

City of Santa Cruz  
ANNUAL REPORT 2013



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# City Manager's Message

BY MARTIN BERNAL

With a few months under our belt in the new fiscal year, I'd like to reflect upon recent accomplishments, challenges and opportunities in the coming year for the City of Santa Cruz. The past year was truly one-of-a-kind: we welcomed the Santa Cruz Warriors to town, oversaw an improving and expanding local economy and launched public safety initiatives to enhance our quality of life. And, the tragedy of February 26, 2012 shook us to the core. With heavy hearts and immeasurable sadness we said goodbye as a community to our beloved officers Sergeant Loran "Butch" Baker and Detective Elizabeth Butler. The subsequent outpouring of support clearly demonstrated our commitment to each other and collective resiliency.

Fundamentally, the response to the tragedy shows that our community is strong and determined. Together, we are tackling our tough issues head-on. Together, we are focused on measures that will improve our way of life. It is with this thought in mind that I look forward to 2014 and making progress on our major strategic initiatives.





### **Commitment to Public Safety**

Reflecting our community's values and desires, City Council and staff are firmly committed to keeping Santa Cruz safe and clean. In the FY 2014 Budget, City Council committed additional investments in campsite cleanups, public trash cans and restrooms, park rangers and an incentive program to fill vacant police officer positions. However, more needs to be done, and that is why we are working with community members on the Public Safety Citizen Task Force to develop effective solutions to persistent safety concerns. Recommendations from this body are expected in early December 2013.

### **Improving Economy**

The Santa Cruz "startup" culture is blossoming and attracting national attention. New technologies and companies regularly emerge here in Santa Cruz. From tech firms to natural foods to outdoor sporting industries, Santa Cruz continues to produce market-moving ideas. We want to make it easier for those businesses to get up and running and remain successful here, which is why we launched OpenCounter, an online portal for new businesses, and enhanced communications with existing businesses to learn how we can improve local conditions for our business community.

### **Balanced Budget and Infrastructure Investments**

The City's financial position continues to stabilize in tandem with the local economy. While uncertainty about sustained growth lingers, I am very proud of the fact that we maintained a balanced budget, while increasing our investment in critical infrastructure projects, including energy efficient upgrades at our Wastewater Plant, increased street paving efforts (using recycled material), and new fitness offerings in our parks, levee and West Cliff. In the coming months, we as a community will explore our water supply issues and develop a set of solutions to ensure our water needs are met.

Throughout this year, I hope to hear from you. Public engagement and participation is a strong indicator of a successful city. Based on recent participation in public meetings and forums as well as the growing pool of talented volunteers engaged in civic projects, I am confident that we will succeed. Please contact me to share your ideas, thoughts, concerns and solutions.

Sincerely,



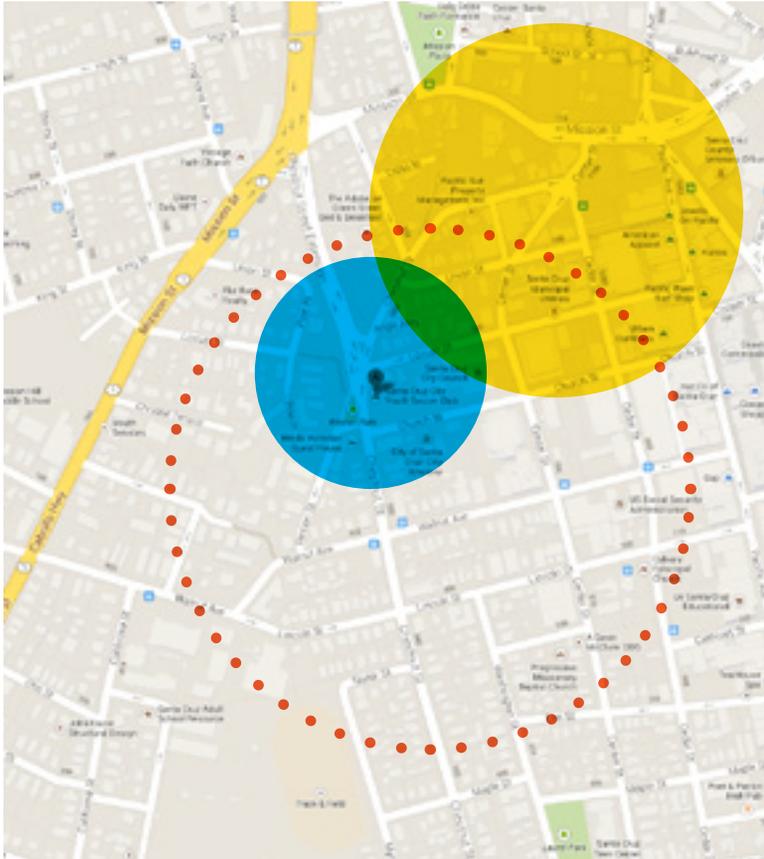
# Public Safety—

## Collaborating Toward a Safer Community

We all exist in a patchwork of jurisdictions and borders that most of us pass over each day without a second thought. The state of California now has over 480 cities, and thousands of “special districts.”

You may live in the City of Santa Cruz, but if you’re walking to Twin Lakes from Seabright you’ll pass through three different jurisdictions (the City, the County and the Port District) before reaching the bottom of 7th Avenue. While the City provides ranger and police service in the Pogonip, if you were to take a hike to the far end of the Spring Trail you’d be under the jurisdictional authority of either UC Santa Cruz or the State Parks System, depending on which way you choose to continue walking through the redwoods.





This is just one of the challenges facing the Public Safety Task Force, a group of 15 citizens currently poring over data and asking hard questions about crime, drug abuse and recidivism not only in the City, but across the County. They are looking at crime statistics and arrest records keyed to the City of Santa Cruz, but the criminal justice and public health systems are largely outside our authority. The County of Santa Cruz is responsible for the county jail, while the Superior Court is, in reality, a state agency. Both of these organizations are struggling to meet their appointed mandates in the face of significant state budget cuts and new, under-funded mandates like realignment.

Sadly, competition for resources and overlapping mandates have made it difficult to come up with a framework for regional coordination on issues like public safety. While we might be able to step up enforcement on the levee or in our parks, the problem can migrate across one of those invisible borders, frustrating our ability to provide a long-term solution.

We're confident, however, that the Public Safety Task Force can help bridge these jurisdictional challenges. In selecting its members, the City Council made sure to include teachers, small business owners and retired police officers. We're also honored to have the head of Encompass Community Services and the executive director of Janus, our local rehabilitation center, adding their expertise into the conversation.

The Task Force's work and the significant intellectual capacity and professional experience of its members will help us to surface new ways for local jurisdictions to cooperate and collaborate on these issues. We are confident that this group of community members will provide thoughtful recommendations regarding public safety in Santa Cruz.

This is difficult work, but necessary for our community and our peace of mind.



# Economic Development— Locally Grown Success

In Santa Cruz we are blessed with an incredible abundance of assets. Not only do we have the Pacific Ocean and some of the best surf breaks and beaches in California, but we have a major university and a number of healthy clusters of businesses, including organic foods, technology, arts, tourism, and outdoor sports companies. For a little town of 60,000, our brand is known worldwide. This diversification of amenities and our approach to economic development help explain why we have weathered the Great Recession and are experiencing a modest improvement in our local economy.





While many communities focus on business “attraction” efforts that result in large public subsidies for manufacturers to locate in a jurisdiction, we know that those kinds of activities aren’t generally in sync with our community’s character. There are other ways a city can help foster a great business climate. While it may not be immediately apparent, improving our road conditions, as we’ve done along Ocean Street, Riverside Avenue and Beach Street, or addressing traffic congestion at River/Highway 9 has a very real impact on the bottom line of our local merchants. That’s why our FY 2014 budget includes an additional \$2 million to put towards infrastructure improvements.

Most of our economic development efforts are focused on targeted programs to help out specific sectors. A few examples include our new hotel facade improvement program, which stakes a public investment into hotel renovation to incentivize owner investments of more than \$300,000 into property upgrades, and our downtown parking program, which waives parking fees for new businesses to set up shop.

The City has also invested in a trolley to forge deeper connections between the beach and downtown during the summer tourist season, worked on creating better access to broadband internet and continued to improve wayfinding mechanisms so that visitors can find their way around. Our public art and anti-graffiti programs are proven cost-effective tools for eliminating blight and supporting the creation of successful places that reflect our local culture.

We know that one of the best things a City can do when trying to grow the tax base is to support small and first-time entrepreneurs. That’s where the majority of new jobs are created in the economy. In fact 552,600 small businesses are created in the United States each year. Small businesses account for 99.7 percent of U.S. employer firms, 64 percent of net new private-sector jobs, 49.2 percent of private-sector employment and 42.9 percent of private-sector payrolls.

That is why we built OpenCounter with a team of Code for America fellows in 2012. OpenCounter is a software program that



gives entrepreneurs a simple online interface to discover the permits, fees and regulations that will come into play when they try to set up shop in Santa Cruz. The software has been embraced by the business community, and since its May 15th launch the City has seen more than 400 people create accounts and 50 entrepreneurs formally submit applications through the system. This is almost double the volume that we anticipated when production was completed last winter.

In the coming years, under the leadership of our Economic Development Department, we'll continue to focus on making it easier to start up and scale a business in Surf City, and support efforts that keep our town vibrant and economically strong.

## Santa Cruz in the News

Santa Cruz leads the way in so many capacities, here's just a snippet of exciting news from our illustrious community this past year:

- *Santa Cruz ranked #6 in Forbes list of best places poised for economic growth.*
- *PredPol, a predictive policing software firm piloted by our own Police Department is now helping Los Angeles and Seattle deploy their public safety resources more intelligently.*
- *UCSC was rated second in the world for research influence.*
- *Santa Cruz surfer Nat Young clinched the Association of Surfing Professionals' Rookie of the Year prize.*
- *UCSC alumnus Steve Collins helped guide NASA's robotic explorer to a successful landing on Mars.*
- *Looker Data Sciences, a business intelligence startup created by Netscape alumni announced their \$16 million series A.*
- *UCSC Center for Agroecology and Sustainable Food Systems won two significant grants from the US Department of Agriculture totaling more than \$3.25 million to expand research and support new organic farmers.*



# Game On!

## Santa Cruz Warriors' Winning Ways

The Golden State Warriors basketball team lobbed a surprise pass to City officials in Spring 2012, offering to move its NBA Developmental League (D-League) team to Santa Cruz — for a season that began in November.

The news was electrifying, but the timeline was daunting. The project hinged on building a 2,500-seat sports arena, downtown, before the looming deadline of December 23, 2012.

Against all odds, less than a year after the Warriors first unveiled their plan, the team played its first game in the new Kaiser Permanente Arena before an ecstatic hometown crowd. Local fans snapped up more than 900 season tickets, and nearly every home game was played to sold-out crowds.





“We knew it was a tight timeframe, but we got this arena built in just 78 days,” said team spokesman Matt de Nesnera. “It went just as smoothly as it could possibly go. We couldn’t have asked for a better welcome from the community.”

And the Warriors first season in Santa Cruz was just as highlight-worthy as the arena construction, as they barreled through the NBA Development League playoffs in front of massive home crowds before eventually succumbing to the Rio Grande Valley Vipers in the hard-fought finals. Demonstrating the immense talent and skill of our players, several Warriors signed with NBA teams, most recently Jeremy Tyler joining the New York Knicks this summer.

The Warriors have done more than play electrifying basketball in their inaugural season. The team’s relationship to the community extended beyond the games, with players participating in a multitude of community organizations and non-profits including the Boys and Girls Club, Grind Out Hunger, Red Cross and the United Way. Team members practiced with local student athletes and initiated a school-based reading program.

Economically speaking, pre- and post-game crowds have already boosted foot traffic downtown and benefited nearby businesses, providing a lift for shops, hotels and restaurants that used to cut back on staffing in winter months. The franchise has also hired local residents for dozens of jobs and selected a local business, Whiting’s Foods, to run arena concessions.

“This has been a good effort on everybody’s part,” said Larry Pearson, CEO of Pacific Cookie Company. “The Warriors came into town with the right attitude, and they’ve made it a quality experience. It’s a very well-run operation.”

Just like you, we’re looking forward to the 2013-14 season! Learn more by visiting the Warriors website:

**[www.nba.com/dleague/santacruz](http://www.nba.com/dleague/santacruz)**



City Employee Profile:

# Susie O'Hara

The City of Santa Cruz has more than 700 employees, overseeing an incredibly diverse set of programs, services and responsibilities. From uniformed officers keeping our streets safe to construction crew members diving under the waters of the Bay to keep our wharf in top condition, each of our employees is vital to the health of our community.

We're dedicated to making sure that the true talents of each of our employees are recognized, and that's why we're committed to employee development. As part of that effort, this year the City Manager's Office started a Fellowship Program to assist with staffing the City's Public Safety Task force and other key strategic and interdepartmental efforts.





Following an extensive interview process Water Engineer Susie O'Hara was selected to be the inaugural City Manager Fellow. She has spent the last six months working closely with the Public Safety Task Force with the aim of developing a set of policy recommendations to make Santa Cruz a safer place to live, work and play. We recently sat down with Susie to learn a little bit more about her background and work at the City.

#### **Where are you from?**

*I spent my formative years in LA and Orange County, with a good chunk of childhood weekends spent digging for fossils in the Mojave Desert and exploring the Eastern Sierra with my family.*

#### **How did you end up in Santa Cruz?**

*I migrated to Northern California for college and studied Civil Engineering at UC Davis. I've always followed my passions. I've taught developmentally disabled kids, designed and constructed major water infrastructure projects and been a homemaker raising three girls. I've lived around the world with my husband Matt, who's an academic. Our family moved to Santa Cruz in 2006 when an opportunity opened up for him at UCSC.*

#### **Why did you apply for the fellowship?**

*I think of my role in this community as a partner. Successful and healthy partnerships are always a give and take. Santa Cruz is incredibly rich in what it has to give, but also needs a lot of support, especially around public safety. When the Fellowship identified this specific need, I jumped at the opportunity.*

#### **What's your favorite part of the job?**

*I have been able to take risks, learn from mistakes, challenge myself and develop strong working relationships with members of the community who care deeply about the outcome of this process.*

#### **What do you love the most about Santa Cruz?**

*I love that each time I go downtown or to the market I run into friends. In Santa Cruz, my kids have an opportunity to grow up in a town so rich in natural and cultural resources. Our favorite place is the Spring Box Trail in the Pogonip.*

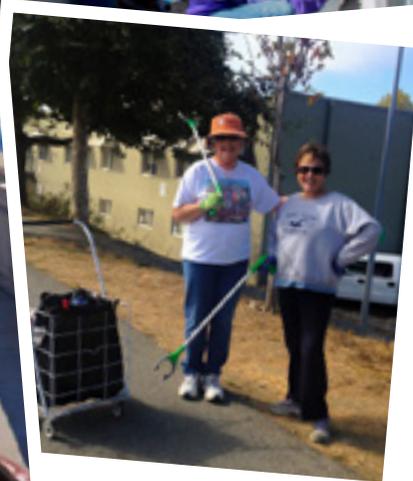


# Volunteers—

A Community that Cares

The Santa Cruz community is very generous with its financial resources and time. Businesses and residents regularly give back in a variety of ways, be it donating food or money to food banks, clothes to Goodwill or time to soup kitchens. This is a community that cares. The City is also a beneficiary of this incredible kindness: volunteers donated more than 28,100 hours of volunteer labor to City services in 2012. Incredible!

We have volunteers work with staff on improvement projects, like building the Pogonip multi-use trail and student beautification projects on the San Lorenzo Bridges.





Others specifically come to Santa Cruz to give of their time, like the international volunteers with American Conservation Experience who helped us rebuild trails in DeLaveaga Park.

More than 100 volunteers use their free time to serve as an extra set of eyes for our graffiti abatement program. A group of friends have even named their volunteer group the "Leveeles" after the San Lorenzo levee they clean up week in and week out.

Others serve on advisory bodies, drawing on their experience and expertise to provide policy guidance to City Council.

In fact, volunteers outnumber our permanent staff. The Federal Department of Labor calculates that volunteer labor is worth roughly \$695,000 dollars to the City each year, but we believe the impact is far more valuable. When volunteers give their time to a City project, they are ensuring that the community has a stake in its success and its continuity. We work in the public interest; it's always good to have the public there, working with us.

Thank you to the more than 1,500 individuals who give of their time to the City. If you'd like to join their ranks, please call 831-420-5403.

