Executive Director.

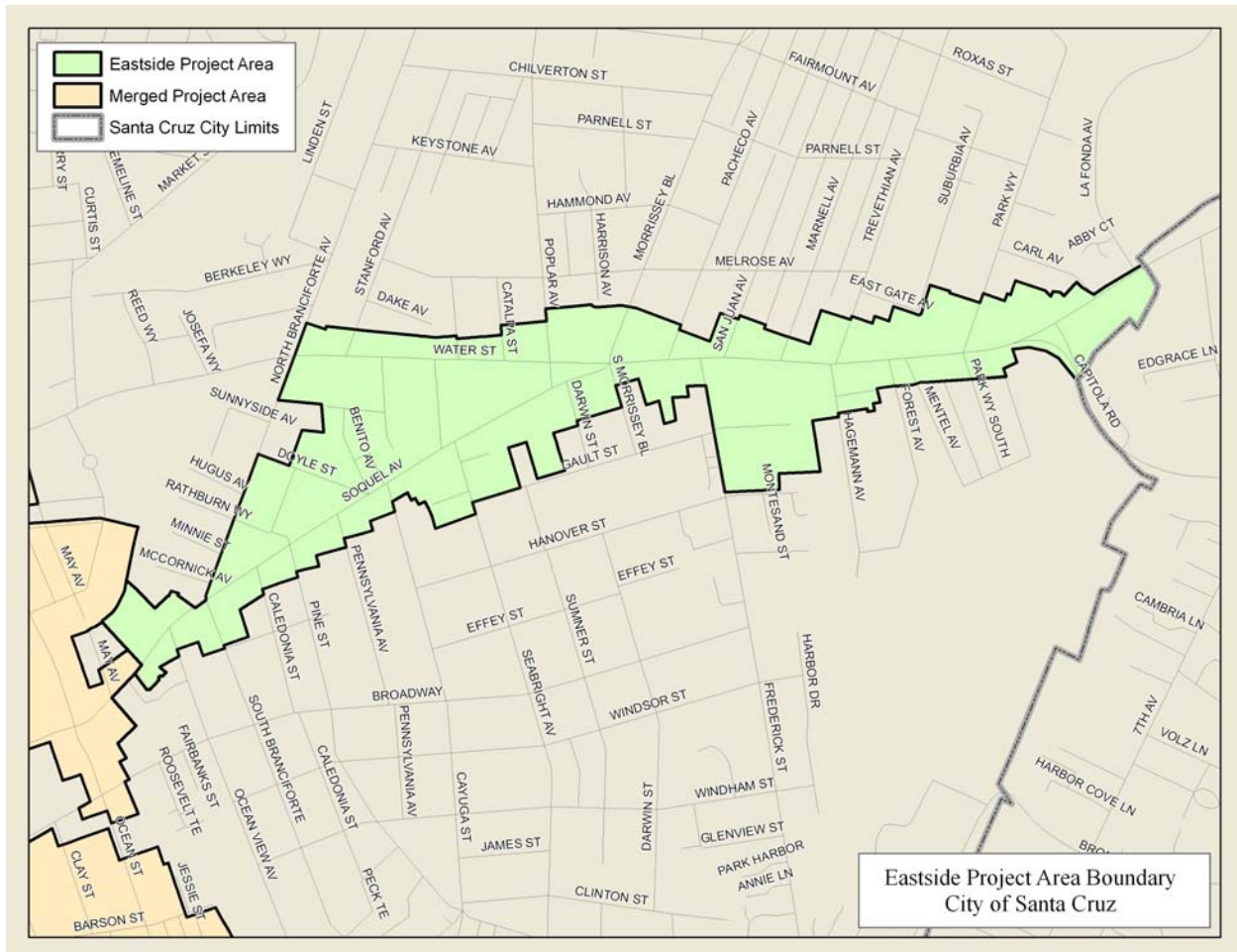
The Economic Development and Redevelopment Department administers two redevelopment project areas. The first area is the Merged Earthquake Recovery and Reconstruction Project Area (Merged Project Area), which merged two project areas adopted in 1984 and 1986, and further expanded in 1990 following the 1989 Loma Prieta Earthquake. The Merged Project Area was created to facilitate the rebuilding of downtown Santa Cruz and to assist in the improvement of other portions of the project area. The Merged Project Area encompasses the San Lorenzo River area, the downtown, the beach area including the Municipal Wharf, the Harvey West industrial area, the Mission Street commercial corridor and the Westside industrial areas.



Prepared by: Keyser Marston Associates, Inc.  
Filename: MergedPA1.15.08; 1/15/08; bm

Area: 1,133 acres; Land Uses: Commercial, Residential, Industrial, Recreation

The second project area is the Eastside Business Improvement Project, which was adopted in 1990 and designed to assist the businesses along Soquel Avenue and Water Street.



Area: 85 acres; Land Uses: Commercial, Residential

This Annual Report reflects the projects and programs included in the Agency's 2010-2014 Five-Year Implementation Plan approved on December 8, 2009 and undertaken by the Agency pursuant to the Plan. The Annual Report also includes information required by SB 437 adopted by the State Legislature in the 2007 Session.

## Highlights and Achievements

The Agency's activities during Fiscal Year 2010 were focused on a number of areas:

- Downtown Projects – Downtown Directory Signage, Façade Improvement Program, Property Waste and Recycling Enclosure, Downtown Marketing and Tenant Recruitment
- Continued design/engineering of Highway 1/9 Intersection Improvements
- Completed construction funding of the pedestrian/bike San Lorenzo River Highway 1 Bridge underpass, connecting the levee pathway to the Tannery Arts Center
- Continued planning for replacement of San Lorenzo River Highway 1 Bridge
- Initiated construction of Phase II of the Tannery Arts Center for the Digital Media Center/working studios project renovating the Tanyard Building and Beam House as well as constructing the north parking lot
- Continued efforts to obtain additional Congressional appropriations to fund the Monterey Bay National Marine Sanctuary Exploration Center (received \$3 million in FY 09), with \$1,660,000 in funds from the National Oceanic and Atmospheric Administration (NOAA) and activities related to preparing building construction and exhibitry construction bids in early FY 2011
- Started the Grow Santa Cruz Loan Program offering small businesses competitive loans to grow their existing business
- Initiated a City Wayfinding Study to make recommendations to improve directional signage that identifies neighborhoods, business districts, key regions, and destinations while also reinforcing the community's commitment to tourism, ecological living, creativity and innovation
- Provided funding and support for the Street Lighting Program along Pacific Avenue and Lower Pacific Avenue Street Lights Project
- Provided funding to extend the time of the Homeless Winter Shelter and to assist the Homeless Service Center in covering prior debts for the Homeless Winter Shelter
- Provided support to utilize a Monterey Bay Unified Air Pollution Control District AB2766 Vehicle Emissions Reduction Grant to provide new electric vehicle charging stations in the downtown parking structures and to provide a pay-for-performance program for increased biodiesel sales through an existing biodiesel supplier in the City
- Provided technical assistance to Zero Motorcycles with grant applications, including an Agency matching grant to fund development of an electric powertrain and manufacturing facility in Santa Cruz. The Agency will finalize the matching grant in FY 2011 through a formal participation agreement, which will be based upon the California Energy Commission's terms and conditions for its original grant award to Zero Motorcycles.



- Provided a \$150,000 loan to Nickelodeon Theatres, Inc. to upgrade 3-D and digital projection equipment for the Agency's historic Del Mar Theatre
- Collaborated with City Planning Department in the process of designing a new plan for the Ocean Street corridor and the River Front/Lower Pacific corridor
- Funded design of Soquel Avenue Improvements to the Soquel/Hagemann and Parkway/Frederick intersections, and a storm drain on Pine Street between Soquel and Broadway Avenues
- Provided assistance in issuing Recovery Zone Facility tax-exempt revenue bonds not exceeding \$3 million dollars by the California Statewide Communities Development Authority for the Cruzio Building Renovation and Data Center Project
- Furthered development of technology promotion and economic development activities especially in partnership with the University of California, Santa Cruz
- Provided financial assistance to very low income households
- Eastside project area activities and façade improvement program
- Outreach to businesses through the façade improvement program and related business retention and recruitment programs
- Continued financial assistance for the design of the Beach Area Roundabout at the intersection of West Cliff Drive, Pacific Avenue and Beach Street
- Provided a variety of acquisition and advisory services to the Santa Cruz Metropolitan Transit District for the Pacific Station Project
- Provided real estate services for various City projects including the Eastside Soquel Ave/ Park Way intersection improvements

The Agency's role in each of these projects varied from direct financial assistance to providing facilitation to businesses. In all of these activities, Agency staff worked cooperatively with Planning, Parks and Recreation, Police and Public Works staff. Within each of these project areas, Agency staff undertook a wide variety of tasks to ensure completion of planning and building projects. These various activities, as well as other projects undertaken by the Agency, are outlined in further detail in this report.

## **Financial Overview**

During Fiscal Year 2010, the Agency's net assets, representing the difference between total assets and total liabilities, increased by \$800,000. The increase was in unrestricted fund balances.

Of the total \$32.1 million in net assets, \$14.7 million was invested in capital assets, net of related debt. A total of \$12.0 million was restricted; \$1.6 million was for debt service and \$10.4 million for projects to be supported by low/moderate income housing funds. \$5.4 million was reported as unrestricted net assets and may be used to meet the Agency's ongoing obligations that include amounts that are required to be spent on capital projects in compliance with the Redevelopment Plan.

Total revenues from all sources were \$13.1 million and total expenses for Agency programs were \$12 million. Property tax revenue decreased by 3% over the prior year only due to a change in the methodology of revenue recognition related to pass-throughs. Under the old method, tax revenue would actually have been reported as a 3.0% increase. Effective in FY 2010, the Agency no longer records the Proposition 13 automatic assessment increases as revenue and expense, up to 2% per year. A California Attorney General's opinion and consultant guidance have concluded that the 2% payments are not to be considered as tax increment because they are never paid to or received by the Redevelopment Agency; the County Auditor calculates and allocates directly to the taxing entities in the redevelopment project areas.

As of the close of the Fiscal Year 2010, the Agency's funds (all governmental) reported combined ending fund balances of \$21.8 million, which was an increase of \$200,000 in comparison with the prior year amount. The primary reasons for the increase were that budgeted projects had not yet been initiated and that the Agency had reserved funds for a required payment of \$770,661 to the Supplemental Educational Revenue Augmentation Fund (ERAF). Carryover appropriations for re-budgeted projects were approximately \$11.3 million.

The total debt of the Agency decreased by \$500,000 during the year. The decrease resulted from regularly scheduled debt payments. There were no additions to long-term debt during the fiscal year.

### **State of California Educational Revenue Augmentation Fund (ERAF)**

The ERAF Fund was established by the State in 1992 and requires redevelopment agencies throughout the State to return tax increment revenues to a special fund to assist California schools. The Legislature discontinued ERAF after Fiscal Year 2006. As a result, the Agency had additional resources to allocate for fiscal year 2007 and fiscal year 2008. The Agency has been required to pay into this fund an increasing amount of Agency revenues to help offset the State's financial deficit as shown below.

<b>Fiscal Year</b>	<b>ERAF Payment</b>
2002	\$221,100
2003	\$405,000
2004	\$660,700
2005	\$660,700
2006	\$611,700
2010	\$3,746,760
2011	\$770,661

In July 2009, the State of California (State) passed state budget trailer bill ABX4-26 as part of the 2009/2010 state budget package. This bill shifts a total of \$2.05 billion statewide from redevelopment agencies to the Supplemental Educational Revenue Augmentation Fund (ERAF) for schools in fiscal years 2010 and 2011. The bill requires that the Agency make payments of \$3,746,760 in FY 2010 and \$770,661 in FY 2011. The Agency paid the initial FY 2010 payment in May 2010 and has funding budgeted in FY 2011 to make the second payment. Since the bill was passed prior to October 20, 2009, the second ERAF payment is not repealed by the recent passage of Proposition 22 protecting local funds. The ERAF funds diverted to the State are Agency funds that would have otherwise funded local projects and programs in our redevelopment project areas.

**Santa Ana Unified School District vs. Orange County**

When the City adopted its post-earthquake redevelopment projects in 1990, State law provided for local school districts to adopt a resolution electing to receive their share of the annual Proposition 13 two percent (2%) inflationary increase in assessed valuations.

Since few of the local Santa Cruz School districts passed the necessary resolutions, this increase in assessed valuations was never allocated. Pursuant to the court decision in *Santa Ana Unified School District vs. Orange County Development Agency*, it was determined that a school district could not waive its obligation under State law to receive its share of the annual 2% inflationary increase and therefore could pass the necessary resolution to receive the 2% annual growth after a project area had been adopted. After the Santa Ana decision in 2001, the Agency commenced passing through the proportional share of the 2% annual growth in the Agency’s project areas’ assessed value to the Santa Cruz City Schools, Cabrillo College and the County Office of Education. The 2010 payment and projected payments during the 2011-2015 timeframe are shown in the table below. Estimates for the subsequent years through 2015 are based on no annual Proposition 13 increases in property valuations. If there is no inflationary increase, then the payments will remain level.

### 2010-2015 Santa Ana Pass-Throughs

Fiscal Year	Merged Project School Payments	Eastside Project School Payments
2010	\$812,200	\$17,874
2011	\$798,555	\$17,556
2012	\$798,555	\$17,556
2013	\$798,555	\$17,556
2014	\$798,555	\$17,556
2015	\$798,555	\$17,556

It should be noted that these funds can only be used for capital expenditures or for payment of bonded indebtedness.

#### **SB 211 Extension of Project Area Time**

In the 2001 session of the State Legislature, SB 211 was passed addressing a number of financial issues facing redevelopment agencies having projects adopted during the period from 1980 through the early 1990s. The Merged Redevelopment Project, which was adopted in 1990 after the Loma Prieta Earthquake, established the term of the Plan effectiveness period until 2023, but limited the period for establishing debt to 2010. SB 211 allowed the Agency to adopt an ordinance, which extended the original project debt establishment deadline of 2010 to 2033 to match the project’s ability to repay indebtedness. The advantage of utilizing the provisions of SB 211 is that it allows the Agency to issue debt for a longer period of time and therefore receive lower interest and financing costs. The City Council adopted the necessary implementing ordinance for SB 211 in 2002.

In order to utilize this additional financing period the Agency is required to share additional revenue with the local school districts during the fiscal year. In the case of the Eastside Project Area, this requirement has a minimal effect since there is already a pass-through agreement with Santa Cruz City Schools. The North Mall, the San Lorenzo 1986, and the San Lorenzo 1989 portions of the Merged Project Area have now begun to pass-through a portion of tax increment revenues. The remaining project areas will start sharing 20% of their new additional revenue with the local school districts as shown on the following schedule.

Project Areas	SB 211 Base Year	First Payment Year	Reduction of Growth
San Lorenzo 1990	FY 2011	FY 2012	20% of growth above FY 2011
North Mall 1990	FY 2011	FY 2012	20% of growth above FY 2011
Eastside	FY 2011	FY 2012	20% of growth above FY 2011

While SB 211 ensures that the Agency will receive future income, it does limit the potential for revenue growth. For instance, if a project area's revenue grows 4% after its SB 211 Base Year, the Agency would realize 1.6% of that revenue growth. The existing pass-through of funds to the County and the Santa Ana pass-through to local school districts account for the diminished revenue growth.

**Project Time Limits**

SB 437 was passed in the 2007 session of the State Legislature and requires Annual Reports to include the Fiscal Years when the Agency's various authorities expire, including the dates the projects close, termination of eminent domain authority and several other expiration dates. The table below satisfies California Health and Safety Code Section 33080.1(g).

<b>Redevelopment Plan Time and Financial Limits – Merged Project</b>	
Time Limit for Effectiveness of Redevelopment Plan	Nov 2023
Time Limit for Receipt of Tax Increment Revenue/Repayment of Debt	Nov 2033
Time Limit for Commencement of Eminent Domain	June 2014
<b>Redevelopment Plan Time and Financial Limits – Eastside Project</b>	
Time Limit for Effectiveness of Redevelopment Plan	Nov 2023
Time Limit for Receipt of Tax Increment Revenue/Repayment of Debt	Nov 2033
Time Limit for Commencement of Eminent Domain	Dec 2013

**Property Tax Valuations**

The economic recession which developed in the fall of 2008 has had a severe impact on property valuations throughout the United States. In California the impact on property tax valuations is significant, but varies depending on when properties had their valuations established under Proposition 13. Since older assessed properties have much lower property tax valuations the current drop in property values will not affect these low property valuations. However, properties purchased in the last few years have more recent Proposition 13 valuations and are now being reduced by the Santa Cruz County Assessor under Proposition 13 rules. As of 2010, there are more than 18,000 properties in Santa Cruz County that have been reduced in property tax assessed valuation. These reductions are based upon a detailed analysis of thousands of sales from 1999 to the current year. Santa Cruz County has a very complex and varied real estate market. From the mountains to the sea, there are few vast tracts of identical homes. This makes global reductions quite difficult. A review of properties in the Merged Project Area show only a small number of the properties have been affected by these reductions.

Between Fiscal Year 2010 and 2011 the secured property assessed valuation of the Merged Project Area grew by .27% and the Eastside Project Area grew by 5.0%, however the unsecured properties tax roll for the Merged Project Area decreased by 19.9% and the Eastside Project Area grew by 11.6%. Several factors account for these contradictory statistics.

The secured roll reflects property valuations of building and homes which remained relatively flat in the Merged Project Area and properties valuations which grew in the Eastside Project Area due to several property sales and building improvements. Specifically, in the Eastside Project Area the sale of the former Volvo auto dealership to Staff of Life and the rehabilitation of another former supermarket site and its reuse as a Whole Foods accounted for most of the valuation growth.

In the Merged Project Area the unsecured tax roll fell by 19.9% as a result of two factors. The first factor was the closing of a number of businesses due to the economic recession and the loss of their equipment value. The second is specific to the Tannery Artists Lofts affordable housing project. The FY 2010 assessor roll included a \$14 million valuation of this project and the approval of a welfare property tax exemption removed this \$14 million valuation from the FY 2011 tax roll. This single property accounted for fifty percent of the decline in the unsecured property tax roll valuation in the Merged Project Area.

In aggregate, the Merged Project Area experienced a 1.4% percent decline in total assessed valuation and the Eastside Project Area had a 5.8% increase in assessed valuation. The reason the Merged Project Area valuation decrease was not greater is that the unsecured property valuation is a small percentage of the total Merged Project Area valuation.

The specific impact of the lowered property tax valuations and resultant tax increment revenues is becoming more apparent in fiscal year 2011 and is likely to continue for the next few fiscal years. These impacts were mitigated in fiscal year 2010 by property tax valuations from the new Mission Street Safeway and additional retail space, the New Leaf Market, Whole Foods and several other commercial and residential developments which are now being completed.

In past years the Agency has conservatively forecast property tax revenues with zero real growth and with the two percent Proposition 13 inflationary increase. In future years a slight decrease will be used in this estimation to reflect the potential for a deflationary reduction in assessed valuations and minimal, if any, Proposition 13 inflationary adjustments.

## Loan Report

This Loan Report is submitted to satisfy the reporting requirements of California Health and Safety Code, Section 33080.1 (e), which states that the annual report must include “a list of, and status report on, all loans made by the redevelopment agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the redevelopment agency.”

In FY 2010, the Redevelopment Agency of the City of Santa Cruz does not have any loans to other entities valued over \$50,000 that are either in default or non-compliance with the loan conditions set forth.

## Property Report

This Property Report is submitted to satisfy the reporting requirements of California Health and Safety Code, Section 33080.1 (f), which requires that redevelopment agency annual reports include “a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.” The properties currently owned by the Agency are listed below, and no new properties were purchased in the reporting year.

Property Address	Assessor Parcel Number	Property Use	Property Size (square feet)	Project Area
211 Gault Street	011-012-37	Gault Senior Housing Project (ground lease)	23,130 sq. ft.	Eastside
1111 Soquel Avenue	010-042-19	Eastside Parking Lot	23,958 sq. ft.	Eastside
124 Leibrandt Avenue	005-931-01	Nueva Vista Apartments (ground lease)	64,730 sq. ft.	Merged
1124 Pacific Avenue	005-153-10	Del Mar Theater	21,300 sq. ft.	Merged
1124 Pacific Avenue	005-153-02	Del Mar Theater	1,001 sq. ft.	Merged
Birch Lane	005-144-14	Parking Lot	3,049 sq. ft.	Merged
1040 River Street	008-661-01	Affordable Housing and Arts Center (ground lease)	8.3 acres	Merged
San Juan Avenue (Marnell Alley)	009-363-23	Facilitating future development	7,884 sq. ft.	Eastside

## Blight Progress Report

The following sections have been prepared to provide information required by California Health and Safety Code, Section 33080.1(d). The review of Agency projects and programs along with the “Summary of Agency Programs Aiding in the Elimination of Blighting Conditions” Table meet the blight report requirement by providing a description of the Agency’s progress through specific actions and expenditures to alleviate blighting conditions in its project areas.

### ***Redevelopment Agency Projects***

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#### **Tannery Arts Center**

The Tannery Arts Center project involves the conversion of the former Salz Tannery property to low and very low income rental live/work housing for artists, affordable studio space for a wide range of art from digital media to printmaking, performance space and retail/commercial space.



The Salz Tannery site is located on an 8.3 acre site next to the San Lorenzo River and adjacent to the intersection of State Highways 1 and 9. The site and its history make this a special location to create a unique cultural/arts center for the Monterey Bay area.

The initial step in developing a reuse strategy for the closed Tannery site took place in February 2002 when the Agency engaged Artspace Projects, Inc., a national non-profit arts developer and leader in the creative conversion of older industrial sites to artists’ live/work space and studio space, to undertake a feasibility analysis for the Salz Tannery property.

The initial findings from the Artspace study and an accompanying cultural and arts organizations focus group indicated a serious interest in proceeding with additional steps to further develop the concept of an arts center on the Salz Tannery site. During FY 2003, the Agency approved proceeding with the next steps of determining what components of the cultural and arts community could be accommodated, both physically and economically, at the proposed Tannery Arts Center. A primary objective of the project was to help stem the loss of local artists leaving the community because of the



**Historic Tannery Building during Phase Two Renovation**



cost of housing and the lack of studio space.

This center will contain class room space as well as performance, retail and gallery spaces. Another component, now in the planning stages, is the conversion of five of the historic structures for studio space along with the construction of a creative learning center to house administrative office space.

With construction completed on the Artists Lofts apartments in FY 2009, the Tannery Arts Center moved into the second phase of construction in FY 2010, which is split further into two separate phases. The construction of the required parking lot at the north end of the Tannery property, referred to as Phase One, began in March 2010 and was completed August 23, 2010 in FY 2011. The renovation of the Tanyard Building and the Beam House, referred to as Phase Two, began on June 22, 2010 with completion expected in FY 2011.

- In FY 2010, the Agency was awarded a \$4,766,250 grant from the U.S. Department of Commerce, Economic Development Administration to fund the renovation the historic Salz Tannery's Tanyard Building and Beam House and their reuse as a Digital Media Center. A California Cultural and Historical Endowment (CCHE) grant of \$1,935,000 is also funding this project.
- The Agency submitted an application to the California Cultural and Historical Endowment (CCHE) for \$500,000 in supplemental funding for the Tannery Project. In April 2010, the CCHE Board voted to award the Tannery project a reservation of \$300,000, dependent upon the return of funds to CCHE from projects that were not implemented.

### **Monterey Bay National Marine Sanctuary Exploration Center**

The National Marine Sanctuary Program (NMSP), an agency of the National Oceanic and Atmospheric Administration (NOAA), and the City are partnering to design and construct the Monterey Bay National Marine Sanctuary Exploration Center. The Agency has been designated as the City's project manager acting in cooperation with NOAA.



**Design Concept for Exploration Center**

The Exploration Center will function as the Monterey Bay Sanctuary's premier Exploration Center. The site was chosen in 2003 after the NMSP studied 23 locations

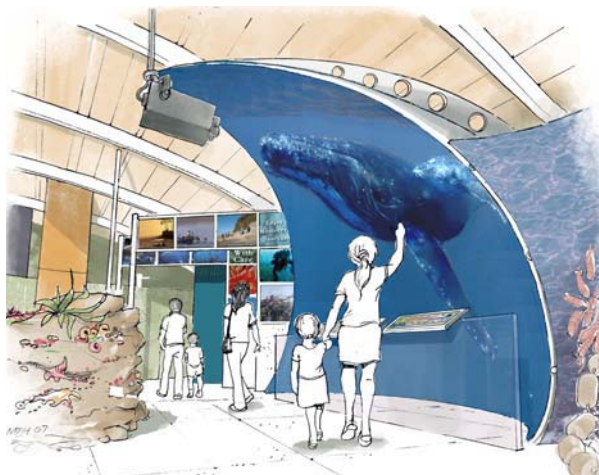
along California's Central Coast, settling on the City's ¾-acre "Fun Spot" property in the Santa Cruz Beach Area, visited by an estimated 3 million people per year. Located just steps from the Pacific Ocean in Santa Cruz's historic Beach and Boardwalk area, the Exploration Center will:

- Provide the Marine Sanctuary Program and the State of California with high-profile marine education facility just steps from the Pacific Ocean.
- Provide 250,000 people per year with a unique hands-on introduction to the diverse ecosystems of California's Central Coast.
- Provide greatly needed educational facilities for Sanctuary users, visitors, educators, and minority and low income populations.
- Further the mission of the Marine Sanctuary Program by encouraging stewardship of the sea and shoreline.

In FY 2010, Agency and the City of Santa Cruz secured an additional \$7.6 million in federal grants for the Exploration Center project. In early FY 2011, the project went out to bid on September 15, 2010 to pre-qualified bidders. The Interpretative Exhibits went out to bid on October 6, 2010.

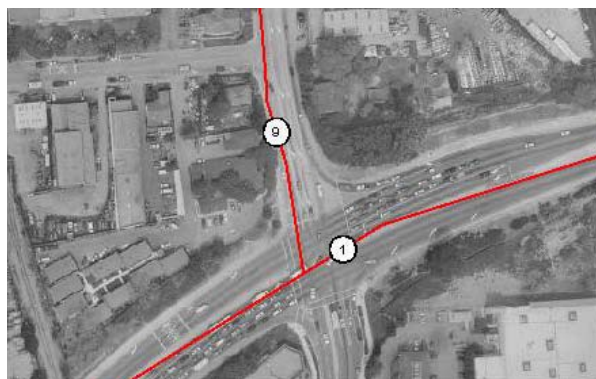
The Exploration Center design now includes the following components:

- An architecturally distinct building overlooking the Monterey Bay National Marine Sanctuary (MBNMS) and the Santa Cruz Municipal Wharf.
- Dynamic interactive exhibitry highlighting the Monterey Bay Sanctuary's natural resources and stressing ocean stewardship and conservation.
- Multimedia displays including real-time video of the deepwater ocean environments.
- A potential rail stop, bicycle facilities and pedestrian connections to the City's Depot Park.
- Educational classroom and lab facilities.
- Administrative offices.



Creating an innovative partnership between Federal agencies and local government, the project provides the City and MBNMS with an exciting opportunity to complement existing regional cultural and educational facilities, enhance the visitor experience to California's Central Coast, and educate the public about the importance of the Marine Sanctuary and its influence on the surrounding areas. Information on the Monterey Bay National Marine Sanctuary is available at: <http://montereybay.noaa.gov/>.

## Highway 1/9 Intersection Project



The Agency continued funding and facilitating the design and engineering of traffic improvements to the intersection of Highway 1/9. The Highway 1/9 Intersection was the subject of a Project Study Report (PSR) prepared by Caltrans in 1999. The PSR proposed constructing an additional left turn lane on southbound Highway 1 and an additional northbound lane on Highway 9 between Highway 1 and Encinal Street.

Improvements at this intersection are regularly identified by Caltrans Interagency Planning staff in traffic analyses in connection with developments proposed in this part of the City.

During FY 2010, initial engineering design progressed. The City previously requested consideration for the inclusion of a third southbound left turn lane on River Street as traffic exits the Harvey West area to Highway One. This request required a number of design exceptions from Caltrans standards and due to this, Caltrans required an update of the project's environmental documents. This process is expected to take between 9-12 months, due to Caltrans' review of these updated documents. Engineering calculations have indicated that additional improvement would substantially improve traffic flow in the River Street southbound direction.

## San Lorenzo River Highway 1 Bridge Project

As part of its work on the Highway 1/9 Intersection improvements the Agency also



**Highway One Bridge Project**

identified the San Lorenzo River Highway 1 Bridge as needing improvement. The four-lane Highway 1 Bridge over the San Lorenzo River is now a bottleneck for westbound traffic entering and eastbound traffic leaving the Highway 1/9

Intersection. Agency staff prepared a draft Preliminary Survey Report (PSR) for a seven lane replacement bridge. The PSR has been reviewed by Caltrans and is undergoing further revisions. When accepted by Caltrans, the PSR will allow for the future programming for a new bridge. A draft PSR was submitted to Caltrans for review and revisions to this draft are now being prepared, based on Caltrans comments.

### **Highway 1 Bike/Pedestrian Underpass Project**

In FY 2010, the Agency completed funding for the Highway 1 Bike/Pedestrian Underpass Project, providing \$373,000 to the City's project account. The pathway safely links the Tannery Arts Center to the San Lorenzo River Levee path.

### **Pacific Station**

During FY 2009 additional Federal and State funding was obtained by the Santa Cruz METRO Transit District (METRO) for purchase of the Greyhound property adjacent to the existing downtown Metro Center. This property is necessary for future reconstruction of the existing Metro Center, now known as Pacific Station.

In FY 2010, the Agency facilitated the approval of a Remedial Action Plan and property acquisition by METRO to assist with the redevelopment of the downtown Metro Center through an Memorandum of Understanding.

### **San Lorenzo River Project**

Agency staff has been extensively involved in the San Lorenzo River levee project activities and funding for over 25 years. The activities involving the project which have occurred during the past several years are discussed below. Agency staff has had project management responsibility for the Army Corps of Engineers ("Corps") Project and, in past years, the Agency funded a number of the feasibility studies as well as bridge design work. In FY 2010, the Corps proposed new Vegetation Standards, which do not recognize projects designed to incorporate vegetation such as the San Lorenzo River Flood Control Project. In cooperation with the Corps' Sacramento District, the City prepared a variance request from the Corps to maintain the existing vegetation along the levee system. Construction on the project began in 1999.

- **Completed 2000 - Contract 1** of the San Lorenzo River Flood Control and Environmental Improvement Project involved the raising and environmental restoration of the river levees between Highway 1 to Water Street Bridges and Laurel Street to Riverside Avenue Bridges. Work on Contract 1 began in 1999.
- **Completed 2001 – Contract 2** involved the raising and environmental restoration of the river levees between the Water Street and Soquel Avenue bridges and the Riverside Avenue and the Union Pacific Railroad bridges.



**Contract 3 – Laurel Street Extension**



- **Completed 2004 - Contract 3** involved the stabilization of the riverbank adjacent to Laurel Street Extension and Third Streets which are highly eroded and threatened the continued use of these streets.
- **Completed 2005 - Contract 4** involved the construction of new flood gates and the below-ground entrances to the County Courthouse and Administration building.

The final phase of the project is still under discussion between the City and the Corps of Engineers. This phase of the project has become more complex due to the change by the Corps of Engineers in their method of developing the hydraulic projections for the 100-year flood which is the basis for designing flood protection. This change has affected flood control projects throughout the United States including the San Lorenzo River flood control improvements. Until the Corps completes a new series of projections the design requirements for the final phase of the project will not be known.

Additional Federal funding for the phase was included in the proposed Federal Fiscal Year 2009 budget. To date, the combined Federal and local cost of the new bridges, levees, riverbank stabilization and environmental restoration has been \$62 million.

Funding of this improvement has been a major effort of Santa Cruz and one of the major sources of assistance was achieved in 2000 with the State Legislature's approval of AB 1147 which authorized the City to participate in the State Flood Control Subventions Program. This program reimburses the City for 70% of the local share of the San Lorenzo River Flood Control and Environmental Improvement Project. Since authorization to participate in the program, the City has submitted 22 claims to the State Flood Control Subventions Program and has received reimbursements totaling \$5.4 million.



As a result of the completion of Contracts 1 and 2, the Federal Emergency Management Agency (FEMA) issued a Letter Map Revision for the Downtown and Beach areas of the City redesignating these areas from its A-11 to an A-99 flood zone classification in the summer of 2002. This change has had a very significant benefit for these areas.

- Flood insurance premiums for the A-99 flood zone are significantly lower than the previous A-11 flood zone. Depending on the property and amount of required flood insurance, the new rates are approximately 40% lower than those previously paid.
- The FEMA Community Rating System awarded the City a class seven rating, which further reduces the NFIP A-99 flood insurance rates.
- New buildings and improvements are no longer mandated to meet FEMA flood construction requirements but may continue to do so depending on the wishes of the property owner.

## ***Redevelopment Agency Programs***

### **Downtown Support Activities**

Agency staff continues to provide assistance to members of the community and the various City Departments (e.g. Parks and Recreation, Public Works and Police) to help improve the economic and social conditions in downtown Santa Cruz. The following table provides a short summary of these continued efforts.

<i>Programs</i>	<i>Activities</i>
<ul style="list-style-type: none"> <li>• Downtown Directory Sign Program</li> </ul>	<ul style="list-style-type: none"> <li>• Design, fabricate and update directory signs</li> </ul>
<ul style="list-style-type: none"> <li>• Graffiti Abatement, with concentration on the Downtown</li> </ul>	<ul style="list-style-type: none"> <li>• Removing and preventing physical blight</li> </ul>
<ul style="list-style-type: none"> <li>• Façade Improvement Program</li> </ul>	<ul style="list-style-type: none"> <li>• Removing and preventing physical blight, encouraging economic activity</li> </ul>
<ul style="list-style-type: none"> <li>• Publication of Space Available Listings</li> </ul>	<ul style="list-style-type: none"> <li>• Linking brokers, tenants, and property owners</li> <li>• Generating market and demographic information</li> </ul>
<ul style="list-style-type: none"> <li>• Mural Matching Grant Program</li> </ul>	<ul style="list-style-type: none"> <li>• Removing and preventing physical blight</li> </ul>
<ul style="list-style-type: none"> <li>• Construction of Waste/Recycling Enclosures</li> <li>• Alley Improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying potential projects where Agency assistance will contribute to the elimination of blight</li> </ul>
<ul style="list-style-type: none"> <li>• Social/Mental Health Outreach Worker</li> </ul>	<ul style="list-style-type: none"> <li>• Assisting persons needing treatment or other support</li> </ul>
<ul style="list-style-type: none"> <li>• Hope Services Job Training for persons with Developmental Disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Removing and preventing physical blight</li> </ul>

The Agency has worked diligently to maintain Downtown Santa Cruz as the primary regional destination for specialty retail, restaurant, entertainment and cultural activities while facilitating the development of new housing capacity. Downtown is now an 18-hour entertainment/housing/commercial center. The management of downtown’s public area requires constant attention to ensure a pleasant environment for shoppers, visitors and residents.

### Graffiti Abatement Program

The Agency also continues to manage the graffiti abatement program. The Agency maintains a hotline for reporting graffiti as well as the development of neighborhood teams to fight graffiti through the CityServe volunteer program. This program has led to a marked decrease in long-term, visible graffiti tags in the City's commercial areas. During FY 2010, 1,449 tags were removed, which is a slight increase from the previous year. However, this increase is due to strengthened reporting and corresponding graffiti removal service. The public outreach component of this program has expanded significantly over the last few years and there are now 110 volunteers participating in Graffiti Free Santa Cruz. Each volunteer is provided a graffiti removal kit, which is available at the Redevelopment Agency's office. Another important improvement was the improved reporting and coordination with the Santa Cruz Police and the Sheriff's Department of Santa Cruz County, whose recent successful prosecution of prominent vandals has deterred graffiti and resulted in a lower amount of overall graffiti activity in the area. Thanks to the efforts of the Agency, Graffiti Free volunteers, and law enforcement agencies, Santa Cruz has a growing reputation as a community which is protecting itself from this form of physical blight.



### Façade Improvement Grant Program

One of the Agency's unique programs with the greatest impact has been the Façade Improvement Program. Through this program's combination of grants and matching grants 117 businesses in the Downtown, River Street, Mission Street, Ocean/Barson, Seabright/Murray and Coral Street businesses areas have been assisted. The following table quantifies the number of business assisted in the fourteen-year-old program.

Program Areas	Businesses Assisted
Merged Project Area	157
Eastside Business Improvement Area	85
<b>Total</b>	<b>242</b>



## City Arts Program

City Arts is a program of the Economic Development and Redevelopment Department and is guided by the Arts Commission, which serves the City Council as policy advisors and proponents for a vibrant cultural environment in Santa Cruz. City Arts implements the City Public Art Program pursuant to Chapter 12.80 of the City's Municipal Code, the Public Art Program, the Redevelopment Agency's Matching Grant Mural Program and cultural policy projects and initiatives that help the City achieve its cultural goals as outlined in the General Plan and City Arts Master Plan.



## Public Art Program



"The Boys of Summer"  
by Michael McLaughlin

The Public Art Program has provided a number of innovative art projects and creations that compliment the City's downtown and other areas of the community. The Public Art Program is administrated through the Redevelopment Agency, with oversight from the Arts Commission. The Agency's role in this program is to provide funding for staffing and coordination of the program. Funding for art installations comes from private donations and a 2% for the arts set-aside on eligible City-funded capital improvements projects. Specific projects have included design of art features for the proposed Beach Area Roundabouts and the downtown SculpTour exhibit. More detailed information about the Public Art Program is available in the City Arts Annual Report.

## Mural Matching Grant Program

Initiated in July of 1994, the Mural Matching Grant Program enhances the streetscape and incorporates our community's culture and history into the built environment. The Redevelopment Agency has successfully sponsored more than 15 mural projects through matching grant incentives with business and property owners as well as community partners. The Agency maintains a mural artist registry which includes more than 30 local artists.

In FY 2010, artist Marvin Plummer completed a large mural depicting the world-famous Steamer's Lane surfing break on the 820 Swift



"Steamers Lane" by Marvin Plummer at 820 Swift Street

Street industrial building, which lies along the railroad right-of-way. With the permanent closure of the Davenport Cemex plant, physical blight increased since trains no longer



used the tracks. The matching grant was a collaboration between the Swift Street Neighborhood Group and the Agency. Westside residents and businesses not only advocated for the project and raised funds for the matching grant but also volunteered to clean-up the railroad tracks when the mural was unveiled on September 27, 2009. The mural is now an icon on the burgeoning Swift Street commercial and industrial area.



The ABC Mural on the Eastside parking lot.

The Agency also completed a mural project in the Eastside parking lot. Santa Cruz artist and 2009 California Art Teacher of the Year Kathleen Crocetti was selected to facilitate a community mosaic mural project. About 3,000 students from eleven schools citywide designed and created individual tiles in their classrooms throughout the 2009-2010 school year. The completed mural features a dynamic geometric design articulated by the tile grout. Up close, the viewer can see 3,224 unique tiles that together make up the mural.

## Wayfinding Study

Tourism is a major economic engine in Santa Cruz. Transient Occupancy Tax collections in fiscal year 2008-09 in the City of Santa Cruz were estimated at \$2.9 million. For these tourists and guests, being able to easily navigate is critical to their positive visitor experience. In FY 2010, the Agency launched Phase One of a 'Citywide Wayfinding' effort to evaluate and improve upon the experience of navigating around Santa Cruz.

The goals of the Phase One study are to:

- Increase the functionality of wayfinding in, around and through Santa Cruz;
- Develop wayfinding solutions that assist in identifying neighborhoods, business districts, key regions, and destinations; and
- Create a wayfinding schema that reinforces the community's commitment to tourism, ecological living, creativity and innovation.

The selected consultant team includes wayfinding firm MERJE, award-winning designer Lance Wyman, California-based Rick Engineering and industrial designer Timerie Gordon. Stakeholders from downtown, UCSC, Ecology Action, hotels, museums and the Santa Cruz Beach Boardwalk have all been integral to the study. An inventory of current directional signage has been completed as part of Phase One, with a goal of eliminating clutter whenever possible and creating a functional tool for maintenance and management of signage systems moving forward. A report with recommendations is expected to be brought to City Council for approval in FY 2011.

## Eastside Business Improvement Project

The Agency continued in its implementation efforts for the Eastside Business Improvement Project with the following programs as set forth in the Five-Year Implementation Plan.

These included:

- Continuation of the Eastside Storefront Improvement Program, focusing on improving storefronts along Soquel Avenue and Water Street. During the fifteen years of the storefront program, 85 Eastside businesses have been assisted with one business currently in the design phase. All these businesses are small, locally-owned enterprises.
- Funds were budgeted for design of improvements to the Soquel/Hagemann, Parkway and Frederick intersections and a storm drain on Pine Street between Soquel and Broadway Avenues. Work on these projects is now in the planning stages.
- Agency funds have been budgeted to fund a portion of the land acquisition costs associated with the Soquel Avenue Bike Lane Project, construction of improvements at the Soquel/Water/Morrissey Intersection, and design of improvements to the Soquel/Hagemann and Parkway intersections and a storm drain on Soquel Avenue, between Benito Avenue and Branciforte Avenue, and on Pine Street between Soquel and Broadway Avenues. To date, the construction of improvements at the Soquel/Water/Morrissey Intersection is complete and the remainder of the improvements is in the design and right of way acquisition phases.
- Agency staff initiated the exploration of streetscape improvements along Soquel Avenue. The Eastside Street Tree Program was developed in FY 2010 and initiated in FY 2011.

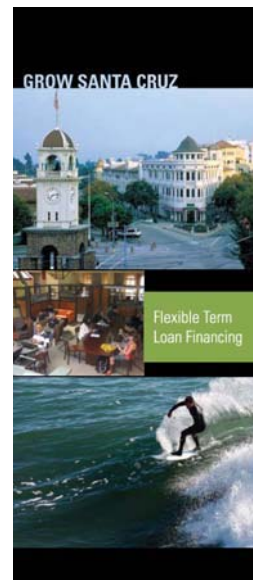


## ***Economic Development Initiatives***

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### **Grow Santa Cruz Loan Program**

The Agency began a partnership in early 2010 with the National Development Council to administer and underwrite a small business loan program and to provide technical assistance related to financing and economic development. More than 80 inquiries have been received. Seventeen companies have been interviewed resulting in two funded loans and one referral to a local lending institution. In FY 2011, one more business is guaranteed to close on a loan through this innovative program.



### **Central Coast Broadband Consortium**

The Central Coast broadband Consortium's mission is to connect the region's disparate telecommunications networks and fill critical gaps in the infrastructure, offering high speed network transport services. This mission ensures equity, access and digital literacy for all residents, businesses, governments, educational organizations and other important civic and social services agencies and institutions in the region. This project will build out broadband infrastructure at a number of anchor sites that include schools, county offices and other industrial areas in the region where available broadband on a large scale could attract high paying jobs to the region. A \$45 million ARRA application was submitted during FY 2010.



### **Zero Motorcycles Matching Grant**

Zero Motorcycles was recently awarded more than \$1.8 million in grants, fueling local economic development and green jobs. Zero leads the electric motorcycle powersports industry by producing incredibly fast and efficient performance motorcycles with near silent engines and near zero emissions. By combining a \$900,000 California Energy Commission (CEC) grant with matching grant funds from the Agency, Zero Motorcycles will develop and produce its next generation powertrain engine and create between 15-20 local engineering positions and up to six dealership sales positions in the City of Santa Cruz. With the point-of-sale dealership located in the City of Santa Cruz, all sales tax is collected at this location with 1% of revenue going to the City. The sales tax projection for FY 2011 is \$29,500 and for FY 2012 is \$61,000. The Agency will finalize the matching grant in FY 2011 through a formal participation agreement, which will be based upon the CEC's terms and conditions for its original grant award to Zero Motorcycles.

### **The Project for Innovation and Entrepreneurship (PIE)**

The Project for Innovation and Entrepreneurship was created in FY 2009 with the University of California, Santa Cruz (UCSC). Accomplishments in FY 2010 include the development of successful Internship/Membership Program, which included a weekly lecture series, and the development and implementation of a successful business plan competition. Thirty-six internships occurred in FY 2010 out of 136 applicants. More than 100 students have been served in the last two years by this project and several business start-ups in Santa Cruz have been created. This program has also laid the foundation for future economic development collaboration with UCSC including the Center for Entrepreneurship.



**PROJECT FOR INNOVATION  
& ENTREPRENEURSHIP**

### **UCSC Business Plan Competition**

Student-initiated and student-focused, this business plan competition is built on connections between different academic areas and professional schools on the University of California, Santa Cruz campus and the City of Santa Cruz. The competition was designed to raise awareness of student talent and creativity, form mentorships and foster collaboration between campus and town. In FY 2010, A Capella Records won the business plan competition out of 27 applications.

### **Center for Entrepreneurship (C4E)**



In June 2010, Economic Development and UCSC completed an application for the Economic Development Administration's i6 challenge. The application sought funding for the establishment of UCSC's new Center for Entrepreneurship, also known as the C4E, an academic program and business incubator run by an independent 501(c)(3) that will have a physical presence in the City of Santa Cruz and will work with the Agency to codify these programs into a more holistic approach to technology and talent transfer. The C4E "teaching-incubator"

represents a first-of-its-kind fusion of an academic curriculum with that of a commercial incubator. Its purpose is to create new local startup companies that license intellectual property directly from UCSC in a self-sustaining manner, avoiding the reliance on continued federal funding while stimulating the local economy.

### **Recovery Zone Facilities Bond**

Agency staff assisted Cruzio in a submission for ARRA Recovery Zone Bonds to fund the development of their new facility at 877 Cedar, providing new fiber optic infrastructure and a data center.

### **What's Next Lecture Series**

The What's Next Lecture Series is a five-part Innovation program in collaboration amongst UCSC, NextSpace Coworking + Innovation, and the City of Santa Cruz. Topics covered in FY 2010 included Sustainability and Social Innovation, Innovations in Energy, and The Revolution of Work. In FY 2011, Reed Hastings, CEO and founder of the Fortune 500 company Netflix, discussed Research and Development at the Del Mar Theatre, an Agency owned property.

### **Business Development**

Agency staff continued to work with local business owners on an individual basis, often aiding in researching funding opportunities, addressing development impact fees, along with other general inquiries, further attracting to and keeping businesses within the City of Santa Cruz. Staff frequently assisted as an intermediary between the business and different City Departments. In addition, Agency staff served on the Chamber of Commerce's Economic Development Council, the County of Santa Cruz's Comprehensive Economic Development Strategy Board, the Workforce Investment Board, and other non-profit cultural and business organizations.

### Summary of Agency Programs Aiding in the Elimination of Blighting Conditions

Types of Conditions Addressed By Program	PROJECT PROGRAMS						
	Economic Development	Merged Project	Eastside	Industrial Development	Infrastructure	Beach Area	Affordable Housing
<b>Structural Blight</b>							
Deterioration and Dilapidation Age and/or Obsolescence			X	X		X	X
Mixed Character	X						X
Defective Design Character of Physical Condition			X				X
Shifting Uses and Vacancies	X	X	X			X	X
<b>Non-Structural Blight</b>							
<i>Inadequate Public Improvements, Facilities and Utilities</i>							
Traffic Circulation Deficiency		X	X			X	
Parking Deficiencies		X	X			X	
Deficient Curbs, Gutters and Sidewalks		X					
Bridges					X		
Drainage and Flood Control System Deficiencies					X		
Lots of Irregular Form, Size, and/or Shape		X				X	
<i>Socio Economic Conditions</i>							
Social Maladjustment (Crime, Poverty, Unemployment)	X	X		X		X	X
Depreciated Values/Impaired Investments	X	X	X	X		X	X
Economic Maladjustment (Vacancies, Undeveloped Properties)	X	X	X	X		X	X

## **Housing Activities**

Affordable housing continues to be an Agency priority in accordance with the Agency's Affordable Housing Production Plan (AB 315 Plan). For both the Merged Project and the Eastside Business Improvement Redevelopment Project Areas, the Agency has exceeded the fifteen percent affordable housing production (inclusionary) requirements for the historical period from the inception of both Project Areas through FY 2010.

Over the terms of the two Redevelopment Project Areas, the Agency has assisted in the development and preservation of 463 low- and very low-income rental units (without emergency units), 63 median- and moderate-income rental units; 27 emergency housing units; 47 replacement affordable rental units and 347 market rate rental and owner units. As of June 2010 the Agency has assisted in the construction and preservation of 947 housing units, most of which are for low- and very low-income households. This represents new housing opportunities for over approximately 3,000 Santa Cruz residents in the Merged Earthquake and Eastside Project Areas.

The Agency continues to identify residentially zoned land in the Project Areas that can support higher densities and mixed-use developments in the downtown and at node locations within both Project Areas. Furthermore, the Agency continues assistance to the Mission Gardens Project while evaluating potential affordable housing project opportunities such as Park Pacific, Pacific Station, and Senior Housing at 170 High Street.

### **Mission Gardens**

The Agency assisted in the acquisition of Mission Gardens Apartments, a 50-unit Section 8 Preservation Project located at 90 Grandview Street. The development, which was constructed in 1980-81, consists of 26 one-bedroom units, 16 two-bedroom units and 8 three-bedroom units. The original twenty year Section 8 agreement with HUD has been extended in five-year increments since its initial expiration in 2001. In 2009 the Project was purchased by Mission Gardens AGP, LP and Las Palmas Housing and Development Corporation, a California nonprofit corporation, with the latter acting as the managing general partner. Preservation of the affordability of at-risk projects is identified as a priority in the City's General Plan. The rehabilitation phase was completed in FY 2010. The Project is not located within a Redevelopment Project Area.

### **Park Pacific**

1547-1549 Pacific Avenue and 1110 Cedar Street comprises the last major downtown parcel that has not been redeveloped since the destruction of the downtown by the 1989 Loma Prieta Earthquake. Plans have been approved for fifty-eight new market rate ownership housing units over ground floor commercial space. However, due to the economic slowdown, this project has been delayed but remains a housing development opportunity for potential Agency involvement. In FY 2010, the Agency executed an Owner Participation Agreement with Park Pacific, LLC which included a loan of



\$220,000 to fund predevelopment costs associated with the redesign of the mixed-use project. The Agency loan enables the developer to move forward on architectural and engineering plans, engage a qualified Housing and Urban Development lender to secure project financing and ensure that the project contains 12 units of low-income affordable housing. The developer is currently contemplating an alternative development scope for the project that may come before the City Council and Agency Board for consideration in FY 2011.

### **Pacific Station**

The Agency is working with the Santa Cruz Metropolitan Transit District (METRO) to redevelop and expand the existing METRO Center site on Pacific Avenue. The current conceptual plan is for a five-story, mixed-use, transit-oriented development with the expanded METRO center on the ground floor, along with limited commercial uses; parking on the second floor; and affordable housing with limited office space on the remaining three floors. Agency staff is assisting METRO with the acquisition of the adjacent Greyound property, which would complete the development site. In FY 2010, the Agency facilitated the approval of a Remedial Action Plan and property acquisition by METRO to assist with the redevelopment of the downtown Metro Center through an Memorandum of Understanding.

### **Senior Housing at 170 High Street**

Mercy Housing California is working with the Diocese of Monterey to explore reuse of an historic school building located adjacent to the Holy Cross Church on High Street to create forty – fifty units of senior housing. The Agency is communicating with the developer as the potential site continues to be evaluated as an affordable housing opportunity.

### **Agency Housing Assistance Programs**



Over 2,776 persons have benefited from the two housing assistance programs the Agency funds and which are available to City residents.

The Agency continues to provide funding to the Santa Cruz County Community Action Board for the Emergency Rental/Mortgage Assistance Program. This Program works to prevent eviction from rental units or mortgage foreclosures of low- and moderate-income persons or families. In FY 2010, the program provided rental assistance to 46 households, assisting 152 persons including 72 children, 1 senior between the age of 60 and 69, and 18 disabled persons. Mortgage assistance has been provided once to date, although it is anticipated that may change over the next fiscal year. Approximately 60 households are expected to be provided assistance during FY 2011. Over the last five years, 329 households with 842 persons have been assisted.





Funding for the Tenant-Based Assistance/Security Deposit Program was also continued by the Agency in FY 2010. The Housing Authority of Santa Cruz County administers the program, which provides funds to households that do not have sufficient funds to pay the initial security deposit for a housing unit. In FY 2010, the program has provided assistance to 51 families, including 6 homeless individuals living in the City of Santa Cruz. Over the last five years this program has assisted 284 persons including 76 formerly homeless.



## REDEVELOPMENT AGENCY AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: Tannery Arts Center – Authorization for Interior Improvements and Architectural Services. (ED)

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**RECOMMENDATION:** Redevelopment Agency resolution authorizing the Executive Director to approve change orders necessary to construct interior improvements and execute a contract for architectural services for the Kron House Phase of the Tannery Working Studios and Digital Media Center Project, so long as these actions do not exceed the Agency budget for the the project.

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**BACKGROUND:** Funding for the Tannery Working Studios and Digital Media Center Project has been received through grants from the Economic Development Administration of the U.S. Department of Commerce (EDA), utilizing funds from American Recovery and Reinvestment Act (ARRA) and the California Cultural Heritage Endowment (CCHE). Each of these Agencies has its own unique grant and contract administration requirements. In recognition of the complex Federal and State funding requirements for this project, the Agency has authorized the Executive Director to execute the project construction contracts and change orders. This authority was granted to ensure that the Agency complied with the “Shovel Ready” ARRA construction requirements. To ensure that the Agency continues to comply with the “Shovel Ready” intent of ARRA, staff is requesting two supplemental authorizations.

**DISCUSSION:** Construction on the Tannery Working Studios and Digital Media Center Project was initiated in January of this year and renovation of the Tanyard Building and Beam House has significantly progressed since that time. Due to project cost savings on the construction bid, it appears that there may be sufficient funds available to increase the scope of the project to include two additional elements: interior improvements for the Tanyard Building and Beam House and renovation of the Kron House.

The addition of these two additional project elements is now under consideration by the EDA. However, in anticipation of approval by EDA, staff has now issued a Request for Qualifications seeking to retain an architect to prepare the necessary construction drawings and bid documents for Kron House renovation. It is anticipated that the selection of the architect will occur in January. At this time, it is not known what the cost for these services will be; however, given the possibility that they may exceed \$100,000, staff is seeking the Agency’s approval for the Executive Director to sign the professional services contract for the architectural services if it exceeds \$100,000. This request is being made to minimize delay in this new element of the project. It is anticipated that the Kron House renovation will be ready to publicly bid in the July

timeframe. The architectural services contract, construction plans and construction contract all will require separate approval by EDA.

The second addition to the project is the interior improvements for the Tanyard Building and Beam House. The EDA approved plans for the Digital Media Center Project included interior walls in both the Tanyard Building and Beam House; however, as a cost saving measure these elements of the project were not included in the bid package.

Now, with a better understanding of the available grant funds and the project bid, it appears that these improvements can be included in the project. However, to ensure they are completed simultaneously with the current rehabilitation work, staff is requesting that the Agency grant the Executive Director authority to include these improvements as a change order to the current project construction contract. Under state contracting law, a change order to a contract scope of work of this nature can be approved if it is less than 10% of the original contract amount. This change will be well under that amount; however, it is likely to be more than the \$100,000 that would require Agency approval. Therefore, staff is requesting authorization to add the interior scope of work to the current construction contract and to approve the work as a change order. Funding from the ARRA grant will be supplemented by funds in the current Agency budget for the interior improvements.

**FISCAL IMPACT:** The Tannery Working Studios and Digital Media Center Project construction is currently fully funded by State and Federal grants or previously appropriated Agency funds and therefore does not impact the Agency fund balance. The proposed actions will help avoid job delays and resultant cost increases.

Prepared by:  
Joe H Hall  
Project Manager

Submitted by:  
Bonnie Lipscomb  
Agency Executive Director

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: Resolution

RESOLUTION NO.

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CRUZ  
AUTHORIZING A CHANGE ORDER FOR THE CONSTRUCTION OF INTERIOR  
IMPROVEMENTS AND TO CONTRACT FOR ARCHITECTURAL SERVICES FOR THE  
TANNERY WORKING STUDIOS AND DIGITAL MEDIA CENTER PROJECT

WHEREAS, Salz Tannery was closed in 2001 due to foreign competition; and

WHEREAS, to facilitate the reuse of this site and provide new employment opportunities the Redevelopment Agency undertook planning for reuse of the former Salz Tannery; and

WHEREAS, the Redevelopment Agency purchased the Salz Tannery site to facilitate its reuse; and

WHEREAS, construction plans have been prepared for the reuse of the Tannery’s historic buildings as a Working Studios/Digital Media Center; and

WHEREAS, the Agency was awarded a U.S. Department of Commerce Economic Development Administration for a American Recovery and Reinvestment Act grant on September 22, 2010; and

WHEREAS, the Agency was awarded a grant from the California Cultural and Historical Endowment on December 28, 2007.

WHEREAS, it now appears that there will be sufficient funds available to expand the scope of work for the Tannery Working Studios and Digital Media Center Project.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Santa Cruz that the Executive Director is authorized to approve change orders necessary to construct interior improvements for the Tanyard Building and Beam House and execute a contract for architectural services for the Kron House Rehabilitation Phase of the Tannery Working Studios and Digital Media Center Project, so long as these actions do not exceed the Agency budget for the project.

PASSED AND ADOPTED this 14th day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Chair

ATTEST: \_\_\_\_\_  
Executive Director



## REDEVELOPMENT AGENCY AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Economic Development

SUBJECT: Retail Market Analysis and Urban Retail Brokerage – Authorization for Consultant Services. (ED)

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**RECOMMENDATION:** Redevelopment Agency motion authorizing the Executive Director to advertise, select, and execute a contract with a consultant firm specializing in retail market analysis and a consultant firm specializing in urban retail brokerage services.

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**BACKGROUND:** For the past two years, the Redevelopment Agency (Agency) has partnered with the Santa Cruz Chamber of Commerce to bring nationally recognized retail expert Robert Gibbs to Santa Cruz to conduct a series of retail workshops and provide local retail consulting. This past October, Mr. Gibbs additionally conducted an intensive week long outreach effort in which he met with a variety of stakeholder groups including local brokers, retailers, banking representatives, property owners and policy makers to assess the current retail environment in Santa Cruz and identify opportunities for improving the local retail environment, with an emphasis on our historic downtown. Based on his outreach efforts and analysis, Mr. Gibbs has recommended that the City conduct a retail market analysis and additionally hire a consulting retail broker to focus on downtown and other Santa Cruz retail vacancies.

**DISCUSSION:** The purpose of the retail market analysis is to enable the City to gain a detailed understanding of the types and sizes of retail businesses that are likely to be supportable in the downtown and select areas presently and during the next five (5) years. As part of this study, the consultant will include an evaluation of existing regional retailers and each store's quality, service and merchandise to seek out potential voids or over-supply of a particular good or service.

The market analysis will also include pedestrian and drive-time studies and a gravitational model to estimate the site's primary and secondary trade areas. The analysis will include a written and illustrated summary of the relevant population and demographic characteristics of the trade area, including the socio-economic characteristics and buying patterns of the population. A final deliverable for this analysis will include a letter of qualitative opinion as to whether or not retail development is supportable in the subject site, sales forecasts and size estimates of the retailers most likely to be supportable for the next five (5) years.

As a companion to the retail market analysis, the Agency recommends entering into a consultant contract with an urban retail broker for a six-month term to focus on retail recruitment, primarily in the downtown area. The purpose of this contract is to supplement existing efforts to attract retail to our prime vacant retail spaces, primarily in the downtown. The selected broker/consultant will

actively pursue retail opportunities for consideration by the City and participating property owners. The requisite experience for the broker/consultant is an extensive national portfolio with access to a wide selection of major local and national retailers. The desired outcome is to capitalize on Santa Cruz' potential for securing the best available retail tenants to our City.

FISCAL IMPACT: Funding is available in the approved FY 2011 Agency budget under professional services and marketing to fully fund these specialized retail consultant services. Based on the comparable scopes of services, staff estimates that the retail market analysis will be between \$30-50,000 and the urban broker will be in the range of \$60-\$75,000.

Submitted by:  
Bonnie Lipscomb  
Agency Executive Director

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: None



## CITY COUNCIL AGENDA REPORT

DATE: 12/6/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Human Resources

SUBJECT: Liability Claims Filed Against City of Santa Cruz. (HR)

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RECOMMENDATION: Motion to reject liability claim a) Dana O'Brien; b) Silvia V. Quintero; c) Ethan Shenkman; d) Pacific Bell Telephone Co. (dba AT&T); e) Pacific Gas & Electric Company; f) Patricia Cross; and g) AT&T Mobility LLC/New Cingular Wireless PCS LLC; based upon staff investigation.

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BACKGROUND: 1. Claims to be rejected

- a. Claimant: Dana O'Brien  
Date of occurrence: 06/23/2010  
Date of claim: 10/07/2010  
Amount of claim: \$264.20

Claimant alleges damage to door and lock during police search of property.  
Self-represented.

- b. Claimant: Silvia V. Quintero  
Date of occurrence: 08/27/2010  
Date of claim: 09/13/2010  
Amount of claim: \$ 200

Claimant alleges damage to door window and frame during police search of property.  
Self-represented.

- c. Claimant: Ethan Shenkman  
Date of occurrence: 03/21/2010  
Date of claim: 09/20/10  
Amount of claim: Unspecified

Claimant alleges injury from an alleged unlawful search.  
Self-represented.

- d. Claimant: Pacific Bell Telephone Co. (dba AT&T)  
Date of occurrence: 04/27/2010  
Date of claim: 10/25/2010  
Amount of claim: \$773.21

Claimant alleges damage to phone clearance pole.  
Self-represented.

- e. Claimant: Pacific Gas & Electric Company  
Date of occurrence: 06/11/2010  
Date of claim: 10/27/10  
Amount of claim: \$1,708.68

Claimant seeks repair costs for electric panel.  
Self-represented.

- f. Claimant: Patricia Cross  
Date of Occurrence: 2/14/2010  
Date of Claim: 7/27/2010  
Amount of claim: \$100,000

Claiming seeks damages for injuries relating to bike accident.  
Self-represented.

2. Claims to be rejected and denied

- g. Claimant: AT&T Mobility LLC/ New Cingular Wireless PCS LLC  
Date of occurrence: Nov. 1, 2005 – September 30, 2010  
Date of claim: 11/03/10  
Amount of claim: \$231,331.26

Claimant seeks refund of tax relating to wireless services.  
Represented by law firm: McDermott, Will & Emery

DISCUSSION: None.

FISCAL IMPACT: None.

Prepared by:  
Barbara Choi  
Interim Risk & Safety Manager

Submitted by:  
Lisa Martinez Sullivan  
Director of Human Resources

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: None.





## CITY COUNCIL AGENDA REPORT

DATE: December 7, 2010

AGENDA OF: December 14, 2010

DEPARTMENT: Library Department

SUBJECT: Integrated Library System Sole Source Vendor Request. (LB)

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RECOMMENDATION: Motion to approve Equinox as sole source vendor to provide migration services to Evergreen, an open source Integrated Library System (ILS).

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BACKGROUND: Santa Cruz Public Libraries has been in the process of determining the most cost effective way to replace our current Integrated Library System (ILS). This need is generated by the following factors:

- Our current system is no longer supported by the vendor.
- The cost of maintaining the current hardware is excessive due to the age of the equipment. We will soon reach a point where support for the hardware is no longer available. Risks to the system due to hardware failure are significant.
- Though our system has been heavily customized by staff to provide a level of service expected by the public there are some functions such as credit card processing which can never be supported on the current system.
- Knowledge of this system rests almost completely with a single employee.

Cost to replace the existing system with a similar proprietary ILS is in the range of \$300,000-500,000 with annual support beginning at \$60,000. The library began exploring open source alternatives to the traditional ILS two years ago as a way to reduce the replacement cost. We undertook a prototype system based on a product called KOHA. After extensive testing we determined that this product was not adequate for a library of our size and configuration.

Another open source system called Evergreen surfaced and meets our requirements to a greater degree. The system was funded by the state of Georgia to replace the proprietary ILS in use by over 250 public libraries in that state. It was successfully deployed there and has been in use for over two years. In addition, it has been widely adopted by public libraries. Of special interest to us is the successful deployment at King County Public Library, WA (KCLS). This is one of the premier public library systems in the country and shares our service requirements.

KCLS is the recipient of a \$1 million grant from the Institute of Museum and Library Services (IMLS) that enabled the transition to the Evergreen open source ILS. The goals of this grant are:

1. Promote Open Source Library System (OSLS) adoption by articulating the benefits to libraries.
2. Increase participation in OSLS projects.
3. Make open source conversion a viable option for public libraries by providing infrastructure elements related to planning, implementation, training, development, and support.
4. Develop a new model of peer-to-peer support for open source libraries.

The libraries partnering with KCLS include Peninsula Library System, Ann Arbor District Library, Orange County Library System, Bibliomation, EINetwork, PALS, and Santa Cruz Public Libraries.

We applied to participate in this project and were accepted. There will be some small monetary benefits in the coming year. The real benefit is the support environment created by the grant. The partners are committed to an open source solution to providing the core software application for libraries. This has resulted in many enhancements to the Evergreen ILS evidenced in the implementation at KCLS. We are the beneficiaries of this effort and also intend to be contributors.

There is no cost for Evergreen software but there is a need to purchase the support necessary to have a successful migration. The developers of this ILS have formed a company called Equinox to perform these services and to continue development. There are a few other companies offering implementation services. None have product knowledge of the depth held by Equinox. Equinox is also the vendor used by the partners in the IMLS grant. Because of this, it seems evident that we should rely on them as our primary service provider during the migration.

DISCUSSION: The Library Joint Powers Board has approved a budget of \$175,000 for the implementation of a new ILS. We request approval for Equinox as our primary vendor as comparable comprehensive services are not available from another source. Equinox would provide data migration services, software installation on a hosted system and additional development as required. Payments to Equinox in the first year are expected to match the budgeted \$175,000. Ongoing costs of maintaining the system are estimated at \$25,000 for product support and \$23,000 annually for hosting costs if we choose to go forward in a hosted environment. These costs are significantly less than the annual maintenance and software upgrade charges which would be incurred by proprietary systems.

We have begun in earnest the work of auditing our business processes so that we can use this migration to streamline processing and provide the best possible service to the community. It is reasonable to believe that the new system could be in place by June of 2011. This change would mitigate the risks to our current system, improve functionality, and carry us forward with a technology that is stable, adaptable to change and well supported by service providers and the library community.

About the IMLS grant:

<http://rscel.org/about>

Evergreen Libraries:

[http://evergreen-ils.org/dokuwiki/doku.php?id=evergreen\\_libraries](http://evergreen-ils.org/dokuwiki/doku.php?id=evergreen_libraries)

FISCAL IMPACT: This project has already been approved by the Library Joint Powers Board for FY 10/11 in the amount of \$175,000.

Submitted by:  
Teresa Landers  
Library Director

Approved by:  
Martín Bernal  
City Manager

Attachments: None.



## CITY COUNCIL AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Parks and Recreation

SUBJECT: Authorization to Enter into a Lease with the Santa Cruz Museum Association for Use of the Natural History Museum. (PK)

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**RECOMMENDATION:** Resolution authorizing and directing the City Manager to enter into a lease agreement with the Santa Cruz Museum Association for use of the Museum of Natural History.

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**BACKGROUND:** In December of 2008, the City Council approved the Phase 9 Budget Reduction Plan. The plan included the reduction of a number of Parks and Recreation programs and the closure of several City facilities, including the Museum of Natural History Museum (Museum). The Santa Cruz Museum Association (Association) after working for many years as a partner with the City to operate the Natural History Museum, stepped forward with a proposal to take over the full operation of the Museum. The City entered into a Memorandum of Understanding (MOU) with the Association which extended through June 30, 2010.

The Association approached the City with the proposal to enter into a long-term lease agreement instead of an MOU. The Association suggested the lease with the thought that a long-term lease agreement would increase the Association fundraising capacity and reduce most of the City's financial burden for the operation of the Museum.

**DISCUSSION:** Terms of the proposed lease agreement, which was approved to form by the City Attorney, stipulate that the Museum facility at 1305 East Cliff Drive will be leased to the Association for a twenty year term for \$1 a year. The Museum Association will continue to staff the facility and provide all of the programming. The City will continue to be financially responsible for utilities including gas, electricity and alarm system. Staff recommends this financial commitment from the City to ensure that the Museum's vast collection has the amenities to "protect" it (heat, power). The City will also be responsible for capital improvements to the facility as the budget allows. The Association will be responsible for water and refuse costs and upkeep of the interior of the facility. Once City staff and the Association develop a program to address the future of the collections, this lease may be amended to address the collection including developing a policy which would allow for deaccessioning items that do not fit into the mission and goals of the Natural History Museum.

Staff greatly appreciates the efforts and commitment of the Museum Association. Without its generous support and commitment, the Museum most likely would have been shuttered in 2008.

FISCAL IMPACT: None. It is anticipated the current City contribution for supplies and services (\$20,500) will be slightly reduced by the Association taking over the costs for refuse and water (approximately \$4,500).

Prepared by:  
Carol Scurich  
Recreation Superintendent

Submitted by:  
Dannettee Shoemaker  
Director of Parks and Recreation

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS:  
Agreement  
Resolution

## MUSEUM ASSOCIATION LEASE AGREEMENT

THIS MUSEUM ASSOCIATION LEASE AGREEMENT (the "Agreement") is made this December 15, 2010 between the City of Santa Cruz ("City") and Santa Cruz Museum Association ("Association"). City and Association agree to all of the terms and conditions of this Agreement as follows:

### ARTICLE 1 - BASIC LEASE PROVISIONS

The following are basic terms applicable to this Agreement. The Sections and Exhibits referenced below in parenthesis explain and define the basic terms specified below and are to be read in conjunction with basic terms herein:

**1.01 Commencement of Term** December 15, 2010

**1.02 Term** 20 years

**1.03 Premises** 1305 East Cliff Drive, Santa Cruz, CA 95062

**1.04 Floor Area** See attached floor plan.

**1.05 Annual Rent** \$1 per year

**1.06 Use of Premises** The City shall allow the ASSOCIATION the use of the museum, including all public spaces, office space, office equipment, exhibits, computers, office furniture and any other equipment located at the Museum, as necessary for the Association's mission: *The Santa Cruz Museum of Natural History: Connecting people with nature and inspiring stewardship of the natural world.*

**1.07 Hours** As determined by the Association as necessary to fulfill Association's mission and to provide as much public access as possible.

### ARTICLE 2 - LEASE OF PREMISES

**2.01 City of Santa Cruz** Association acknowledges and understands that City is a municipality consisting of numerous offices, and departments. Whenever a provision contained in this Agreement, or any extension, modification or amendment, requires the written consent of City, such consent must be obtained from the City Manager or City Manager's Designee for the City of Santa Cruz. Association may not rely on any statement or representation by any other employee, agent or representative of City in obtaining such consent and any such statement or representation other than the express written consent of the City Manager shall be null and void and have no effect. Nothing contained in this Section shall limit in any way the authority of any department, or the City or County of Santa Cruz, California from approving or withholding consent to any event or activity regulate by local law.

**2.02 Premises** City leases to Association and Association leases from City the building (the "Building") designated as Santa Cruz Museum of Natural History, Santa Cruz, California. The Premises include, use of the adjacent landscape and park areas with an approved permit issued by the Parks and Recreation Department as needed for their Mission. A diagram of the location of the Premises on the Museum is attached to this Agreement as Exhibit A. A floor plan of the Premises is attached to this Agreement as Exhibit B.

**2.03 Condition of Premises** Association acknowledges that it recognizes the uniqueness of the premises and accepts them in their current and disclosed condition existing on the date of execution of this Agreement, subject to all applicable zoning, municipal, county or state laws, ordinances and regulations affecting the use of the Premises. Association acknowledges that it has satisfied itself, that the Premises are suitable for its intended use and neither City nor its agents or representatives have made any representation or warranty as to the present or future suitability of the Premises for the conduct of Association's business.

### **ARTICLE 3 – TERM**

**3.01 Commencement of Term** The term (the “Term”) of this Agreement shall commence on the date specified in Section 1.02 (the “Commencement Date”).

**3.02 Extension of Term** If Association is not in default at any time during the Term of this Agreement, Association shall have the option to extend the Term of this Agreement for additional time in five (5) year periods (the “First Extended Term”, the “Second Extended Term” and the “Third Extended Term”, respectively) following the expiration of the Term, upon the same terms and provisions contained in this Agreement. Association may exercise said option to extend the Term, and any Extended Term, by giving written notice to City at least four (4) but not more than six (6) months before the expiration of the Term

### **ARTICLE 4 - RENT**

**4.01 Rent** Rent shall be as specified in Section 1.05.

(a) Beginning with the Commencement Date and continuing through the Term of this Agreement.

**4.02 Rent Payment Schedule** All rent shall be due no later than the first day of January each year.

### **ARTICLE 5 - USE**

**5.01 Use of Premises**

(a) Association shall use the Premises solely for the use specified in Article 1.

**5.02 Compliance with Governmental Regulations** Association shall comply with all of the requirements of all local, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises. With regard to the use of the Premises, Association shall faithfully observe all local ordinances and state and federal statutes now in force or which may hereafter be in force.

### **ARTICLE 6 - CAPITAL IMPROVEMENTS**

**6.01 Capital Improvements** Association and City agree and acknowledge that the City shall provide funds when available for the costs of additions, replacements, renovations or significant upgrades of or to the Improvements on the Premises, including building exteriors and major building systems (such as HVAC, mechanical, electrical, plumbing, security, structural or roof) that significantly increase the capacity, efficiency, useful life or economy of operation of the Improvements or their major systems. The ASSOCIATION shall maintain the interior of the facility and its furnishings and equipment in good working order. The Association is responsible

for repairs to the interior of the facility. The Association is responsible for any repairs or replacement of furnishings, or equipment, as listed in an inventory list developed jointly by the Association and the City. The City must be notified before any equipment or furnishings are discarded.

**6.02 Consent** Association shall not make any improvements, alterations or additions to the Premises without City's prior written consent. All improvements, alterations and additions shall be in conformity with the laws, directives, rules or regulations of all applicable public and governmental agencies. Prior to the commencement of any work relating to any repairs, alterations, improvements or additions , the Association must first request in writing to be approved by City.

**6.03 Notices** At least thirty (30) days prior to commencing any work relating to any improvements, alterations or additions approved by City, Association shall notify City in writing of the expected commencement date. In turn, if the City finds it necessary to commence any work, City must notify Association at least thirty (30) days prior to commencing any work. Prior to the commencement of any work relating to any repairs, alterations, improvements or additions , the Association must first request in writing to be approved by City. City shall have the right thereafter to post and maintain on the Premises such notices as City deems necessary to protect City and the Premises from mechanics' liens, material's liens or any other liens. Association shall pay, when due, all claims for labor and materials furnished to or for Association for use in improving the Premises. Association shall not permit any mechanics' or material's liens to be levied against the Premises arising out of work performed, materials furnished or obligations to have been performed on the Premises by or at the request of Association. Association hereby indemnifies and holds City harmless against loss, damage, attorneys' fees and all other expenses on account of claims of lien of laborers or material or others for work performed or materials or supplies furnished to Association or persons claiming under it.

**6.04 Signs and Advertising Matter** Association will not place, install, maintain or construct or allow any third party to place, install, maintain or construct any permanent sign, banner, flag, awning or canopy, covering, or advertising matter on the roof, or on any exterior door, wall or windows of the Premises without City's prior written consent, which shall not be unreasonably withheld. Association further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or window coverings in good condition and repair at all times. Association shall not display or sell any merchandise or allow carts, devices, vending machines or other objects to be stored or remain on the sidewalk or elsewhere outside of the defined exterior of the Premises without the prior written consent of the City.

## **ARTICLE 7 - MAINTENANCE AND REPAIRS**

### **7.01 City's Maintenance Obligations**

- (a) To the extent that the City, at the sole discretion of the City Council of the City of Santa Cruz, has the financial resources to do so the City shall maintain in good condition and repair the foundations, roofs, structural components, and exterior surfaces of exterior walls of the Building (including doors, door frames, windows, window frames); provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence or willful acts of Association, its officers, employees, representatives, agents, visitors, invitees or by reason of Association's failure to observe or perform any provisions contained in this Agreement or

caused by alterations, additions or improvements made by Association or its officers, employees, representatives, agents, contractors, subcontractors, laborers or materials, the cost of such repairs and replacements shall be the sole obligation of Association.

- (b) Association shall be solely responsible for all repairs to and maintenance of the Premises which are not expressly allocated to the City under this Agreement or by separate written agreement between the City and Association.
- (c) Unless Association notifies City in writing of the need for repairs under this provision, City shall not be liable for its failure to make such repairs. City shall be entitled to a reasonable period of time to affect such repairs upon receipt of said written notice from Association as determined by the City Council of the City of Santa Cruz in its sole discretion.
- (d) City will provide maintenance required to protect the collection.

**7.02 City's Right of Entry** City, its agents, contractors, employees and assigns may enter the Premises at all reasonable times to: (a) examine the Premises; (b) perform any obligation of, or exercise any right or remedy of, City under this Agreement (c) make repairs, alterations, improvements or additions to the Premises, the Building or as City deems necessary; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (e) show prospective tenants the Premises during the last six (6) months of the Term; and (f) perform work that City deems necessary to prevent waste or deterioration in connection with the Premises should Association fail to commence to make, and diligently pursue to completion, in a reasonable time as defined by City, Association's required repairs after written demand therefore by City. City will give a minimum of twenty-four (24) hours advance notice of such entry when practicable.

**7.03 Association's Maintenance Obligations**

- (a) Except as provided elsewhere in this Agreement, Association, at its sole cost and expense, shall keep the interior of the Premises in good order, condition and repair and shall make all replacements necessary to keep the Premises in such condition.
- (b) All replacement shall be of a quality equal to or exceeding that of the original item. Should Association fail to make these repairs and replacements or otherwise maintain the Premises for a period of three (3) days after delivery of a written demand by City, or should Association commence, but fail to complete, any repairs or replacements within a reasonable time after written demand by City, City shall have the right to make such repairs or replacements without liability to Association for any loss or damage that may occur to Association's stock or business, and Association shall pay for all costs incurred by City in making such repairs or replacements, together with interest thereon at the maximum rate permitted by law from the date of commencement of the work through the date of payment. Association shall, at its expense, repair promptly any damage to the Premises caused by Association, its agents, employees, visitors, invitees, assignees, or concessionaires, or caused by the installation or removal of Association's personal property.



## ARTICLE 8 – UTILITIES

- 8.01 Separate Charges.** The City shall pay for all water, gas, electricity, as required to operate the heat and security system, and security alarm service. The Association shall pay for telephone and data service, and any other metered utilities ( water, refuse) or otherwise separately charged to the Association. Once the ownership of the collection determined this article may be amended.

## ARTICLE 9 - INDEMNIFICATION AND INSURANCE

**9.01 Indemnification** The Association shall indemnify and hold harmless, the City and the City's elected officials, commissioners, officers, agents, and employees from every claim or demand, every liability, loss, damage or expense of any nature, which arises out of, or in connection with, the Association's performance and operation of the terms of this Agreement. The Association, at its own expense, cost and risk, shall defend any and all actions, suits or other proceedings that may be brought or instituted against the City and the City's elected officials, commissioners, agents, or employees, for any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the City and the City's elected officials, commissioners, officers, agents, or employees in any action, suit or other proceeding as a result thereof.

The City shall indemnify and hold harmless, the Association, officers, agents, and employees from every claim or demand, every liability, loss, damage or expense of any nature, which arises out of, or in connection with, the City's performance and operation of the terms of this Agreement. The City, at its own expense, cost and risk, shall defend any and all actions, suits or other proceedings that may be brought or instituted against the Association, elected officials, commissioners, agents, or employees, for any such claim, demand or liability, and shall pay or satisfy any judgment that may be rendered against the Association, elected officials, commissioners, officers, agents, or employees in any action, suit or other proceeding as a result thereof.

**9.02 Insurance Requirements** Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

- (a) **Minimum Scope of Insurance.** Coverage shall be at least as broad as the following:
  - (i) Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
  - (ii) Workers' Compensation insurance as required by the State of California.
  - (iii) Property insurance against all risks of loss to any Association improvements or betterments.
- (b) **Minimum Limits of Insurance.** Lessee shall maintain limits no less than the following:

- (i) General Liability. \$1,000,000 per occurrence for bodily injury, personal, (Including operations, injury and property damage, products, and completed operations).
  - (ii) Property Insurance. Full replacement cost with no coinsurance penalty provision.
- (c) Deductibles and Self-Insured Retentions. The City may choose to review deductibles and self-insured retentions on property insurance. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- (d) Other Insurance Provisions. The general liability policy is to contain, or be endorsed to contain, the following provisions:
- (i) The City of Santa Cruz, its officers, officials, employees, and volunteers are to be covered as insured's with respect to liability arising out of ownership, maintenance, or use of that part of the premises leased to the lessee.
  - (ii) The Lessee'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 Lessee's insurance and shall not contribute with it.
  - (iii) Coverage shall not be canceled, except after thirty (30) days' prior written notice has been given to the City.
- (e) Acceptability of Insurer. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.
- (f) Verification of Coverage. Lessee shall furnish the City with original certificates and amendatory endorsements effecting commercial general liability coverage required by this agreement. Upon request by the City, Lessee shall provide certificates evidencing the other coverages required herein. The endorsements should be on forms provided by the City or on other than the City's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the City before the Lease 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.

- (g) Increase in Coverage. City may increase or decrease the amount of commercial general liability insurance required herein, based upon a general review by City of the standard insurance requirements. Such changes in coverage shall be commercially reasonable at the determination of City. Changes in insurance amounts shall occur not more frequently than every two years. City will notify Lessee of any changes under this provision of this Agreement.
- (h) The City will obtain its own insurance policies for fire and extended coverage for the Premises and contents. The Association understands the City's current insurance policy for fire and extended coverage has a \$5,000 deductible. In the event of damage or loss to the Premises, the Association will be responsible for payment of the first \$1,000 deductible costs for said fire and extended coverage and the Association and City shall each pay pro-rata portions of any deductible costs for fire and extended coverage in excess of the first \$1,000.

**9.03 Association's Failure to Maintain Insurance** Association agrees that if Association does not maintain any insurance policy required under this Agreement or fails to pay any premiums when due, City may, at its election, either terminate this Agreement, require that the Premises be immediately closed pending reinstatement of insurance by Association, or obtain the necessary insurance and pay the premium.

**9.04 Waiver of Subrogation** Association and City each waive its right of recovery against the other, and each party's successors, assigns, directors, agents and representatives in connection with any loss or damage caused to property belonging to the Association or City which is covered by any insurance policy of either the Association or City in force at the time of any such loss or damage. Association and City hereby waive, on behalf of each party's insurance carriers, any right of subrogation it may have against the other party and each shall notify its carriers of the waiver contained herein.

**9.05 Waiver of Loss and Damage** City shall not be liable for any damage to inventory or other property of Association, or others, located in, on or about the Premises, nor for the loss of or damage to any property of Association or of others by theft or otherwise, which is not the direct result of City's negligence, and Association waives any claim against City with respect to such property. City shall not be liable to Association, Association's employees or representatives for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance or plumbing works or from the roof, street or subsurface or from any other places or by any other cause of whatsoever nature. City shall not be liable to Association, Association's employees or representatives for any such damage caused by other Associations or persons in the Premises, occupants of adjacent property, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of Association kept or stored on the Premises shall be so kept or stored at the sole risk of Association, and Association shall hold City harmless from any claims arising out of damage to the same, including subrogation claims by Association's insurance carriers, unless such damage shall be caused by the willful act or gross neglect of City.

**9.06 Notices by Association** Association shall give immediate notice to City in case of fire or accidents in or around the Premises or of any damage or defects in the Premises, or any fixtures or equipment therein.

## **ARTICLE 10 - ASSIGNMENT AND SUBLETTING**

### **10.01 Prohibition against Voluntary Assignment, Subletting, and Encumbering: Association's Request to City**

- (a) Association shall not under any circumstances voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except Association's authorized representatives) to occupy all or any part of the premises. Any assignment, encumbrance, or sublease shall be void ab initio and shall constitute a default. In this regard, the parties acknowledge that Lessor has agreed to lease the premises to Lessee for the normal rent specified in Article 1 in recognition of Lesser's unique ability and willingness to devote the premises to the public recreation use specified in section 1.06 and that but for Lessee's agreement to do so, Lessor would not enter into this lease agreement and would alternatively used leased the premises for a commercially more advantageous purpose. In light of the foregoing, the parties acknowledge that under these circumstances the prohibition here in specified is both reasonable and acceptable to the parties.

**10.02 Unauthorized Assignment or Sublease** Any attempted assignment or subletting without City's required consent shall be void ab initio and shall, at the option of City, terminate this Agreement. Any assignee, sublease or other recipient of Association's interest in this Agreement is hereby notified that such transfer is of no force or effect.

## **ARTICLE 11 - DEFAULT**

**11.01 Events of Default**. The occurrence of any of the following shall constitute a breach and material default of this Agreement by Association:

- (a) The failure of Association to pay or cause to be paid any rent, monies or other charges due City as set forth in this Agreement on or before the due date for payment of any such amounts;
- (b) The failure of Association to maintain all insurance coverage as set forth in Article 9.
- (c) The abandonment of the Premises by Association, which shall mean failure to operate as set forth in this Agreement for 30 consecutive days, except by prior written notice by Association and with the written consent of City;
- (d) The failure of the Association to use the premise for the purpose specified in section 1.06;
- (e) Except as otherwise provided in this Agreement, the failure of Association to do or cause to be done any act as set forth in this Agreement, if the failure continues for fifteen days (15) consecutive days after notice has been given to Association. However, Association shall not be in default of

this Agreement if Association commences to cure the default within said fifteen (15) day period and diligently and in good faith continues to cure the default to the satisfaction of the City;

- (f) Association causing, permitting or suffering, without the prior written consent of City, any act when this Agreement requires City's prior written consent or prohibits such act; or
- (g) Any act of bankruptcy caused, suffered or permitted by Association. For the purposes of this Agreement, "act of bankruptcy" shall include any of the following:
  - (i) Any general assignment or general arrangement for the benefit of creditors;
  - (ii) The filing of any petition by or against Association to have Association adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, unless such petition is filed against Association and the same is dismissed within sixty (60) days;
  - (iii) The appointment of a trustee or receiver to take possession of substantially all of Association's assets located in the Premises or of Association's interest in this Agreement.

**11.02 Notice of Default and Opportunity to Cure.** City shall give written notice to Association of any Event of Default on the part of Association. Said notice shall specify the nature of the act, omission, or deficiency giving rise to the Event of Default. In addition, if the Event of Default is curable, and does not give rise to an imminent danger to health or safety, the notice shall also specify the action required to cure the default, and a reasonable date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which Association must take or commence such action to cure. If the notice specifies only a commencement date for the cure, Association must commence such cure within the specified time and shall diligently pursue the cure to completion within a reasonable time thereafter.

## **ARTICLE 12 - DAMAGE OR DESTRUCTION**

### **12.01 City's Duty To Repair**

- (a) If the Premises are destroyed or materially damaged from a cause not insured against under a fire or casualty insurance required herein, or if the amount of available insurance proceeds, including deductible costs, is not sufficient to completely repair or restore any such damage or destruction, City shall have the right to terminate this Lease by giving written notice of termination to Association within thirty (30) days after the date of the damage or destruction. If the Lease is not terminated, then City shall diligently proceed to repair and restore the Premises to the extent that insurance proceeds, including deductible costs, are sufficient to completely repair or restore any such damage or destruction.
- (b) If the Premises are materially damaged or destroyed from a cause covered by a fire or casualty insurance required herein, and it can be repaired or restored within ninety (90) days after commencement of repair or

restoration, then City shall diligently proceed to repair and restore the Premises. If City determines that the Premises cannot be repaired or restored within this period, then City shall have the right to terminate this Lease by written notice to Association given within sixty (60) days after the date of the damage or destruction, and Association's obligation to pay Rent and other charges under this Lease shall terminate as of the date of the damage or destruction, or the date Association ceases to do business at the Premises, whichever date is later.

- (c) If the Premises are damaged to the extent of fifty percent (50%) or more of the replacement cost, City may elect to terminate this Lease by written notice to Association given within sixty (60) days after the date of the destruction.
- (d) Except as otherwise provided in this Agreement, damage to or destruction of the Premises shall not terminate this Agreement or result in the abatement of any rent or other charges payable under this Agreement.
- (f) City's duties of repair and restoration under the provisions of this Lease shall be subject to the City's financial ability as determined by the City Council of the City of Santa Cruz in its sole discretion, to effect such repairs or restorations and shall extend only to those portions of the Premises insured under a policy of fire or casualty insurance required herein, and City shall not be responsible for any loss, damage, or destruction to Association's personal property, trade fixtures, merchandise, inventory or equipment.

**12.02 Association's Duty to Repair or Replace** Except as otherwise provided herein, City's obligation to restore shall not include the restoration or replacement of Association's personal property, fixtures, merchandise, inventory, or equipment. Association shall restore and replace said items in the event that City is obligated or elects to repair any damage or destruction of the Premises.

## **ARTICLE 13 - MUSEUM ASSOCIATION RULES AND REGULATIONS**

**13.01 Rules and Regulations** Association acknowledges and understands that the Premises are located on property of City which is under exclusive control of City. By executing this Agreement, Association agrees to abide by all laws, ordinances, directives, rules, and regulations promulgated by the City Council of the City of Santa Cruz now existing or hereafter made for the government, management, maintenance, operation or improvement of the facility. Association further agrees that such laws, ordinances, directives, rules, regulations or conditions as may be imposed by City through its City Council, administrative officers, department heads or duly authorized representatives, shall be subject to immediate compliance by Association without question or qualification as to the validity or reasonableness thereof.

## **ARTICLE 14 - MISCELLANEOUS**

**14.01 Attorneys' Fees** In the event of any legal action, arbitration, or proceeding between the parties, the prevailing party shall be entitled to reasonable attorneys' fees and expenses as a part of the judgment or award resulting there from.

**14.02 Sale or Lease of the Premises by City.** Notwithstanding any provisions of this Agreement, City may assign in whole or in part City's interest in this Agreement and may sell all or part of City's leasehold interest in the real estate of which the Premises are a part. In the event of any sale or exchange of the Premises by City and assignment by City of this Agreement, City shall be entirely freed and relieved of all liability under all covenants and obligations contained in or derived from this Agreement or arising out of any act, occurrence or omission relating to the Premises which occurs after the consummation of such sale, exchange or assignment.

**14.03 Liability to Successors** The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto who shall be jointly and severally liable for the covenants contained herein.

**14.04 Interpretation** Whenever the singular number is used in this Agreement, the same shall include the plural. Reference to any gender shall include the masculine, feminine and neuter genders, and the word "person" shall include corporation, firm or association, when required by the content.

The headings or titles to the paragraphs of this Agreement are for convenience only and do not in any way define, limit or construe the contents of such paragraphs. This instrument contains all of the agreements and conditions made between the parties with respect to the hiring of the Premises and may not be modified orally or in any manner except by a written instrument signed by all the parties to this Agreement.

The laws of the State of California shall govern the validity, performance and enforcement of this Agreement. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Agreement and such other provisions shall remain in full force and effect. If any provision of this Agreement is capable of two constructions, one which would render the provision void and one which would render the provision valid, the provision shall be interpreted in the manner which would render it valid.

Except as may otherwise be expressly stated, each payment required to be made by the Association shall be in addition to and not in substitution for other payments to be made by Association.

**14.05 Time** Time is of the essence in this Agreement.

**14.06 Force Majeure** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to that resulting from such prevention, delay or stoppage. However, Association's obligations to make payment for rental and other charges pursuant to the terms of this Agreement shall be excused or reduced only as elsewhere specifically provided in this Agreement.

**14.07 Notices** All notices to be given by one party to the other or options to be exercised under this Agreement shall be in writing, mailed or delivered to City and Association at the following addresses:

**City**

City of Santa Cruz  
Attn. City Manager  
809 Center Street  
Santa Cruz, CA 95060

**Association**

Santa Cruz Museum Association  
1305 East Cliff Drive  
Santa Cruz, CA 95062

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid, and shall be deemed to have been given on the date of posting in the United States Postal Service.

Either party may, by proper notice, at any time designate a different address to which notices shall be sent.

**14.08 Relationship of Parties** The relationship of the parties hereto is that of City and Association and it is expressly understood and agreed that City is not in any way or for any purpose a partner of Association, or a joint venturer with Association in the conduct of Association's business or otherwise.

**14.09 Waiver** The waiver by City of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Association of any term, covenant or condition of this Agreement, other than the failure of Association to pay the particular rental so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Agreement shall be deemed to have been waived by City, unless such waiver is in writing by City.

**14.10 Recycling Activities** Association agrees to participate, to the greatest extent possible, in all existing or future recycling activities initiated or arranged by City.

**14.11 MacBride Principles and the Peace Charter** The City Council of the City of Santa Cruz approved Resolution No. S-19,378 on the 24th day of July 1990, endorsing the MacBride Principles and Peace Charter and encourages all companies doing business in Northern Ireland to abide by the MacBride Principles and Peace Charter.

SIGNATURE PAGE FOLLOWS



The parties have executed this Agreement as of the date first written above.

**CITY:**

City of Santa Cruz  
a California municipal corporation

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

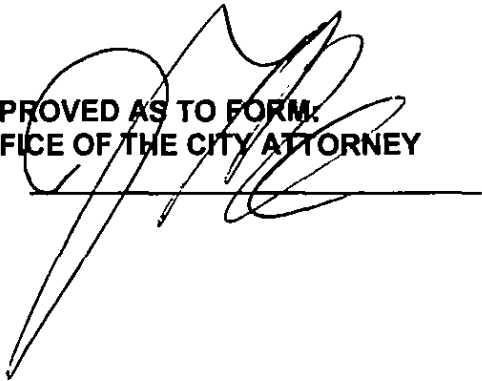
Its: City Manager

**ASSOCIATION:**

Santa Cruz Museum Association

By: \_\_\_\_\_  
Museum Association

APPROVED AS TO FORM.  
OFFICE OF THE CITY ATTORNEY  
By: \_\_\_\_\_



Date: 11-30-16

**Exhibit A**  
**Location of Premises of Santa Cruz Museum Association**

[Print](#)



Address **1305 E Cliff Dr**  
**Santa Cruz, CA 95062**

Notes

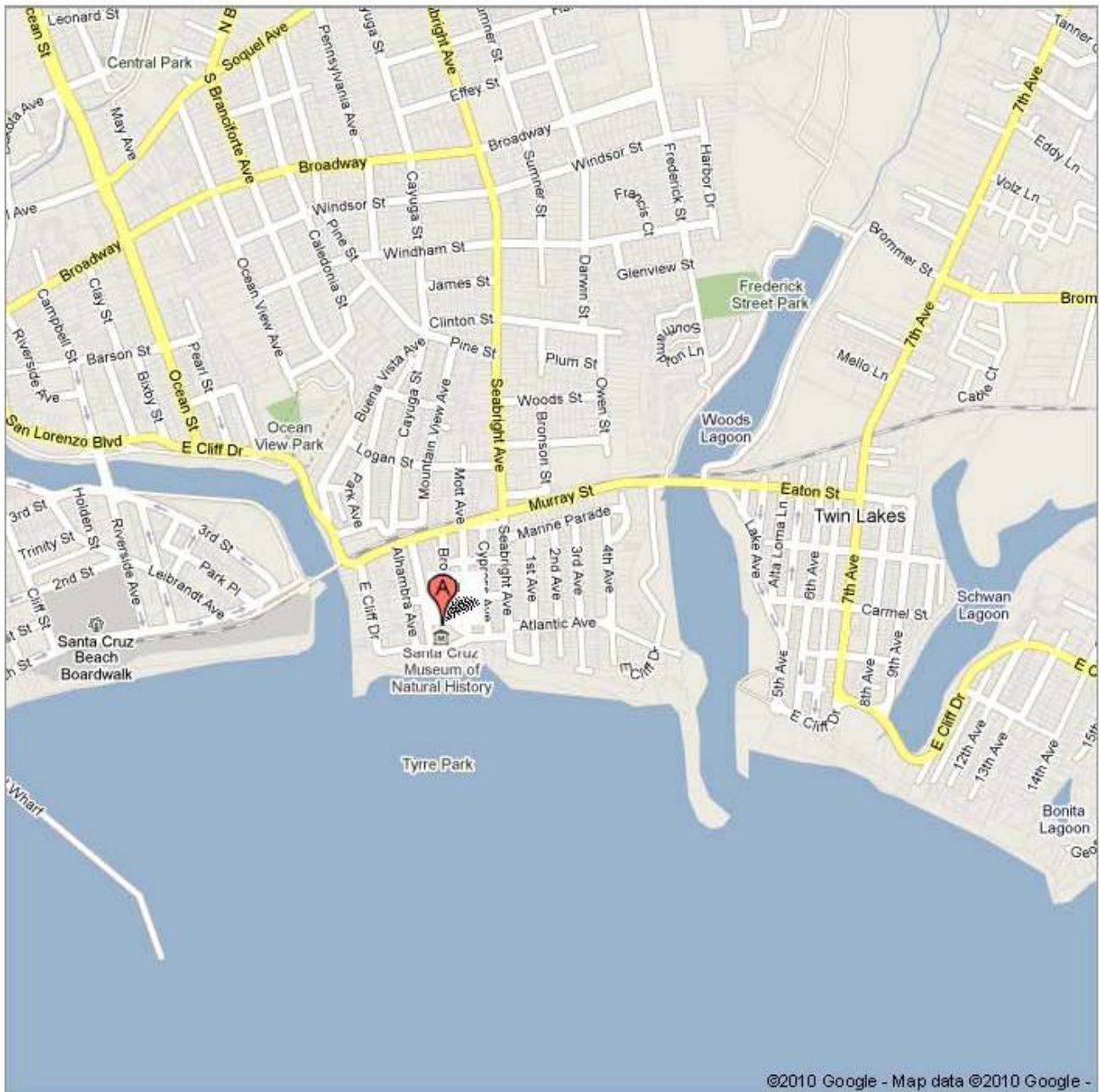
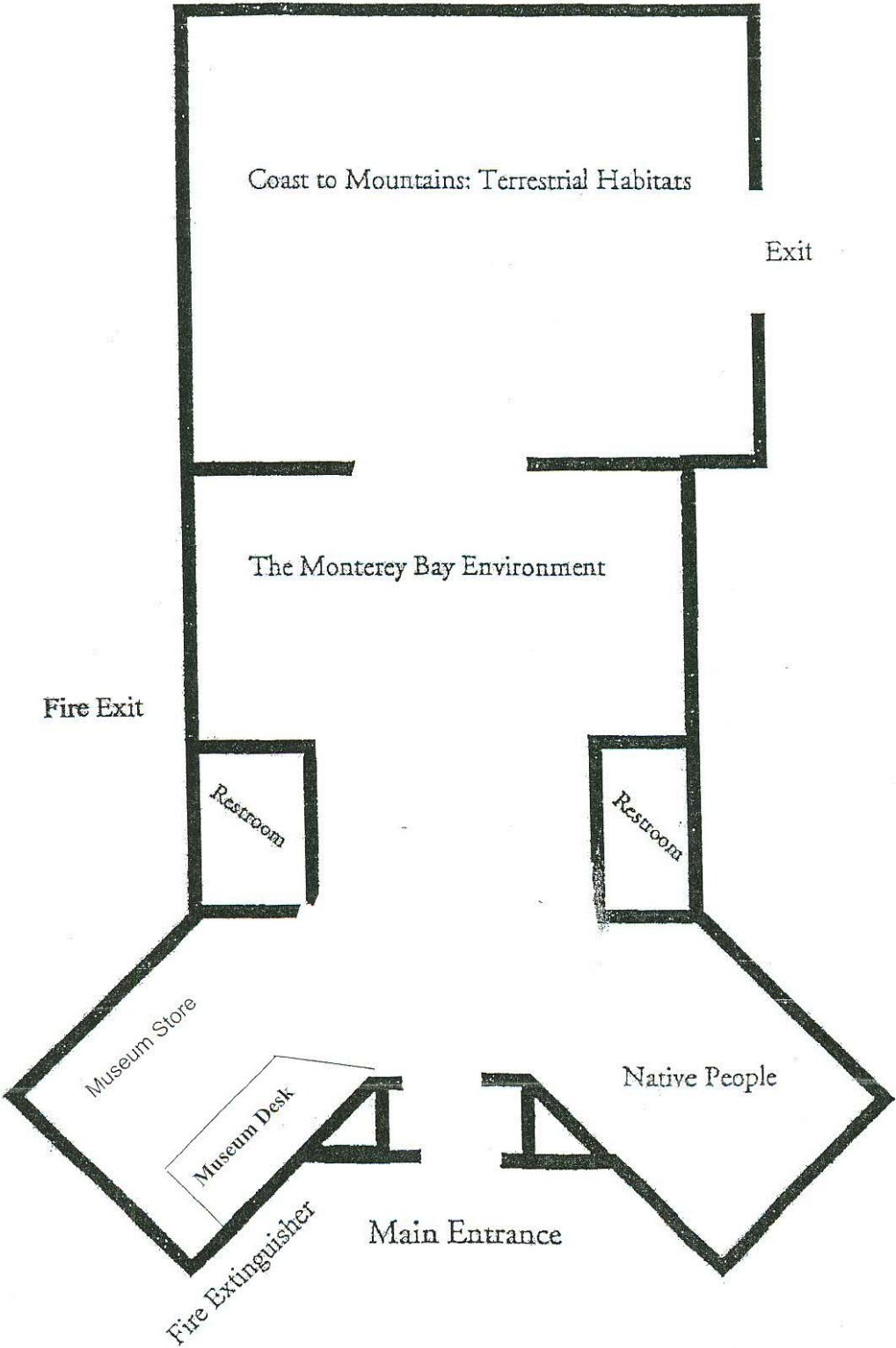


Exhibit B  
Floor Plan of Premises



RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE A LEASE  
AGREEMENT WITH THE SANTA CRUZ MUSEUM ASSOCIATION FOR THE USE OF  
THE NATURAL HISTORY MUSEUM AT 1305 EAST CLIFF DRIVE

WHEREAS, the Santa Cruz Museum Association has been in a partnership with the City of Santa Cruz in the operation of the Museum of Natural History for over fifty years; and

WHEREAS, the Santa Cruz Museum Association took over the operation of the Museum of Natural History in February 2008 after the City Council approved Phase 9 Budget Reduction Plan which consisted of the reduction of a number of programs and closure of city facilities including the Museum of Natural History; and

WHEREAS, the Santa Cruz Museum Association has operated the Museum of Natural History since February 2008 and is interested in entering into a long term lease with the City of Santa Cruz for the use of the museum facility.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby authorizes and directs the City Manager to execute a lease agreement with the Santa Cruz Museum Association for the use of the Natural History Museum facility in a form acceptable to the City Attorney.

PASSED AND ADOPTED this 14<sup>th</sup> day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk



## CITY COUNCIL AGENDA REPORT

DATE: 12/6/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Parks and Recreation

SUBJECT: Stroke Center Building Demolition - Delaveaga Park. (PK)

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**RECOMMENDATION:** Motion to authorize the City Manager to advertise for bids and enter into an agreement in a form acceptable to the City Attorney for demolition of the Stroke Center Building in Delaveaga Park.

Resolution appropriating funds and amending the FY 2011 budget in the amount of \$100,000 to cover the costs associated with demolition of the Stroke Center Building in Delaveaga Park.

Resolution authorizing the City Manager to apply for and, if funded, accept a grant from the Redevelopment Agency Brownfield Revolving Grant Fund in for lead and asbestos removal an amount not to exceed \$75,000.

---

**BACKGROUND:** In September of 2010, the City Council accepted a report (see attached) from the City's Chief Building Official which identified the Stroke Center facility's many deficiencies: structural, electrical, plumbing, and mechanical as well as various accessibility and building code issues. Cost of rehabilitation was estimated to exceed the costs of demolition and rebuilding. City Council also authorized staff to enter into an agreement with a qualified firm to perform an environmental assessment of the facility noting that the assessment would help to determine what types, if any, environmental hazards were present on site in order to ascertain how to best move forward with demolition.

**DISCUSSION:** Staff contracted with Weber, Hayes and Associates of Watsonville to complete an assessment of the site in November 2010. Findings concluded that there were no environmental concerns associated with the site other than the presence of lead and limited asbestos in the building materials. The estimated cost for abatement of the lead and asbestos, air monitoring, project oversight and required reporting is approximately \$75,000. Costs associated with this portion of the project are eligible for grant funds through the Redevelopment Agency Brownfield Revolving Grant Fund. Staff will apply for these funds and if approved, begin the process of abating the lead and asbestos.

After reviewing the Chief Building Officials report, staff recommends moving forward with the demolition of the building. In order to accomplish this, staff needs to prepare specifications and solicit bids for the project. The Chief Building Official received an estimate of \$88,500 in May of this year for the demolition of the building. This cost did not include project management or bidding costs which staff estimates would bring the total cost for demolition up to approximately

\$100,000 excluding the asbestos and lead removal, monitoring and reporting associated with the abatement which should be paid for through the grant fund listed above.

There are currently no plans for the site after demolition. Staff will develop a public process to determine possible future uses later next year as directed by City Council at the September 14, 2010 Council meeting.

FISCAL IMPACT: Staff recommends that \$100,000 be transferred from the City's Public Trust Fund, as discussed previously, in order to fund the demolition of the building. The additional \$75,000 estimated for the lead and asbestos abatement should qualify for funding from the Redevelopment Agency's Brownfield Revolving Grant Fund.

Prepared by:  
Carol Scurich  
Recreation Superintendent

Submitted by:  
Dannettee Shoemaker  
Director of Parks and Recreation

Approved by:  
Martin Bernal  
City Manager

**ATTACHMENTS:**

FYI prepared by John Ancic, City Building Official  
Attachments for FYI  
Aerial Photo for FYI  
Budget Adjustment  
Resolution



## INFORMATION REPORT

DATE: December 1, 2010

TO: City Manager  
DEPARTMENT: Planning and Community Development  
SUBJECT: Stroke Center – 501 Upper Park Road.

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APPROVED: DATE:

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### BACKGROUND

After approximately 35 years of use by Cabrillo College as a stroke rehabilitation facility, a City-owned building known as the Stroke Center, located at 501 Upper Park Road, is going to be returned to the City of Santa Cruz when the lease expires in August of 2010.

At the request of the City Manager, an inspection of the referenced building was performed by representatives of City Building Inspection staff and Devcon Construction. The intent of the inspection was to evaluate the building for consideration of future use.

This report covers the building components that were readily accessible and visible at the time of inspections and defines conditions observed. It excludes any testing or exploratory demolition. If a more detailed inspection is required, it is recommended that a private specialty inspection company or an investigative engineering firm be retained for that purpose.

This report contains the following:

1. Recommendations and findings of the Building Official based on inspections and applicable codes.
2. Aerial photo of site.
3. Two reports by the representatives of Devcon Construction.
  - Visual Assessment by Kevin Menninger, Structural Engineer.
  - Cost Analysis by Doug Maher, Architect.
4. Report by City Manager David C. Koester, dated May 5, 1980.

## **BUILDING DESCRIPTION**

The building is comprised of four separate structures: three metal-framed, metal-sided buildings and an attached wood frame structure that is joined together by courtyards and connecting hallways. The entire structure has a footprint of approximately 18,300 square feet (see attached photo and Kevin Menninger's Report I).

There are no plans or construction records available for the buildings. The City acquired the building in 1976. The three metal buildings are reportedly military surplus buildings that were erected by the US Navy along with the wood-frame portion of the building shortly after or during World War II. Observations of the materials and methods of construction bear this out. The building was not particularly well-built or intended for continuous occupancy, as evidenced by the life-safety upgrades performed by the City in 1980 (reference attached report May 5, 1980, by City Manager David C. Koester), but then was upgraded to accommodate the Stroke Center in 1980. The building is not designated a historic structure nor does it have any apparent historic significance.

## **CODE CLASSIFICATION AND BUILDING USE**

The building is classified as B Occupancy Type VB with fire sprinklers. The use of the building is for physical therapy services with offices and instructional rooms.

## **DEFICIENCIES OBSERVED**

### ***Structural***

The wood-frame portion of the building shows signs of severe moisture damage caused by standing water under the building and compromised rainwater management systems including downspouts, gutters and courtyard drains.

This damage includes building settlement as evidenced by stress cracking at exterior windows and stucco siding, damaged underpinnings and floor joists, buckled and warped floors, and water damaged ceiling due to roof leaks. There is also evidence of settlement in the steel building in the form of cracks and fissures in the walls. At the time of inspection, a musty odor, possibly caused by the roof leaks and standing water under the building, was prevalent throughout the building; this odor can be indicative of the presence of mold or mildew and poses a health risk of unknown consequence.

### ***Electrical***

Electrical Systems are antiquated and pose the potential for shock or fire hazard. At the time of inspection, the Stroke Center staff reported that the electrical systems required continuous monitoring due to problems with power interruptions at outlets and tripping circuit breakers.

### ***Plumbing***

The sanitary plumbing systems are antiquated and pose the potential for health hazards. The Stroke Center staff reported numerous past and continued stoppages of the toilets and waste



plumbing. Leaking deteriorated sanitary piping may be contributing to the standing water under the building.

***Mechanical/Heating***

Approximately ten years ago, the boiler hot water heating system failed and was replaced with a forced air heating system. This heating system is comprised of several residential type forced air furnaces and related ducting. This installation was a stop gap measure and was done without inspections, permits or the required energy analysis. Considering the lack of insulation in the building, and the high conductivity of the metal cladding of the building resulting in heat loss, it can be presumed the mechanical systems are not in compliance with energy codes and operate contrary to City energy management practices and policies.

***Accessibility***

Over time, the building has been modified and features such as access ramps, grab bars and automatic doors have been added to help facilitate treatment of stroke patients. However, these upgrades are inconsistent and non-compliant in part or total and fall far short of current accessibility standards as they exist, contrary to the Federal Accessibility Guidelines (ADA) and the accessibility upgrades done to all other City facilities in the mid-1990's.

***Hazardous Materials and Substance***

Asbestos was a material commonly used in various building components such as floor coverings, wall boards, ceiling finishes and heating pipe insulation, at the time the building was constructed. Evidently, asbestos insulation was abated from the piping that supplied the heating system at locations where it was exposed. However, asbestos pipe insulation may remain in concealed spaces, as well as in other building components such as floor coverings, wall boards and ceiling finishes. Lead paint, now recognized as a hazardous material, was in common use at the time the building was constructed and is no doubt applied throughout the building.

***Building Code Issues and Considerations***

The building codes state that if a building's use or occupancy is changed, the building must be brought up to current codes in its entirety. In other words, it must be treated as if it is a new building. Therefore, if the building is to be considered for another use, prior to occupancy it would have to be brought up to current codes in its entirety, including all structural components, electrical, mechanical, plumbing and fire suppression systems. It would also have to meet all current accessibility and energy requirements. Furthermore, the building cannot be occupied, under any circumstances, until all the substandard conditions and deficiencies listed above have been corrected and all conditions that would pose any health risk to any occupants have been mitigated. Additionally all policies and programs that have been adopted by the City, such as energy efficiency and access compliance measures, would also have to be met prior to occupancy.

### **Summary and Recommendations**

Although structurally the building does not pose an imminent life safety hazard, it is substantially deficient at all levels and does not meet code minimums. The electrical system is antiquated and potentially hazardous. The mechanical/heating and plumbing systems are antiquated and/or inefficient. The building contains potentially hazardous materials and substances. The costs and efforts involved in rehabilitating the building for re-occupancy or reuse outweigh any benefit gained in that the costs for rehabilitation are estimated to be higher than the cost of demolition and the construction of a new, similar building meeting current codes (Kevin Menninger Report I and Doug Maher Report II).

The building has outlived its useful and intended purpose. The building should be vacated and secured from unauthorized entry. The electrical system, except for selected circuits that can be safely used for security lighting and building maintenance, should be disconnected or shut down. Even if the building is secured, there is the potential of it becoming an attractive nuisance. To avoid the cost and efforts involved in security and maintenance, consideration should be given to demolishing the building, using best recycling and waste management practices, as soon as conveniently possible.

Submitted by:

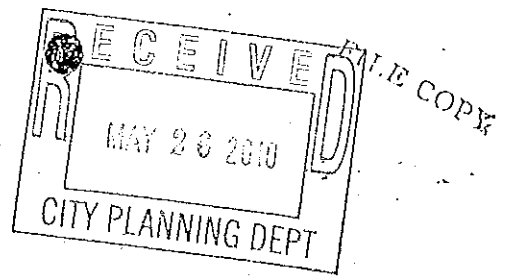
John Ancic,  
Building Official

#### Attachments:

- Aerial photo of the Stroke Center
- Report by City Manager David C. Koester dated May 5, 1980;
- Visual Assessment of Existing Facility by Nishkian Menninger, Consulting and Structural Engineers;
- Cost Analysis by Doug Maher, Architect, dated May 20, 2010.

Photos on file with Building Official and City Manager.
---

CITY OF SANTA CRUZ  
CALIFORNIA



Date May 5, 1980

TO Mayor and Members of the City Council  
FROM Office of the City Manager  
SUBJECT DE LAVEAGA CENTER: STROKE ACTIVITY CENTER

Recommendation: That the City Council (1) authorize a fund transfer of \$43,000 from account 20-59290 (Sycamore Grove) to account 20-59090 (DeLaveaga Center) in order to rehabilitate the Center, and (2) forego the normal bidding process by declaring the existence of an emergency.

Discussion

In 1974 the U.S. Navy indicated its intention to vacate the Navy Reserve Center in DeLaveaga Park. In 1975, upon Council's direction, the Parks and Recreation Commission established a subcommittee and charged it with the task of identifying possible uses for this facility. The subcommittee conducted numerous public hearings and reviewed various suggestions regarding its use. Among the many uses considered by the subcommittee was a proposal submitted by the Stroke Activity Center.

In 1975 the Parks and Recreation Commission approved the subcommittee's recommendation that the Stroke Center be permitted to use the facility. This recommendation was subsequently forwarded to, and approved by, the City Council in early 1976. At that time, the Council instructed staff to prepare cost figures for the development, refurbishing and operational cost for this facility. Based on available estimates, the Council appropriated some \$29,000 to partially refurbish the facility and to pay the first year's operating costs. The Council also authorized the Stroke Center's use of the building.

As the Council is aware, the Stroke Center provides a valuable service to the community. The purpose of the Center is to teach people who have suffered a stroke or other neurological illness to attain the maximum level of independence. The Center also offers education and counseling for both stroke victims and their families. The Center is supported financially and otherwise by a variety of agencies and community groups.

Due to the phenomenal success of its program, the Center has increased its clientele and concomitantly its need for space. From 30 clients per day in 1976, the Center is now serving some 70 persons daily. The need for floor space has also grown, from about one quarter of the building in 1976 to practically the entire facility in 1980.

Luring deliberations for the Capital Improvement Program budget for Fiscal Year 1979-80, the Council considered a funding request by the Parks and Recreation Department to improve the DeLaveaga Center. The funds, totaling \$51,000, were to be used to remodel the exterior including painting; to repair the heating system by installing a back-up boiler; and to reinstall a restroom in the front section of the building.

Recently, in the course of inspecting the building to undertake these improvements, staff learned of certain deficiencies in the structure which could pose a fire hazard to participants and staff. The hazard may be attributed largely to the building material utilized in constructing portions of the structure.

Once the seriousness of the situation became evident, the Center's Director was notified immediately. Additionally, a special City Task Force was established to address this problem. The Task Force consisted of the Fire Chief, Chief Building Official and Risk Manager. The Task Force identified three major options:

1. Evict the tenants.
2. Implement mitigating measures to permit continued use of the structure.
3. Find a replacement facility and relocate the tenants.

Given the absence of available facilities which can accommodate the needs of the Stroke Center, as well as a desire to not lose this important and valuable community service, the only option viable in the short term appeared to be to identify and effectuate mitigating measures. After consulting with the Center's staff, the following procedures were implemented:

1. Use of the structure was restricted to the eastern portion of the building.
2. Remaining areas were closed and clearly marked with rope, signs, etc.
3. A standby fire fighter was assigned to the facility during hours of operation, normally Monday through Thursday, 10:00 a.m. to 2:00 p.m.
4. Smoking was prohibited in the building.

Once these interim measures were put into effect, City staff began to search for new quarters; to assess the structure's deficiencies; and to prepare detailed cost estimates of the repairs necessary to have a safe, satisfactory and usable facility.

The U.S. Army was contacted regarding possible use of the Army Reserve Building on Swift Street, which is presently vacant. While the Army indicated this inquiry would be given due consideration, it is not prepared to make a commitment at this time. Moreover, the Army stated it may begin utilizing this facility once again.

This office believes that even if the Army responds affirmatively, it is doubtful whether the structure will remain available on a long term basis. Consequently, it was determined to ascertain precisely what repairs are necessary at the Center, and identify resultant costs. What follows is an itemization of these findings:

1. Install automatic sprinkling system . . . . .	\$ 60,000
2. Install steam boiler . . . . .	1 30,000
3. Repair corridors, walls, ceilings and doors . . . . .	22,125
4. Repair electrical system . . . . .	4,240
Total estimated cost . . . . .	\$116,365

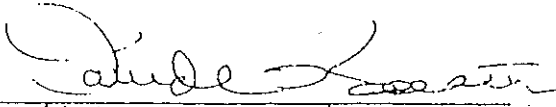
In discussing these estimates with the Stroke Center's staff, it was learned that Cabrillo College is prepared to make available \$25,000 as an advanced payment on lease fees. In addition, the Parks Department has not expended about \$49,000 of the \$51,000 originally appropriated for DeLaveaga Center in the present CIP budget. This leaves a shortfall of about \$43,000. It should be pointed out that Mr. Chuck Carter, Dean of Special Services at Cabrillo, has indicated the \$25,000 must be encumbered by May 15, so it is important that the Council indicate at its May 13 meeting whether it wishes to support refurbishing the Center.

In conclusion, this office believes there are essentially two alternatives for the resolution of this matter: Either refurbish DeLaveaga Center or continue to explore the use of the Army Reserve building. Because of the uncertainty associated with the second option, this office recommends the City should proceed to improve DeLaveaga Center. This option allows the Stroke Center to remain in operation at this site. In our view, the Stroke Center provides a valuable service, results in numerous benefits, and possesses widespread community support.

To effect these improvements, a fund transfer of \$43,000 from account 20-59280 (Sycamore Grove) to account 20-59080 (DeLaveaga Center) is requested. In order to undertake and complete the improvements in an expeditious manner, it is further requested that Council authorize staff to forego the normal bidding process.

The Charter states that the bidding procedures must be followed unless the Council declares, by resolution, that an emergency exists which poses an imminent threat to life, health or property. Such resolution must state the facts constituting the emergency and must be passed by an affirmative vote of at least five councilmembers.

It is our opinion that the present circumstances meet this requirement.

  
David C. Koester, City Manager

### Visual Assessment of Existing Facility

We visited the existing facility and performed a walk through evaluation. No as-built plans or other documents were available for review. No material testing of the existing construction was completed, and no calculations were performed to verify the adequacy of the existing structure.

#### Description

The existing facility is of unknown age, but reportedly over 50 years old. This one story structure consists of 4 rectangular shaped buildings joined together in the shape of an E. Three of the buildings are pre-engineered metal warehouse buildings which are lined up and separated by 10 feet. These buildings were apparently moved to this location from another facility at least 50 years ago. The fourth building is a wood frame structure that connects all buildings together on one end. All of the buildings appear to be supported on shallow spread footings. Each of the metal buildings is approximately 40 feet by 100 feet in plan and the wood building is 23 feet by 164 feet. The metal buildings are connected with a hallway at about 30 feet from the front of the building.

#### Structural Review

All of these buildings are light weight, simple structure. The metal buildings resist lateral loads with rod bracing in the roof and walls in the long direction and gable frames across the width in the short direction. The long wood frame structure most likely has plywood or diagonal sheathing on the roof and walls to resist lateral loads. The low building mass and simple construction indicate that these structures would not pose a life-safety hazard for the maximum design earthquake. However these structures would not meet the structural requirements of the current building code. Items that would need to be addressed in the buildings include:

#### Metal Buildings

- Strengthen rod bracing system in the roof and walls
- Strengthen the gable frames
- Strengthen the connection between buildings or provide a seismic separation

#### Wood Frame End Building

- Strengthen the roof diaphragm
- Strengthen the exterior walls
- Add interior plywood shear walls in at least 2 locations
- Provide deepened foundation along south end and provide adequate crawl space and under floor ventilation.

It is anticipated that these required improvements in conjunction with any architectural, electrical and mechanical upgrades that would be required would exceed the value of the existing structure.

PROJECT: Stroke Center  
 501 Upper Park Road, Santa Cruz  
 TASK: Structural Up-Grade/New Building Rough Budgets  
 DATE: May 20, 2010  
 REVISED:  
 AREA: 16128

Item	Rough Budget To Up-Grade		New Similar Building Rough Budget	
	Value	\$/S.F.	Value	\$/S.F.
1 General Conditions	155,021.00	9.61	127,646.00	7.91
2 Demolition	88,704.00	5.50	71,400.00	4.43
3 Hazmat Removal Allowance	82,500.00	5.12	82,500.00	5.12
4 New Fire Line Allowance	110,000.00	6.82	110,000.00	6.82
5 Grading/Paving Patch	55,000.00	3.41	78,750.00	4.88
6 Underground Drainage Allowance	66,000.00	4.09	66,000.00	4.09
7 Landscape & Irrigation	27,500.00	1.71	27,500.00	1.71
8 Site Lighting	NIC	0.00	NIC	0.00
9 Site Concrete	33,000.00	2.05	33,000.00	2.05
10 Concrete Work	105,270.00	6.53	254,016.00	15.75
11 Masonry/Brick Work	32,472.00	2.01	27,122.00	1.68
12 Metal Building Work	82,500.00	5.12	284,130.00	17.62
13 Structural & Misc. Steel	81,180.00	5.03	16,078.00	1.00
14 Rough Carpentry	281,094.00	17.43	191,373.00	11.87
15 Wood Deck	58,080.00	3.60	55,440.00	3.44
15 Finish Carpentry	20,295.00	1.26	16,934.40	1.05
16 Cabinetry & Casework	37,950.00	2.35	36,225.00	2.25
17 Insulation	39,917.00	2.48	29,636.00	1.84
18 Roof Patch & Repair	57,213.00	3.55	83,826.00	5.20
19 Flashings & Downspouts	29,464.00	1.83	14,459.00	0.90
19 Waterproofing	8,640.00	0.54	8,247.00	0.51
20 Caulking & Sealants	4,950.00	0.31	4,725.00	0.29
21 Doors/Frames/Hardware	31,350.00	1.94	34,650.00	2.15
22 Glass & Glazing	58,080.00	3.60	80,640.00	5.00
23 Skylites	NIC	0.00	NIC	0.00
24 Metal Studs & Drywall	133,056.00	8.25	93,140.00	5.78
25 Lath & Plaster	76,508.00	4.74	60,858.00	3.77
26 Ceramic Tile	27,500.00	1.71	42,000.00	2.60
27 Acoustical Ceiling Tile	16,844.00	1.04	38,103.00	2.36
28 Floorcovering & Base	65,050.00	4.03	62,093.00	3.85
29 Painting	31,047.00	1.93	29,636.00	1.84
30 Bath & Misc. Accessories/Partitions	24,200.00	1.50	23,100.00	1.43
31 Plumbing	195,149.00	12.10	152,410.00	9.45
32 Fire Protection	75,399.00	4.68	67,738.00	4.20
33 HVAC	319,335.00	19.80	254,016.00	15.75
34 Electrical	266,112.00	16.50	220,148.00	13.65
35 Fire Life Safety	35,482.00	2.20	25,402.00	1.58
Subtotal	2,811,862.00	174.35	2,802,941.40	173.79
O.H. & Profit	112,475.00	6.97	112,118.22	6.95
Design & Engineering Fees	250,000.00	15.50	200,000.00	12.40
Special Inspection & Testing	25,000.00	1.55	25,000.00	1.55
Total Rough Budget	3,199,337.00	198.37	3,140,059.62	194.70

**Budget Clarifications:**

1. Up-Grade Rough Budget includes costs to seismically up-grade the building as well as provide provide ADA Compliance, up-date M/E/P Systems. It is not advisable to re-occupy the building until such work is complete.
2. The existing Wood Framed Structure Addition at the rear portion of the building will be removed and built back so that drainage, foundation and crawl space access issues can be addressed properly.
3. Both Budgets assume that the existing parking lot will remain unchanged.
4. The New Building Budget is a Rough Budget to Demo. the existing building completely, and providing a "like" building in its place.


**Budget Exclusions:**

1. City or Utility Company Connection or Disconnection Fees.
2. Plan Check and Permit Fees.
3. Removal of unforeseen underground obstructions.
4. Cost Solls Report and cost Impacts resulting from a Solls Report.





**NORTH**



0' 222'

Base Map Dated  
**1956**  
Flyer: Aero

Subject Site



**Weber, Hayes & Associates**  
Hydrogeology and Environmental Engineering  
120 Westgate Drive, Watsonville, CA 95076  
(831) 722 - 3580 Fax (831) 722 - 1159  
[www.weber-hayes.com](http://www.weber-hayes.com)

**Historical Photo 1956**  
**Phase I Environmental Site Assessment**  
501 Upper Park Road  
Santa Cruz, California



RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
AUTHORIZING THE CITY MANAGER TO APPLY FOR AND IF FUNDED, ACCEPT  
A GRANT FROM THE REDEVELOPMENT AGENCY BROWNFIELD REVOLVING  
GRANT FUND FOR COST OF ENVIRONMENTAL ABATEMENT

WHEREAS, the city owned Stroke Center facility needs to be demolished due to many deficiencies: structural, electrical, plumbing, and mechanical as well as various accessibility and building code issues, and;

WHEREAS, the cost of rehabilitation was estimated to far exceed the costs of demolition and rebuilding, and;

WHEREAS, a qualified firm has identified the environmental hazards in the facility and these hazards must be must be properly abated, and;

WHEREAS, the cost for abatement of these hazards is eligible for grant funding from the Redevelopment Agency Brownfield Revolving Grant Fund.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santa Cruz authorizes the City Manager to apply for and if funded, accept a grant from the Redevelopment Agency Brownfield Revolving Grant fund for cost of environmental abatement.

PASSED AND ADOPTED THIS 14th day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk





## CITY COUNCIL AGENDA REPORT

DATE: 12/6/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Parks and Recreation

SUBJECT: Acceptance of Grant - Proposition 84. (PK)

---

**RECOMMENDATION:** Motion to accept the \$1,792,000 grant from the State Office of Grants and Local Services (OGALS) for the purchase of property and development of a park in the Lower Ocean Street neighborhood and authorize the City Manager to execute a contract with the State of California to accept the grant.

Motion to Approve the purchase agreement between the City of Santa Cruz and John R. Giottonini and authorize the purchase of parcel #007-422-04; 007-422-15 and 007-422-16.

---

**BACKGROUND:** On November 7, 2006, California voters passed Proposition 84. The \$5.4 billion "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). Funding for the Statewide Park Program, a 368 million dollar grant program was made available through the Sustainable Communities and Climate Change Reduction Chapter in Proposition 84. On December 8, 2009, City Council authorized and directed the City Manager to execute all documents necessary to apply for the grant.

The Parks and Recreation Department applied for grant funding to acquire land and develop a neighborhood park in the Lower Ocean Neighborhood between Riverside and San Lorenzo Blvd.

On November 8, 2010, staff received official notification from the State Office of Grants and Local Services (OGALS) of its intention to award the City of Santa Cruz \$1,792,000 for the purchase of the property and the development of the new park in the Lower Ocean Street Neighborhood. Approximately 500 applications were submitted for this round of Prop 84 funds; only 62 grants were awarded.

**DISCUSSION:** Prior to applying for the grant, the City entered into a purchase agreement with the property owner. The purchase agreement was required prior to submitting the grant in order to lock in the purchase price and final grant amount. The agreement stipulated the contract was contingent upon: the City of Santa Cruz, California receiving a grant award from the State of California no later than October 31, 2010 in an amount sufficient to purchase and develop this property in accordance with a grant application to be submitted to the State by March 1, 2010. A copy of such grant application will be attached hereto and made a part hereof upon its completion and submittal. Close of escrow shall occur no later than 60 days after the City enters into a contract with the State to receive the grant.

Originally the State was to notify successful applicants at the end of September 2010. The actual award letter dated November 5, 2010 was received November 8, 2010 by the Parks and Recreation Department. This delay required slight amendments to the original purchase agreement to reflect the seller's willingness to accept the November 5th letter from the State awarding the grant rather than requiring that the City be in contract with the State of California by December 1, 2010. The addendum also notifies the City of the new parcel numbers for the three properties assigned by the County of Santa Cruz.

FISCAL IMPACT: Funds already budgeted (\$1,750,000 in 311-30-41-9110-43250/revenue and 311-30-41-9110-57312/expenditures for project c301103/Lower Ocean Neighborhood Park). Staff will return to City Council at a later date to request appropriation of the balance of the grant once a time line is established for construction of the park. The grant allows nine years to complete the project and fully expend the funds.

Submitted by:	Approved by:
Dannettee Shoemaker	Martin Bernal
Director of Parks and Recreation	City Manager

**ATTACHMENTS:**

Addendum

November 5, 2010 Notification Letter from the State

Purchase Agreement dated 2/10/2010

New Parcel APN Forms 1-3

Map





CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM

(C.A.R. Form ADM, Revised 10/01)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [ ] Residential Purchase Agreement, [ ] Manufactured Home Purchase Agreement, [ ] Business Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [x] Vacant Land Purchase Agreement, [ ] Residential Income Property Purchase Agreement, [ ] Commercial Property Purchase Agreement, [ ] other

dated January 25, 2010, on property known as 3 contiguous vacant lots

in which City of Santa Cruz California is referred to as ("Buyer/Tenant") and John R. Giottonini is referred to as ("Seller/Landlord").

1. Regarding paragraph 2E, the requirement that the buyer be in contract with the State of California to receive the grant by December 1, 2010 has been satisfied by the letter dated November 5, 2010 from the State to the City awarding the grant.

2. Regarding paragraph 30, Buyer and Seller agree that the letter dated November 5, 2010 from the State to the City awarding the grant satisfies the requirement that the City receive a grant award by October 31, 2010.

3. The parcel numbers have been changed by the County of Santa Cruz: Former parcel number 005-322-04 is now parcel number 007-422-04 Former parcel number 005-322-20 is now parcel number 007-422-15 Former parcel number 005-322-21 is now parcel number 007-422-16

4. Buyer and Seller agree to close this escrow as soon as possible.

5. All other terms remain unchanged.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date

Date 12/1/10

Buyer/Tenant City of Santa Cruz California

Seller/Landlord John R. Giottonini

Buyer/Tenant

Seller/Landlord

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Reviewed by Broker or Designee Date



ADM-11 REVISED 10/01 (PAGE 1 OF 1)

ADDENDUM (ADM-11 PAGE 1 OF 1)

Agent: Gary Gangnes Phone: (831) 464 - 4001 Fax: (831) 464 - 4010 Prepared using zipForm® software Broker: Real Options Realty 9000 Soquel Ave., Ste 100, Santa Cruz, CA 95062





November 5, 2010

Dannettee Shoemaker, Director, Parks and Recreation  
City of Santa Cruz  
323 Church Street  
Santa Cruz, CA 95060

Dear Dannettee Shoemaker,

Congratulations! The Office of Grants and Local Services (OGALS) is pleased to announce its intention to award \$1,792,000 for your Lower Ocean Neighborhood Park project.

Round One of the Statewide Park Program was intensely competitive and your project was one of the 62 selected for funding from a pool of almost 500 applications!

OGALS urges you to immediately start the project to take advantage of low construction prices. To ensure that your project will be completed without significant delays and that grant funds are spent on eligible costs, the grant contract will not be sent to you until the following obligation(s) is completed:

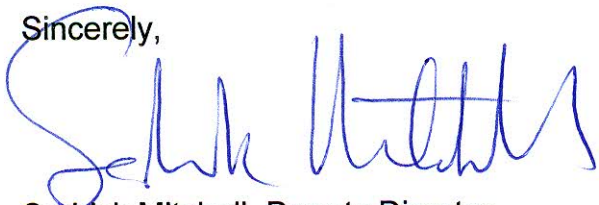
- **Mandatory Workshop.** Your project manager/grant administrator must attend the grant administration workshop on **Wednesday, December 8, 2010**, from 10:00 a.m. to 4:00 p.m. The workshop location is 1110 West Capitol Ave, West Sacramento, CA 95691. The workshop will cover the grant administration process, including audit requirements. Travel costs to the workshop can be charged to the grant.
- **Acquisition Pending.** OGALS will issue the grant contract after receiving evidence that a purchase agreement has been reached between your agency and the land owner, and escrow will be opened. OGALS may rescind the grant award if escrow is not opened within one year.

By signing the grant contract, your agency agrees to complete the project as described in the successful application. Payments can be made after the grant contract is signed by your agency's authorized representative and the state. You may refer to the Proposition 84 "Grant Administration Guide" for grant process information. It is available at [www.parks.ca.gov/grants](http://www.parks.ca.gov/grants). OGALS has assigned Project Officer Natalie Bee to assist you with the grant administration process. If you have questions please contact Natalie Bee at (916) 651-0564 or [nbee@parks.ca.gov](mailto:nbee@parks.ca.gov).

City of Santa Cruz  
Lower Ocean Neighborhood Park  
Page Two

Our partnership will deliver this exciting and much needed project to your community in a timely manner and within budget. Welcome to the State Parks family of Proposition 84 grantees!

Sincerely,

A handwritten signature in blue ink, appearing to read "Sedrick Mitchell". The signature is fluid and cursive, with a large initial "S" and "M".

Sedrick Mitchell, Deputy Director  
External Affairs

cc: Project File





BUYER NON-AGENCY AGREEMENT
(C.A.R. Form BNA, Revised 4/02)

1. PARTIES AND PROPERTY:

- A. John R. Giottonini ("Seller") is the owner of real property described as 3 contiguous vacant lots, Assessor's Parcel No. 005-322-04, 20, and 21, situated in Santa Cruz, County of Santa Cruz, California ("Property").
B. City of Santa Cruz California ("Buyer") has made, or is contemplating making, an offer to purchase the Property.
C. Real Options Realty ("Listing Broker") is a California real estate licensee, who has entered into a written agreement with Seller for the marketing and sale of the Property.
D. (if checked) ("Other Broker") is a real estate licensee, other than Listing Broker, who represents Buyer.

2. NO REPRESENTATION OF BUYER BY LISTING BROKER: Buyer understands and agrees to the following:

- A. Listing Broker does NOT represent Buyer and Listing Broker will NOT be Buyer's agent during any negotiation or transaction that results between Buyer and Seller regarding the Property. All acts of Listing Broker, even those that assist Buyer in entering into a transaction or performing or completing any of Buyer's contractual or legal obligations, are for the benefit of Seller exclusively. Any information that Buyer reveals to Listing Broker may be conveyed to Seller.
B. Listing Broker does NOT represent Buyer and Listing Broker will NOT be Buyer's agent even though Listing Broker may provide Buyer forms describing agency relationships as required by law or otherwise.

3. REPRESENTATION OF BUYER BY OTHERS: (check box that applies)

- Buyer is represented by Other Broker. Any questions that Buyer may have regarding the scope of that representation should be directed to Other Broker.
Buyer is not at this time represented by a real estate licensee. Buyer has the right to enter into an agency relationship with a real estate licensee, other than Listing Broker, at any time during any negotiation or transaction regarding the Property.

4. REPRESENTATION OF SELLER BY LISTING BROKER: Listing Broker will act as the agent of Seller exclusively during any negotiation or transaction regarding the Property.

- 5. STATUTORY AGENCY COMPLIANCE: (Applies if the Property includes residential property with one-to-four dwelling units)
A. DISCLOSURE: A "Disclosure Regarding Real Estate Agency Relationships" form is attached to provide additional information on the duties of a real estate broker to a buyer and seller in a transaction.
B. CONFIRMATION: Listing Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or coincident with Seller's execution of a purchase agreement.

6. OTHER ADVICE: Buyer is advised to seek real estate, legal, tax, insurance, title and all other desired assistance from appropriate professionals.

7. ACKNOWLEDGMENT:

By signing below, Buyer acknowledges that Buyer has read, understands, accepts and has received a copy of this Agreement.

Buyer [Signature] Date 2-3-10
City of Santa Cruz California
Address 809 Center Street City Santa Cruz State CA Zip 95060
Telephone Fax E-mail

Listing Broker (Firm) Real Options Realty
By (Agent) [Signature] Date 2-10-10
Real Options Realty
Address 9000 Soquel Avenue, Suite 100 City Santa Cruz State CA Zip 95062
Telephone (831) 464-4004 Fax (831) 464-4010 E-mail gary@ror.com

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Reviewed by Date



BNA REVISED 4/02 (PAGE 1 OF 1)

BUYER NON-AGENCY AGREEMENT (BNA PAGE 1 OF 1)

Agent: Gary Gangnes Phone: (831) 464 - 4001 Fax: (831) 464 - 4010 Prepared using WINForms® software
Broker: Real Options Realty 9000 Soquel Ave., Ste 100, Santa Cruz, CA 95062





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

VACANT LAND PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS  
(C.A.R. Form VLPA, Revised 11/07)

Date January 25, 2010, at Santa Cruz, California.

1. OFFER:

- A. THIS IS AN OFFER FROM City of Santa Cruz California ("Buyer").
- B. THE REAL PROPERTY TO BE ACQUIRED is described as 3 contiguous vacant lots, assessor's parcel numbers 005-322-04, 055-322-20, and 005-322-21, Assessor's Parcel No(s). 005-322-04, 20, and 21 situated in Santa Cruz, County of Santa Cruz, California, ("Property").
- C. THE PURCHASE PRICE offered is One million two hundred eighty-seven thousand five hundred Dollars \$ 1,287,500.00

D. CLOSE OF ESCROW shall occur on \_\_\_\_\_ (date) (or  \_\_\_\_\_ Days After Acceptance).

2. FINANCE TERMS: Obtaining the loans below is a contingency of this Agreement unless: (i) either 2D or 2L is checked below; or (ii) otherwise agreed in writing. Buyer shall act diligently and in good faith to obtain the designated loans. Obtaining deposit, down payment and closing costs is not a contingency. Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Buyer has given a deposit in the amount of \_\_\_\_\_ \$ \_\_\_\_\_ to the agent submitting the offer (or to  \_\_\_\_\_), by Personal Check (or  \_\_\_\_\_), made payable to \_\_\_\_\_, which shall be held uncashed until Acceptance and then deposited within 3 business days after Acceptance (or  \_\_\_\_\_), with Escrow Holder, (or  into Broker's trust account).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \_\_\_\_\_ \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance, or  \_\_\_\_\_.

C. FIRST LOAN IN THE AMOUNT OF \_\_\_\_\_ \$ \_\_\_\_\_  
 NEW First Deed of Trust in favor of  lender,  seller;

OR  ASSUMPTION of Existing First Deed of Trust; encumbering the Property, securing a note payable at maximum interest of \_\_\_\_\_ % fixed rate, or \_\_\_\_\_ % initial adjustable rate with a maximum interest rate of \_\_\_\_\_ %, balance due in \_\_\_\_\_ years, amortized over \_\_\_\_\_ years (OR, if checked,  payable in interest-only installments). Payments due  monthly,  quarterly,  semi-annually,  annually.  
Buyer shall pay loan fees/points not to exceed \_\_\_\_\_.

D.  ALL CASH OFFER (If checked): No loan is needed to purchase the Property. Buyer shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, provide Seller written verification of sufficient funds to close this transaction.

E. ADDITIONAL FINANCING TERMS: The buyer shall not make an initial deposit or increased deposit. The buyer will pay all cash at the close of escrow, provided the buyer receives a grant from the State of California specifically to purchase this property. If the buyer has not entered into contract with the State to receive the grant by December 1, 2010, seller may cancel this agreement.

F. BALANCE OF PURCHASE PRICE: (not including costs of obtaining loans and other closing costs) in the amount of \_\_\_\_\_ \$ 1,287,500.00 to be deposited with Escrow Holder within sufficient time to close escrow.

G. PURCHASE PRICE (TOTAL): \_\_\_\_\_ \$ 1,287,500.00

H. LOAN APPLICATIONS: Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall provide Seller a letter from lender or mortgage loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified above.

I. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 2H) shall, within 7 (or  \_\_\_\_\_) Days After Acceptance, provide Seller written verification of Buyer's down payment and closing costs.

J. LOAN CONTINGENCY REMOVAL: (i) Within 17 (or  \_\_\_\_\_) Days After Acceptance Buyer shall, as specified in paragraph 18, remove the loan contingency or cancel this Agreement; OR (ii) ( if checked), loan contingency shall remain in effect until the designated loans are funded.

K. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (OR, if checked,  is NOT) contingent upon the Property appraising at no less than the specified purchase price. If there is a loan contingency, at the time the loan contingency is removed (or, if checked,  within 17 (or  \_\_\_\_\_) Days After Acceptance), Buyer shall, as specified in paragraph 18, remove the appraisal contingency or cancel this Agreement. If there is no loan contingency, Buyer shall, as specified in paragraph 18, remove the appraisal contingency within 17 (or \_\_\_\_\_) Days After Acceptance.

L.  NO LOAN CONTINGENCY (If checked): Obtaining any loan in paragraphs 2C, 2E or elsewhere in this Agreement is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

M. SELLER FINANCING: The following terms (or  (if checked) the terms specified in the attached Seller Financing Addendum (C.A.R. Form SFA)) apply ONLY to financing extended by Seller under this Agreement.

(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or  \_\_\_\_\_) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

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Buyer's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
Seller's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





- (2) **TERMS:** Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 2C shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or  \_\_\_\_\_) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.
- (3) **ADDED, DELETED OR SUBSTITUTED BUYERS:** The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.
- N. ASSUMED OR "SUBJECT TO" FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 18, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 18B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.
3. **POSSESSION AND KEYS:** Possession and occupancy shall be delivered to Buyer at 12  AM  PM,  on the date of Close Of Escrow;  on \_\_\_\_\_; or  no later than \_\_\_\_\_ Days After Close Of Escrow. The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks.
4. **ALLOCATION OF COSTS** (If checked): Unless otherwise specified here, this paragraph only determines who is to pay for the report, inspection, test or service mentioned. If not specified here or elsewhere in this Agreement, the determination of who is to pay for any work recommended or identified by any such report, inspection, test or service is by the method specified in paragraph 18.
- A. INSPECTIONS AND REPORTS:**
- (1)  Buyer  Seller shall pay to have existing septic or private sewage disposal system, if any, inspected \_\_\_\_\_
- (2)  Buyer  Seller shall pay for costs of testing to determine the suitability of soil for sewage disposal \_\_\_\_\_
- (3)  Buyer  Seller shall pay to have existing wells, if any, tested for water potability and productivity \_\_\_\_\_
- (4)  Buyer  Seller shall pay to have Property corners identified \_\_\_\_\_
- (5)  Buyer  Seller shall pay for a natural hazard zone disclosure report prepared by JCP Geologists
- (6)  Buyer  Seller shall pay for the following inspection or report \_\_\_\_\_
- (7)  Buyer  Seller shall pay for the following inspection or report \_\_\_\_\_
- B. ESCROW AND TITLE:**
- (1)  Buyer  Seller shall pay escrow fee 50% each  
Escrow Holder shall be First American Title Company
- (2)  Buyer  Seller shall pay for owner's title insurance policy specified in paragraph 14 50% each  
Owner's title policy to be issued by First American Title Company  
(Buyer shall pay for any title insurance policy insuring Buyer's Lender, unless otherwise agreed in writing.)
- C. OTHER COSTS:**
- (1)  Buyer  Seller shall pay County transfer tax or transfer fee \_\_\_\_\_
- (2)  Buyer  Seller shall pay City transfer tax or transfer fee \_\_\_\_\_
- (3)  Buyer  Seller shall pay HOA transfer fees \_\_\_\_\_
- (4)  Buyer  Seller shall pay HOA document preparation fees \_\_\_\_\_
- (5)  Buyer  Seller shall pay for \_\_\_\_\_
- (6)  Buyer  Seller shall pay for \_\_\_\_\_
5. **STATUTORY DISCLOSURES AND CANCELLATION RIGHTS:**
- A. NATURAL AND ENVIRONMENTAL HAZARDS:** Seller shall, within the time specified in paragraph 18, deliver to Buyer if required by Law: (i) earthquake guides (and questionnaire) and environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

Buyer's Initials ( JS ) ( \_\_\_\_\_ )  
 Seller's Initials ( ARS ) ( \_\_\_\_\_ )  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





**6. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:**

- A. Within the time specified in paragraph 18, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
  - (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
  - (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
  - (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
  - (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
  - (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
  - (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
  - (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
  - (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
  - (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
  - (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
  - (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
  - (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
  - (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
  - (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. **RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 18, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C.  **TENANT ESTOPPEL CERTIFICATES:** (If checked) Within the time specified in paragraph 18, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
- D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 18, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.

**7. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:**

- A. **SELLER HAS:** 7 (or  \_\_\_\_\_ ) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or located in a planned unit development or other common interest subdivision.
- B. If the Property is a condominium, or located in a planned unit development or other common interest subdivision, Seller has 3 (or  \_\_\_\_\_ ) Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; (v) the names and contact information of all HOAs governing the Property; and (vi) the following if Seller has actual knowledge: (a) any material defects in the condition of common area (such as pools, tennis courts, walkways or other areas co-owned in undivided interest with other); and (b) possible lack of compliance with HOA requirements (collectively, "CI Disclosures"). Seller shall itemize and deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement, as specified in paragraph 18.

**8. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.**

**9. CHANGES DURING ESCROW:**

- A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 18: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. At least 7 (or  \_\_\_\_\_ ) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes.

**10. CONDITIONS AFFECTING PROPERTY:**

- A. Unless otherwise agreed: (i) the Property is sold (a) in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer Investigation rights; and (ii) the Property is to be maintained in substantially the same condition as on the date of Acceptance.
- B.  (If checked) All debris and personal property not included in the sale shall be removed by Close Of Escrow.
- C. **SELLER SHALL, within the time specified in paragraph 18, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS AFFECTING THE PROPERTY AND MAKE OTHER DISCLOSURES REQUIRED BY LAW.**
- D. **NOTE TO BUYER:** You are strongly advised to conduct investigations of the entire Property in order to determine its present condition since Seller may not be aware of all defects affecting the Property or other factors that you consider important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- E. **NOTE TO SELLER:** Buyer has the right to inspect the Property and, as specified in paragraph 18, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that you make Repairs or take other action.

Buyer's Initials \_\_\_\_\_ ( \_\_\_\_\_ )  
 Seller's Initials \_\_\_\_\_ ( \_\_\_\_\_ )  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





11. ITEMS INCLUDED AND EXCLUDED:

- A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 11B or C.
- B. **ITEMS INCLUDED IN SALE:**
  - (1) All EXISTING fixtures and fittings that are attached to the Property;
  - (2) The following items: \_\_\_\_\_
  - (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
  - (4) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** \_\_\_\_\_

12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property is a contingency of this Agreement, as specified in this paragraph and paragraph 18. Within the time specified in paragraph 18, Buyer shall have the right, at Buyer's expense, unless otherwise agreed, to conduct inspections, investigations, tests, surveys, and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified below. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector, or government employee, unless required by Law.
- B. Buyer shall complete Buyer Investigations and, as specified in paragraph 18, remove the contingency or cancel this Agreement. Buyer shall give Seller, at no cost, complete Copies of all Buyer Investigation reports obtained by Buyer. Seller shall make Property available for all Buyer Investigations. If the following have already been connected and available, Seller shall have water, gas, electricity, and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.  
**BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 12, UNLESS OTHERWISE AGREED IN WRITING.**
- C. **SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
- D. **ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
- E. **UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.
- F. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- G. **GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- H. **NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- I. **PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- J. **NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
 Seller's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





- K. COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property; CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
  - L. SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
  - M. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
  - N. MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.
- 13. BUYER INDEMNITY AND SELLER PROTECTION FOR ENTRY UPON PROPERTY:** Buyer shall: (i) keep the Property free and clear of liens; (ii) Repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 14. TITLE AND VESTING:**
- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary (title) report, which is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 18.
  - B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
  - C. Within the time specified in paragraph 18, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
  - D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
  - E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.
- 15. SALE OF BUYER'S PROPERTY:**
- A. This Agreement is NOT contingent upon the sale of any property owned by Buyer.
  - OR B.**  (If checked) The attached addendum (C.A.R. Form COP) regarding the contingency for the sale of property owned by Buyer is incorporated into this Agreement.
- 16.  MANUFACTURED HOME PURCHASE (If checked):** The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer  has  has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 18, Buyer shall remove this contingency or cancel this Agreement, (OR, if checked,  this contingency shall remain in effect until the Close Of Escrow of the Property).
- 17.  CONSTRUCTION LOAN FINANCING (If checked):** The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan  will  will not be used to finance the Property. Within the time specified in paragraph 18, Buyer shall remove this contingency or cancel this Agreement (or, if checked,  this contingency shall remain in effect until Close Of Escrow of the Property).
- 18. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph must be in writing (C.A.R. Form CR).
- A. **SELLER HAS: 7 (or  14 ) Days** After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 2N, 4, 6A, 6, 7A, 10C and 14.
  - B. (1) **BUYER HAS: 17 (or  30 ) Days** After Acceptance, unless otherwise agreed, in writing, to complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property (including lead-based paint and lead-based paint hazards as well as other information specified in paragraph 5 and insurability of Buyer and the Property).
    - (2) Within the time specified in 18B(1), Buyer may request that Seller make Repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
    - (3) By the end of the time specified in 18B(1) (or 2J for loan contingency; 2K for appraisal contingency; 16 for manufactured home purchase; and 17 for constructive home financing), Buyer shall remove, in writing, the applicable contingency (C.A.R. Form CR) or cancel this Agreement. However, if the following inspections, reports or disclosures are not made within the time specified in 18A, then Buyer has 5 (or  \_\_\_\_\_ ) Days after receipt of any such items, or the time specified in 18B(1), whichever is later, to remove the applicable contingency or cancel this Agreement in writing: (i) government-mandated inspections or reports required as a condition of closing; (ii) Common Interest Disclosures pursuant to paragraph 7B; (iii) a subsequent or amended disclosure pursuant to paragraph 8; and (iv) Proposed Changes pursuant to paragraph 9.
  - C. **CONTINUATION OF CONTINGENCY OR CONTRACTUAL OBLIGATION; SELLER RIGHT TO CANCEL:**
    - (1) **Seller right to Cancel: Buyer Contingencies:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit if, by the time specified in this Agreement, Buyer does not remove in writing the applicable contingency or cancel this Agreement. Once all contingencies have been removed, failure of either Buyer or Seller to close escrow in time may be a breach of this Agreement.

Buyer's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
 Seller's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





- (2) **Continuation of Contingency:** Even after the expiration of the time specified in 18B, Buyer retains the right to make requests to Seller, remove in writing the applicable contingency or cancel this Agreement until Seller cancels pursuant to 18C(1). Once Seller receives Buyer's written removal of all contingencies, Seller may not cancel this Agreement pursuant to 18C(1).
- (3) **Seller right to Cancel: Buyer Contract Obligations:** Seller, after first giving Buyer a Notice to Buyer to Perform (as specified below), may cancel this Agreement in writing and authorize return of Buyer's deposit for any of the following reasons: (i) if Buyer fails to deposit funds as required by 2A or 2B; (ii) if the funds deposited pursuant to 2A or 2B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 2H; (iv) if Buyer fails to provide verification as required by 2D or 2I or supporting documentation pursuant to 2M; or (v) if Seller reasonably disapproves of the verification provided by 2D or 2I or the credit report or supporting documentation pursuant to 2M. Seller is not required to give Buyer a Notice to Perform regarding Close Of Escrow.
- (4) **Notice To Buyer To Perform:** The Notice to Buyer to Perform (C.A.R. Form NBP) shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 24 (or  \_\_\_\_\_) hours (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A Notice to Buyer to Perform may not be given any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an 18C(3) obligation.
- D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility, and expense for repairs or corrections pertaining to that contingency or cancellation right, or for inability to obtain financing.
- E. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written NOTICE OF CANCELLATION pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the sale and escrow and release deposits, less fees and costs, to the party entitled to the funds. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award.
19. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 10A; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement.
20. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
21. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.

Buyer's Initials                      / \_\_\_\_\_ Seller's Initials JRA / \_\_\_\_\_

22. **DISPUTE RESOLUTION:**
- A. **MEDIATION:** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Paragraphs 22B(2) and (3) below apply whether or not the Arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.
- B. **ARBITRATION OF DISPUTES:** (1) Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 22B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional Law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.
- (3) **BROKERS:** Buyer and Seller agree to mediate and arbitrate disputes or claims involving either or both Brokers, consistent with 22A and B, provided either or both Brokers shall have agreed to such mediation or arbitration prior to, or within a reasonable time after, the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the Agreement.

Buyer's Initials JRA ( \_\_\_\_\_ )  
 Seller's Initials JRA ( \_\_\_\_\_ )  
 Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials [Signature] Seller's Initials [Signature]

23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. The Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. WITHHOLDING TAXES: Seller and Buyer agree to execute any instrument, affidavit, statement or instruction reasonably necessary to comply with federal (FIRPTA) and California withholding Law, if required (C.A.R. Forms AS and AB).

25. MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM: If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.

26. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination Laws.

27. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.

28. SELECTION OF SERVICE PROVIDERS: If Brokers refer Buyer or Seller to persons, vendors, or service or product providers ("Providers"), Brokers do not guarantee the performance of any Providers. Buyer and Seller may select ANY Providers of their own choosing.

29. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.

30. OTHER TERMS AND CONDITIONS, including attached supplements:

- Purchase Agreement Addendum (C.A.R. Form PAA paragraph numbers: \_\_\_\_\_)
  - Seller shall provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. form VLQ) within the time specified in paragraph 18A
- This contract is contingent upon the City of Santa Cruz California receiving a grant award from the State of California, no later than October 31, 2010, in an amount sufficient to purchase and develop this property in accordance with a grant application to be submitted to the State by March 1, 2010. A copy of such grant application will be attached hereto and made a part hereof upon its completion and submittal. Close of escrow shall occur no later than 60 days after the City enters into a contract with the State to receive the grant.

31. DEFINITIONS: As used in this Agreement:

- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a party and that acceptance is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. "Agreement" means the terms and conditions of this accepted Vacant Land Purchase Agreement and any accepted counter offers and addenda.
- C. "C.A.R. Form" means the specific form referenced, or another comparable form agreed to by the parties.
- D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded. If the scheduled close of escrow falls on a Saturday, Sunday or legal holiday, then close of escrow shall be the next business day after the scheduled close of escrow date.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days, unless otherwise required by Law.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.

Buyer's Initials [Signature] ) ( \_\_\_\_\_ )  
Seller's Initials [Signature] ) ( \_\_\_\_\_ )  
Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





- I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either one to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
- J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- K. "Notice to Buyer to Perform" means a document (C.A.R. Form NBP), which shall be in writing and signed by Seller and shall give Buyer at least 24 hours (or as otherwise specified in paragraph 18C(4)) to remove a contingency or perform as applicable.
- L. "Repairs" means any repairs, alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- N. Singular and Plural terms each include the other, when appropriate.

32. AGENCY:

- A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-broker agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.
- B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:  
 Listing Agent Real Options Realty (Print Firm Name)  
 is the agent of (check one):  the Seller exclusively; or  both the Buyer and Seller.  
 Selling Agent \_\_\_\_\_ (Print Firm Name)  
 (if not same as Listing Agent) is the agent of (check one):  the Buyer exclusively;  the Seller exclusively; or  both the Buyer and Seller.  
 Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

33. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 2, 4, 14, 15B, 16, 17, 18E, 23, 24, 29, 30, 31, 33, 35, 38A, 39 and paragraph D of the section titled Real Estate Brokers on page 9. If a Copy of the separate compensation agreement(s) provided for in paragraph 35 or 38A, or paragraph D of the section titled Real Estate Brokers on page 9 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of the Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
- B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or  \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement.
- C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraphs 35, 38A and paragraph D of the section titled Real Estate Brokers on page 9. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraphs 35 and 38A, respectively, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Escrow Holder shall immediately notify Brokers (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

34. SCOPE OF BROKER DUTY: Buyer and Seller acknowledge and agree that Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property; (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) shall not be responsible for identifying defects that are not known to Broker(s); (v) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vi) shall not be responsible for identifying location of boundary lines or other items affecting title; (vii) shall not be responsible for verifying square footage, representations of others or information contained in inspection reports, MLS or PDS, advertisements, flyers or other promotional material, unless otherwise agreed in writing; (viii) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller in the course of this representation; and (ix) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

35. BROKER COMPENSATION FROM BUYER: If applicable, upon Close Of Escrow, Buyer agrees to pay compensation to Broker as specified in a separate written agreement between Buyer and Broker.

36. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property on the above terms and conditions. All paragraphs with spaces for initials by Buyer and Seller are incorporated in this Agreement only if initialed by all parties. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

Buyer's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )  
Seller's Initials \_\_\_\_\_ ) ( \_\_\_\_\_ )

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





3 contiguous vacant lots, assessor's parcel numbers 005-322-04, 055-322-20, and Date: January 25, 2010  
Property: 005-322-21

37. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit shall be returned, unless the offer is Signed by Seller, and a Copy of the Signed offer is personally received by Buyer, or by Real Options Realty, who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (or, if checked,  by February 25, 2010 (date), at 1:00  AM  PM).

Date 2-4-10  
BUYER City of Santa Cruz California  
By \_\_\_\_\_  
Print Name Richard C. Wilson  
Title City Manager  
Address 809 Center Street  
Santa Cruz, CA 95060

Date \_\_\_\_\_  
BUYER \_\_\_\_\_  
By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_

38. BROKER COMPENSATION FROM SELLER:

- A. Upon Close Of Escrow, Seller agrees to pay compensation to Broker as specified in a separate written agreement between Seller and Broker.
- B. If escrow does not close, compensation is payable as specified in that separate written agreement.

39. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

(If checked) SUBJECT TO ATTACHED COUNTER OFFER, DATED \_\_\_\_\_

Date 2-10-10  
SELLER John R. Giottonini  
By John R. Giottonini  
Print Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_

Date \_\_\_\_\_  
SELLER \_\_\_\_\_  
By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title \_\_\_\_\_  
Address \_\_\_\_\_

( \_\_\_\_\_ / \_\_\_\_\_ ) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_  AM  PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 32.
- C. If specified in paragraph 2A, Agent who submitted offer for Buyer acknowledges receipt of deposit.
- D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) The amount specified in the MLS or PDS, provided Cooperating Broker is a Participant of the MLS or PDS in which the Property is offered for sale or a reciprocal MLS or PDS, or  (if checked) (ii) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker.

Real Estate Broker (Selling Firm) \_\_\_\_\_ DRE Lic. # \_\_\_\_\_  
By \_\_\_\_\_ DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_  
Real Estate Broker (Listing Firm) Real Options Realty DRE Lic. # 01135541  
By \_\_\_\_\_ DRE Lic. # 01135541 Date 2-10-10  
Address 9000 Soquel Avenue, Suite 100 City Santa Cruz State CA Zip 95062  
Telephone (831) 464-4004 Fax (831) 464-4010 E-mail gary@ror.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 33 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
By \_\_\_\_\_ Date \_\_\_\_\_  
Address \_\_\_\_\_  
Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder is licensed by the California Department of  Corporations,  Insurance,  Real Estate. License # \_\_\_\_\_

( \_\_\_\_\_ / \_\_\_\_\_ ) REJECTION OF OFFER: No counter offer is being made. This offer was reviewed and rejected by Seller on (Seller's Initials) \_\_\_\_\_ (Date) \_\_\_\_\_

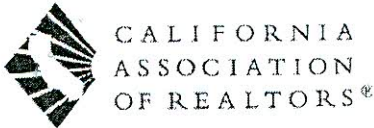
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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_







**DISCLOSURE REGARDING  
REAL ESTATE AGENCY RELATIONSHIP**  
(Selling Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 11/09)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

**SELLER'S AGENT**

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**BUYER'S AGENT**

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

**AGENT REPRESENTING BOTH SELLER AND BUYER**

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

**This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

Buyer  Seller  Landlord  Tenant \_\_\_\_\_ Date 2-3-10  
City of Santa Cruz California

Buyer  Seller  Landlord  Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent \_\_\_\_\_ Real Options Realty DRE Lic. # 01135541  
Real Estate Broker (Firm)

By \_\_\_\_\_ [Signature] DRE Lic. # 01135541 Date 2-10-10  
(Salesperson or Broker-Associate)

**AGENCY DISCLOSURE COMPLIANCE (Civil Code §2079.14):**

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord <u>John R. Giottonini</u>	Date _____	Seller/Landlord _____	Date _____
--	------------	-----------------------	------------

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



09:24:48 Tue Nov 23, 2010

VIAPNS100S  
11/23/10

C O U N T Y O F S A N T A C R U Z

VIAPNP100S  
09:24:40

PARCEL INQUIRY BY APN OF SPLITS/COMBOS HISTORY

APN 005 322 04

FROM HISTORY	OLD APN	S	VOL/PG SERIAL NO.	REC. DATE	S/C/R DATE	EXPL S	NEW APN	FROM TO HISTORY
1	005-322-04	R			10-22-09	RV A	007-422-04	1

O OR N: : LINE NUMB: : T OR F: :  
KEY NEW APN, OR PRESS PF1/PF7 OR ENTER 'O' OR 'N' (FOR OLD OR NEW),  
LINE NUMBER, 'T' OR 'F' (FOR TO OR FROM), AND PRESS ENTER  
AND/OR 'TAX' & 'ENTER' FOR TAX BILL

09:25:01 Tue Nov 23, 2010

VIAPNS100S  
11/23/10

C O U N T Y O F S A N T A C R U Z

VIAPNP100S  
09:24:57

PARCEL INQUIRY BY APN OF SPLITS/COMBOS HISTORY

APN 005 322 20

FROM HISTORY	OLD APN	S	VOL/PG SERIAL NO.	REC. DATE	S/C/R DATE	EXPL S	NEW APN	FROM TO HISTORY
1	005-322-20	R			10-22-09	RV A	007-422-15	1

O OR N: : LINE NUMB: : T OR F: :  
KEY NEW APN, OR PRESS PF1/PF7 OR ENTER 'O' OR 'N' (FOR OLD OR NEW),  
LINE NUMBER, 'T' OR 'F' (FOR TO OR FROM), AND PRESS ENTER  
AND/OR 'TAX' & 'ENTER' FOR TAX BILL

09:25:08 Tue Nov 23, 2010

VIAPNS100S  
11/23/10

C O U N T Y O F S A N T A C R U Z

VIAPNP100S  
09:25:04

PARCEL INQUIRY BY APN OF SPLITS/COMBOS HISTORY

APN 005 322 21

FROM HISTORY	OLD APN	S	VOL/PG SERIAL NO.	REC. DATE	S/C/R DATE	EXPL S	NEW APN	FROM TO HISTORY
1	005-322-21	R			10-22-09	RV A	007-422-16	1

O OR N: : LINE NUMB: : T OR F: :  
 KEY NEW APN, OR PRESS PF1/PF7 OR ENTER 'O' OR 'N' (FOR OLD OR NEW),  
 LINE NUMBER, 'T' OR 'F' (FOR TO OR FROM), AND PRESS ENTER  
 AND/OR 'TAX' & 'ENTER' FOR TAX BILL







## CITY COUNCIL AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Public Works Parks and Recreation

SUBJECT: Paint Truck Purchase - Budget Adjustment. (PW) (P&R)

---

RECOMMENDATION: Resolution transferring funds and amending the FY 2011 budget in the amount of \$36,243.52 to partially fund the purchase of a replacement paint truck.

---

BACKGROUND: The Traffic Maintenance paint truck was in an accident and needs to be replaced. Staff is recommending that this vehicle be replaced with funds that were allocated in the Parks Department FY 2011 budget. There was \$50,000 allocated for 2 trucks. The Parks Department spent approximately \$14,000 on a wharf vehicle which had to be replaced due to an accident. The original two trucks no longer need to be replaced at this time.

DISCUSSION: The issue at hand is the transfer of funds from the Parks Department budget to the Public Works Department Traffic Maintenance Division budget. Administrative Procedure Order Section I, # 9, requires that transfers of appropriations between activities in different departments be approved by City Council. The cost to replace the paint truck is \$51,656.83. Additional funds over the remaining balance of \$36,243.52 will be covered by operational funds.

FISCAL IMPACT: There is no fiscal impact transferring existing appropriations between two General Fund departments and activities.

Prepared by:  
Keith Van Der Maaten  
Operations Manager

Submitted by:  
Mark R. Dettle  
Director of Public Works

Submitted by:  
Dannette Shoemaker  
Director of Parks and Recreation

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: Budget Adjustment



**City of Santa Cruz  
BUDGET ADJUSTMENT REQUEST**

<input checked="" type="radio"/> Council Approval .....	Resolution No. _____
<input type="radio"/> RDA Approval .....	Resolution No. _____
<input type="radio"/> Administrative Approval	

<input checked="" type="radio"/> Current Fiscal Year
<input type="radio"/> Prior Fiscal Year

Date: \_\_\_\_\_

<u>ACCOUNT</u>	<b>REVENUE</b> EDEN ACCOUNT TITLE	
<b>TOTAL REVENUE</b>		<b>\$0.00</b>

<u>ACCOUNT</u>	<b>EXPENDITURE</b> EDEN ACCOUNT TITLE	
101-30-41-3110-57990	Parks Department - Maintenance West	(\$36,243.52)
101-40-61-4223-57402	Public Works Department - Traffic Maintenance	36,243.52
<b>TOTAL EXPENDITURE</b>		<b>\$0.00</b>

**NET: \$ 0.00**

Purpose: Transfer of funds from Parks Department to Public Works to partially fund the purchase of a replacement paint truck.  
Council agenda: 12/14/10

PREPARED BY	DEPARTMENT HEAD APPROVAL	ACCOUNTING APPROVAL	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Siobhan O'Neill <small>Digitally signed by Siobhan O'Neill DN: cn=Siobhan O'Neill, o=City of Santa Cruz, ou=City of Santa Cruz, email=siobhan@cityofscruz.org, c=US Date: 2010.11.22 15:58:05 -0800</small>	Dannettee Shoemaker <small>Digitally signed by Dannettee Shoemaker DN: cn=Dannettee Shoemaker, o=City of Santa Cruz, ou=City of Santa Cruz, email=dannettee@cityofscruz.org, c=US Date: 2010.11.22 15:58:10 -0800</small>	Patty Haymond <small>Digitally signed by Patty Haymond DN: cn=Patty Haymond, o=City of Santa Cruz, ou=City of Santa Cruz, email=patty@cityofscruz.org, c=US Date: 2010.11.22 15:58:10 -0800</small>	Jack Dilles <small>Digitally signed by Jack Dilles DN: cn=Jack Dilles, o=City of Santa Cruz, ou=City of Santa Cruz, email=jdilles@cityofscruz.org, c=US Date: 2010.11.22 15:58:10 -0800</small>	
11/22/10		11/30/10		

Revised December 2009





## CITY COUNCIL AGENDA REPORT

DATE: 12/6/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Public Works

SUBJECT: Purchase of Six (6) Replacement Police Patrol Vehicles - Authorization to Award. (PW)

---

RECOMMENDATION: Motion to accept the bid of North Bay Ford of Santa Cruz, CA for six (6) police patrol vehicles in the amount of \$134,502.54 and authorize the City Manager to execute an agreement in a form approved by the City Attorney with North Bay Ford and reject all other bids.

---

BACKGROUND: The Police Department is in need of replacing six (6) aging units and the Operations Division of the Public Works Department was tasked with going out to bid for these vehicles based on Police Department specifications.

DISCUSSION: On November 17, 2010, staff opened sealed bids for six (6) 2011 Ford Crown Victoria Police Interceptors. The bid results are attached. Staff recommends awarding the contract in the amount of \$134,502.54 to the apparent low bidder, North Bay Ford of Santa Cruz, CA.

FISCAL IMPACT: There are adequate funds in the FY 2011 operating budget for this purchase.

Prepared by:  
Keith Van Der Maaten  
Operations Superintendent

Submitted by:  
Mark R. Dettle  
Director of Public Works

Approved by:  
Martin Bernal  
City Manager

ATTACHMENTS: Bid Results

Bid Results for Six 2011 Ford Crown Victoria Police Interceptors  
Opened 11/17/10 2 p.m.

<u>Vendor</u>	<u>Main Office</u>	<u>Price</u>
1) North Bay Ford	Santa Cruz, California	\$134,502.54
2) Salinas Valley Ford Truck Center	Salinas, California	\$136,215.78
3) San Francisco Ford	San Francisco, California	\$137,037.00
4) Theodore Robins Ford	Costa Mesa, California	\$139,217.52
5) Wondries Fleet Group	Alhambra, California	\$141,332.10



## CITY COUNCIL AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Public Works

SUBJECT: Safe Routes to School Grant Acceptance and Budget Adjustment - Gault School Sidewalk Infill Project (c401113). (PW)

---

**RECOMMENDATION:** Motion to authorize and direct the City Manager to accept the Safe Routes to School (SR2S) Grant Award for the Gault School Sidewalk Infill Project (c401113).

Resolution appropriating/transferring funds and amending the FY2011 budget in the amount of \$444,963 for the State Safe Routes to School Cycle 9 Program Grant to Gault School Sidewalk Infill Project and \$49,440 for the local match, for a total project cost of \$494,403.

---

**BACKGROUND:** On June 8, 2010, Council adopted Resolution No. NS-28,212, authorizing and directing the City Manager to submit an application to the State Safe Routes to School (SR2S) Cycle 9 Program for the Gault School Sidewalk Infill Project.

An application was submitted and the SR2S Cycle 9 Program has approved a total project of \$494,403 for the Gault School Sidewalk Infill Project. Of this, 90% (\$444,963) is reimbursable, and 10% (\$49,440) is a required local match.

**DISCUSSION:** The project objective will be to complete sidewalks and access ramps in the neighborhoods adjacent to Gault Elementary School. The focus routes will be on Darwin, Windham, and Frederick Streets. A pedestrian crossing safety improvement is included at the west approach of Darwin Street at Broadway.

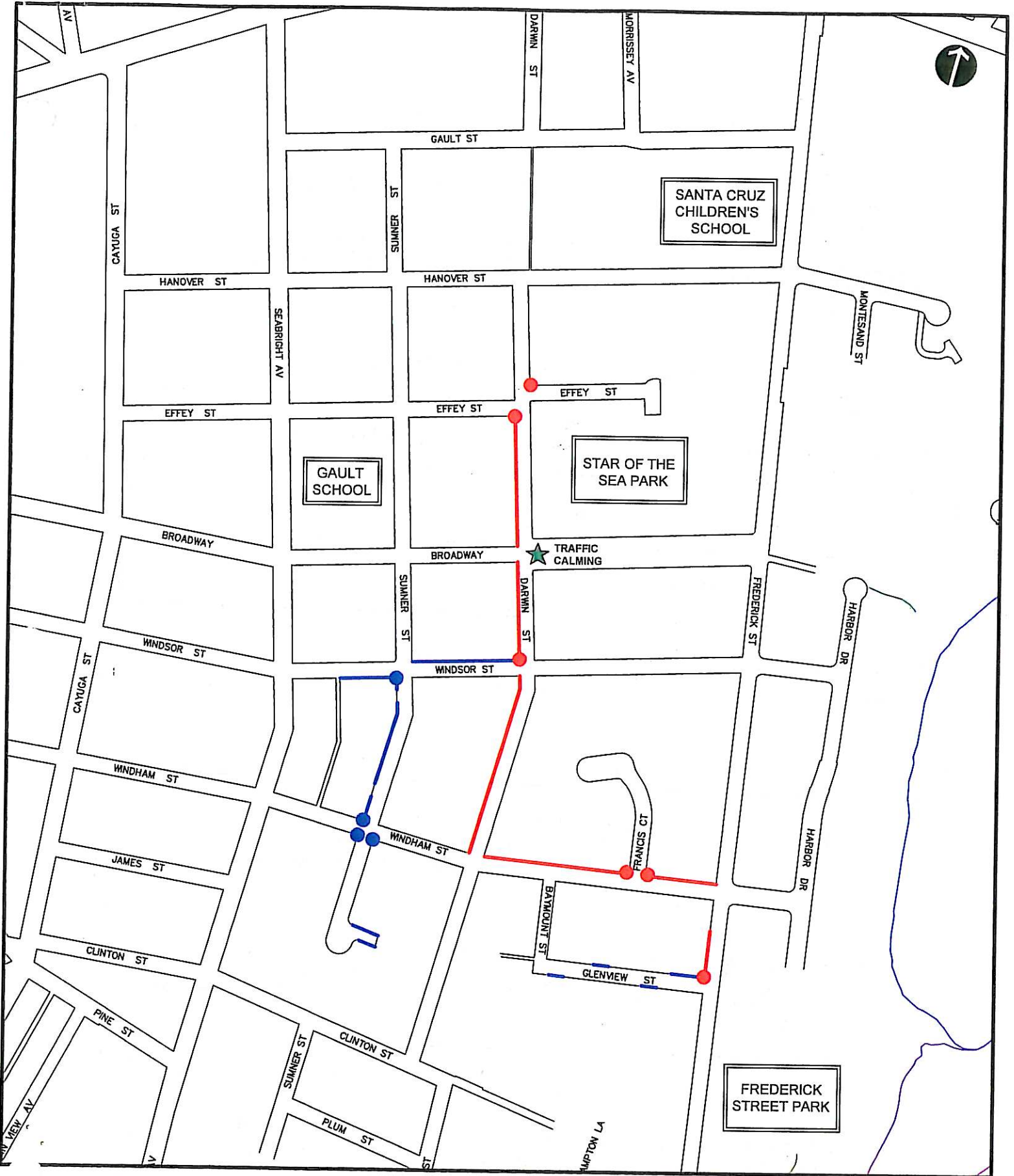
**FISCAL IMPACT:** The maximum amount of SR2S funds that was allocated to any single project was \$450,000. The City was awarded \$444,963. The maximum State reimbursement percentage for this SR2S project is 90%. The City's 10% match will come from the sidewalk in-lieu fund.

Prepared by:  
Nathan Nguyen  
Assistant Engineer

Submitted by:  
Mark R. Dettle  
Director of Public Works

Approved by:  
Martin Bernal  
City Manager

**ATTACHMENTS:**  
Budget Adjustment  
Vicinity Map



CITY OF SANTA CRUZ  
 GAULT SCHOOL SIDEWALK INFILL PROJECT

LEGEND	
	EXISTING SIDEWALK
	MISSING SIDEWALK- INFILL PROPOSED
	MISSING SIDEWALK
	MISSING RAMP- INFILL PROPOSED
	MISSING RAMP

**City of Santa Cruz  
BUDGET ADJUSTMENT REQUEST**

<input checked="" type="radio"/> Council Approval .....	Resolution No. _____
<input type="radio"/> RDA Approval .....	Resolution No. _____
<input type="radio"/> Administrative Approval	

<input checked="" type="radio"/> Current Fiscal Year
<input type="radio"/> Prior Fiscal Year

Date: 11/09/2010

ACCOUNT	REVENUE EDEN ACCOUNT TITLE	
221-40-64-9330-43256	State capital grants-Safe Routes to School	\$444,963.00
c401113-200-2257-0	Gault School Sidewalk Infill	
221-00-00-0000-49135	From Sidewalk In-Lieu Fund	49,440.00
c401113-926-0-0	Gault School Sidewalk Infill	
<b>TOTAL REVENUE</b>		<b>\$494,403.00</b>

ACCOUNT	EXPENDITURE EDEN ACCOUNT TITLE	
221-40-64-9330-57307	Pedestrian/bike systems	\$494,403.00
c401113-100-2020-0	Gault School Sidewalk Infill	
315-00-00-0000-59107	To Gas Tax Fund	49,440.00
<b>TOTAL EXPENDITURE</b>		<b>\$543,843.00</b>

NET: \$ (49,440.00)

**Purpose:** To accept State of California Safe Routes to School grant of \$444,963 for Gault School Sidewalk Infill project. Grant funds will be used for sidewalk gap closure, access ramps, protected pedestrian crossing, upgraded bicycle parking and encouragement programs. There is a local match of \$49,440 required. Local match will be paid from Sidewalk Construction In-Lieu Fund 315. Council Agenda: 12/14/2010

PREPARED BY	DEPARTMENT HEAD APPROVAL	ACCOUNTING APPROVAL	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Chris Schneider <small>Digitally signed by Chris Schneider DN: cn=Chris Schneider, o=City of Santa Cruz, ou=Public Works, email=cschneider@cityofsantacruz.ca.gov, c=US Date: 2010.11.16 09:08:17 -0800</small>	Mark Dettle <small>Digitally signed by Mark Dettle DN: cn=Mark Dettle, o=City of Santa Cruz, ou=Public Works, email=markdettle@cityofsantacruz.ca.gov, c=US Date: 2010.11.16 09:07:17 -0800</small>	Patty Haymond <small>Digitally signed by Patty Haymond DN: cn=Patty Haymond, o=City of Santa Cruz, ou=Finance, email=phaymond@cityofsantacruz.ca.gov, c=US Date: 2010.11.23 08:47:00 -0800</small>	Jack Dilles <small>Digitally signed by Jack Dilles DN: cn=Jack Dilles, ou=Finance, ou=PMAD, email=jdilles@cityofsantacruz.ca.gov, c=US Date: 2010.11.20 14:53:47 -0800</small>	
11/16/10		11/29/10		

Revised December 2009



## CITY COUNCIL AGENDA REPORT

DATE: 12/4/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Public Works

SUBJECT: Sewer Cleaning Truck - Budget Adjustment and Bid Award. (PW)

---

**RECOMMENDATION:** Resolution transferring funds and amending the FY 2011 wastewater budget in the net amount of \$259,895 to fund the purchase of one sewer cleaning truck.

Motion awarding the bid to Municipal Maintenance Equipment, Inc. of Sacramento, California in the amount of \$300,030.

---

**BACKGROUND:** The Public Works Department Wastewater Mains Division has a vehicle replacement schedule built into the current sewer rates. This fiscal year a sewer cleaning truck was budgeted in the amount of \$350,000, to be acquired through a lease purchase agreement.

**DISCUSSION:** In August 2010, the City of Sunnyvale, CA publicly solicited bids and in September awarded a contract for the same equipment to the Municipal Maintenance Equipment, Inc. of Sacramento, CA. This competitive bid price is available to other public agencies, quasi-public and non-profit entities. The lowest, responsive bid price was \$273,358.00, which results in a total of \$300,030 including taxes and the tire fee.

During the budget process it was anticipated that this vehicle would be acquired through a lease purchase agreement. Staff is now recommending an outright purchase because the bid price is so competitive.

Wastewater Mains, Fleet and Purchasing staff have determined that the Vac-Con Combination Sewer/Storm Drain Cleaner mounted on a Freightliner 2011 M2 Chassis offered by Municipal Maintenance Equipment, Inc., meets City requirements.

**FISCAL IMPACT:** Funds for the purchase of the sewer cleaning truck are available in the Wastewater Fund. There is no impact to the General Fund.

Prepared by:  
Siobhan O'Neill  
Administrative Analyst

Submitted by:  
Mark R. Dettle  
Director of Public Works

Approved by:  
Martin Bernal  
City Manager

**ATTACHMENTS:**  
Budget Adjustment  
Bid Results  
Purchase Order



**CITY OF SUNNYVALE, CALIFORNIA**

**INVITATION FOR BIDS NO. F1008-13**

**FOR**

**TWO VACUUM POWERED CLEANING TRUCKS**

**AUGUST 10, 2010**

**BIDS DUE:  
WEDNESDAY, SEPTEMBER 1, 2010 AT 3:00 PM**

**In the Purchasing Division  
Sunnyvale City Hall Annex  
650 West Olive Avenue  
PO Box 3707  
Sunnyvale, CA 94088-3707**

**BUYER: DREAMA HOWARD, CPPB  
(408) 730-7396**

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	Bid Form	8
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Attachment B	Detailed Specifications	



## SECTION I. NOTICE INVITING BIDS

Bids are invited to supply two new 2010 model or newer vacuum powered cleaning trucks. One unit will be a hydro-excavation truck and one a combination sewer/storm drain cleaning truck, as specified herein. All equipment shall be new production models meeting at a minimum, all 2010 California emission standards.

## SECTION II. INSTRUCTIONS TO BIDDERS

- A. **Preparation of Bid** - Bid shall be made on the Bid Form included in this Invitation for Bids. Bidder shall enter all requested information in the appropriate spaces on the Bid Form. No oral, telephone, facsimile or electronic bids will be accepted. All costs of bid preparation shall be borne by the bidder.
- B. **Examination of Bid Documents** - The Bid Documents consist of this Invitation for Bids, each and every document listed in the Table of Contents of the invitation, and any addenda which may have been issued. Bidder shall thoroughly examine and be familiar with all Bid Documents. Submission of a bid shall constitute bidder's acknowledgment upon which the City may rely that bidder has thoroughly examined and is familiar with the Bid Documents. Failure or neglect of bidder to receive or examine all or part of the Bid Documents shall in no way relieve the bidder from any obligations with respect to this bid invitation or any resultant Purchase Order. No claim for additional compensation will be allowed which is based upon a lack of knowledge of any part of the Bid Documents.
- C. **Conformance to Bid Requirements** - Bid shall conform to the requirements of this Invitation for Bids. All requested attachments shall be submitted with the completed Bid Form and in the designated format. Failure to comply with all requirements may result in bid rejection.
- D. **Interpretation of Bid Documents and Addenda** - Should a bidder discover conflicts or ambiguity in the Bid Documents that require a decision or explanation, bidder may request an interpretation. Such a request shall be made in writing and delivered to the person identified on the cover page of this bid invitation no later than five (5) calendar days before the deadline for receipt of bids. Every interpretation made to bidders will be in the form of an Addendum issued by the City. Addenda, if issued, will be sent as promptly as possible to all parties that have been issued Bid Documents. Only properly issued Addenda shall be binding upon City; any oral and/or other form of interpretation or clarification will have no legal or contractual effect. Bidders shall acknowledge the receipt of Addenda on the Bid Form.
- E. **Submission of Bid** - Bidder shall submit original (clearly marked 'Original') and one (1) copy (clearly marked 'Copy') of the completed Bid Form, together with any required attachments or explanatory materials, prior to the time and date set for receiving bids as stated on the cover page of this bid invitation or any modifying Addenda. All materials should be printed double-sided on paper with a minimum 30% post-consumer recycled content. Bid shall be delivered in a sealed envelope **clearly marked with the applicable bid number** addressed to:
- City of Sunnyvale  
Purchasing Division  
City Hall Annex  
650 West Olive Avenue  
PO Box 3707  
Sunnyvale, CA 94088-3707
- F. **Modification or Withdrawal of Bids**
1. Before Date and Time for Receipt of Bids - Bids that contain mistakes discovered by a bidder before the date and time for receipt of bids may be modified or withdrawn by written notice to City's Purchasing Officer received prior to the deadline. Any modification shall be clearly identified as such and shall be made in writing, executed and submitted in the same form and manner as the original bid.

2. After Date and Time for Receipt of Bids - A bidder may not modify its bid after the date and time set for receipt of bids. A bidder alleging a mistake in a bid may be permitted to withdraw its bid if bidder alleges that a mistake was made in its bid that made the price materially different than intended, provided that bidder gives written notice of the mistake and the manner in which it occurred to City's Purchasing Officer within five (5) calendar days following the deadline for receipt of bids and City's Purchasing Officer deems it to be in the best interest of the City.
- G. Contact with City Employees** - All questions related to this Invitation For Bids shall be addressed directly to the Buyer named on the cover sheet of this IFB. Contact with other City employees during the bidding process is expressly prohibited without prior written consent of the City's Buyer. Bidders who directly contact City employees risk elimination of their bids from consideration.
- H. Late Bids** - Bidder shall be responsible for the timely delivery of bid. Bids received after the deadline for receipt of bids shall not be accepted and shall be returned to the bidder unopened unless necessary for identification purposes.
- I. Public Opening of Bids** - Each bid, irrespective of any defects or irregularities, that has been received prior to the deadline for receipt of bids, except those that have been properly withdrawn, will be publicly opened by a representative of the Purchasing Division at the date and time announced for such opening. If one or more members of the public are present, the name and address of each bidder and the total amount of each bid will be read aloud at or shortly following the deadline for receipt of bids.
- J. Bid to Remain Open** - The bidder shall guarantee its bid for a period of sixty (60) calendar days from the date of bid opening.
- K. Non-Collusion Certification** - By submitting a bid, bidder is certifying that it has not directly or indirectly been collusive with any other bidder in the preparation and submission of the bid. If at any time it shall be found that the bidder to whom a contract has been awarded has, in presenting the bid, colluded with any other party or parties, said bidder shall be liable to the City for all loss or damage which the City has or may suffer as the result of the collusive activity, including, but not limited to, the cost of advertising and awarding a new contract.
- L. Safety Requirements** – All materials, equipment, or services offered by the bidder shall meet all requirements for the California Safety Orders and California Occupational Health and Safety Act.
- M. Local Business Preference** – A bidding advantage shall be extended to local businesses in the form of a 1% price preference in the evaluation of bids for the procurement of equipment, supplies and materials. "Local business" is defined as a business firm which has (1) or more fixed offices and/or locally taxable distribution points within the boundaries of the City of Sunnyvale and (2) a current, valid City of Sunnyvale business license with a Sunnyvale business street address.
- N. Bidder Evaluation** – City's Purchasing Officer will evaluate all bids received to determine if the bidder is responsive and responsible. A bidder will be deemed to be responsive if it has submitted a bid that conforms in all material respects to the requirements of the Bid Documents. A bidder will be deemed to be responsible if the bidder:
1. Has the ability, capacity, experience and skill to provide the goods in accordance with the bid specifications;
  2. Has the ability to provide the goods promptly or within the time specified, without delay;
  3. Has equipment, facilities and resources of such capacity and location to enable it to provide the goods;
  4. Is able to provide future maintenance, repair, parts and service for goods, if required by the bid specifications;
  5. Has a record of satisfactory or better performance under prior contracts with the City and other purchasers; and
  6. Has complied with laws, regulations, guidelines and orders governing prior or existing contracts.

- O. **Discrepancies in Bid Form** - If there are unit price bid items on the Bid Form and the total amount indicated for a unit price bid item does not equal the product of the unit price and quantity listed, the unit price shall govern, and the total amount for the bid item shall be adjusted accordingly. Likewise, if there is more than one bid item on the Bid Form and the total does not equal the sum of the bid items, the individual amounts of the bid items shall govern, and the total shall be adjusted accordingly.
- P. **Tie Bids** – In the event that an identical price is received from two or more responsive and responsible bidders, the City may re-advertise for bids or the successful bidder may be determined by the casting of lots with the tie bidders in public at a date and time set by City's Purchasing Officer.
- Q. **Sunnyvale Business License** – The successful bidder must either possess a current, valid Sunnyvale business license or must have submitted a Sunnyvale business license application and fee at the time of contract award.
- R. **Contract Award** - Contract award will be made to the lowest responsive and responsible bidder. The acceptance of a bid will be evidenced by a written Purchase Order delivered to the successful bidder.
- S. **Contract Documents** - Contract documents will consist of this bid invitation, its attachment(s) and addenda, if any; the successful bidder's completed and signed Bid Form; and a Purchase Order issued by the City.
- T. **Reservations** - The City reserves the right to:
1. Postpone the date and time announced for receipt of bids by issuance of an Addendum at any time prior to the deadline for receipt of bids;
  2. Reject any bid that is conditional in any way or that contains erasures, items not called for, items not in conformity with applicable law, changes, additions, alternate proposals, or any other modifications of the Bid Form which are not in accordance with the Bid Documents;
  3. Make any investigations deemed necessary to determine if a bidder is responsive and responsible;
  4. In the event that only one bid is received in response to this bid invitation, require the sole bidder to submit cost or pricing data to assist in determining if the price is reasonable;
  5. Reject any or all bids, including any bids that are found to be non-responsive or submitted by a bidder that is not responsible;
  6. Waive minor defects or irregularities in any bid, provided that the discrepancy does not affect the bid amount or give the bidder an advantage over others;
  7. Accept a bid which offers a newer product than specified if, in the opinion of City's Purchasing Officer, it offers equal or greater functionality than the specified product, even though it may not comply with bid specifications in every detail;
  8. Award a Purchase Order to a single bidder for the entire procurement.
- U. **Extension of Bid to Other Government Agencies** - Bidder shall indicate on the Bid Form whether bidder, if awarded a purchase order as the result of this bid invitation, is willing to enter into separate agreements with other governmental, public, or quasi-public agencies at the same prices, terms and conditions of this bid invitation. Should bidder elect to extend its bid, agencies will place orders directly with bidder. The City of Sunnyvale will not be a party to any contract between other agencies and the successful bidder; is not an agent, partner or representative of other agencies; and is not obligated or liable for any payment, order or contract between other agencies and the successful bidder. In addition, there is no guarantee of usage by other agencies. Whether bidder elects to extend the bid to other agencies will in no way affect consideration of the bid.

### SECTION III. SPECIFICATIONS

- A. **Brief Description of Equipment to be Purchased and Its Intended Use** - It is the intent of this specification to describe two vacuum powered cleaning trucks. The equipment shall be new, of current production and carry the manufacturer's standard guarantee against defective parts and/or workmanship. All separate units shall be installed, connected and in good operating order.
- These specifications shall be considered as minimum. Bidders may offer equipment which exceeds these specifications. However, equipment which fails to meet the minimum requirements shall be considered as non-responsive to the City's needs unless, at the sole determination of the Purchasing Officer, the deviation is minor and will not affect the functionality of the equipment. Any additions, deletions or variations to these specifications must be stated.
- B. **Detailed Specifications** – See Attachment B
- C. **Use of Brand Names** – Manufacturers or brands, when specified, are intended to be an indication of the standard of quality, performance, or use desired. Bids will be considered for other brands or for the product of other manufacturers unless "no substitutions" is stated.
- D. **Substitute Products** – The City reserves the right to accept substitute products in place of the brand specified if the substitute offered is substantially in accord with bid specifications and is deemed by the City to be of equal quality and as fully satisfactory for its intended use as the product specified. In the event that City elects to contract for a substitute product purported by bidder to be equal to the product specified, acceptance of the item will be conditioned on City's inspection, testing and acceptance of the item after receipt. If, in the sole judgment of the City, the item is determined not to be an equal, the item shall be returned at the supplier's expense; and the order will be canceled.

### SECTION IV. TERMS AND CONDITIONS

- A. **Nomenclature**
1. As used throughout this bid invitation and its attachments, the following terms are synonymous:
  2.
    - a. "Supplier", "vendor", "contractor", "successful bidder" and "selected bidder";
    - b. "Purchase order", "contract" and "agreement";
    - c. "Services", "work", and "project".
  3. "The City" refers to the City of Sunnyvale, California.
- B. **Standard Terms and Conditions** - The City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated January 15, 2000, except Paragraph 1 and the last two sentences of Paragraph 23 (Attachment A), apply to any purchase resulting from this bid invitation except to the extent that they are in conflict with this bid invitation. In the event of such a conflict, the specifications, terms and conditions set forth in this bid invitation shall prevail.
- C. **Delivery and Inspection** – Equipment shall be delivered to the Sunnyvale Fleet Manager, 221 Commercial Street, Sunnyvale, CA 94086, after receipt of a purchase order, by the successful bidder within the delivery time specified on the attached bid form. The delivery shall be FOB destination with all delivery costs included. Title to equipment shall not pass to the City until the unit has been delivered to the designated location and has been inspected and accepted by the Fleet Manager.
- Unit offered is subject to acceptance or rejection by the City of Sunnyvale Fleet Manager. Bidder must have a replacement unit available for unit rejected due to mechanical defects, accident damage, or non-compliance with specifications.
- D. **Safety Emission Requirements** – All equipment under this purchase order must operate in compliance with all applicable federal and state safety standards (OSHA, CALOSHA); all applicable engine emission standards (CARB, EPA); and with the City of Sunnyvale Municipal Code Section 19.24.020 regarding noise.

## SECTION V. INSTRUCTIONS FOR COMPLETION OF BID FORM

- A. **Entries** - All entries shall be printed in ink or shall be typewritten.
- B. **Bid Pricing** – Bid price shall include the cost of two vacuum powered cleaning trucks as specified, including all delivery costs. By submission of its bid, bidder represents and warrants that the prices set forth on the Bid Form are at least as low as those currently being quoted by bidder to commercial or government users for the same equipment, in like quantities, under similar circumstances. Pricing must remain valid for a period of sixty (60) days from dates of bid opening.
- C. **Corrections** - Corrections shall be initialed in ink by the person signing the bid.
- D. **Additional Information** - All requested information must be provided. If necessary, bidder may attach additional sheets clearly cross referenced to the applicable item number.
- E. **Addenda** - Bidder shall indicate the number and date of all addenda received by bidder.
- F. **Signature** - Bid shall be signed by an authorized representative of the bidder.
- G. **Required Attachments** – Brochures, drawings, pictures, or catalogs, including detailed descriptions of any alternate or substitute items offered, must be provided with the bid to aid the City in its evaluation.

**BID FORM (TO BE RETURNED)**  
**FOR**  
**TWO VACUUM POWERED CLEANING TRUCKS**

Honorable City Council  
City of Sunnyvale  
Sunnyvale, California

The undersigned bidder hereby offers to sell and deliver two vacuum powered cleaning trucks as required, to the City of Sunnyvale in strict compliance with the specifications, terms and conditions stated herein.

<b>Bid Item No.</b>	<b>Description</b>	<b>Qty</b>	<b>Unit</b>	<b>Price Per Unit</b>	<b>Total Delivered Price</b>
1.	Combination Sewer Cleaning Truck Make and Model offered: <u>Vac-Con Model V311LHA/850</u> <u>mounted on a 2011 IH 7400 SFA 6x4</u>	1	EA	<u>\$ 273,858.00</u>	<u>\$273,858.00</u>
2.	Hydro-Excavation Truck Make and Model offered: <u>Vac-Con Model VX311LH/675</u> <u>mounted on a 2011 IH 7400 SFA 6x4</u>	1	EA	<u>\$ 255,833.00</u>	<u>\$255,833.00</u>
				Sales Tax (9.25%)	<u>\$ 48,996.42</u>
				Tire Fee (if applicable)	<u>\$ 35.00</u>
				<b>TOTAL COST</b>	<b><u>\$578,722.42</u></b>

Alternate Bid:

1 each Combination Sewer Cleaning Truck: Vac-Con Model V311LHA/850 mounted on a 2011 Freightliner M2 6x4		<b>\$273,358.00</b>
1 each Hydro-Excavation Truck: Vac-Con Model VX311LH/675 mounted on a 2011 Freightliner M2 6x4		<b><u>\$255,333.00</u></b>
	9.25%	48,903.92
	Tire Fee	<u>35.00</u>
	<b>Total</b>	<b>\$577,629.92</b>



**Additional Information Required of Bidder**

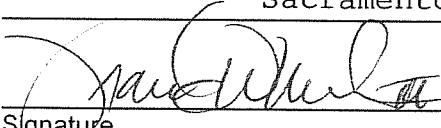
- 120-
1. Delivery 180 calendar days after receipt of order.
  2. Equipment offered manufactured at Body: Green Cove Springs, Florida
  3. Method of delivery Drive-Away
  4. The unit price bid shall be guaranteed for a period of 90 calendar days after the bid opening.
  5. Prompt Payment Terms Offered Net 30
  6. If bidder is awarded contract, bidder will extend pricing to other government agencies?  yes  no  
If yes, enter number of calendar days bid pricing will be extended to other agencies 120
  7. Bidder's Business Organization (Check One):  
 Individual Proprietorship  
 Partnership  
 Corporation  
 Other \_\_\_\_\_

Bidder acknowledges receipt of the following Addenda:

Number \_\_\_\_\_ Date \_\_\_\_\_  
 Number \_\_\_\_\_ Date \_\_\_\_\_  
 Number \_\_\_\_\_ Date \_\_\_\_\_

**SIGNATURE**

Company Name Municipal Maintenance Equipment, Inc.  
 Address 2360 Harvard Street  
Sacramento, CA 95815

<p>                  _____                  Signature</p> <p><u>Frank Wheeler III</u>                  _____                  Name (printed or typed)</p> <p><u>916-922-1101</u>                  _____                  Telephone Number</p> <p><u>68-0263697</u>                  _____                  Tax ID Number</p>	<p><u>Vice President</u>                  _____                  Title</p> <p><u>8-31-10</u>                  _____                  Date</p> <p><u>916-922-1034</u>                  _____                  Fax Number</p> <p>_____                  Sunnyvale Business License Number</p>
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**ATTACHMENT A  
STANDARD TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS**

UNLESS OTHERWISE EXPRESSLY AGREED IN WRITING, ALL PURCHASES ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- 1. Offer and Acceptance:** The Purchase Order is an offer by the City of Sunnyvale ("City") to enter into a contract; and any of the following acts constitute Supplier's acceptance of the Purchase Order and all terms and conditions stated therein: (a) Supplier's execution and delivery to City of Supplier's own acknowledgment form; (b) Supplier's delivery of any goods ordered; or (c) Supplier's acceptance of any payment from City.
- 2. Prices:** All prices shall be as stated in the Purchase Order and are firm and not subject to escalation. Supplier represents and warrants that the prices set forth in the Purchase Order are at least as low as those currently being quoted by Supplier to commercial or government users for the same goods, in like quantities, under similar circumstances.
- 3. Taxes:** This purchase is subject to all applicable California sales and use taxes. City is exempt from federal excise tax and will provide an exemption certificate, upon request.
- 4. Terms of Payment:** Payment terms shall be net thirty (30) days from the date of receipt of invoice or acceptance of goods, whichever occurs last. If City is entitled to a cash discount, the period of computation shall commence on the date of receipt of invoice or acceptance of goods by City, whichever occurs last. City may set off any amount owed by Supplier to City against any amount owed by City to Supplier under the Purchase Order. City shall endeavor to pay each invoice within thirty (30) days, but shall not be responsible to Supplier for additional charges, interest or penalties due to failure to pay within that period.
- 5. Quantities:** Supplier shall deliver the exact quantities specified in the Purchase Order. City reserves the right to reject incomplete deliveries and to return at Supplier's risk and expense excess quantities delivered.
- 6. Packaging and Shipment:** Goods shall be packaged, marked and otherwise prepared for shipment by Supplier in suitable containers in accordance with sound commercial practices. Supplier shall include an itemized packing list with each shipment.
- 7. Delivery:** Time is of the essence in the performance of the Purchase Order. If delivery of goods cannot be made at the specified time, Supplier shall promptly notify City of the earliest possible date for delivery. Notwithstanding such notice, if Supplier, for any reason whatsoever, fails to deliver goods within the time specified, City may terminate the Purchase Order or any part thereof without liability except for goods previously delivered and accepted. City's receipt or acceptance of all or part of a nonconforming delivery shall not constitute a waiver of any claim, right or remedy City has under the Purchase Order or applicable law.
- 8. Title and Risk of Loss:** The Purchase Order shall specify an FOB ("free on board") point, which shall be either the shipping point or the destination of the goods. If the Purchase Order specifies FOB destination, all shipping charges shall be prepaid by Supplier in full and included in the unit price. Supplier retains title to the goods and risk of loss until the goods have reached the designated destination. If the Purchase Order specifies FOB shipping point, Supplier shall prepay all shipping charges, route the goods on the least expensive common carrier in compliance with the required delivery date, and add shipping charges to the invoice as a separate line item. Buyer assumes title to the goods and risk of loss at the shipping point. No shipping charges will be allowed unless specified.
- 9. Inspection and Rejection:** Goods shall be received subject to City inspection, testing, approval and acceptance at City premises notwithstanding any prior payment for such goods. Goods rejected by City as not conforming to the Purchase Order may be returned to Supplier at Supplier's risk and expense and shall not be replaced by Supplier without written authorization from City. Substitutions are not permitted except upon specific written authorization of City.
- 10. Warranties:** In addition to any other express or implied warranties, Supplier warrants that all goods delivered under the Purchase Order will be new; suitable for the use intended; of the grade and quality specified; free from all defects in design, material and workmanship; in conformance with all samples, drawings, descriptions and specifications furnished by City; in compliance with

all applicable federal, state, and local laws and regulations; and free of liens and encumbrances. These warranties shall not be deemed to exclude Supplier's standard warranties or other rights or warranties which City may have or obtain. At its expense and option, Supplier shall replace or repair any goods not conforming to the foregoing warranties. If, after notice, Supplier fails promptly to replace or repair any such goods, Supplier shall promptly refund to City the full purchase price paid by City for such goods.

**11. Compliance with Laws:** (a) Supplier shall comply with all applicable governmental laws, ordinances, codes, rules, regulations, programs, plans and orders in the performance of the Purchase Order.

(b) Supplier shall be in full compliance with any and all permit or licensing requirements in connection with the manufacture, sale, shipment and/or installation of the goods specified in the Purchase Order.

(c) If, in connection with the specified goods, Supplier is required to comply with the Occupational Safety and Health Act's hazardous communications standard, Supplier agrees to provide copies of the applicable Material Safety Data Sheets at the time of delivery of the goods.

**12. Safety and Health Requirements:** Goods supplied shall comply with all federal and state Occupational Safety and Health Administration requirements and with all California safety and health requirements.

**13. Assignment:** Supplier shall not delegate or subcontract any duties or assign any rights or claims under the Purchase Order without City's prior written consent.

**14. Waiver:** Failure of City to enforce any provision of the Purchase Order shall not constitute a waiver or relinquishment by City of the right to such performance in the future nor of the right to enforce any other provision of the Purchase Order.

**15. Severability:** If any provision of the Purchase Order is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the Purchase Order did not contain the particular provision held to be invalid.

**16. Patents, Copyrights or Trademarks:** Supplier shall hold harmless and fully indemnify City and its officers, employees and agents from all damages or claims for damages, costs or expenses in law or equity that may arise for any infringement of the patent right, copyright or trademark of any person as a consequence of the use by City or any of its officers, employees or agents, of goods supplied under this Purchase Order.

**17. Change Orders:** City shall have the right to revoke, amend, or modify the Purchase Order at any time by issuance of a written Change Order. No verbal revocations, amendments or modifications shall be held binding on City; and City is not required to compensate Supplier for goods not authorized by written Change Order. Supplier's receipt of City's written Change Order without response received by City within ten (10) days or Supplier's shipment or other performance reflecting the change, whichever occurs first, shall constitute Supplier's acceptance of the change without any price or other adjustment.

**18. Breach of Contract:** Should Supplier breach any of the provisions of the Purchase Order, City reserves the right to cancel the Purchase Order upon written notice to Supplier and obtain such goods from another source. If a greater price than that named in the Purchase Order is paid for such goods, the excess price shall be charged to and collected from the Supplier. City shall have any and all remedies provided under the Uniform Commercial Code in the event of a breach of contract by Supplier.

**19. Governing Law; Public Records:** The Purchase Order shall be governed by and construed in accordance with the laws of the State of California as interpreted by the California courts, and any litigation arising out of the Purchase Order shall be conducted in the courts of the State of California. California law requires that the contents of the Purchase Order be open to inspection and copying by the public.

**20. Work to be Completed on City Premises by Supplier:** In the event that Supplier is required, as part of its fulfillment of the terms of the Purchase Order, to install goods or perform any other work on City premises, Supplier assumes entire responsibility and liability for losses, expenses, damages, demands, and claims in connection with or arising out of any injury or

alleged injury (including death) or damage to property, sustained or alleged to have been sustained in connection with or to have arisen out of the performance of such work by Supplier.

**21. Force Majeure:** Neither party to the Purchase Order shall be held responsible for delay or default caused by fire, riot, acts of God, and/or war which is beyond that party's reasonable control. City may terminate the Purchase Order upon written notice after determining such delay or default will reasonably prevent successful performance of the Purchase Order.

**22. Entire Agreement:** The Purchase Order, which includes any and all additional documents incorporated therein by reference, sets forth the entire agreement between Supplier and City with respect to the purchase of the goods.

**23. Additional or Inconsistent Terms:** Any term or condition set forth in any acknowledgment form provided to City by Supplier which is in any way different from, inconsistent with, or in addition to the terms and conditions of the Purchase Order will not become a part of the Purchase Order nor be binding on City. If Supplier objects to any term or condition set forth therein, this objection must be in writing and received by City's Buyer identified on the Purchase Order prior to Supplier's delivery of product(s). Notwithstanding such notice, waiver or modification of any term or condition shall occur only if agreed in writing by City.

**ATTACHMENT B  
GENERAL SPECIFICATIONS**

It is the intent of the following specifications to describe the necessary equipment and accessories which will comprise one 2010 model or newer, truck-mounted combination sewer cleaner including a high pressure rodder designed to use high velocity water jets and vacuum to remove obstructions, stones, bottles, cans, grease sludge and other debris from sanitary sewer and/or storm drain lines by the flushing action of high pressure water. The unit, including all necessary equipment, shall be furnished complete and ready for use. All parts not specifically mentioned, which are required for a completed unit, shall conform in design, strength, quality of material and workmanship to the highest standards of engineering practice. The unit shall, as a standard, be capable of running a 600 foot high pressure rodder line.

The machine will be equipped with self contained, non-corrosive, aluminum or polypropylene water tank supply as the water source for the high pressure pump. The high pressure cleaner shall operate independent of the vacuum system. The machine shall include an air conveying vacuum system to provide for the simultaneous removal of the debris flushed to the manhole by the high pressure water system or for the removal of debris from sumps, catch-basins, digesters, wet wells, bar screens, etc.

The machine shall be capable of being operated by one man, with all operating controls for high pressure water, hose reel, and vacuum located at the front of the machine for operator safety.

All equipment, materials and workmanship shall be of the highest grade in accordance with modern practice. The equipment supplied will be new and unused except for the necessary testing, calibration and transportation. The completed vehicle and equipment unit will be fully operational and ready for service upon delivery.

All items furnished in accordance with these specifications shall be covered by the manufacturer's and/or supplier's standard warranty or guarantee on new equipment. The minimum warranty period on new equipment must be two years. Consumable items such as sewer cleaning hose, light bulbs, tires and connector assemblies shall be covered by a limited warranty.

All suppliers submitting a bid must have available a factory parts and service center. The center shall be staffed with full time technical, as well as order and shipping personnel, during regular business hours and days. The factory center must be convenient to air freight, bus or overnight parcel service. The supplier shall list his nearest factory part and service location, plus any other pertinent information requested. The City may exercise its right to inspect each bidder's facilities to determine his qualifications to provide parts and service on an acceptable basis.

The vehicle and equipment must be delivered with a report of sale, a DMV approved weight certificate, and any other documentation necessary for registration with the Department of Motor Vehicles. Registration will be performed by the City of Sunnyvale.

**TO BE RETURNED WITH BID FORM**

**BID ITEM #1  
DETAILED SPECIFICATIONS  
COMBINATION SEWER CLEANING TRUCK**

**Bidder is requested to indicate if the equipment offered meets or does not meet the City's specification, item by item. If an item does not meet specification, the bidder must explain fully how the equipment being offered differs from the specifications. If more space is needed to explain a deviation, the bidder may do so on the manufacturer's specification sheet, or in a letter attached to the bid submitted.**

**YES: NO**

**1. DEBRIS BODY**

- X:\_\_\_ 1.1 Debris storage body shall have a minimum useable liquid capacity of 9 cubic yards.
- X:\_\_\_ 1.2 The body shall be round for maximum strength and constructed of 3/16" Corten steel or equal for corrosion resistance.
- X:\_\_\_ 1.3 The rear door shall be full opening, hinged at the top, with a minimum 5" diameter liquid drain; for removing excess liquids. The drain to have a butterfly or knife gate control valve installed at the opening. Drain will have 10' of lay flat hose.
- X:\_\_\_ 1.4 The debris body shall have externally mounted door locks that lock hydraulically. One manual T bolt will be installed for operator safety. A hydraulic grabber shall be installed and controlled by one hydraulic cylinder externally mounted for ease of service. The hydraulic locks and grabber shall be operated by one (1) sequential control. The hydraulic grabber shall engage the door at the bottom of the door from 0" - 6". Beyond the 6" stroke, the grabber shall automatically disengage the door, allowing for the dumping of the debris tank.
- X:\_\_\_ 1.5 A double-acting, power-up, power-down, scissor lift dump mechanism will be provided to raise body to a minimum 50 degree angle. To prevent the possibility of hydraulic oil contamination, body hoist mechanism shall be mounted on the outside of the debris tank. Vacuum hose, water tanks and boom must not dump with debris body.
- X:\_\_\_ 1.6 Dump controls shall be located on the curb-side of the unit, well forward of the dumping area for safety.
- X:\_\_\_ 1.7 A debris body flush out system shall be provided with sprinklers. The system shall provide 50 GPM@3,000 psi to clean debris body.
- X:\_\_\_ 1.8 The debris body shall have a five year warranty.



**2. AUTOMATIC VACUUM BREAKER**

- : \_\_\_ 2.1 An internal polyethylene float device with indicator shall be supplied to show when body is loaded to capacity.
- : \_\_\_ 2.2. A full indication will activate an automatic vacuum breaker shut down system that completely shuts down air flow to vacuum system to prevent body overflowing and wastewater discharge.
- : \_\_\_ 2.3 The vacuum breaker system shall be automatically activated when the parking brake system is released. The vacuum breaker shall also operate manually at the control panel. This will prohibit any wastewater from entering the vacuum system while being driven.

**3. BODY/SUB-FRAME ASSEMBLY**

- : \_\_\_ 3.1 The auxiliary engine, water pump, vacuum compressor, debris body and boom support assembly shall be mounted to a single unitized welded sub-frame, which in turn is shear plate mounted to truck chassis frame.
- : \_\_\_ 3.2 The sub-frame shall be independent of the water tank to eliminate possible stress cracking of water tank.

**4. WATER SUPPLY**

- : \_\_\_ 4.1 The water tank system shall have a minimum useable capacity of 1300 gallons.
- : \_\_\_ 4.2 The water tank system shall be constructed of non-corrosive, polyethylene or aluminum to eliminate rust, corrosion and stress cracking.
- : \_\_\_ 4.3 The water tank system shall consist of eight individual tanks, cross linked. Four tanks shall be mounted about the left and right side rear fenders and four attached to the left and right outside frame rails below the fenders. Each of the 4 upper tanks shall have a 100 gallon capacity and each of the lower tanks shall have a 225 gallon capacity.
- : \_\_\_ 4.4 The water tank system shall have a ten year replacement warranty for any rust or cracking.
- : \_\_\_ 4.5 A 2-1/2" diameter, 20' long hydrant hose with anti-syphon device will be installed on unit.
- : \_\_\_ 4.6 Each tank shall be supplied with quick removal hatches for access to the water tank, for flush-out, or to be used to fill tanks or add chemicals to the water tank system.
- : \_\_\_ 4.7 A sight gauge and a manual override audible alarm to indicate low water level will be located within sight and hearing range of the operator station.

:\_\_\_ 4.8 The water tanks shall be protected by 11 gauge steel plating mounted below water tanks for protection when unit travels off road and to land fills.

:\_\_\_ 4.9 The water system shall have a 2-1/2" gate valve to drain system.

**5. CENTRIFUGAL COMPRESSOR**

:\_\_\_ 5.1 The centrifugal vacuum compressor shall be a minimum of 27" diameter and 3-stage construction (i.e., 3-27" min. diameter fans in tandem) of corrosion resistant steel.

:\_\_\_ 5.2 3- stage turbo blower shall be capable of up to 200" of negative water pressure and up to 8000 CFM of air movement.

:\_\_\_ 5.3 The compressor shall operate independent of the high pressure water system and be powered by the truck chassis engine via hydrostatics. The compressor drive shall be a closed loop hydrostatic system using a variable piston pump and motor. This system shall include a heat exchanger for extreme ambient conditions and to maintain the pump suction oil temp at 160 degrees F. max. The heat exchanger shall be protected by a 30 micron filter and cold weather bypass valve. Hydrostatic loop filtration shall be accomplished by a 10 Betamicon return loop filter and a 10 micron Absolute (no bypass) charge filter. No split shaft PTO's or gearboxes allowed on transmission.

:\_\_\_ 5.4 Control of the centrifugal compressor regarding start, stop and the rate of vacuum suction shall be performed from the front of the truck. A vacuum suction breaker disconnect switch shall be provided to enable operator to pick up large debris with boom and place debris on road surface. The switch shall also be used for safety in the event suction must be shut off in case of an emergency.

:\_\_\_ 5.5 The fan outer housings shall be spun from one piece of 3/16" steel for strength and provide proper air flow in operation.

:\_\_\_ 5.6 The compressor shall be mounted on a frame independent of the water tank.

:\_\_\_ 5.7 A centrifugal or cyclone separator with clean out box shall be located outside of the debris body prior to the centrifugal compressor inlet. The separator will remove particles from the air stream thus enabling the unit to vacuum wet or dry material. Primary air filtration shall occur inside of the debris tank prior to the centrifugal separator and consist of two stainless steel micro strainer filter screens.

:\_\_\_ 5.8 Centrifugal compressor shall have a five year replacement warranty on the vacuum compressor unit.

:\_\_\_ 5.9 Hydrostatic system shall incorporate a minimum 30 gallon hydraulic tank with a tank sight gage.

:\_\_\_ 5.10 The centrifugal compressor shall incorporate the use of a vacuum silencer to limit noise pollution to the operators during vacuuming operations.

**6. AUXILIARY ENGINE**

- 6.1 The auxiliary engine shall be used to drive the water pump, rodder, rear door, debris tank, boom and all on-board general purpose hydraulic components.
- 6.2 The shrouded auxiliary engine shall be liquid cooled, turbo charged, diesel powered, 4 cylinder heavy duty industrial engine. The engine shall have a rated gross horsepower of 140 bhp at 2500 rpm.
- 6.3 The engine must meet 2010 California emission standards and come equipped with a automatic safety shut downs for low oil pressure and high water temperature as well as an exhaust silencer.
- 6.4 All gauges and indicator lights for normal operation shall be located on the drivers side of the unit. The control panel will be mounted on rubber isolating mounts. The control panel will consist of tachometer, water temperature gauge or light, oil pressure, hour meter and automatic shut down feature.
- 6.5 Auxiliary engine start/stop control will be located at the hose reel at the operator station for safety and convenience.
- 6.6 The design shall allow operator to check fluids without removing side panels.

**7. VACUUM SYSTEM PICK UP HOSE**

- 7.1 Shall be front loading, attached at the front of the machine in order to provide ease of positioning the machine over the manhole, as well as afford maximum safety for the operator.
- 7.2 The 8" diameter hose will be mounted on a boom which will provide a minimum of 18.0' vertical lift utilizing dual hydraulic cylinders and 270 degrees of boom rotation powered hydraulically for smooth rotation. Boom to have a lift capacity of 700 lbs. at the front bumper. An eye hook shall be welded to boom end to help remove storm grates and lids.
- 7.3 The boom will be powered hydraulically up and down by lift cylinders. The right/left movements will be accomplished by hydraulic rotation.
- 7.4 Both upper and lower vacuum hoses will be 8" in diameter with a fixed steel elbow for longer wear.
- 7.5 Control of the boom shall be by means of a "joy stick" control at the operator's station, requiring no cables at operator's feet for boom operation. A 6-way remote pendant station with a vacuum breaker shutdown switch will also be supplied.
- 7.6 Pipe extensions to clean to a depth of 30' will be carried on the truck as follow: 1-6'5" nozzle, 1-6', 3-5' and 1-3' aluminum pipe extensions.

- X:\_\_\_ 7.7 A boom tie down with lock shall be supplied to keep boom in stationary position while unit is being transported.
- X:\_\_\_ 7.8 A telescoping boom shall be supplied that will telescope a minimum 10' straight forward from fully retracted position to provide greater work area in front of the vehicle. There shall be a heavy duty steel elbow affixed to the end of the boom.

**8. HIGH PRESSURE WATER PUMP**

- X:\_\_\_ 8.1 A high pressure variable flow water pump shall be direct coupled with the auxiliary engine.
- X:\_\_\_ 8.2 Water pump shall be rated at 3,000 psi at 50 GPM with continuous smooth pressure.
- X:\_\_\_ 8.3 The high pressure water pump shall have smooth continuous flow for both the high pressure system and the hand gun system. A continuous duty flow of 50 g.p.m. and 3000 p.s.i shall be provided. The water pump operates independently of the vacuum system and is powered by the auxiliary engine via a clutchless, direct drive system.
- X:\_\_\_ 8.4 Controls for starting and stopping the pump and to vary the flow and pressure from 0-50 GPM /3,000 psi will be at the front operator's station on the hose reel.
- X:\_\_\_ 8.5 Two water pressure relief valves shall be supplied, one for the hydro-excavation system and one for the low pressure handgun system shall be supplied.

**9. JET RODDER HOSE REEL ASSEMBLY**

- X:\_\_\_ 9.1 The hose reel assembly shall be mounted on the front of the vehicle.
- X:\_\_\_ 9.2 The hose reel shall be a minimum of 30" inside diameter with a capacity of 60' of 3/4" hose and come equipped with a standard hose counter.
- X:\_\_\_ 9.3 The hose reel will be hydraulically powered in both directions by means of a double chain and sprocket drive. The controls for operating the motor incorporating a flow control device to regulate the rotational speed of the reel in both directions. All hydraulic hoses shall be behind a steel housing to protect the operator from hydraulic oil if a hose fails.
- X:\_\_\_ 9.4 The hydraulic motor, chain and sprockets will have a protective cover or be mounted on the radiator side of the hose reel, to prevent operator injury.
- X:\_\_\_ 9.5 The hose reel will rotate a minimum of 180 degrees allowing operator to work in any position through this arc. This allows greater flexibility in truck placement for manholes located in tough areas and provides greater safety to the operator. Reel will extend over curb side of unit.

- :\_\_\_ 9.6 A hydraulic outrigger leg that hydraulically comes in contact with the ground at any one position adds greater stability to the reel when operating the hose reel. A bypass valve shall be added to allow operator to bypass hydraulics and manually pull the reel away from its transported position. This feature allows operator to check fluids without starting engines.
- :\_\_\_ 9.7 All controls for operating the high pressure water system will be mounted on this reel assembly frame.

#### 10. HIGH PRESSURE/LOW PRESSURE GUNS

- :\_\_\_ 10.1 The water pump will be used for two gun systems. The two 50-foot hose reels shall be mounted on a common 2-reel assembly, easily accessible from the curb side.
- :\_\_\_ 10.2 One full functioning hand gun with on/off handle, replaceable nozzle tip, one foot extension and 50' of 1/2" high pressure hose with retractable hose reel will be provided for the low pressure (20 GPM/ 600psi maximum), wash-down system. The hand gun will be attached to a spring coiled roll- up system via quick couple connection, to avoid hose being coiled at operator's feet.
- :\_\_\_ 10.3 The second reel will incorporate a full functioning hand gun with on/off handle, replaceable nozzle tip, a five-foot extension lance and 50' of 1/2" high pressure hose and provide for the high pressure (20 GPM/ 3,000 psi maximum), excavation system. The hand gun will be attached to a spring coiled roll- up system via quick couple connection, to avoid hose being coiled at operator's feet.

#### 11. JET HOSE

- :\_\_\_ 11.1 600' x 3/4" high pressure jet hose, rated for 3,000 psi working pressure and 7500 psi burst will be provided along with 25' 3/4" 3,000 psi leader hose on the unit.
- :\_\_\_ 11.2 Two heavy-duty hose guides will be provided.
- :\_\_\_ 11.3 Hose level wind guides will be provided.
- :\_\_\_ 11.4 Nozzles will be provided as follows:  
2 - 30 degree round head sanitary (1-30 GPM/1-50 GPM)  
2 - Chisel Point (1-30 GPM/1-50 GPM)

#### 12. LUBRICATION

- :\_\_\_ 12.1 The unit will be equipped with a permanent weather proof white vinyl lubrication chart that is attached to the unit. This chart will point out every lubrication point on the module and specify what type of lubrication is used, as well as recommended time for lubrication.

- X:\_\_\_ 12.2 Remote plumbed grease fittings shall be provided for the vacuum compressor, boom rotation and water pump drive areas that require lubrication.

**13. MISCELLANEOUS ITEMS**

- X:\_\_\_ 13.1 (1) 16" x 42" x 96" sealed and locking accessory tool box will be supplied, directly behind cab with a slide out tray. The tool box will have dry deck material installed. The tool box shall have 2 three foot slide out drawers and a full width 96" adjustable shelf.

- X:\_\_\_ 13.2 Safety Vision or Clarion rear vision camera system automatically actuated when vehicle is put into reverse or by manual override switch at vehicle cab instrument panel.

- X:\_\_\_ 13.3 (1) cone rack located at front of vehicle and (1) cone rack located in rear of vehicle at the most convenient location. Each cone rack shall hold (5) each 28" cones.

- X:\_\_\_ 13.4 (1) hose footage counters. One to be left hand mounted on hose reel

- X:\_\_\_ 13.5 (4) side steps on each side with grab handles for access to deck area.

- X:\_\_\_ 13.6 Shovel Rack

- X:\_\_\_ 13.7 Tool rack for storing three (3) 1" 8 foot long handle tools pipes shall be provided behind the truck cab.

- X:\_\_\_ 13.8 Heavy duty electronic back up alarm.

- X:\_\_\_ 13.9 Permanently mounted engraved placards for functions and operation controls will be provided.

- X:\_\_\_ 13.10 Remote boom and debris grease zerk manifold assembly accessible from ground level

- X:\_\_\_ 13.11 Nozzle rack to hold four nozzles.

- X:\_\_\_ 13.12 All sewer cleaner electronic components shall be protected by a separate resettable circuit breaker panel located next to driver's seat mounted on the floor. The safety strobes and arrowstick shall have separate resettable circuit breakers.

- X:\_\_\_ 13.13 A Lazy-Susan pipe rack assembly shall be mounted on the street side body to hold (5) each, 8" aluminum pipes.

- X:\_\_\_ 13.14 A lateral kit shall be supplied consisting of 125 feet of ½" high pressure hose which will be mounted on a movable cart. This kit shall be mounted to the curb side rear bumper area.

**14. PAINTING**

- X:\_\_\_ 14.1 Unit to be painted DuPont Imron white with blue side and boom stripes, and rear chevrons. The cab will be painted manufacturer's white.



**15. LIGHTS**

- :\_\_\_ 15.1 Clearance lights and reflectors shall be furnished in accordance with D.O.T. requirements.
- :\_\_\_ 15.2 Rear mounted LED arrow stick with in-cab controls equal to a Whelen model TANF85.
- :\_\_\_ 15.3 (1) hand held spot light shall be provided.
- :\_\_\_ 15.4 (2) Boom mounted flood lights shall be supplied one on each side of the boom located at tip of boom with brush shields.
- :\_\_\_ 15.5 (2) rear work lights shall be mounted at top rear of debris body to illuminate rear of unit.
- :\_\_\_ 15.6 (1) street side work area light shall be mounted adjacent to the auxiliary engine area. The light shall be equal to an SSI Illuminator PAR 36 rubber snap-in model SY300212.
- :\_\_\_ 15.7 (1) curb side work area light shall be mounted adjacent to the vacuum compressor area. The light shall be equal to an SSI Illuminator PAR 36 rubber snap-in model SY300212.
- :\_\_\_ 15.8 (2) Halogen beacon lights shall be supplied; (1) unit to be located on top rear of debris tank rear door, (1) unit to be located at front center of cab. Units shall be equal to an Ecco Model 6658.

**16. WARRANTY**

- :\_\_\_ 16.1 Standard body items- 1 year
- :\_\_\_ 16.2 Water tanks- 10 years
- :\_\_\_ 16.3 Fan, vacuum compressor, water pump drive system- 5 years
- :\_\_\_ 16.4 Water pump packing and check valves- 1,200 hours
- :\_\_\_ 16.5 Water pump- 1 year
- :\_\_\_ 16.6 Auxiliary Engine- 2 years

**DETAILED SPECIFICATIONS  
COMBO SEWER CLEANING TRUCK CAB/CHASSIS**

The vehicle furnished shall be a 2010 model truck or newer and shall include all equipment normally furnished as standard, including the following, which may be standard, additional or optional. It shall be the responsibility of the bidder to match the proper vehicle to the cleaning machine so that when fully-loaded with fresh water the unit is properly balanced and loaded to insure a safe, effective, and operable unit, meeting all safety, loading and weight requirements. If a vehicle which exceeds the minimum specifications is required to transport the cleaning unit, bidder shall provide the necessary vehicle and include all costs therefore in his base bid. The vehicle must meet all applicable Federal DOT and California Vehicle Codes, as well as applicable California and Federal emission standards for the applicable model year.

It is the intent of these specifications to describe a conventional truck cab/chassis similar or equal to an International Model IHC 7400. The vehicle furnished shall meet the following minimum requirements.

**YES:NO**

**1. G.V.W.R.**

: \_\_\_      1.1      60,000 Pounds Minimum

**2. ENGINE**

: \_\_\_      2.1      Diesel Turbocharged minimum 300 H.P. Minimum @ 2,200 R.P.M. Must meet 2010 or 2011 California emission standards based on model year.

**3. ENGINE EQUIPMENT**

: \_\_\_      3.1      Front mounted, crankshaft driven power take-off.

: \_\_\_      3.2      Throttle hand control, electronic, mobile, variable control.

**4. TRANSMISSION**

: \_\_\_      4.1      Allison – RDS3000.

**5. WHEELBASE**

: \_\_\_      5.1      256 inches minimum.

**6. CAB TO AXLE**

: \_\_\_      6.1      181 inches minimum.

**7. AXLES**

: \_\_\_      7.1      Front - 20,000 pounds capacity minimum with shock absorbers double acting telescopic.

: \_\_\_      7.2      Rear - 40,000 pounds capacity minimum with a ratio of approximately 7.17.

: \_\_\_      7.3      Rear axle ratio: 6.17: 1

**8. AXLE EQUIPMENT**

- :\_\_\_ 8.1 Magnetic trap drain and fill plugs.
- :\_\_\_ 8.2 Heavy duty shock absorbers.
- :\_\_\_ 8.3 Greaseable drag link and tie rods.

**9. SUSPENSION**

- :\_\_\_ 9.1 Total spring capacity to equal or exceed manufacturer's requirement for warranty rating on G.V.W.R. specified.

**10. BRAKES - SERVICE**

- :\_\_\_ 10.1 Air brakes.

**11. ELECTRICAL**

- :\_\_\_ 11.1 Heavy duty alternator - 160 AMP - minimum.

**12. CAB**

- :\_\_\_ 12.1 Tilt front end
- :\_\_\_ 12.2 Conventional cab.
- :\_\_\_ 12.3 Trim - heavy duty black vinyl with charcoal interior.

**13. CAB EQUIPMENT - EXTERIOR**

- :\_\_\_ 13.1 Rear view mirrors (2) 7"X14"X7" , convex both sides.
- :\_\_\_ 13.2 Dual air horns - rectangular
- :\_\_\_ 13.3 Single vertical exhaust with after-treatment device to meet model year emission standards

**14. CAB EQUIPMENT - INTERIOR**

- :\_\_\_ 14.1 Air conditioning
- :\_\_\_ 14.2 Power steering.
- :\_\_\_ 14.3 Floor mat - Black vinyl covered rubber
- :\_\_\_ 14.4 AM/FM Clock radio, overhead mounted.

**15. CAB SEATING**

- :\_\_\_ 15.1 Driver- air suspension, high back with lumbar support. Passenger-non air suspension, high back

**16. CAB INSTRUMENTATION**

- :\_\_ 16.1 Speedometer. (Miles and hours)
- :\_\_ 16.2 Tachometer.
- :\_\_ 16.3 Oil pressure.
- :\_\_ 16.4 Water temperature.
- :\_\_ 16.5 Fuel gauge.
- :\_\_ 16.6 Hour meter.
- :\_\_ 16.7 Volt meter.
- :\_\_ 16.8 Air pressure gauge.
- :\_\_ 16.9 Transmission fluid temperature.

**17. CAB INSTRUMENTATION (WARNING DEVICES)**

- :\_\_ 17.1 Water in fuel.
- :\_\_ 17.2 Low oil pressure.
- :\_\_ 17.3 High coolant temperature.
- :\_\_ 17.4 Low coolant temperature.
- :\_\_ 17.5 Heavy duty back-up alarm - electric.
- :\_\_ 17.6 Air cleaner restriction indicator.
- :\_\_ 17.7 Parking brake control.
- :\_\_ 17.8 Particulate filter regeneration switch.

**18. CAB ELECTRICAL**

- :\_\_ 18.1 Running lights, clearance lights, and reflectors shall be furnished in accordance with D.O.T. requirements.
- :\_\_ 18.2 Jump start stud to be located on positive terminal of outside battery.

**19. FRAME**

- :\_\_ 19.1 Tow hooks - two front and two rear

**20. FUEL TANKS**

   :X        20.1    Single 100-gallon – street side, with steps.

**21. TIRES**

X:           21.1    Front - size 425/65R x 22.5 - 20 ply.

X:           21.2    Rear - size 11R/22.5 - 14 ply.

**22. PAINT**

X:           22.1    Manufacturer's current production year white.

**23. WARRANTY**

X:           23.1    The truck chassis shall be warranted for a period  
of 2 years, unlimited mileage.

**GENERAL SPECIFICATIONS FOR  
TRUCK-MOUNTED HYDRO-EXCAVATOR**

It is the intent of the following specifications to describe the necessary equipment and accessories which will comprise of one 2010 model or newer, truck-mounted hydro-excavator designed to use high velocity water and vacuum to excavate soil, stones, and other debris from excavations for the replacement/repair of water lines, sanitary sewer and/or storm drain lines by the breaking force of high pressure water and the subsequent vacuuming of soil and water to transport unwanted material offsite . The unit, including all necessary equipment, shall be furnished complete and ready for use. All parts not specifically mentioned, which are required for a completed unit, shall conform in design, strength, quality of material and workmanship to the highest standards of engineering practice.

The machine will be equipped with self contained, non-corrosive, aluminum or polypropylene water tank supply as the water source for the high pressure excavation. This water pump shall be powered from the same hydraulic pump which provides power for the vacuum system. The machine shall incorporate an air conveying vacuum system to provide for the simultaneous removal of the debris flushed from the work area by the high pressure water system. Debris may be removed from sumps, catch-basins, digesters, wet wells, or bar screens. The machine shall be capable of being operated by one man, with all operating controls for high pressure water and vacuum located at the street side control panel for operator safety.

All equipment, materials and workmanship shall be of the highest grade in accordance with modern practice. The equipment supplied will be new and unused except for the necessary testing, calibration and transportation. The completed vehicle and equipment unit will be fully operational and ready for service upon delivery.

The vehicle and equipment must be delivered with a report of sale, a DMV approved weight certificate, and any other documentation necessary for registration with the Department of Motor Vehicles. Registration will be performed by the City of Sunnyvale.

**BID ITEM #2  
DETAILED SPECIFICATIONS  
TRUCK-MOUNTED HYDRO-EXCAVATOR**

**YES:NO**

**1. DEBRIS BODY**

- :\_\_\_ 1.1 Debris storage body shall have a minimum useable liquid capacity of 11 cubic yards.
- :\_\_\_ 1.2 The body shall be round for maximum strength and constructed of 3/16" Corten steel or equal for corrosion resistance.
- :\_\_\_ 1.3 The rear door shall be full opening, hydraulically opened, hinged at the top, with a minimum 5" diameter liquid drain for removing excess liquids. The drain to have a butterfly or knife gate control valve installed at the opening. Drain will have 10' of lay flat hose.
- :\_\_\_ 1.4 The rear door shall have externally mounted "door grabbers" that latch hydraulically with a minimum of 5 latches. Three manual "T" bolts will be installed for operator safety or hydraulic failure. The hydraulic latches shall be controlled by one hydraulic cylinder externally mounted for ease of servicing. Each latch shall provide adjustment if necessary.
- :\_\_\_ 1.5 A double-acting, power-up, power-down, scissor lift dump mechanism will be provided to raise body to a minimum 50 degree angle. To prevent the possibility of hydraulic oil contamination, body hoist mechanism shall be mounted on the outside of the debris tank. Vacuum hose and boom must not dump with debris body.
- :\_\_\_ 1.6 Dump controls shall be located on the curb-side of the unit, well forward of the dumping area for safety.
- :\_\_\_ 1.7 A debris body flush out system shall be provided with sprinklers and capable of supplying 20 GPM at 2,000PSI.
- :\_\_\_ 1.8 A rubber debris body deflector shall be installed on the rear door to extend the door's life expectancy.
- :\_\_\_ 1.9 The debris body shall have a five year warranty.

**2. AUTOMATIC VACUUM BREAKER**

- :\_\_\_ 2.1 An internal polyethylene float device with indicator shall be supplied to show when body is loaded to capacity.
- :\_\_\_ 2.2 A full indication will activate an automatic vacuum breaker shut down system that completely shuts down air flow to vacuum system to prevent body overfilling and wastewater discharge.
- :\_\_\_ 2.3 The vacuum breaker system shall be automatically activated when the parking brake system is released. The vacuum breaker shall also operate manually at the control panel. This will prohibit any wastewater from entering the vacuum system while being driven.



**3. BODY/SUB-FRAME ASSEMBLY**

- X:\_\_\_ 3.1 The vacuum compressor, debris body and boom support assembly shall be mounted to a single unitized welded sub-frame, which in turn is shear plate mounted to truck chassis frame.
- X:\_\_\_ 3.2 The sub-frame shall be independent of the water tank to eliminate possible stress cracking of water tank.

**4. WATER SUPPLY**

- X:\_\_\_ 4.1 The water tank system shall have a minimum useable capacity of 675 gallons.
- X:\_\_\_ 4.2 The water tank system shall be constructed of non-corrosive, polyethylene or aluminum to eliminate rust, corrosion and stress cracking.
- X:\_\_\_ 4.3 The water tank system shall consist of three individual tanks, cross linked. The three tanks shall be attached to the left and right outside frame rails below the fenders. Two tanks shall be mounted on the street side and one tank shall be mounted on the curb side. Each of the tanks shall have a 225 gallon capacity.
- X:\_\_\_ 4.4 The water tank system shall have a ten year replacement warranty for any rust or cracking.
- X:\_\_\_ 4.5 A 2-1/2" diameter, 20' long hydrant hose with anti-siphon device will be installed on unit.
- X:\_\_\_ 4.6 Each tank shall be supplied with quick removal hatches for access to the water tank, for flush-out, or to be used to fill tanks or add chemicals to the water tank system.
- X:\_\_\_ 4.7 A sight gauge and a manual override audible alarm to indicate low water level will be located within sight and hearing range of the operator station.
- X:\_\_\_ 4.8 The water tanks shall be protected by 11 gauge steel plating mounted below water tanks for protection when unit travels off road and to land fills.
- X:\_\_\_ 4.9 The water system shall have a 2-1/2" gate valve to drain system.

**5. CENTRIFUGAL COMPRESSOR**

- X:\_\_\_ 5.1 The centrifugal vacuum compressor shall be a minimum of 27" diameter and 3-stage construction (i.e., 3-27" min. dia. fans in tandem) of corrosion resistant steel.
- X:\_\_\_ 5.2 3- stage turbo blower shall be capable of up to 200" of negative water pressure and up to 8000 CFM of air movement.

- X:\_\_\_ 5.3 The compressor shall be powered by the truck chassis engine via hydrostatics. The compressor drive shall be a closed loop hydrostatic system using a variable piston pump and motor. This system shall include a heat exchanger for extreme ambient conditions and to maintain the pump suction oil temp at 160 degrees F. max. The heat exchanger shall be protected by a 30 micron filter and cold weather bypass valve. Hydrostatic loop filtration shall be accomplished by a 10 Betamicron return loop filter and a 10 micron Absolute (no bypass) charge filter. No split shaft PTO's or gearboxes will be allowed on transmission.
- X:\_\_\_ 5.4 Control of the centrifugal compressor regarding start, stop and the rate of vacuum suction shall be performed from the curb side operator's station. A vacuum suction breaker disconnect switch shall be provided to enable operator to pick up large debris with boom and place debris on road surface. The switch shall also be used for safety in the event suction must be shut off in case of an emergency.
- X:\_\_\_ 5.5 The fan outer housings shall be spun from one piece of 3/16" minimum steel for strength and provide proper air flow in operation.
- X:\_\_\_ 5.6 The compressor shall be mounted on a frame independent of the water tank.
- X:\_\_\_ 5.7 A centrifugal or cyclone separator with clean out box shall be located outside of the debris body prior to the centrifugal compressor inlet. The separator will remove particles from air stream thus enabling the unit to vacuum wet or dry material. Primary air filtration shall occur inside of the debris tank prior to the centrifugal separator and consist of two stainless steel micro strainer filter screens.
- X:\_\_\_ 5.8 Centrifugal compressor shall have a five year replacement warranty on the vacuum compressor unit.
- X:\_\_\_ 5.9 Hydrostatic system shall incorporate a minimum 30 gallon hydraulic tank with a tank sight gage.
- X:\_\_\_ 5.10 The centrifugal compressor shall incorporate the use of a vacuum silencer to limit noise pollution to the operators.

## 6. VACUUM SYSTEM PICK UP HOSE

- X:\_\_\_ 6.1 Shall be front loading, attached at the front of the machine in order to provide ease of positioning the machine over the manhole, as well as afford maximum safety for the operator.
- X:\_\_\_ 6.2 The 8" diameter hose will be mounted on a boom which will provide a minimum of 18.0' vertical lift utilizing dual hydraulic cylinders and 270 degrees of boom rotation powered hydraulically for smooth rotation. Boom to have a lift capacity of 700 lbs. at the front bumper. An eye hook shall be welded to boom end to help remove storm grates and lids.
- X:\_\_\_ 6.3 The boom will be powered hydraulically up and down by lift cylinders. The right/left movements will be accomplished by hydraulic rotation.

- :\_\_\_ 6.4 Both upper and lower vacuum hoses will be 8" in diameter with a fixed steel elbow for longer wear.
- :\_\_\_ 6.5 Control of the boom shall be by means of a wireless control box, requiring no cables at the operator's feet for boom operation.
- :\_\_\_ 6.6 Pipe extensions to clean to a depth of 30' will be carried on the truck as follow: 1-6'5" nozzle, 1-6', 3-5' and 1-3' aluminum pipe extensions.
- :\_\_\_ 6.7 The boom will have a ½", high-pressure 20GPM, 3,000PSI hose reel assembly mounted on the curb side which will telescope in and out as the boom assembly moves in and out. This line will be plumbed to the end of the boom assembly.
- :\_\_\_ 6.8 A boom tie down with lock shall be supplied to keep boom in stationary position while the unit is being transported.
- :\_\_\_ 6.9 A telescoping boom shall be supplied that will telescope a minimum 10' straight forward from fully retracted position to provide greater work area in front of the vehicle.
- :\_\_\_ 6.10 The boom assembly shall be equipped with an extra wear back housing for the heavy duty steel elbow.

**7. HIGH PRESSURE WATER PUMP**

- :\_\_\_ 7.1 A high pressure variable flow water pump shall be direct coupled with the hydrostatic hydraulic pump system. The pump shall be located directly in front of the curb side water storage tank within a storage box with barn-door style doors.
- :\_\_\_ 7.2 Water pump shall be rated at 3,000 psi at 20 GPM with continuous smooth pressure.
- :\_\_\_ 7.3 The water pump shall be equipped with chrome oxide coated stainless steel plungers for withstanding higher pressure and self adjusting Kevlar packing that increases life and enables the pump to run dry. The double stem guided tapered check valves shall be construed of light weight titanium for added life and less corrosion build up and maintenance. All water shall pass through a water strainer before entering the water pump.
- :\_\_\_ 7.4 Controls for starting and stopping the pump and to vary the flow and pressure from 0-20 GPM /3,000 psi will be at the operator's station.
- :\_\_\_ 7.5 A water pressure relief valve shall be supplied for the hydro-excavation system.

**8. High Pressure/Low Pressure Guns**

- :\_\_\_ 8.1 The main water pump will be used for two gun systems. The low pressure 50-foot hose shall be mounted on a reel directly above the operator's control box, easily accessible from the curb side. The high pressure gun and its reel shall be mounted in the water pump compartment below the operator's control box.

- X:\_\_\_ 8.2 One full functioning hand gun with on/off handle, replaceable nozzle tip, one foot extension and 50' of 1/2" high pressure hose with retractable hose reel will be provided for the low pressure (20 GPM/ 600psi maximum), wash-down system. The hand gun will be attached to a spring coiled roll- up system via quick couple connection, to avoid hose being coiled at operator's feet.
- X:\_\_\_ 8.3 The high-pressure reel will incorporate a full functioning hand gun with on/off handle, replaceable nozzle tip, one foot extension and 50' of 1/2" high pressure hose and provide for the high pressure (20 GPM/ 3,000 psi maximum), excavation system. The hand gun will be attached to a reel assembly within the pump compartment. The hose will be accessible from the side of the pump compartment by use of nylon guide rollers.

**9. LUBRICATION**

- X:\_\_\_ 9.1 The unit will be equipped with a permanent weather proof white vinyl lubrication chart that is attached to the unit. This chart will point out every lubrication point on the module and specify what type of lubrication is used, as well as recommended time for lubrication.
- X:\_\_\_ 9.2 Remote plumbed grease fittings shall be provided for the vacuum compressor, boom rotation and water pump drive areas that require lubrication.

**10. MISCELLANEOUS ITEMS**

- X:\_\_\_ 10.1 (1) 16" x 42" x 96" sealed and locking accessory tool box will be supplied, directly behind cab with a slide out tray. The tool box will have dry deck material installed.
- X:\_\_\_ 10.2 (1) cone rack located at front of vehicle and (1) cone rack located in rear of vehicle at the most convenient location. Each cone rack shall hold (5) each 28" cones.
- X:\_\_\_ 10.3 (4) side steps with grab handles for access to deck area.
- X:\_\_\_ 10.4 Shovel Rack
- X:\_\_\_ 10.5 A soil excavation tube shall be supplied equal to a Soil Surgeon. The 8" tube shall be 6 foot in length and have handles welded to both sides of the tube, have a water ring assembly at the lower end with spray nozzles directed inward to cut soil and outward to direct the tube down the hole. A "Y" connection shall be available to utilize air or water. Rubber bumpers shall be installed at the base of the water ring to protect the tips and lines.
- X:\_\_\_ 10.6 A Lazy-Susan pipe rack assembly shall be mounted on the street side body to hold (5) each 8" aluminum pipes.
- X:\_\_\_ 10.7 Permanently mounted engraved placards for functions and operation controls will be provided.

- :\_\_\_ 10.8 Remote boom and debris grease zerk assembly accessible from ground level
- :\_\_\_ 10.9 All hydro-excavation electronic components shall be protected by resettable circuit breakers located within a panel next to driver's seat mounted on the floor. All non-chassis working lights shall have separate resettable circuit breakers

**11. PAINTING**

- :\_\_\_ 11.1 Complete body and cab to be painted standard chassis manufacturer white.

**12. LIGHTS**

- :\_\_\_ 12.1 Clearance lights and reflectors shall be furnished in accordance with D.O.T. requirements.
- :\_\_\_ 12.2 Rear mounted LED arrow stick with in-cab controls equal to a Whelen model TANF85.
- :\_\_\_ 12.3 (1) hand held spot light shall be provided.
- :\_\_\_ 12.4 (2) Boom mounted flood lights shall be supplied one on each side of the boom located at tip of boom with brush shields.
- :\_\_\_ 12.5 (2) rear work lights shall be mounted at top rear of debris body to illuminate rear of unit.
- :\_\_\_ 12.6 (1) street side work area light shall be mounted adjacent to the compressor fan assembly.
- :\_\_\_ 12.7 (1) curb-side work area light shall be mounted adjacent to the operator control panel area.
- :\_\_\_ 12.8 (2) LED beacon lights shall be supplied; (1) unit to be located on top rear of debris tank rear door, (1) unit to be located at top front center of cab. Both units shall be equipped with brush shields.

**13. WARRANTY**

- :\_\_\_ 13.1 Standard body items- 1 year
- :\_\_\_ 13.2 Water tanks- 10 years
- :\_\_\_ 13.3 Fan, vacuum compressor, water pump drive system- 5 years
- :\_\_\_ 13.4 Water pump packing and check valves- 1,200 hours

**DETAILED SPECIFICATIONS  
HYDRO-EXCAVATOR TRUCK CAB/CHASSIS**

The vehicle furnished shall be a 2010 model truck or newer and shall include all equipment normally furnished as standard, including the following, which may be standard, additional or optional. It shall be the responsibility of the bidder to match the proper vehicle to the cleaning machine so that when fully-loaded with fresh water the unit is properly balanced and loaded to insure a safe, effective, and operable unit, meeting all safety, loading and weight requirements. If a vehicle which exceeds the minimum specifications is required to transport the cleaning unit, bidder shall provide the necessary vehicle and include all costs therefore in his base bid. The vehicle must meet all applicable Federal DOT and California Vehicle Codes, as well as applicable California and Federal emission standards for the applicable model year.

It is the intent of these specifications to describe a conventional truck cab/chassis similar or equal to an International Model IHC 7400. The vehicle furnished shall meet the following minimum requirements.

**YES:NO**

**1. G.V.W.R.**

: \_\_\_      1.1      60,000 Pounds Minimum

**2. ENGINE**

: \_\_\_      2.1      Diesel Turbocharged minimum 300 H.P. Minimum @ 2,200 R.P.M. Must meet 2010 or 2011 California emission standards based on model year.

**3. ENGINE EQUIPMENT**

: \_\_\_      3.1      Front mounted, crankshaft driven power take-off.

: \_\_\_      3.2      Throttle hand control, electronic, mobile, variable control.

**4. TRANSMISSION**

: \_\_\_      4.1      Allison – RDS3000.

**5. WHEELBASE**

: \_\_\_      5.1      256 inches minimum.

**6. CAB TO AXLE**

: \_\_\_      6.1      181 inches minimum.

**7. AXLES**

: \_\_\_      7.1      Front - 20,000 pounds capacity minimum with shock absorbers double acting telescopic.

: \_\_\_      7.2      Rear - 40,000 pounds capacity minimum with a ratio of approximately 7.17.

: \_\_\_      7.3      Rear axle ratio: 6.17: 1

**8. AXLE EQUIPMENT**

: \_\_\_      8.1      Magnetic trap drain and fill plugs.

: \_\_\_      8.2      Heavy duty shock absorbers.

**9. SUSPENSION**

:\_\_\_ 9.1 Total spring capacity to equal or exceed manufacturer's requirement for warranty rating on G.V.W.R. specified.

**10. BRAKES - SERVICE**

:\_\_\_ 10.1 Air brakes.

**11. ELECTRICAL**

:\_\_\_ 11.1 Heavy duty alternator - 160 AMP - minimum.

**12. CAB**

:\_\_\_ 12.1 Tilt front end with butterfly hood.

:\_\_\_ 12.2 Conventional cab.

:\_\_\_ 12.3 Trim - heavy duty black vinyl with charcoal interior.

**13. CAB EQUIPMENT - EXTERIOR**

:\_\_\_ 13.1 Rear view mirrors (2) 7"X14"X7", convex both sides.

:\_\_\_ 13.2 Air horn

:\_\_\_ 13.3 Single vertical exhaust with after-treatment device to meet model year emission standards

**14. CAB EQUIPMENT - INTERIOR**

:\_\_\_ 14.1 Air conditioning

:\_\_\_ 14.2 Power steering.

:\_\_\_ 14.3 Floor mat - Black vinyl covered rubber

:\_\_\_ 14.4 AM/FM Clock radio, overhead mounted.

**15. CAB SEATING**

:\_\_\_ 15.1 Driver- air suspension, high back with lumbar support. Passenger-non air suspension, high back.

**16. CAB INSTRUMENTATION**

:\_\_\_ 16.1 Speedometer. (Miles and hours)

:\_\_\_ 16.2 Tachometer.

:\_\_\_ 16.3 Oil pressure.

:\_\_\_ 16.4 Water temperature.

:\_\_\_ 16.5 Fuel gauge.

:\_\_\_ 16.6 Hour meter.



- :\_\_\_ 16.7 Volt meter.
- :\_\_\_ 16.8 Air pressure gauge.
- :\_\_\_ 16.9 Transmission fluid temperature.

**17. CAB INSTRUMENTATION (WARNING DEVICES)**

- :\_\_\_ 17.1 Water in fuel.
- :\_\_\_ 17.2 Low oil pressure.
- :\_\_\_ 17.3 High coolant temperature.
- :\_\_\_ 17.4 Low coolant temperature.
- :\_\_\_ 17.5 Heavy duty back-up alarm - electric.
- :\_\_\_ 17.6 Air cleaner restriction indicator.
- :\_\_\_ 17.7 Parking brake control.
- :\_\_\_ 17.8 Particulate filter regeneration switch.

**18. CAB ELECTRICAL**

- :\_\_\_ 18.1 Running lights, clearance lights, and reflectors shall be furnished in accordance with D.O.T. requirements.
- :\_\_\_ 18.2 Jump start stud to be located on positive terminal of outside battery.

**19. FRAME**

- :\_\_\_ 19.1 Tow hooks - two - front and two - rear -

**20. FUEL TANKS**

- \_\_\_:  20.1 Single 100-gallon – street side, with steps.

**21. TIRES**

- :\_\_\_ 21.1 Front - size 425/65R x 22.5 - 20 ply.
- :\_\_\_ 21.2 Rear - size 11R/22.5 - 14 ply.

**22. PAINT**

- :\_\_\_ 22.1 Manufacturer's current production year white.

**23. WARRANTY**

- :\_\_\_ 23.1 The truck chassis shall be warranted for a period of 2 years, unlimited mileage.

**V. MISCELLANEOUS ITEMS****MOUNTING AND DELIVERY**

Both trucks described shall be mounted on truck chassis of approved size, at the factory of the body manufacturer. Transportation charges shall be included. Completed units shall remain the property of the manufacturer until delivered to and accepted by authorized personnel.

**OPERATOR TRAINING**

Operator training is to be conducted by a factory representative, or a factory-trained representative, for a minimum of one day at the time of delivery, with follow-up training of up to three additional days, to be included. One copy of the operating and maintenance manuals either hard copies or CD format for each truck chassis and body shall be provided upon unit delivery.

**FINAL INSPECTION TRIP**

Any prospective vendor whose manufacturing plant is located more than 2 hours ( one (1) way driving time from Sunnyvale, Ca) shall provide in their bid price the cost of transporting a City Fleet Representative to and from their location via the most expedient manner, as well as providing lodging for one (1) night on-site visit to check the project status. The inspection trip shall be scheduled at a time mutually agreed upon between the Manufacturer's Representative and the City of Sunnyvale. The inspection shall not occur before 95% of the manufacturing process has been completed. The cost of travel and lodging shall be the responsibility of the City of Sunnyvale.



## Municipal Maintenance Equipment

2360 Harvard Street • Sacramento, CA 95815 • (916) 922-1101 • Fax: (916) 922-1034  
1061 N. Shepard Street, Unit B • Anaheim, CA 92806 • (714) 632-2871 • Fax: (714) 632-2874  
4750 Caterpillar Road, Unit D • Redding, CA 96003 • (530) 243-4856 • Fax: (530) 243-1447  
1930 W. Winton Ave., Suite 8 • Hayward, CA 94545 • (510) 670-0230 • Fax: (510) 670-9003

City of Sunnyvale

Bid No. F1008-13

### Exceptions/Clarifications

#### Truck Cab/Chassis

#### 2. Engine:

- 2.1 Exceeds: International 315 HP
- 2.1 Exceeds: Freightliner 350 HP

#### 12. Cab:

- 12.1 Butterfly hood no longer available. Inspection ports may be added, to be determined after receipt of chassis. This option, if possible, will cost \$150.00 per port.

#### 20. Fuel Tanks:

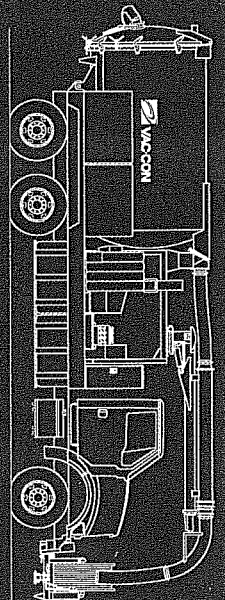
- 20.1 Per Specification: International 100 Gallons
- 20.1 Exception: Freightliner 80 Gallons

# VAC·CON

**MORE**

**TO YOU**

3.5 YARD • 5 YARD • 9 YARD • 11 YARD • 12 YARD • 16 YARD  
**COMBINATION MACHINE SERIES**



*Items described in this literature  
may be different than items  
provided in your proposal.*



<b>ORDERED FROM</b> 06202 - 001  (916) 922-1101  Municipal Maintenance Equipment Inc 2360 Harvard St Sacramento CA 95815	<b>ORDER DATE</b> 09/07/2010	<b>BILL TO:</b>  City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	<b>DELIVERY DATE</b> 01/31/2011	
	<b>PAYMENT TERMS</b> N/30	
	<b>BID NO/RFQ NO</b>  	
<b>DELIVER TO</b> General Services/Fleet Maintenance  221 Commercial St Sunnyvale CA 94085 Phone: (408) 730-7570	<b>FOB POINT</b> DEST	<b>FREIGHT CHARGES</b> Destination, freight included in price
	<b>REQ. NO</b> RQ006815	<b>REQUISITIONER:</b> TVARGAS
	<b>CHARGE/OBJ CODE(S):</b> 020700 5135    \$577,629.92	

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
1	Provide vacuum powered cleaning trucks per Invitation for Bids F1008-13 specifications terms and conditions and bidders response.  Combination Sewer Cleaning Truck Vac-Con Model V311LHA/850 mounted on a 2011 Freighliner M2 6x4.	1.00	EA	\$273,358.0000	\$273,358.00
2	Hydro Excavation Truck Vac-Con Model VX311LH/675 mounted on a 2011 Freighliner M2 6x4	1.00	EA	\$255,333.0000	\$255,333.00
3	Tire Fee	35.00	DLR	\$1.0000	\$35.00



ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
4	Sales Tax Awarded by City Council 9/28/2010, RTC10-265.	48903.92	DLR	\$1.0000	\$48,903.92
<b>TOTAL</b>					<b>\$577,629.92</b>

Document Terms:

Invoices must be sent directly to Accounts Payable at the address above and must reference the purchase order number. Failure to comply will result in a delay in payment processing.

<b>BUYER:</b> <i>Dreama Howard</i>
Howard, Dreama
<b>PHONE :</b> (408) 730-7396 <b>FAX</b> (408) 730-7710



**City of Santa Cruz  
BUDGET ADJUSTMENT REQUEST**

<input checked="" type="radio"/> Council Approval .....	Resolution No. _____
<input type="radio"/> RDA Approval .....	Resolution No. _____
<input type="radio"/> Administrative Approval	

<input checked="" type="radio"/> Current Fiscal Year
<input type="radio"/> Prior Fiscal Year

Date:

<u>ACCOUNT</u>	<b>REVENUE</b> EDEN ACCOUNT TITLE	
721-00-00-0000-49350	Capital lease proceeds	(\$350,000.00)
<b>TOTAL REVENUE</b>		(\$350,000.00)

<u>ACCOUNT</u>	<b>EXPENDITURE</b> EDEN ACCOUNT TITLE	
721-40-61-7202-57402	Vehicle equipment	(\$49,970.00)
721-40-61-7202-58130	Capital lease principal	(31,241.00)
721-40-61-7202-58230	Capital lease interest	(8,894.00)
<b>TOTAL EXPENDITURE</b>		(\$90,105.00)

**NET: \$ (259,895.00)**

Purpose: Move funds budgeted for lease payment to purchase a wastewater vacuum truck outright instead of lease-purchasing over five years. Net effect is to appropriate additional funds from the Wastewater Fund in the amount of \$259,895.  
Council agenda: 12/14/2010

PREPARED BY	DEPARTMENT HEAD APPROVAL	ACCOUNTING APPROVAL	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Patty Haymond <small>Digitally signed by Patty Haymond DN: cn=Patty Haymond, o=Santa Cruz, ou=City of Santa Cruz, email=p.haymond@cityofsc.org, c=US Date: 2010.11.19.16:16:48-0800</small>	Mark Dettle <small>Digitally signed by Mark Dettle DN: cn=Mark Dettle, ou=City of Santa Cruz, email=m.dettle@cityofsc.org, c=US Date: 2010.11.23.09:16:48-0800</small>	Patty Haymond <small>Digitally signed by Patty Haymond DN: cn=Patty Haymond, o=Santa Cruz, ou=City of Santa Cruz, email=p.haymond@cityofsc.org, c=US Date: 2010.11.23.09:16:48-0800</small>	Jack Dilles <small>Digitally signed by Jack Dilles DN: cn=Jack Dilles, ou=Finance, ou=FMAD, email=j.dilles@cityofsc.org, c=US, ou=US Date: 2010.12.01.07:56:02 -0800</small>	
11/19/10		11/29/10		

Revised December 2009





## CITY COUNCIL AGENDA REPORT

DATE: 12/8/2010

AGENDA OF: 12/14/2010

DEPARTMENT: Public Works

SUBJECT: Cowell's Beach Stair Rehabilitation - Budget Adjustment. (PW)

---

**RECOMMENDATION:** Resolution appropriating funds and amending the FY 2011 budget in the amount of \$84,000, ratifying the rehabilitation of the Cowell's Beach Stairs.

---

**BACKGROUND:** Public Works staff was advised of the deteriorating Cowell's Beach Stairs, located on West Cliff Drive across from Manor Avenue in October 2010. After a review by staff engineers it was determined that repairs to the stairs were required as soon as possible to keep them functional and in service. Because of the critical nature of the repairs there was no time to design and bid the project.

**DISCUSSION:** Public Works staff met with members of the surfing community and a contractor in October to solicit input on the rehabilitation scheme. It was determined that the stair landings, railing supports and a void under the stairs needed to be addressed without delay. Pavex Construction was hired to perform the work, which started on November 17 and was anticipated to be complete in 2 weeks, weather permitting. Pavex Construction is a full service contractor that has the expertise with the specialized materials needed for the rehabilitation of the concrete stair. Pavex was available on very short notice. The work is estimated to cost \$84,000 and is being performed on a time and materials basis.

**FISCAL IMPACT:** The budget adjustment appropriates funds from the General Capital Improvement Fund in the amount of \$84,000.

Prepared by:  
Chris Schneider  
Assistant Director/City Engineer

Submitted by:  
Mark R. Dettle  
Director of Public Works

Approved by:  
Martin Bernal  
City Manager

**ATTACHMENTS:** Budget Adjustment

**City of Santa Cruz  
BUDGET ADJUSTMENT REQUEST**

<input checked="" type="radio"/> Council Approval .....	Resolution No. _____
<input type="radio"/> RDA Approval .....	Resolution No. _____
<input type="radio"/> Administrative Approval	

<input checked="" type="radio"/> Current Fiscal Year
<input type="radio"/> Prior Fiscal Year

Date: 11/03/2010

ACCOUNT	REVENUE EDEN ACCOUNT TITLE	
<b>TOTAL REVENUE</b>		\$0.00

ACCOUNT	EXPENDITURE EDEN ACCOUNT TITLE	
311-40-62-9341-57390	c401110-100-2020-112 Other infrastructure/Emergency Work for Stairs	\$84,000.00
<b>TOTAL EXPENDITURE</b>		\$84,000.00

**NET: \$ (84,000.00)**

Purpose: For emergency work to repair Cowell Beach stairs. Emergency work to be paid from General Capital Improvement Projects Fund fund balance.

PREPARED BY	DEPARTMENT HEAD APPROVAL	ACCOUNTING APPROVAL	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Chris Schneider <small>Digitally signed by Chris Schneider DN: cn=Chris Schneider, ou=City of Santa Cruz, ou=Santa Cruz, email=cschneider@cityofsc.org, ou=CA, ou=CA, ou=CA, ou=CA, ou=CA, ou=CA, Date: 2010.11.04 13:39:52 -0700</small>	Mark Dettle <small>Digitally signed by Mark Dettle DN: cn=Mark Dettle, ou=City of Santa Cruz, ou=Santa Cruz, email=markdettle@cityofsc.org, ou=CA, ou=CA, ou=CA, ou=CA, ou=CA, ou=CA, Date: 2010.11.04 14:28:02 -0700</small>	Patty Haymond <small>Digitally signed by Patty Haymond DN: cn=Patty Haymond, ou=Santa Cruz, ou=Santa Cruz, email=p.haymond@cityofsc.org, ou=CA, ou=CA, ou=CA, ou=CA, ou=CA, Date: 2010.11.29 10:54:57 -0800</small>	Jack Dilles <small>Digitally signed by Jack Dilles DN: cn=Jack Dilles, ou=Finance, ou=FIAD, email=jdilles@cityofsc.org, ou=CA, ou=CA, Date: 2010.11.29 10:47:54 -0800</small>	
11/4/10		11/29/10		

Revised December 2009



## CITY COUNCIL AGENDA REPORT

DATE: 12/6/2010

AGENDA OF: 12/14/2010

DEPARTMENT: City Council

SUBJECT: Santa Cruz World Surfing Reserve - Resolution of Support. (CN)

---

RECOMMENDATION: Resolution supporting the establishment of a Santa Cruz World Surfing Reserve.

---

BACKGROUND: Santa Cruz is synonymous with abundant outdoor recreational and sporting amenities, particularly its world-class surfing. Since 1885, surfing has been a dominant cultural touch point, a basis for our international identity and the underpinning of a thriving local surf economy.

DISCUSSION: In acknowledgement of the innumerable attributes of our local surfing areas, community and industry, the attached resolution supports the ceremonial establishment of a Santa Cruz World Surfing Reserve. The resolution celebrates Santa Cruz' long surfing heritage and identity, urging its preservation, but has no practical or limiting effects on our surfing areas.

FISCAL IMPACT: There is no fiscal impact.

Submitted by:  
Mike Rotkin  
Mayor

Submitted by:  
Don Lane  
Councilmember

Submitted by:  
Ryan Coonerty  
Vice Mayor

ATTACHMENTS: Resolution

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ SUPPORTING  
THE ESTABLISHMENT OF THE SANTA CRUZ WORLD SURFING RESERVE

WHEREAS, the City of Santa Cruz is known to many as Surf City Santa Cruz, and surfing is not only a key industry in our community but the heart of the community's cultural identification; and

WHEREAS, the City of Santa Cruz is documented as the first ever site for board surfing on the North American continent in 1885, and thus is considered the birthplace of the North American surfing industry; and

WHEREAS, by endorsing the establishment of a Santa Cruz World Surfing Reserve our community will formally recognize the long and close relationship between surfers and the ocean, and by this action promote the long term preservation of these irreplaceable sites for recreation and competitive surfing; and

WHEREAS, the sport of surfing and its irreplaceable recreational sites are of undeniable ongoing value to our community's economy; and

WHEREAS, a World Surfing Reserve is purely ceremonial and memorial in nature and its provisions should not be used to limit how specified surfing areas are used; and

WHEREAS, the establishment of a Santa Cruz World Surfing Reserve will further increase our city's growing reputation as an environmentally aware and forward-looking community.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby supports the establishment of a Santa Cruz World Surfing Reserve.

PASSED AND ADOPTED this 14<sup>th</sup> day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk



## CITY COUNCIL AGENDA REPORT

DATE: 12/7/2010

AGENDA OF: 12/14/2010

DEPARTMENT: City Council

SUBJECT: Local Purchasing Preference - Research and Development of Draft Ordinance for Future Consideration. (CN)

---

**RECOMMENDATION:** Motion to direct staff to research and assess the implications of an enhanced local preference in City of Santa Cruz purchasing and to return to the City Council within four months with a draft ordinance or other recommendation.

---

**BACKGROUND:** Many jurisdictions around the State of California have adopted to policies to provide local business preferences in local government purchasing. These preferences benefit local businesses, local employment and the local economy.

**DISCUSSION:** The City of Santa Cruz, per Council Policy 29.2, currently has a modest preference for vendors located within City limits equal to the local sales tax that would be returned to the City (about 1.5 percent). While the current policy is beneficial, it does not necessarily reflect the magnitude of local economic benefit conferred by local purchasing.

The community organization Think Local First has contacted the City and requested that a higher level of preference be adopted by the City Council.

This motion will direct staff to explore the idea of enhancing our local preference policy, consider the benefits and drawbacks, and return to the City Council with a recommendation on this issue.

**FISCAL IMPACT:** The fiscal impact is to be determined.

Submitted by:  
Don Lane  
Councilmember

Submitted by:  
Katherine Beiers  
Councilmember

Submitted by:  
Ryan Coonerty  
Vice Mayor

**ATTACHMENTS:**

Letter from Think Local First

List of California jurisdictions with local preference in purchasing



1 December 2010

## Think Local *First*

“Independent and Locally Owned”  
1515 Pacific Ave  
Santa Cruz, CA 95060

---

Santa Cruz City Council  
Don Lane  
809 Center Street, room #9  
Santa Cruz, CA 95060

Re.: City purchasing preference for locally owned businesses.

Dear Mr. Lane,

*Think Local First, County of Santa Cruz* is hereby requesting that the City of Santa Cruz create an ordinance that gives locally owned businesses a bidding advantage. As shown in many studies by *Civic Economics*, dollars spent with a locally owned business generate up to three times more local economic activity than dollars spent with a national business. Especially during these hard economic times, Santa Cruz has a vital interest in creating an economically sustainable community by keeping our local money re-circulating in the local economy.

Similar ordinances have been established by hundreds of public agencies through the U.S., California, and most recently the County of Santa Cruz. In order to address the higher economic multiplier of locally owned vs. just local businesses, the city of San Jose, CA has established a two-tier system. Businesses with up to 35 employees (which tend to be locally owned) receive a 5% bidding advantage, while businesses of any size with a legitimate business presence within the county receive a 2.5% bidding advantage.

Please don't hesitate to contact us via email at [ThinkLocalSantaCruz.org](http://ThinkLocalSantaCruz.org) for any references and more details when crafting this proposed ordinance.

Locally Yours

Karl Heiman, co-chair  
(Caffe Pergolesi, Mr. Toots)

Peter Beckmann, co-chair  
(Beckmann's Bakery)

---

Reference:

- Santa Cruz County ordinance: [http://sccounty01.co.santa-cruz.ca.us/bds/Govstream/BDSvData/non\\_legacy/agendas/2010/20101116/PDF/014.pdf](http://sccounty01.co.santa-cruz.ca.us/bds/Govstream/BDSvData/non_legacy/agendas/2010/20101116/PDF/014.pdf)
- San Jose two-tier system acc. to city ordinance 4.06:  
[http://www.sanjoseca.gov/clerk/agenda/04\\_06\\_04docs/04\\_06\\_04\\_4.4Proposed.pdf](http://www.sanjoseca.gov/clerk/agenda/04_06_04docs/04_06_04_4.4Proposed.pdf)

Name	Agency Type	General law	Pop. Supported	Type of Operation	Local Pref?	Percent	Notes	Small Business Preference?	Percent
Alameda	City	Charter	75,254	Decentralized	YES	5		NO	
Alameda	County	Charter		Partially centralized	YES	5		YES	5
Alameda County Flood Control District	District Utility			Centralized	YES	5		YES	5
Alameda County Water District	District Utility				NO				
Anaheim	City	Charter	345,556	Centralized	YES	1		NO	
Antioch	City	General law	101,419	Partially centralized	NO			NO	
Arcadia	City	Charter	56,556	Centralized	NO			NO	
Banning	City		28,272	Centralized					
Berkeley	City	Charter	106,347	Partially centralized	YES	5	<\$25,000	NO	
Big Bear Lake	City	Charter	6,207	Centralized	YES	1		NO	
Brea	City	General law	39,870	Centralized	YES	1		NO	
Buena Park	City	Charter	82,452		YES	1			
Burbank	City	Charter	107,921	Partially centralized	YES	1		NO	
Butte	County			Partially centralized	YES	5		NO	
Cal Poly San Luis Obispo	School 4 yr			Partially centralized	NO			YES	5
Casitas Municipal Water District	District Utility			Partially centralized	YES			YES	
Chino	City	General law	81,224	Partially decentralized	YES	5		NO	
Chula Vista	City	Charter	227,723	Partially decentralized	YES	1	sales tax offset	NO	
City College of San Francisco	School CCD			Centralized	YES	5		YES	5
Colton	City	General law	51,797	Partially centralized	YES	1		NO	
Concord	City	General law	124,856	Partially decentralized	YES	1	sales tax offset	NO	
Corona Department of Water & Power	City	General law		Partially centralized	YES	1	Material supplies equipment	NO	
Costa Mesa	City	General law	113,805	Partially centralized	YES	5		NO	
Downey	City		113,607		YES	3			
El Cajon	City	General law	97,703	Partially decentralized	YES	1	sales tax offset	NO	
Fresno	County	Charter	917,515	Partially centralized	YES	5		NO	
Fullerton	City		137,367		YES	1			
Garden Grove	City		172,781		YES	1			
Gilroy	City	Charter	49,649	Partially decentralized	YES	3		NO	



Name	Agency Type	General law	Pop. Supported	Type of Operation	Local Pref?	Percent	Notes	Small Business Preference?	Percent
Hayward	City	Charter	147,845	Centralized	YES	5			
Kern	County	General law		Centralized	YES	5		NO	
Lake	County	General law		Decentralized	YES	5	not to exceed \$5,000	NO	
Lancaster	City	General law	143,818	Partially decentralized	YES	1		NO	
Lodi	City		63,395		YES	1	sales tax offset		
Lompoc	City	General law	42,155	Centralized	YES	2		NO	
Longbeach	City	Charter	492,912	Partially centralized	YES	5	Under \$100,000	NO	
Los Angeles	City	Charter	4,018,080	Partially centralized	YES	10		YES	10
Merced	County	General law		Centralized	YES	5	not to exceed \$5,000	NO	
Metropolitan Water District	District Utility		18,000,000	Partially centralized	YES	5		YES	5
Modesto	City	Charter	209,174	Partially decentralized	YES	2		NO	
Moorpark	City		36,150		YES	1	sales tax offset		
Moreno Valley	City								
Moreno Valley	City	General law	180,466	Partially decentralized	YES	1		NO	
Mountain View	City	Charter	73,262	Centralized	NO			NO	
Monterey	County	Charter		Partially centralized	YES	5		NO	
Napa	County	General law			YES	5		NO	
National City	City	General law	63,773	Partially centralized	YES	2	sales tax offset, sealed bids only	NO	
Norwalk	City	General law	110,178	Partially centralized	YES	2			
Ontario	City	General law	172,701	Decentralized	YES	1	sales tax offset	NO	
Palm Springs	City	Charter	46,858	Partially decentralized	YES		amount of tax or reciprocal	NO	
Placer	County	Charter		Partially decentralized	YES	5		NO	
Pomona	City	Charter	162,140		YES	1			
Redding	City	General law	90,045	Partially decentralized	YES	1	sales tax offset	NO	
Riverside Cnty Dept. of Public Social Svcs	Other				YES	5			
Rohnert Park	City		43,027		YES	1			
Sacramento	County	Charter		Partially decentralized	YES	5	micro business in local counties	YES	5
San Bernardino	City	Charter	205,010	Partially centralized	YES		1% goods, 5% services	NO	
San Bernardino	County	Charter		Partially decentralized	YES	5		NO	

Name	Agency Type	General law	Pop. Supported	Type of Operation	Local Pref?	Percent	Notes	Small Business Preference?	Percent
San Bernardino Municipal Water Dept	District Utility				YES	1			
San Diego	City	Charter	1,316,837	Centralized	YES	1	sales tax offset	NO	
San Diego	County	Charter		Partially centralized	YES	1		NO	
San Francisco	County				YES	10	if local & economically DBE		
San Joaquin	County	General law		Partially centralized	YES	5		NO	
San Leandro	City	Charter	81,489	Partially decentralized	YES	5	under \$25,000	NO	
San Luis Obispo	County	Charter		Partially centralized	YES	5		NO	
Santa Clara	City	Charter	114,238	Decentralized	YES	20		NO	
Santa Clarita	City	General law	177,158	Partially centralized	YES		local 2nd chance bid	NO	
Santa Cruz	City	Charter	57,553	Decentralized	YES	1.5	equal to sales tax	NO	
Santa Cruz	County	General law	260,000	Centralized	YES	10		NO	
Santa Fe Springs	City		17,997		YES	5			
Santa Rosa	City	Charter	157,985	Partially centralized	YES	1		NO	
Shasta	County			Centralized	YES	5		NO	
Simi Valley	City		124,524		YES	1	sales tax offset		
South Gate	City	General law	102,233	Partially centralized	YES	5		NO	
South Lake Tahoe	City	General law	24,059	Centralized	YES	1	sales tax offset	NO	
South Tahoe Public Utility District	District Utility			Partially centralized	YES	1.5		NO	
Stanislaus	County	Charter		Partially decentralized	YES	5		NO	
Sunnyvale	City	Charter	135,721	Centralized	YES	1		NO	
Temecula	City	General law	97,935	Decentralized	YES	1		NO	
Thousand Oaks	City	General law	127,739	Decentralized	YES	1	sales tax offset	NO	
Torrance	City	Charter	148,558	Centralized	YES	1		NO	
Trinity	County				YES	5			
Tulare	City	Charter	55,935	Centralized	YES	5			
Turlock	City	General law	69,321	Centralized	YES	3	NTE \$1,000	NO	
Victorville	City	Charter	102,538	Partially centralized	YES	3		NO	
West Covina	City	General law	112,953	Decentralized	YES	1	sales tax offset	NO	

ORDINANCE NO. 2010-24

AN ORDINANCE OF THE CITY OF SANTA CRUZ  
AMENDING SECTION 1.01.010 AND ADDING SECTION 1.01.035 PERTAINING TO  
REPEALING OF OUTDATED CODES ADOPTED BY REFERENCE AND GRANTING  
PUBLICATION AUTHORITY TO CODE PUBLISHING COMPANY

BE IT ORDAINED by the City of Santa Cruz as follows:

Section 1: Section 1.01.010 is hereby amended to read:

Pursuant to the provisions of Sections 50022.1 through 50022.10 of the Government Code of the State of California, as modified by Section 618 of the Charter of the City of Santa Cruz, there is hereby adopted the “Municipal Code of the City of Santa Cruz – 1995 Edition” (hereinafter called “Santa Cruz Municipal Code – 1995 Edition”) as published by ProCode of Seattle, Washington

The following ordinances and laws, and all amendments thereto, are hereby codified in the Santa Cruz Municipal Code – 1995 Edition: Santa Cruz Municipal Code – 1969 Edition.

From and after the effective date of the ordinance codified in this chapter, the Santa Cruz Municipal Code – 1995 Edition and aforesated ordinances shall constitute the penal, regulatory and administrative ordinances of the city of Santa Cruz.

Section 2: Section 1.01.035 is hereby added to read:

1.01.035 Authority for Code Publishing Company’s Services.

Pursuant to Sections 50022.1 through 50022.8 and 50022.10 of the Government Code of the State of California, Code Publishing Company, of Seattle, Washington is hereby authorized to revise, index, reformat and republish such as this Code of Ordinances and to make and publish future editorial amendments, technical corrections, revisions, reformats and supplements that do not affect the substantive meaning of this Code for the City.

Section 3: If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

ORDINANCE NO. 2010-24

Section 4: This ordinance shall take effect and be in force thirty (30) days after its final adoption.

PASSED FOR PUBLICATION this 23<sup>rd</sup> day of November, 2010, by the following vote:

AYES: Councilmembers Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor Coonerty; Mayor Rotkin.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: ss/Mike Rotkin  
Mayor

ATTEST: ss/Lorrie Brewer  
City Clerk

PASSED FOR FINAL ADOPTION this \_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk

This is to certify that the above and foregoing document is the original of Ordinance No. 2010-24 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

\_\_\_\_\_  
City Clerk



## CITY COUNCIL AGENDA REPORT

DATE: 12/6/10

AGENDA OF: December 14, 2010  
DEPARTMENT: Planning and Community Development  
SUBJECT: Residential Rental Inspection Program Fees (PL)

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RECOMMENDATION: Resolution adopting a new Department of Planning and Community Development Fee Schedule creating fees for the Residential Rental Inspection Program, and rescinding Resolution No. NS-28,171.

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BACKGROUND: On September 7, 2010 and reaffirmed on September 14, 2010, the City Council approved an ordinance amending Title 21 of the Santa Cruz Municipal Code (SCMC) adding Chapter 21.06 regarding a citywide residential rental inspection and maintenance program. The reports prepared for the August 3<sup>rd</sup> meeting and the prior July 20<sup>th</sup> hearing discussed the proposed fees for the program.

A description of the proposed fees follows:

- The annual registration fee for each applicable property would be \$45.
- With the initial registration fee payment property owners may apply for the Self-Certification Program. If accepted in the program, the annual self-certification fee would be an additional \$20 per unit for 20 percent of the units. The annual self-certification fee covers review of the self-inspection form(s) and inspection by the City of 20 percent of the units during a five (5) year period.
- If not accepted in the Self-Certification Program the annual inspection fee would be an additional \$20 per unit at each property. This annual fee will cover the first inspection of each unit and one re-inspection if a correction notice is issued.
- If further re-inspections are required the fee is \$107 per hour.
- Continued failure to correct any noticed violations may be subject to administrative civil penalties found under Title 4 of the SCMC.

FISCAL IMPACT: Implementation of this ordinance is expected to require two full-time code enforcement officers and one full-time administrative assistant, as well as supervisory support and support from staff of other departments (such as Finance and Fire). The direct staffing and operating costs are expected to be approximately \$321,000. This expenditure breaks down as follows:

Two building inspectors or code enforcement specialists =	\$207,000
One Administrative Assistant =	56,000
Capital outlay/Administrative Expenses =	<u>\$58,000</u>
Expenditure Total =	\$321,000

It is estimated that cost for the amount of time the Code Enforcement Officer(s) and the Administrative Assistant will spend on each individual rental property and unit to administer the Rental Inspection Program, in addition to the administrative expenses, will be equal to or greater than the fee(s) levied. Therefore the costs for rental property owners bear a reasonable relationship to the benefits received from administration of the Rental Inspection Ordinance.

As part of the UCSC/City agreement both parties agreed to jointly and equally fund the net of the Program through the first three (3) years. After that period of time the joint funding would be subject to further discussion. Both the City and UCSC have included their share of the above expenditures in their FY 2011-12 budgets. The estimated annual revenue from the program would be approximately \$327,000. Depending upon capital outlay after the first year the program may be very close to being self-supporting. Staff will monitor revenues and expenditures to be sure the program is self-supporting and the fees are appropriate.

Prepared by:  
 Alex Khoury  
 Assistant Planning Director

Submitted by:  
 Juliana Rebagliati  
 Planning Director

Approved by:  
 Martín Bernal  
 City Manager

Attachments:  
 August 3, 2010 and July 20, 2010 Agenda Reports  
 Resolution  
 Exhibit A – Fee Schedule



## CITY COUNCIL AGENDA REPORT

DATE: 7/27/2010

AGENDA OF: 8/3/2010

DEPARTMENT: Planning and Community Development

SUBJECT: Amendments to Title 21 of the Santa Cruz Municipal Code adding Chapter 21.06 regarding a citywide rental inspection program. (Environmental Determination: Exempt from CEQA) (City of Santa Cruz, applicant).

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RECOMMENDATION: Introduction of an ordinance for publication amending Title 21 of the Santa Cruz Municipal Code adding Chapter 21.06 regarding a citywide residential rental inspection and maintenance program.

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BACKGROUND: On July 20, 2010 the City Council conducted a public hearing concerning the proposed citywide residential rental inspection and maintenance program. Staff presented the staff report and described the proposed ordinance. Approximately 27 persons spoke concerning the ordinance with a number of others in attendance. Also a number of e-mails were received by the Council. A number of speakers and writers stated that they could support the proposed ordinance if additional changes were made, including the recommendations suggested by the Tri-County Chapter of the California Apartment Association. The City Council continued the public hearing to August 3, 2010 and directed staff to review the suggested recommendations and amend the proposed ordinance if appropriate.

DISCUSSION: Staff has reviewed the changes suggested by the Tri-County Chapter and others and has incorporated the majority of them into the ordinance which is attached in a strikeout/underline version so the Council and the public can see the modifications. The major changes are as follows:

1. Language has been added to the Findings and Purpose section to clarify the purpose and intent of the ordinance.
2. Language clarification was made to the Fees Section 21.06.060 to be clear how and when the fees will be collected.
3. Language clarification was made to the Rental Housing Inspection Certification Section 21.06.070 D that specified the time period of the certifications after successful inspections.



4. Language was added for the Self-Certification Program Section 21.06.080 D such that the owner shall not be in violation if the tenant or occupant refuses to allow the Self-Certification inspection by the owner. Staff also included a requirement that the owner shall provide the City a signed statement from the tenant/occupant that the inspection was refused. If the tenant refuses to sign the statement, the owner shall provide proof, under penalty of perjury, that a request to inspect was served and it was not permitted by the tenant.

5. Language was revised for the Self-Certification Program Section 21.06.080 F that the Self-Certification Checklist be provided to the tenant within five working days upon request of the tenant. This was a change from requiring the owner to give the completed checklist to the tenant at the same time as the checklist is given to the City.

6. Language was added for the Self-Certification Program Section 21.06.080 H that clarified the term “reasonable time” to solve violations and remain in the Self-Certification Program. This time period could be 30 to 90 days, however for immediate life safety violations the time lines will be less to address the urgency of the situation.

7. Section 21.06.120 Public Nuisance has been deleted in its entirety. It was determined that this section is already covered under Title 4 in the Municipal Code and Title 4 is the code enforcement mechanism for the rental inspection ordinance should violations not be corrected in a timely manner. Deleting this section does not take the authority or force away from the current enforcement provisions in other portions of the Municipal code.

8. Language was deleted under Appeals Section 21.06.130 A1 that conflicted with the appeal section of Title 4.

The ordinance has been further modified to clarify the intent to focus on certain rental housing conditions described in the first paragraph of the purpose and finding section, with the intent to focus on meeting the minimum standards contained in the City’s health and safety codes. The primary remaining modification suggested by others that has not been included in the recommended ordinance is to add language which would prevent or restrict the City’s ability to gain compliance with existing codes by limiting inspections only to immediate health safety violations that pose an imminent threat, structural changes, unpermitted dwelling units, or changes that increased habitation areas without permits. It is agreed that it is appropriate for Council to approve the Inspection Checklist(s), at a future date. A draft checklist is provided. Interested parties have offered to work with City staff to finalize the annual inspection and self-certification checklists, whereupon the checklists would return to City Council some time in the future for adoption. In addition, Council may provide policy direction to staff regarding the focus and emphasis of the inspections program and enforcement of this ordinance.

A request was made at the last Council meeting for information on tenant displacement and the current City regulations. The first goal in discovering a code violation is to work with owners to correct the situation, and gain compliance. Reasonable timelines are established for the compliance process. For instances where tenants are discovered living in extremely egregious situations (dangerous electrical systems, no heat, no water, flooding, etc...) orders for displacement are near immediate. Issuances of such orders are very rare for the City. The City’s current relocation ordinance provides for the payment of three (3) months relocation assistance in

the amount of the tenants' actual rent, or the rent established by HUD for fair market value, whichever is greater. This payment is the responsibility of the landlord/owner.

CONCLUSION: The proposed ordinance adds to the City of Santa Cruz ability to protect and promote public health, safety and welfare, particularly with regard to the City's rental housing. A well run program will enable the City to maintain safe rental housing stock for years to come and increase the quality of life in neighborhoods and the community.

Prepared by:  
Alex Khoury  
Assistant Planning Director

Submitted by:  
Juliana Rebagliati  
Planning Director

Approved by:  
Richard C. Wilson  
City Manager

Available for public review at Planning Department, 809 Center Street

ATTACHMENTS:

July 20, 2010 City Council report  
Draft Rental Inspection Ordinance  
Sample inspection checklist  
Letters from the California Apartment Association Tri-County Chapter



## CITY COUNCIL AGENDA REPORT

DATE: 7/14/2010

AGENDA OF: 7/20/2010

DEPARTMENT: Planning and Community Development

SUBJECT: Amendments to Title 21 of the Santa Cruz Municipal Code adding Chapter 21.06 regarding a citywide rental inspection program. (Environmental Determination: Exempt from CEQA) (City of Santa Cruz, applicant).

---

RECOMMENDATION: Introduction of an ordinance for publication amending Title 21 of the Santa Cruz Municipal Code adding Chapter 21.06 regarding a citywide residential rental inspection and maintenance program.

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BACKGROUND: For many years there has been increasing concern about the City of Santa Cruz's aging housing stock. As well, there is concern about illegal units and unpermitted construction which could pose health and safety, and neighborhood compatibility problems. The current Housing Element adopted by the City Council in 2009 states that the City should make "a concerted effort to encourage maintenance, rehabilitation, and improvement of housing and to promote sustainable, livable neighborhoods." The implementation of Goal 5.2 of the Housing Element calls for the City to "consider" a self-funding, pro-active inspection program for rental units. This Goal was a carryover from the 2002 Housing Element.

As part of the September 2008 comprehensive settlement agreement between the University of California at Santa Cruz (UCSC), the City of Santa Cruz, the County of Santa Cruz, CLUE and other individuals, it was agreed that the City would more closely regulate residential rental housing in the City. The language from the agreement is as follows:

"2.7(c) The City agrees to propose and enforce City-wide ordinance(s) or municipal code(s) to regulate residential rental properties including, but not limited to, boarding, lodging, or rooming houses. In the event the City does not enact such legislation within two years of the approval of this agreement, UCSC's housing capacity commitment set forth in Section 2.1b above shall be reduced by 450 beds. The City, in consultation with UCSC, further agrees to review with three years of the effective date of this Agreement any such City-wide ordinance(s) or municipal code(s) for effectiveness in regulating residential rental properties and, if necessary, to consider revisions" and

"2.9 In recognition of City-wide zoning, building and municipal code violations in the City's residential neighborhoods attributable to deficient landlord oversight of rental housing (UC and

non-UC affiliated), the City and UCSC agree to jointly and equally fund through 2013 a pilot program for two City Code enforcement positions as a means of improving rental property safety and standards. The pilot program will be reviewed after the first 3 years. After review and mutual agreement, the program may be modified. UCSC's commitment to fund its 50% share of the program will not accrue until the City enacts and enforces City-wide ordinance(s) or municipal code(s) consistent with Section 2.7(c), above."

Finally as part of efforts to address code enforcement and nuisance property issues within the City of Santa Cruz, staff and the City Attorney's Office at the direction of City Council, working with neighborhood groups, have brought forth ordinances over the past few years that the City Council has adopted. While successful in some ways these ordinances have not sufficiently addressed all aspects of the problem. A rental housing inspection ordinance is seen as another tool toward dealing with problems associated with some code enforcement, health and safety, and nuisance property issues.

**DISCUSSION:** The average age of the housing stock in the City of Santa Cruz is increasing with nearly 50 percent of the City's housing 50 years or older. Deferred maintenance and code enforcement on some of the City's rental housing properties are becoming significant issues. The 2000 Census indicated that 53 percent of the City's population was renters and there were approximately 11,500 rental units in the City. The current reactive code enforcement efforts have proven to be insufficient to address the problems. As stated above it is important at this time that the City take proactive steps to ensure the maintenance and improvement of its rental housing.

The proposed rental housing inspection and maintenance program is relatively simple and requires owners of multiple rental dwelling units within the City of Santa Cruz to register their units with the City. With their registration the owners will be given a choice of signing up to have their units annually inspected by the City or to apply for the self-certification program. Staff anticipates that most owners will apply for self-certification. To qualify for self-certification a property shall not have existing violations of building, housing and sanitation codes or ordinances nor past violations of building, housing and sanitation codes or ordinances within the last three (3) year period.

If a property does not qualify for self-certification the properties/units will be required to be inspected annually to insure they are being maintained. If the properties are maintained without violation for three (3) years they will then qualify for self-certification.

For properties that are eligible for self-certification, the owner/operator will conduct an annual self-inspection of all the residential rental dwelling units, including exterior conditions and site conditions, and certify under penalty of perjury that the conditions at the property achieve the minimum standards listed on the Self-Certification Program Checklist. The City rental inspectors will review the checklist in the office and sign-off on the self-certification for that year. The properties under self-certification may be inspected but the inspections will be limited in a five (5) year period to twenty (20) percent of the total units or to one-unit total in residential rental dwelling units consisting of three (3) units, including multiple single family dwellings at separate locations, provided the residential rental dwelling units' conditions do not deteriorate during that five (5) year time period to the extent that the property would no longer meet the property eligibility standards.

When the City rental inspectors visit properties/units, they will be inspecting for compliance with state and local laws involving housing, building and zoning codes and property maintenance. A checklist would be followed similar to the self-certification checklist; a draft example of which is attached. Interior and exterior inspections would be conducted with the owner or operator. The owner/operator will coordinate with tenants for access to the units. Tenants are welcome to be home for the inspection but not required to be there. Once the inspection is completed, the owner/operator will be notified of any deficiencies found and asked to correct them in a timely manner. Structures and units will be required to be maintained at a level consistent with the codes of the period in which they were constructed. However, construction of new improvements or unpermitted construction must coincide with current codes as adopted by the City of Santa Cruz. It is important to note that existing codes allow for certain exceptions for qualifying projects under the Historic Building Code.

If the inspection reveals no building, housing or sanitation code or ordinance violations, or permit violations, a rental housing inspection certification will be issued. If the inspection reveals there are building, housing or sanitation code or ordinance violations, or permit violations, on the property the owner will be notified of the specific code violations which prevent the City rental inspector from issuing a rental housing inspection certification. The notification will provide a specific time period in which the violations are to be corrected. The City rental inspectors will be available to answer any questions of the owner/operator to help them successfully complete the repairs. The City rental inspectors will return on the stated correction date to re-inspect the property to verify compliance. If corrections have not been made the owner/operator will be charged for the additional staff time and expense in handling the violations.

Upon the successful completion of the initial inspection, subsequent inspection or re-inspection of the residential rental dwelling unit establishing that the property and its occupancy are in compliance with all applicable building, housing and sanitation code and ordinance requirements, the City will issue to the owner or operator a rental housing inspection certification. The certificate indicates code/ordinance compliance and specifies the time period during which the certification will remain valid and during which the residential rental dwelling unit will not be scheduled for a subsequent inspection. The rental housing inspection certification shall not preclude code enforcement or investigation on the property, if during the rental housing inspection certification period, a code violation on the property is reported to the City or otherwise observed by the City on the property.

In developing the attached rental inspection ordinance described above staff reviewed dozens of existing rental housing inspection ordinances enacted by other cities and counties in California. Staff also has met with interested parties such as the Board of Realtors, California Apartment Association Tri-County Chapter, Property Managers, rental property owners and Santa Cruz Neighbors representatives. The ordinance being proposed is substantially different from earlier drafts. This reflects the substantial input staff received from these groups. That being said there is still concern by some about the need, the cost and other aspects of the program.

The need of the program has been discussed above. It has been suggested that the creation of a rental inspection program would reduce property values and increase rents because of the costs. The proposed fees for the program are outlined as follows along with a breakdown of what the costs would be yearly and monthly for a variety of rental projects:

- The annual registration fee for each applicable property would be \$45.

- With the initial registration fee payment property owners may apply for Self-Certification Program. If accepted the annual self-certification fee would be an additional \$20 per unit for 20 percent of the units at each property. The annual self-certification fee covers review of the self-inspection form(s) and inspection by the City of 20 percent of the units during the five (5) year period.
- If not accepted in the Self-Certification Program the annual inspection fee would be an additional \$20 per unit at each property. This annual fee will cover the first inspection of each unit and one re-inspection if a correction notice is issued.
- If further re-inspections are required the fee is \$120 per hour.
- Continued failure to correct any noticed violations will be dealt with through administrative civil penalties found under Title 4 of the SCMC.

Cost Examples:

1 single family rental home or condo –

Yearly cost - \$45 plus \$20 = \$65 (Monthly cost - \$5.42)

3 single family rental homes -

Yearly cost under Self-Certification - \$135 (\$45 per property x 3) plus \$20 x 1 unit = \$155

(Monthly cost per unit - \$4.30)

Yearly cost for non-Self-Certification - \$135 (\$45 per property x 3) plus \$20 x 3 units = \$195

(Monthly cost per unit - \$5.42)

Fourplex –

Yearly cost under Self-Certification - \$45 plus \$20 x 1 unit = \$65 (Monthly cost per unit - \$1.35)

Yearly cost for non-Self-Certification - \$45 plus \$20 x 4 units = \$125 (Monthly cost per unit - \$2.60)

15 unit apartment building –

Yearly Cost under Self-Certification - \$45 plus \$20 x 3 units = \$105 (Monthly cost per unit - \$0.58)

Yearly Cost for non-Self-Certification - \$45 plus \$20 x 15 units = \$345 (Monthly cost per unit - \$1.91)

40 unit rented condos (under single ownership) –

Yearly cost under Self-Certification - \$45 plus \$20 x 8 units = \$205 (Monthly cost per unit – \$.43)

Yearly cost for non-Self-Certification - \$45 plus \$20 x 40 units = \$845 (Monthly cost per unit - \$1.76)

240 apartment units

Yearly cost under Self-Certification - \$45 plus \$20 x 48 unit = \$1005 (Monthly cost per unit - \$.35)

Yearly cost for non-Self-Certification - \$45 plus \$20 x 240 units = \$4845 (Monthly cost per unit - \$1.68)

As the above numbers indicate the monthly cost per unit is not excessive especially if an owner was in the self-certification program. Many cities throughout California have rental inspections

programs with no sign of excessive rent increases and loss of property values. Some cities such as Pasadena and Santa Ana have had inspection programs for 20 years and the programs have been a success for tenants and property owners.

To help the program have a successful start and deal with some of the concerns of property owners, during the first three (3) years of the Residential Rental Inspection Program compliance inspections by City rental inspectors will be conducted only on residential rental dwelling units which are in violation of building, housing or sanitation codes or ordinances or on residential rental dwelling units requested for inspection by the owner. During this three (3) year initial phase of the Program all other provisions of the ordinance, including but not limited to registration requirements, Program fees, self-certification procedures will be in effect. No inspections of self-certified units would begin until 2014 unless complaints were received about the property or units. The hope with this three (3) year Program initial phase roll out is to develop a complete and accurate data base of the relevant rental properties in the City and focus on the properties that do not qualify for self-certification and that currently are known problem properties.

**CONCLUSION:** The proposed ordinance takes the City of Santa Cruz to the next level of protection and promotion of public health, safety and welfare. A well run program will enable the City to maintain safe housing stock and increase the quality of life in neighborhoods and the community.

**ENVIRONMENTAL REVIEW:** The proposed ordinance has been determined to be exempt from the California Environmental Quality Act (CEQA) in that the activity is covered under the general rule that CEQA applies only to projects, which have the potential for causing significant effect on the environment. The ordinance is consistent with and serves to implement a goal of the Housing Element of the City's General Plan. In fact, the ordinance strengthens current provisions of the Municipal Code relating to code enforcement and housing and provide better protection to the citizens of the City of Santa Cruz. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is exempt from CEQA per Section 15061 (b)(3). Additionally, establishing fees for the purposes of meeting operating expenses by a public agency is statutorily exempt per CEQA Section 15273. And inspections activities are categorically exempt from CEQA per Section 15309.

**FISCAL IMPACT:** Staffing of this ordinance will require two full time inspectors and one full time administrative assistant, as well as supervisory support and support from staff from other departments (such as Finance and Fire). The direct staffing and operating costs are expected to be approximately \$322,000. This expenditure breakdown is follows:

Two building inspectors or code enforcement specialists =	\$200,000
One Administrative Assistant =	\$64,000
Capital outlay =	<u>\$58,000</u>
Expenditure Total =	\$322,000



As part of the UCSC/City agreement both parties agreed to jointly and equally fund the Program through the first three (3) years. After that period of time the joint funding would be subject to further discussion. Both the City and UCSC have included their share of the above expenditures in their FY 2011-12 budgets. The estimated annual revenue from the program with the \$45 registration fee per property and \$20 per unit for both annual registration and self-certification would be approximately \$327,000. Depending upon capital outlay after the first year the program may be very close to being self-supporting. Staff will monitor the revenues and expenditures to be sure the program is self-supporting and the fees are appropriate.

Prepared by:  
Alex Khoury  
Assistant Planning Director

Submitted by:  
Juliana Rebagliati  
Planning Director

Approved by:  
Richard C. Wilson  
City Manager

Available for public review at Planning Department, 809 Center Street

ATTACHMENTS:  
Draft Rental Inspection Ordinance  
Sample inspection checklist

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
RESCINDING RESOLUTION NO. NS-28,171 AND ADOPTING A REVISED  
DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FEE SCHEDULE  
TO INCLUDE RESIDENTIAL RENTAL DWELLING UNIT INSPECTION PROGRAM FEES

WHEREAS, on February 23, 2010, the City Council adopted Resolution No. NS-28,171 establishing a revised fee schedule for the Department of Planning and Community Development (Planning Department); and

WHEREAS, the City Council conducted public hearings on August 3, 2010 and September 7, 2010 and approved amendments to Title 21 to create the Residential Rental Dwelling Unit Inspection and Maintenance Program; and

WHEREAS, the State of California provides that zoning and building permit inspection fees and code enforcement services may recover costs associated with such services; and

WHEREAS, the City Council recognizes the necessity to recover costs associated with said rental inspection program; and

WHEREAS, the City Council finds that the preponderance of the evidence shows that the proposed fees are: (1) not a tax; (2) for an amount that is no more than necessary to cover reasonable costs of the governmental activity; and (3) in a manner in which those costs are allocated to a payor to bear a fair and reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that Resolution No. NS-28,171 is hereby rescinded, and the new Zoning Fee Schedule, as shown in Exhibit A, attached and made a part hereof, is hereby adopted; and

BE IT FURTHER RESOLVED by the City of Santa Cruz that the fees shown in Exhibit A continue to be adjusted annually on July 1<sup>st</sup> to account for inflation, based on the Consumer Price Index for the previous 12-month period (using the San Francisco-Oakland-San Jose Area modifier).

PASSED AND ADOPTED this      day of                      2010, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_

Mayor

ATTEST: \_\_\_\_\_

City Clerk

**EXHIBIT "A"**  
**City of Santa Cruz**  
**Department of Planning and Community Development**  
**Current Planning Division**  
809 Center Street, Room 206, Santa Cruz, CA 95060  
(831) 420-5100

**FEE SCHEDULE <sup>1</sup>**

Application/Fee Type	Fee Amount <sup>2</sup>
<b>Administrative Fees</b>	
Hourly Billing Rate	\$107 per hour
Application Intake	\$100 for public hearing cases \$50 for non-public hearing cases
Document Fee	\$70 for public hearing cases \$35 for non-public hearing cases
Public Notice	\$266
Technology Surcharge	5% of all fees/charges (including building) except those fees/charges under \$100, duplication, impact fees, inclusionary housing in-lieu fees, and General Plan Maintenance Fee.
Duplication	\$0.25 Per Page
<b>Permit Applications</b>	
Abandonment	\$2,031
Appeals	\$500
Boundary Adjustment	\$851
Certificate of Compliance	\$1,285
Coastal Permit	\$593
Coastal Permit Exclusion	\$88
Conditional Driveway Permit: Public hearing	\$851
Conditional Fence Permit: No public hearing Public hearing	\$724 \$851
Condition/Mitigation Monitoring: Minor Major	\$500 Deposit \$5,000 Deposit
Demolition Permit	\$593
Design Permits: <sup>3</sup>	
- Large house/Substandard lot (Public hearing)	\$1,504
- Remodel/Site alteration (No public hearing)	\$593
- New nonresidential/residential	\$329/1000 sq. ft.
- Fire Review Fee	20% of Design Permit Fee (\$4,400 max.)
Development Agreements <sup>3</sup>	\$3,076
Extension Area Revocable	\$1,175
General Plan/Zoning Map Amendment <sup>3</sup>	\$5,000 Deposit
General Plan Maintenance Fee	0.0122 of building permit valuation (Charged at building permit –\$250,000 max.)

<sup>1</sup> Adjusted on \_\_\_\_\_ per City Council Resolution \_\_\_\_\_.

<sup>2</sup> All fees are non-refundable

<sup>3</sup> This application may require the use of expert, outside analysis. Any such consultant costs and/or additional staff time shall be charged to, and recovered from, the applicant **27.-13**

**EXHIBIT “A”**

**Page Two**

<b>Application/Fee Type</b>	<b>Fee Amount <sup>4</sup></b>
Historic Alteration Permit	\$130
Historic Building Survey Deletion	\$2,031
Modification to Approved Plans:	
Minor	\$593
Major	\$1,153
Occupancy Permit:	
New Business/Change of Use	\$263 (+\$52 fire review fee)
Home Occupation	\$180 (+\$36 fire review fee)
New Occupancy, Same Use	\$55
Plan Check – Planning	\$285 plus (\$3 per \$1,000 valuation) (Charged at Building Permit)
Planned Development <sup>3</sup>	\$3,766
Pre-application Review <sup>5</sup>	\$2,000 Deposit
Reconstruction Permit	\$1,499
Relocation of Structure Permit	\$851
Sign Permit	\$253
Slope Modification:	
Minor	\$335
Major	\$1,713
Special Report Fee	\$527
Specific Plan <sup>3</sup>	\$9,500 Deposit
Subdivision <sup>3</sup>	\$2,196 Plus \$300 per lot
Time Extension	\$851
Use Permit <sup>3</sup>	
Administrative Use <sup>6</sup>	\$851
Special Use	\$1,598
Variance	\$1,499
Watercourse Development Permit <sup>7</sup>	\$271
Watercourse Variance	\$1714
<b>Environmental Review</b>	
Archaeological Review (for Building Permit Applications)	\$162 (Charged at Building Permit)
Biotic Review	\$214
Arborist Review	\$214
Categorical Exemption	\$88
EIR Review	25% of consultant’s contract
Negative Declaration/Initial Study <sup>3</sup>	\$1,647
<b>Code Compliance</b>	
Code Violation (Investigation Fee)	Double fees for required permits
Reinspection Fee	Actual Cost
<b>Rental Inspection Program</b>	
Annual Registration Fee <sup>7</sup>	\$45
Annual Self-Certification Fee <sup>7</sup>	20% of the units @ \$20 per unit
Annual Inspection Fee <sup>7</sup>	\$20 per unit
Reinspection Fee	\$107 per hour

<sup>4</sup> All fees are non-refundable

<sup>5</sup> Up to \$1,000 of this fee may be deducted from the application fee upon submittal within one year of completed review.

<sup>6</sup> The total fee amount for an Administrative Use Permit to allow a temporary, non-profit, seasonal fund-raiser shall be \$100.

<sup>7</sup> Penalties for late registration/annual renewals start at 20 percent of the original fee (if one month delinquent) and are assessed an additional 10 percent each month the license is delinquent (up to 50 percent maximum).



City Council Meeting Calendar December 8, 2010

Date	Time	Location	Topic
December 16, 2010	6:00 p.m.	Courtyard Conf. Room	Special Closed Session
<b>Holiday Break – No Second Meeting in December</b>			
January 11, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
January 18, 2011	7:00 p.m.	Council Chambers	Special Council Meeting – Advisory Body Interviews
January 25, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
February 8, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
February 22, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
March 8, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
March 22, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
April 12, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
April 26, 2011	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions
May 10, 2010	1:30 p.m.	Courtyard Conf. Room	Regular Council/Agency Closed Session
	3:00 p.m. and 7:00 p.m.	Council Chambers	Regular Council/Redevelopment Agency Open Sessions

**Council Membership in City Groups and Outside Agencies**

Councilmembers will have the opportunity to present oral updates to Council and the public. Councilmembers may provide direction, request additional information or that a topic raised be agendaized for future Council action. The Presiding Officer may request oral updates from Council ad hoc Committees.

The Presiding Officer will ask representatives of each entity if there is any oral update.

Name of Agency/Organization	Currently Serving
Association of Monterey Bay Area Governments (AMBAG)	L. Robinson, T. Madrigal (alternate)
City of Santa Cruz/Soquel Creek Water District (SqCWD) Desalination Project	D. Lane, M. Rotkin, R. Coonerty (Alt.)
City Schools Committee (Ad Hoc)	C. Mathews, T. Madrigal, R. Coonerty
Community Action Board	T. Madrigal, David Sweet (alternate)
Community Programs Committee	R. Coonerty, C. Mathews, L. Robinson
Conference and Visitors' Council	C. Mathews, L. Robinson
Cultural Council Board City Representative	K. Beiers
Downtown Management Corporation	C. Mathews, L. Robinson
Economic Development Council (Mayor/Vice Mayor)	R. Coonerty, D. Lane, C. Mathews
Library Joint Powers Authority Board	K. Beiers, M. Rotkin, C. Mathews (alt.)
Library Financing Authority	M. Rotkin
Local Agency Formation Commission (LAFCO)	D. Lane
Monterey Bay Unified Air Pollution Control District	2010 City of Watsonville
Public Safety Committee	D. Lane, M. Rotkin, L. Robinson
Sanctuary Inter-Agency Task Force	K. Beiers, C. Mathews
Santa Cruz County Children's Network	D. Shoemaker, C. Scurich (alt.)
Santa Cruz Community Farmers Market, Inc.	L. Robinson
SC County Integrated Waste Management Local Task Force	M. Rotkin, Alan Schlenger (alternate) Bob Nelson, Mary Arman (alternate)
Santa Cruz Metropolitan Transit District Board	M. Rotkin, L. Robinson
SC County Regional Transportation Commission (SCCRTC)	D. Lane, L. Robinson (alternate)

Public comment on the reports given will be heard at a time to be determined by the Presiding Officer.