

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



CITY COUNCIL AGENDA

Regular Meeting - May 23, 2023

1:30 P.M. CLOSED SESSION, ZOOM/COURTYARD CONFERENCE ROOM
2:00 P.M. CONSENT, GENERAL BUSINESS, ORAL COMMUNICATIONS, AND
DEPARTMENT BUDGET PRESENTATIONS, ZOOM/COUNCIL CHAMBERS

The meeting may be viewed remotely, using any of the following sources:

- Click on Zoom link (no time delay): <https://zoom.us/j/94684401344>
- Online at <http://www.cityofsantacruz.com/government/city-council/council-meetings>
- Online at [Watch - Community Television of Santa Cruz County](#)
- Comcast Channel 25

Or: Call any of the numbers below. If one is busy, try the next one.

- 1-833-548-0276 (Toll Free)
- 1-833-548-0282 (Toll Free)
- 1-877-853-5247 (Toll Free)
- 1-669-900-9128
- Enter the meeting ID number: 946 8440 1344
- When prompted for a Participant ID, press #.
- Press *9 on your phone to “raise your hand” when the Mayor calls for public comment.
- It will be your turn to speak when the Mayor calls on you. Press *6 to unmute yourself. The timer will then be set.

Correspondence to be included in the agenda packet must be received by 5:00 pm on Monday,
May 22nd

PLEASE NOTE:

- Council may take a break(s) as needed.
- Requests for extra speaking time on items other than Oral Communications must be made by 5:00 p.m. on Sunday, May 21st by emailing the Mayor and the City Clerk. Approval will be confirmed via email.

fkeeley@cityofsantacruz.com bbush@cityofsantacruz.com

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the City Clerk's Department at 420-5030 at least five days in advance so that we can arrange for such special assistance, or email CityClerk@cityofsantacruz.com. The Cal-Relay system number: 1-800-735-2922.

Si desea asistir a esta reunión pública y necesita ayuda - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 420-5030 al menos cinco días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a cityclerk@cityofsantacruz.com. El número del sistema Cal-Relay es: 1-800-735-2922.

Agenda and Agenda Packet Materials: The City Council agenda and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the City's website: www.cityofsantacruz.com/government/city-council-meetings and at the Office of the City Clerk located at 809 Center Street, Room 9, Santa Cruz, California, during normal business hours.

Agenda Materials Submitted after Publication of the Agenda Packet: Pursuant to Government Code §54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the same time they are distributed or made available to the legislative body on the City's website at: www.cityofsantacruz.com/government/city-council-meetings and are also available for public inspection at the Office of the City Clerk, 809 Center Street Room 8, Santa Cruz, California, during normal business hours, and at the Council meeting.

Need more information? Contact the City Clerk's office at 831-420-5030.

Closed Session

1:30 PM

Closed Session

1. Conference With Legal Counsel - Liability Claims (Government Code §54956.95)

- 1) Claimant: Ezekiel C. Tidmore
- 2) Claimant: Judith Laing
- 3) Claimant: Justin Laing
- 4) Claimant: Deborah Marie Guadian

Claims against the City of Santa Cruz

City Council

2:00 PM

Call to Order

Roll Call

Presentations

The below presentation #2 will occur at or around 4:00 p.m.

2. Outstanding Volunteer Recognition
3. Beach Safety Week
4. Mayoral Proclamation Declaring May 21 through May 27, 2023, as Public Works Week
5. Citywide Housing Project Interactive Map

Presiding Officer's Announcements

Statements of Disqualification

Additions and Deletions

City Attorney Report on Closed Session

Council Meeting Calendar

6. The City Council will review the meeting calendar attached to the agenda and revise it as necessary.

Consent Agenda

7. Minutes of the May 9, 2023 City Council Meeting (CC)

Motion to approve as submitted.

8. Council Sugar-Sweetened Beverage Tax Ad Hoc Committee (CN)

Motion to create a City Council ad hoc committee to explore the feasibility of placing a sugar-sweetened beverage tax measure on the March or November 2024 ballot.

9. Downtown Association: Parking and Business Improvement Area Assessments for FY 2024 (ED)

Motion to:

1) Approve, or to modify and approve, the plan prepared by the Downtown Association for FY 2024; and

2) Adopt a Resolution of Intention to levy a Downtown Association Parking and Business Improvement Assessment for FY 2024 and schedule a public hearing for June 13, 2023 on the levy of the assessments for FY 2024.

10. 223 Darwin Street CFSC Loan Extension (APN: 011-122-04) (ED)

Authorize the City Manager to execute any and all loan documents necessary, in a form approved by the City Attorney, to extend the terms of existing Red Cross-funded loan in the amount of \$75,000 to CFSC for the property located at 223 Darwin Street for 30 years with 3% simple interest and deferred payments.

11. Pacific Collegiate Foundation - Approval of Issuance by the California Municipal Public Financing Authority of Refunding Revenue Bonds for the Purpose of Refinancing the 2016 Variable Rate Revenue Bonds (ED)

Resolution to approve a non-charter membership agreement (the “Non-Charter Agreement”) with the California Municipal Public Financing Authority (“CalMuni PFA”) to assist the Pacific Collegiate Foundation with the issuance of refunding revenue bonds in an amount not to exceed \$6,000,000 for the purpose of refinancing their 2016 Variable Rate Revenue Bonds.

Consent Agenda (continued)

12. Liability Claims Filed Against the City of Santa Cruz (FN)

Motion to reject the liability claims of 1) Ezekiel C. Tidmore, 2) Judith Laing, 3) Justin Laing; and to return as late claim of 4) Deborah Marie Guadian, based on staff recommendation.

13. Award Contract for eProcurement Solution (FN)

Motion to:

1) Amend the existing software services agreement, in a form to be approved by the City Attorney, with OpenGov (San Jose, California) to include the purchase of an integrated web-based electronic procurement (eProcurement) and contract management platform for a 3-year term, along with related business process, implementation and support services from June 1, 2023, through May 30, 2026; and,

2) Authorize the City Manager to execute the agreement and any amendments within the approved operating budget.

14. Resolution Approving the Tentative Agreement and Adopting the Memorandum of Understanding with Temporary Service Employees SEIU Local 521 (HR)

Resolution approving the Tentative Agreement and adopting the Memorandum of Understanding with Temporary Service Employees SEIU Local 521.

15. Award Contract for Portable Digital Radios (PD)

Motion to authorize and direct the City Manager to execute an agreement in a form acceptable to the City Attorney with Motorola Solutions for the lease-purchase of portable digital radios and portable digital radio accessories for the Santa Cruz Police Department in the amount of \$899,077.13.

16. Housing Matters Hygiene Bay Remodel Project (c102205) - Notice of Completion (PW)

Motion to accept the work of Selden & Son (Watsonville, CA) and authorize the filing of the Notice of Completion for the Housing Matters Hygiene Bay Remodel Project (c102205).

Consent Agenda (continued)

17. Contract Renewal with Hope Services, Inc. for the Resource Recovery Facility (PW)

Motion to authorize and direct the City Manager to execute renewal of an agreement in a form acceptable to the City Attorney with Hope Services, Inc., (Santa Cruz, CA) for recycling and litter control services at the City's Resource Recovery Facility on Dimeo Lane.

18. 2024 Isuzu NRR Cab Chassis with 9-yard Heil Mini Rear Loader - Award Contract (PW)

Motion to:

1) Award a contract for the purchase of a 2024 Isuzu NRR Cab Chassis with a 9-yard Heil Rear Loader from TEC of California (San Francisco, CA); and

2) Adopt a resolution transferring and appropriating funds in the FY 2023 budget in the amount of \$165,355.40 from Public Works' Homelessness Response Field salary savings and from the City Manager's Office Homelessness Response Action Plan, California grant project.

19. Water Supply Augmentation, Aquifer Storage and Recovery Beltz 9 Pilot Test, Pueblo Water Resources Professional Services Contract (WT)

Motion to authorize the City Manager to execute an agreement in a form to be approved by the City Attorney with Pueblo Water Resources of Ventura, CA in the amount of \$216,425 to conduct pilot testing of Aquifer Storage and Recovery (ASR) at Beltz Well 9 and authorizing the Water Director to execute amendments within the approved project budget.

End Consent Agenda**Public Hearing**

20. Technology Surcharge (PL)

This item is continued to the meeting of June 13, 2023, and will not be discussed on May 23, 2023.

General Business

21. West Cliff Update, including Infrastructure, Transportation, and Roadmap Development (PW/CM)

Motion to:

- 1) Receive an update on citywide West Cliff work, including infrastructure, transportation, and the development of a roadmap for a resilient and accessible West Cliff; and
- 2) Kick-off community review of the in-process roadmap and provide feedback to staff.

Oral Communications Announcement - Members of the public may address Council on matters not on the agenda, but within the jurisdiction of the Council. 30 minutes is allocated for Oral Communications. No extra time for groups will be granted.

Oral Communications

Presentations

The proposed Fiscal Year 2024 Budget can be found here:

<https://www.cityofsantacruz.com/government/city-departments/finance/city-budget/fy-2024-budget>

22. FY 2024 Proposed Budget

Conduct the Fiscal Year (FY) 2024 Budget Hearings, receive presentations from the following departments, and provide feedback to staff for preparation of the FY 2024 Adopted Budget.

Schedule of presentations (subject to change):

- 1) City Fiscal Overview
- 2) Public Comment
- 3) Economic Development and Housing
- 4) Planning and Community Development
- 5) City Attorney's Office
- 6) Homelessness Response

Adjournment

INFORMATION ITEMS PREVIOUSLY DISTRIBUTED TO CITY COUNCILMEMBERS

ADDENDUM TO CITY COUNCIL AGENDA - MAY 23, 2023

- 23. Finance Department: Sales Tax - 5/10/23 (FNFYI 367)
- 24. Library: Incident Report - Santa Cruz Public Library 3rd Quarter Fiscal Year 2022-2023 - 5/17/23 (LBFYI 014)

MAYOR'S PROCLAMATIONS

ADDENDUM TO CITY COUNCIL AGENDA - MAY 23, 2023

- 25. Proclaiming the week of May 14-20, 2023 as “National Police Week” and encouraging all citizens to observe the week with law enforcement officers, past and present, who, by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their communities, and proclaiming May 15, 2023 as “National Peace Officers’ Memorial Day” in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty.
- 26. Proclaiming May 16, 2023 as “Dirtbag Baseball Day” and encouraging all residents to play ball!
- 27. Proclaiming the week of May 21-27, 2023 as “National Public Works Week” and urging all citizens to join in celebrating our public works employees with recognition of all that they do to benefit the quality of life and well-being of the people of the City of Santa Cruz.
- 28. Proclaiming the month of May 2023 as “Building Safety Month” and encouraging all citizens to participate in Building Safety Month activities.

MAYOR'S PROCLAMATIONS (continued)

29. Proclaiming May 20-26, 2023 as “Safe Boating Week” and the start of the year-round effort to promote safe boating and encouraging all citizens to join in supporting the goals of the North American Safe Boating Campaign (Wear It!) and urging those who boat to “Wear It!” and practice safe boating habits throughout the year.
30. Proclaiming May 21, 2023 as “Humanities Institute Day” and encouraging all citizens to join in acknowledging its efforts to advance public-facing scholarly activity, vibrant public programs, and humanities work that builds a more just and equitable society, helping us all better see the forest and the trees.
31. Proclaiming May 21, 2023 as “Ezra Klein Day” and encouraging all citizens to join in acknowledging him for his significant work to inform, inspire deep thought, and encouraging action in the face of the impacts of climate change here on the coast and around the world.
32. Proclaiming May 21, 2023 as “Elizabeth Kolbert Day” and encouraging all citizens to join in acknowledging her for her significant work to inform, inspire deep thought, and encouraging action in the face of the impacts of climate change here on the coast and around the world.

The following positions are vacant. Council will make the appointments at a future meeting.

County Latino Affairs Commission	One opening - at-large nomination
Sister Cities Committee	Two openings - at-large nominations

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.

88



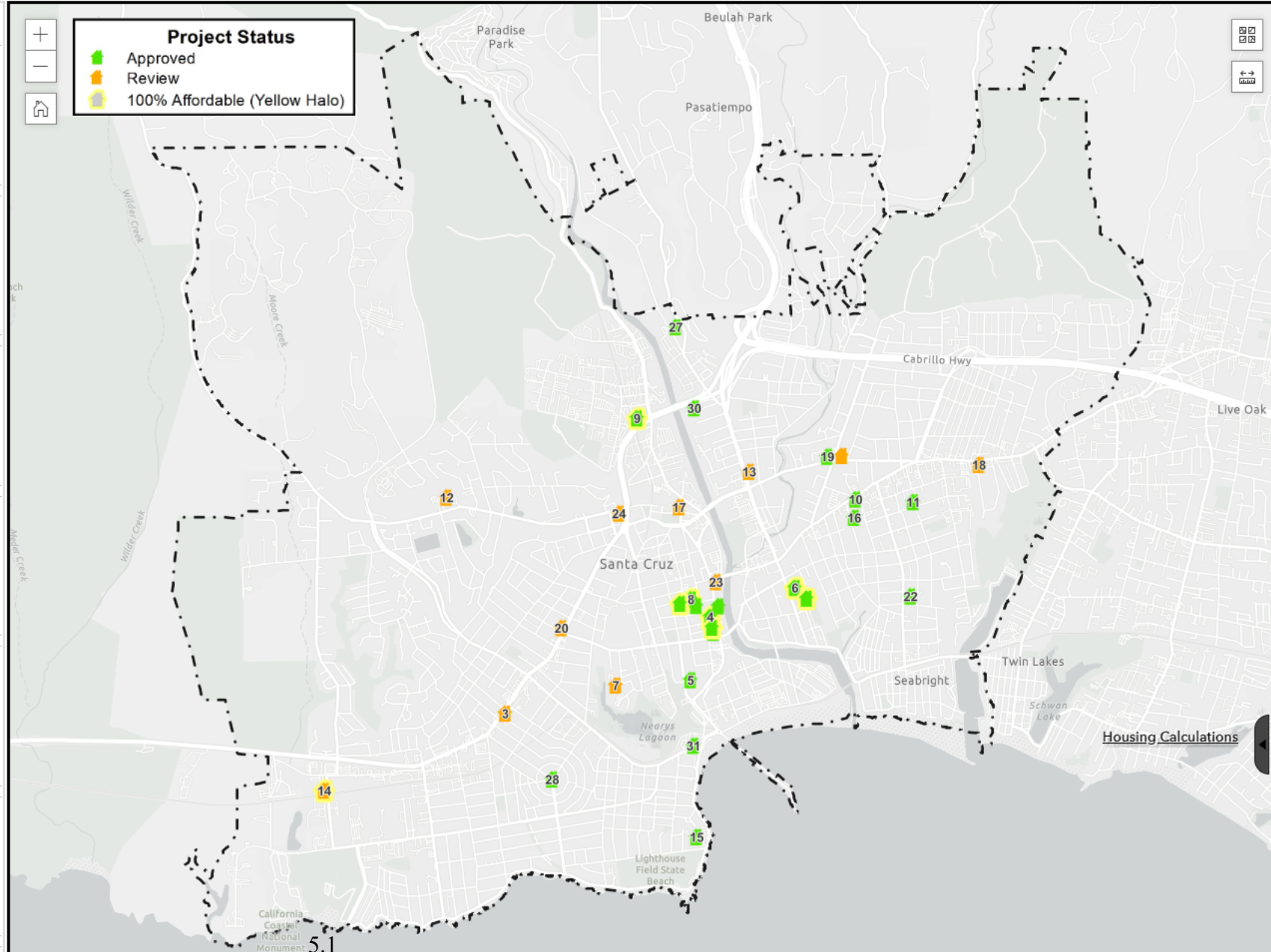
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Home

Project Status

- Approved
- Review
- 100% Affordable (Yellow Halo)



(1) 314 Jessie St.

Approved

Affordable Units: 48 / Total Units: 50

Under Construction: No **Time to Occupancy:** 2-5 years

Located in the Lower Ocean district, this four story project will remove an existing 14 unit apartment building and two accessory buildings in order to build a 4 story apartment building to house 50 units at 100%



(2) Center/Cedar Project

Approved

Affordable Units: 64 / Total Units: 65

Under Construction: Yes **Time to Occupancy:** 0-1 years

This downtown Santa Cruz development is located at Cedar and Center street next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit), this



(3) 1811 & 1815 Mission

Under Review

Affordable Units: 4 / Total Units: 27

Under Construction: No **Time to Occupancy:** 2-5 years

This West Side development at 1811 & 1815 Mission Street will demolish two single family homes to construct a three story, 27 unit Single Room Occupancy development. The ground floor of this project



(4) Pacific Station North

Approved

Affordable Units: 128 / Total Units: 128

Under Construction: No **Time to Occupancy:** 2-5 years

Pacific Station North is the first of it's kind. Designed to be one of the most sustainable buildings on the Central Coast, the net zero project includes mass timber (as opposed to concrete or steel) construction,



(5) 130 Center St

Approved

Affordable Units: 31 / Total Units: 233

Under Construction: No **Time to Occupancy:** 2-5 Years

The 130 Center Street project has been designed to activate the Center street area, connecting downtown Santa Cruz and the boardwalk, wharf and other beach attractions. 233 housing units will sit atop street level



(6) 350 Ocean St.

Available now

Affordable Units: 63 / Total Units: 63

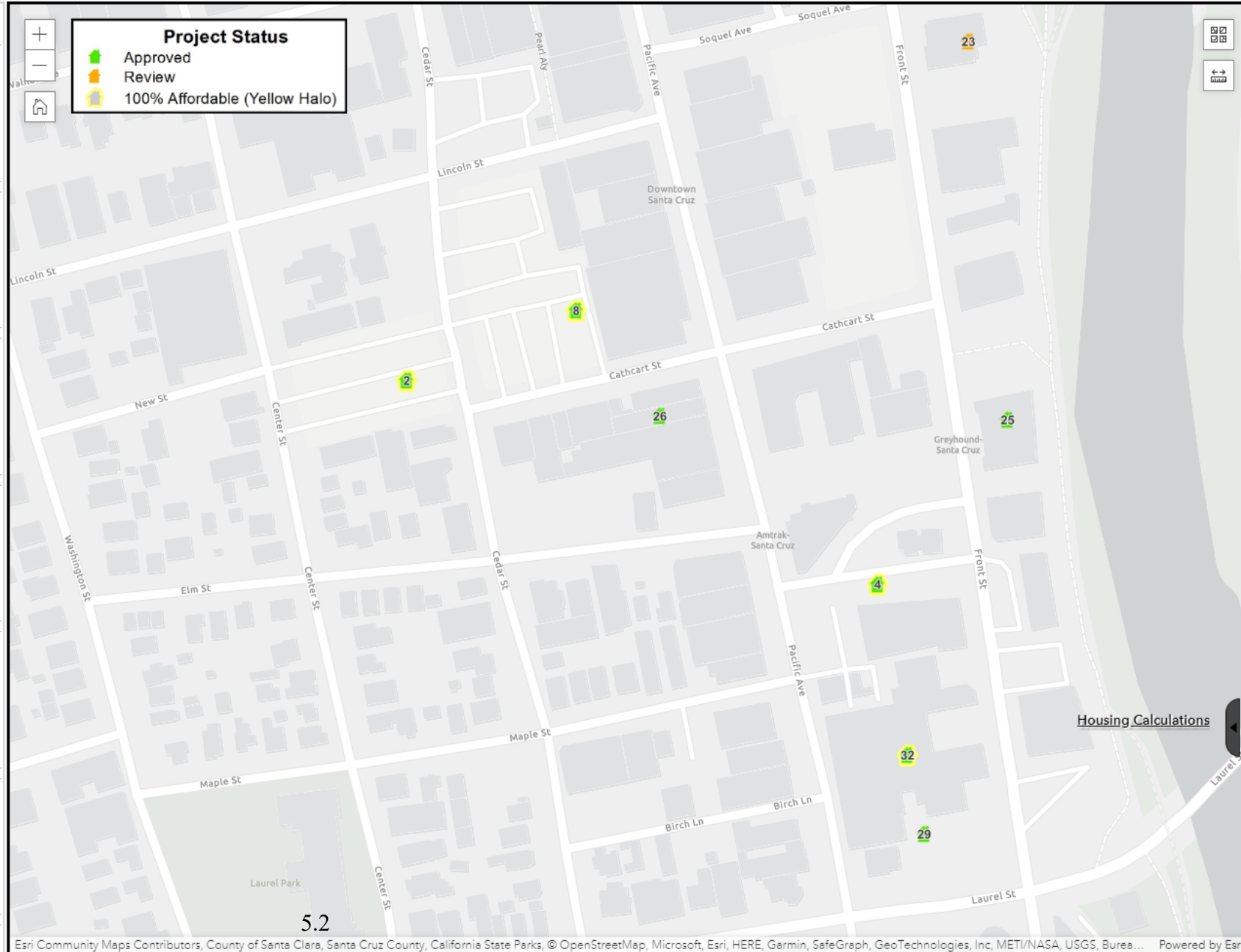
Under Construction: No **Time to Occupancy:** Completed

Ocean Street Apartments will provide sixty-three much needed one, two, and three bedroom apartments for families earning up to 60% of the area median income (AMI) for Santa Cruz Count

Hold

(7) 101 Felix St.

	<p>(2) <u>Center/Cedar Project</u> <i>Approved</i></p> <p>Affordable Units: 64 / Total Units: 65 Under Construction: Yes Time to Occupancy: 0-1 years</p> <p>This downtown Santa Cruz development is located at Cedar and Center street next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit), this</p>
	<p>(4) <u>Pacific Station North</u> <i>Approved</i></p> <p>Affordable Units: 128 / Total Units: 128 Under Construction: No Time to Occupancy: 2-5 years</p> <p>Pacific Station North is the first of it's kind. Designed to be one of the most sustainable buildings on the Central Coast, the net zero project includes mass timber (as opposed to concrete or steel) construction,</p>
	<p>(8) <u>119 Lincoln St.</u> <i>Approved</i></p> <p>Affordable Units: 123 / Total Units: 124 Under Construction: No Time to Occupancy: 2-5 years</p> <p>The Downtown Library & Affordable Housing Project key components and features include 124 units of housing, 100% of which will be affordable units; the new Downtown Library, approximately 38,069</p>
	<p>(23) <u>530 Front St.</u> <i>In Design</i></p> <p>Affordable Units: 37 / Total Units: 276 Under Construction: No Time to Occupancy: 3-5 Years</p> <p>530 Front Street brings striking architecture and activated outdoor plaza areas to the nexus of Front Street and Soquel Ave. 37 of 170 riverside condominium units are designated for affordable housing, with direct</p>
	<p>(25) <u>Riverfront/Front St</u> <i>Approved</i></p> <p>Affordable Units: 20 / Total Units: 175 Under Construction: Yes Time to Occupancy: 1-2 Years</p> <p>The Paseo continues through the Front street/ Riverfront project, guiding visitors to river views, elevated patio dining and recreational opportunities along the San Lorenzo Levee trail. 20 of 175 units are</p>
	<p>(26) <u>1013 Pacific Ave.</u> <i>Approved</i></p> <p>Affordable Units: 2 / Total Units: 17 Under Construction: No Time to Occupancy: 2-5 years</p> <p>The Building & Safety Division received an application to construct a building at 1013 Pacific Avenue is projected to be a four-story building with 3 affordable units out of a total 17 residential condominiums and</p>
	<p>(29) <u>100 Laurel St</u> <i>Approved</i></p>



(2) Center/Cedar Project *Approved*

Affordable Units: 64 / Total Units: 65
Under Construction: Yes Time to Occupancy: 0-1 years

This downtown Santa Cruz development is located at Cedar and Center street next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit), this

(4) Pacific Station North *Approved*

Affordable Units: 128 / Total Units: 128
Under Construction: No Time to Occupancy: 2-5 years

Pacific Station North is the first of it's kind. Designed to be one of the most sustainable buildings on the Central Coast, the net zero project includes mass timber (as opposed to concrete or steel) construction,

(8) 119 Lincoln St. *Approved*

Affordable Units: 123 / Total Units: 124
Under Construction: No Time to Occupancy: 2-5 years

The Downtown Library & Affordable Housing Project key components and features include 124 units of housing, 100% of which will be affordable units; the new Downtown Library, approximately 38,069

(23) 530 Front St. *In Design*

Affordable Units: 37 / Total Units: 276
Under Construction: No Time to Occupancy: 3-5 Years

530 Front Street brings striking architecture and activated outdoor plaza areas to the nexus of Front Street and Soquel Ave. 37 of 170 riverside condominium units are designated for affordable housing, with direct

(25) Riverfront/Front St *Approved*

Affordable Units: 20 / Total Units: 175
Under Construction: Yes Time to Occupancy: 1-2 Years

The Paseo continues through the Front street/ Riverfront project, guiding visitors to river views, elevated patio dining and recreational opportunities along the San Lorenzo Levee trail. 20 of 175 units are

(26) 1013 Pacific Ave. *Approved*

Affordable Units: 2 / Total Units: 17
Under Construction: No Time to Occupancy: 2-5 years

The Building & Safety Division received an application to construct a building at 1013 Pacific Avenue is projected to be a four-story building with 3 affordable units out of a total 17 residential condominiums and

(29) 100 Laurel St *Approved*

Project Status

- Approved
- Review
- 100% Affordable (Yellow Halo)

(2) Center/Cedar Project

Status	Approved
Under Construction	Yes
Time to Occupancy	0-1 years
Description	This downtown Santa Cruz development is located at Cedar and Center street next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit), this property will also provide supporting housing services.
Total Housing Units	65
Affordable Units	64
Project	CP22-0010
Website	View

Esri Community Maps Contributors, County of Santa Clara, Santa Cruz County, California State Parks, © OpenStreetMap, Microsoft, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bures... Powered by Esri



(2) Center/Cedar Project

Affordable Units: 64 / Total Units: 65

Under Construction: Yes Time to Occupancy: 0-1 years

This downtown Santa Cruz development is located at Cedar and Center streets next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit).



(29) 100 Laurel St

Affordable Units: 0 / Total Units: 205

Under Construction: Yes Time to Occupancy: 0-1 Years

Anton Pacific is a 205-unit, multifamily development featuring a deck, spa, fitness center, and fire pits. On the ground floor is 12,000 square feet of retail space with two story high ceilings.



(32) Pacific Station South

Affordable Units: 69 / Total Units: 70

Under Construction: Yes Time to Occupancy: 0-1 years

Situated on the edge of the San Lorenzo Estuary, Pacific Station was redesigned to all of its 70 units to affordable housing like building, Pacific Station North. What makes this property unique

Project Status

Projects 100% Affordable

- All -

Project Status

- All -

Projects with any affordable units

- All -

Under Construction

- All -

Expected Time to Occupancy

0-1 Years

Total Housing Units is greater than

Enter a Number

Apply Cancel





(2) Center/Cedar Project

Approved

Affordable Units: 64 / Total Units: 65

Under Construction: Yes Time to Occupancy: 0-1 years

This downtown Santa Cruz development is located at Cedar and Center street next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit), this



(4) Pacific Station North

Approved

Affordable Units: 128 / Total Units: 128

Under Construction: No Time to Occupancy: 2-5 years

Pacific Station North is the first of it's kind. Designed to be one of the most sustainable buildings on the Central Coast, the net zero project includes mass timber (as opposed to concrete or steel) construction,



(8) 119 Lincoln St.

Approved

Affordable Units: 123 / Total Units: 124

Under Construction: No Time to Occupancy: 2-5 years

The Downtown Library & Affordable Housing Project key components and features include 124 units of housing, 100% of which will be affordable units; the new Downtown Library, approximately 38,069



(23) 530 Front St.

In Design

Affordable Units: 37 / Total Units: 276

Under Construction: No Time to Occupancy: 3-5 Years

530 Front Street brings striking architecture and activated outdoor plaza areas to the nexus of Front Street and Soquel Ave. 37 of 170 riverside condominium units are designated for affordable housing, with direct



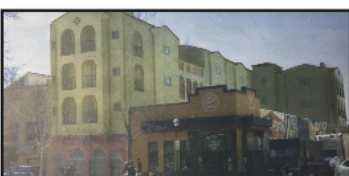
(25) Riverfront/Front St

Approved

Affordable Units: 20 / Total Units: 175

Under Construction: Yes Time to Occupancy: 1-2 Years

The Paseo continues through the Front street/ Riverfront project, guiding visitors to river views, elevated patio dining and recreational opportunities along the San Lorenzo Levee trail. 20 of 175 units are



(26) 1013 Pacific Ave.

Approved

Affordable Units: 2 / Total Units: 17

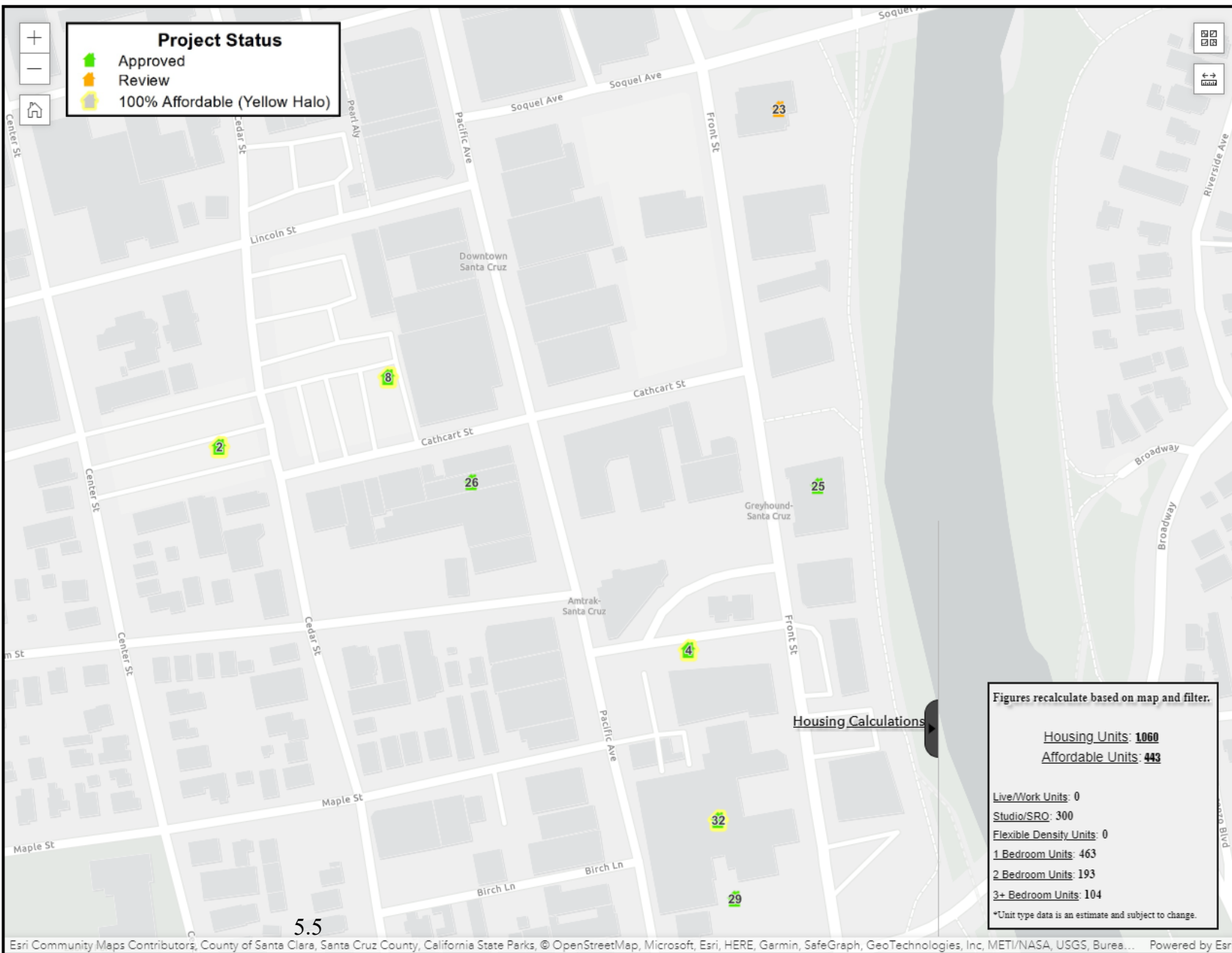
Under Construction: No Time to Occupancy: 2-5 years

The Building & Safety Division received an application to construct a building at 1013 Pacific Avenue is projected to be a four-story building with 3 affordable units out of a total 17 residential condominiums and



(29) 100 Laurel St

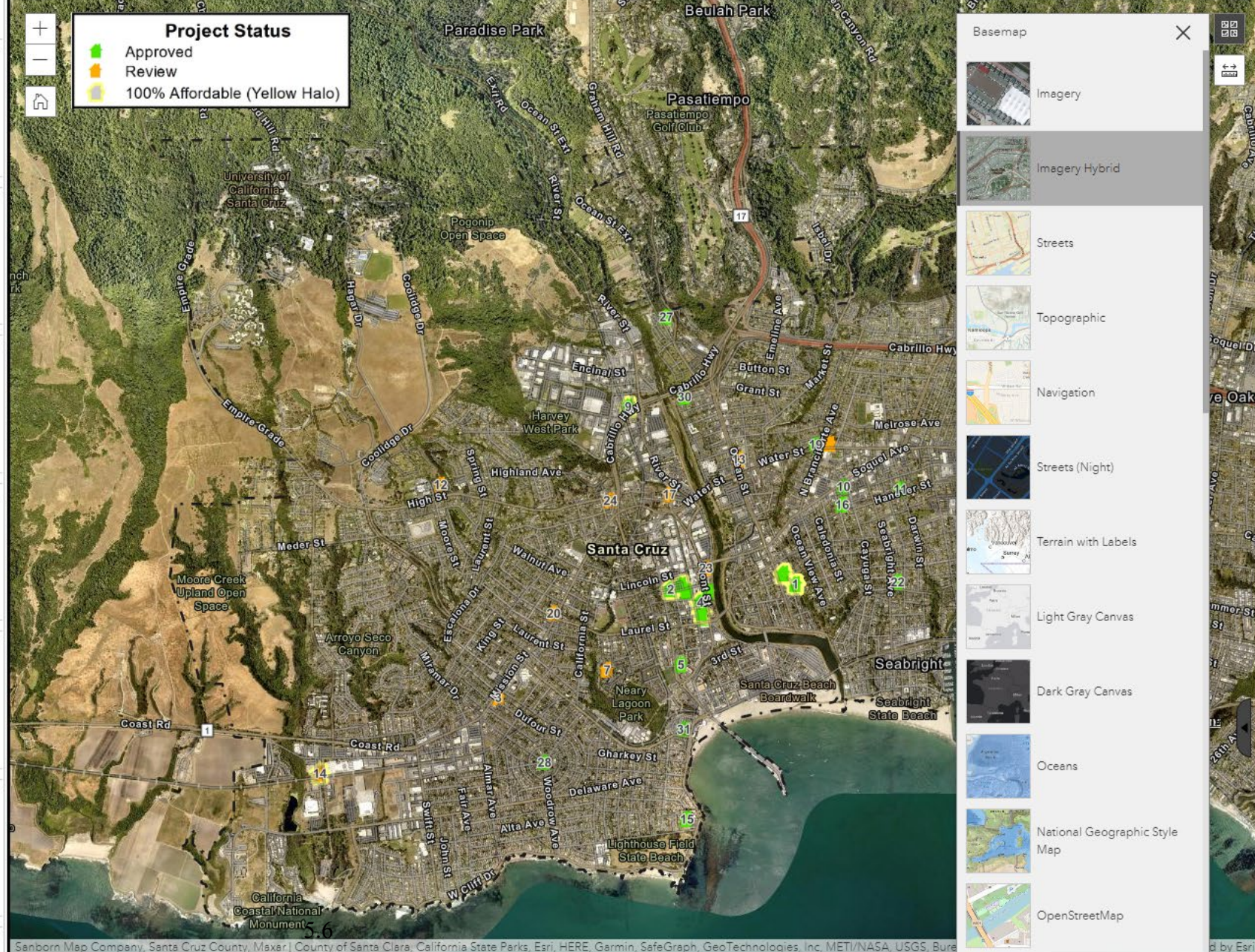
Approved





Project Status

- Approved
- Review
- 100% Affordable (Yellow Halo)



Basemap

- Imagery
- Imagery Hybrid
- Streets
- Topographic
- Navigation
- Streets (Night)
- Terrain with Labels
- Light Gray Canvas
- Dark Gray Canvas
- Oceans
- National Geographic Style Map
- OpenStreetMap



(3) 1811 & 1815 Mission *Under Review*

Affordable Units: 4 / Total Units: 27
Under Construction: No **Time to Occupancy: 2-5 years**

This West Side development at 1811 & 1815 Mission Street will demolish two single family homes to construct a three story, 27 unit Single Room Occupancy development. The ground floor of this project



(4) Pacific Station North *Approved*

Affordable Units: 128 / Total Units: 128
Under Construction: No **Time to Occupancy: 2-5 years**

Pacific Station North is the first of it's kind. Designed to be one of the most sustainable buildings on the Central Coast, the net zero project includes mass timber (as opposed to concrete or steel) construction,



(5) 130 Center St *Approved*

Affordable Units: 31 / Total Units: 233
Under Construction: No **Time to Occupancy: 2-5 Years**

The 130 Center Street project has been designed to activate the Center street area, connecting downtown Santa Cruz and the boardwalk, wharf and other beach attractions. 233 housing units will sit atop street level



(6) 350 Ocean St. *Available now*

Affordable Units: 63 / Total Units: 63
Under Construction: No **Time to Occupancy: Completed**

Ocean Street Apartments will provide sixty-three much needed one, two, and three bedroom apartments for families earning up to 60% of the area median income (AMI) for Santa Cruz Count



(7) 101 Felix St. *Hold*

Affordable Units: 22 / Total Units: 80
Under Construction: No **Time to Occupancy: On Hold**

This project is an addition to an already existing, 240 unit property at 101 Felix St. known as Cypress Point. All current units will remain and an additional 80 units (35 studios and 45 one bedrooms) will be built to



(8) 119 Lincoln St. *Approved*

Affordable Units: 123 / Total Units: 124
Under Construction: No **Time to Occupancy: 2-5 years**

The Downtown Library & Affordable Housing Project key components and features include 124 units of housing, 100% of which will be affordable units; the new Downtown Library, approximately 38,069



(9) 119 Coral Street *Approved*

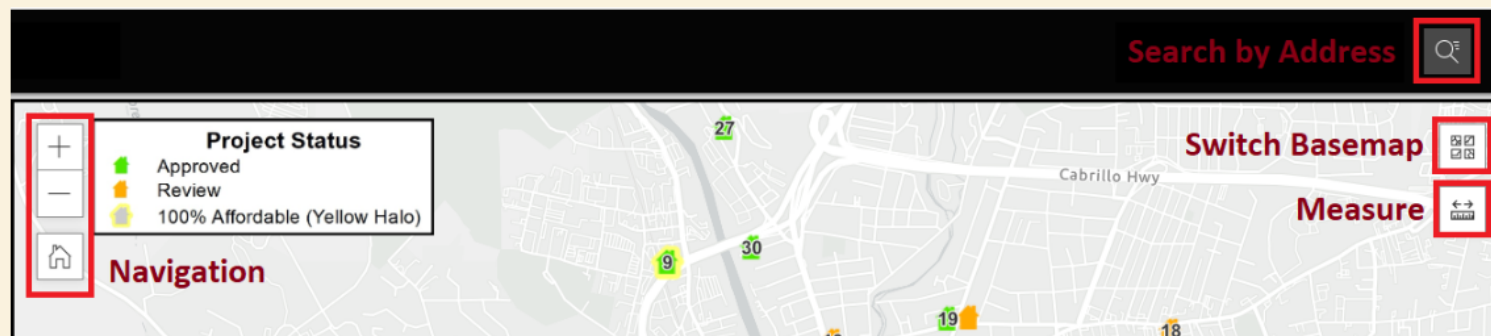


Citywide Housing Project Application

This application was designed to help explore data for housing projects larger than 5 units. Information about the projects change as they move from initial stages to construction. This application allows for exploring the data by navigating the map and using filtering tools. Links to individual project websites are included for more detailed information. This help site will discuss the use of basic map tools and filtering.

Map Tools

Map tools consist of basic navigation, return to initial map view, search for addresses, switching the basemap data, and measuring distances.



Map Navigation

In the upper left hand corner of the map, left of the legend are three tools that allow you to zoom in, zoom out, and reset the map to the initial view represented by the home button. You can also use your mouse scroll to zoom in or out or double click the left mouse button to zoom in.

Zooming on the map will change what data is shown on the list. The list filters the data by map extent. The Feature information tool in the bottom right of the application will also change depending on housing projects shown on the map. The Unit counts will also change based on what is visible or filtered.



Meeting Type
Holiday
Jewish Holiday
Regular Meeting
Special Meeting
Study Session (will be added as scheduled)
Budget Hearing

City Council Meeting Calendar for 2023

Please note: Meeting times are not final and are likely to change

DATE	Location	Meeting Type
May 29	City Hall Closure - Memorial Day	
June 13	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
June 19	City Hall Closure - Juneteenth	
June 27	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
July 4	City Hall Closure - Independence Day	
July 11 and 25 Meetings Cancelled - CITY COUNCIL DARK		
August 8	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
August 22	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
September 4	City Hall Closure - Labor Day	
September 12	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
September 15/16	Rosh Hashanah (City observed - sundown to sundown)	
September 24/25	Yom Kippur (City observed - sundown to sundown)	
September 26	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
October 10	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
October 24	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
November 14	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
November 10	City Hall Closure - Veteran's Day (observed)	
November 28	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
November 23	City Hall Closure - Thanksgiving Day	
November 24	City Hall Closure - Day After Thanksgiving Day	
December 7/8	Hanukkah (City observed - sundown to sundown)	
December 12	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
December 25	City Hall Closure - Christmas Day	
December 26 Meeting Cancelled - CITY COUNCIL DARK		

MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL

City of Santa Cruz
809 Center Street
Santa Cruz, California 95060

MINUTES OF A CITY COUNCIL MEETING

May 9, 2023

12:00 PM

Mayor Keeley opened the City Council Closed Session at 12:03 p.m. in a public meeting via Zoom and in Council Chambers, for the purpose of announcing the agenda, and receiving public testimony.

Roll Call

Present: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.

Absent: None.

Staff: City Manager M. Huffaker, Assistant City Manager L. Schmidt, City Attorney T. Condotti, Director of Information Technology K. Morgan (via Zoom), Deputy City Clerk Administrator J. Wood, City Clerk Administrator B. Bush.

Public Comment

Mayor Keeley opened the public comment period at 12:04 p.m. There were no speakers. Mayor Keeley closed the public comment period at 12:04 p.m., at which time the meeting was closed to the public and Council adjourned to the Courtyard Conference Room.

Closed Session

1. Conference with Legal Counsel - Existing Litigation (Government Code §54956.9(d)(1))

1) City of Santa Cruz v. Service Employees International Union, Local 521, PERB Unfair Practice Charge No: SF-CO-511-M

2) City of Santa Cruz v. The Regents of the University of California, et al. (Santa Cruz County Superior Court Case No. 22CV00373)

3) Regents of the University of California, et al. v. City of Santa Cruz (Santa Cruz County Superior Court Case No. 20CV02152)

By motion Council uniformly voted to direct outside special counsel to dismiss the case City of Santa Cruz v. Service Employees International Union, Local 521, PERB Unfair Practice Charge No: SF-CO-511-M

Council received a status report and took no reportable action on the remaining two cases.

2. Conference with Legal Counsel - Anticipated Litigation (Government Code §54956.9(d)(2))

Significant exposure to litigation (one potential case to be discussed)

Council received a status report, and took no reportable action.

3. Conference with Legal Counsel - Anticipated Litigation (Government Code §54956.9(d)(4))

Initiation of litigation (one potential case to be discussed)

Council consulted with legal counsel and took no reportable action.

City of Santa Cruz
809 Center Street
Santa Cruz, California 95060

MINUTES OF A CITY COUNCIL MEETING
May 9, 2023

2:15 PM

Call to Order - Mayor Keeley called the meeting to order at 2:16 p.m. in Council Chambers.

Roll Call

Present: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.

Absent: None.

Staff: City Manager M. Huffaker, City Attorney T. Condotti, Assistant City Manager L. Schmidt (via Zoom), Deputy City Manager L. Murphy, Chief of Fire R. Oatey, Director of Planning and Community Development L. Butler, Chief of Police B. Escalante, Director of Economic Development and Housing B. Lipscomb (via Zoom), Finance Director E. Cabell (via Zoom), Director of Information Technology K. Morgan (via Zoom), Director of Public Works N. Nguyen (via Zoom), Water Director R. Menard (via Zoom), Chief People Officer S. De Leon (via Zoom), Senior Programs Coordinator K. Mercer-Lebov, Homelessness Response Manager L. Imwalle, Senior Planner S. Neuse, Principal Planner M. VanHua, Deputy City Clerk Administrator J. Wood, City Clerk Administrator B. Bush.

Presentations

4. Mayoral Proclamation Declaring May as Older Americans Month

Senior Programs Coordinator K. Mercer-Lebov gave a presentation on Older Americans Month.

Presentations (continued)**5. Crisis Consulting for the Development of a City-Based Integrated Health Response Team**

Deputy City Manager L. Murphy introduced Ben Adam Climer with Crisis Consulting, who gave a presentation and responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke:

Jeff Warren
Unidentified person
James Ewing Whitman
Unidentified person
Joy Schendledecker
Unidentified person
Ann Simonton

Mayor Keeley closed the public comment period.

6. Hans Christian Andersen Contest Awards

Mayor Keeley, Michele Peregrin, Chair of the Santa Cruz Sister Cities Committee, and Isabella Tuncer, Chair of the Subcommittee for our Sister City Sestri Levante spoke about the Hans Christian Andersen writing awards and announced this year's winners.

Presiding Officer's Announcements - Mayor Keeley called on Councilmember Kalantari-Johnson, who spoke about Community Action Month.

Statements of Disqualification - None.

Additions and Deletions - None.

City Attorney Report on Closed Session - See page 6466 for the report.

Council Meeting Calendar**7. The City Council reviewed and did not revise the meeting calendar attached to the agenda.**

Consent Agenda

Vice Mayor Golder and Councilmember Brown made a comment on item 17.

Councilmember Brown pulled items 10 and 11 for further discussion.

Mayor Keeley opened the public comment period. The following person spoke:

James Ewing Whitman made a comment on item 8.

Mayor Keeley closed the public comment period.

MOTION: Councilmember Watkins moved, seconded by Vice Mayor Golder, to approve the remaining Consent Agenda.

ACTION: The motion carried unanimously with the following vote.

AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
NOES: None.
ABSENT: None.
DISQUALIFIED: None.

8. Resolution Extending the Emergency Declaration in Connection with the December 2022 and January 2023 Winter Storms (CA/CM)

Resolution No. NS-30,145 was adopted extending by sixty days the Local Emergency Declaration in connection with the December 2022 and January 2023 winter storms.

9. Minutes of the April 25, 2023 City Council Meeting (CC)

Motion carried to approve as submitted.

Consent Agenda (continued)10. Homelessness Response Quarterly Update (CM)

Homelessness Response Manager L. Imwalle responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke.

Garrett
Unidentified person
James Ewing Whitman
Reggie Meisler

Mayor Keeley closed the public comment period.

MOTION: Councilmember Kalantari-Johnson moved, seconded by Councilmember Brown, to receive the quarterly update regarding City Council-directed homelessness response programs and services.

ACTION: The motion carried unanimously with the following vote.

AYES: Councilmembers Newsome, Brown, Watkins, Brunner,
Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
NOES: None.
ABSENT: None.
DISQUALIFIED: None.

11. Pogonip Encampment Closure Refuse Disposal and Abatement Contract Approval (CM)

Deputy City Manager L. Murphy responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke.

Garrett
Unidentified person
Michael
James Ewing Whitman
Reggie Meisler
Joy Schendledecker
Keith McHenry
Robert Norse

Mayor Keeley closed the public comment period.

Consent Agenda (continued)**11. Pogonip Encampment Closure Refuse Disposal and Abatement Contract Approval (CM) (continued)**

MOTION: Vice Mayor Golder moved, seconded by Councilmember Watkins, to authorize the City Manager to execute an agreement, in a form to be approved by the City Attorney, between the City of Santa Cruz and Clean Team Associates in an amount not to exceed \$250,000, to remove encampment debris in the Pogonip.

ACTION: The motion carried unanimously with the following vote.

AYES: Councilmembers Newsome, Brown, Watkins, Brunner,
Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
NOES: None.
ABSENT: None.
DISQUALIFIED: None.

12. Award Contract for Services for Disaster Cost Recovery (FN)

Motion carried to:

- Award a contract for services for disaster cost recovery to Kermani Consulting Group, Novato, California; and
- Adopt Resolution No. NS-30,146 amending the FY 2023 budget to increase appropriations in the amount of \$70,000 for disaster cost recovery services in FY 2023; and
- Authorize the City Manager to execute an agreement in a form approved by the City Attorney with Kermani Consulting Group.

13. Neary Lagoon Fence Rehabilitation and Improvement Project (m409668) - Approval of Plans and Authorization to Award (PW)

Motion carried to approve the fence plans and authorize the City Manager to execute the construction contract with Abacherli Fence Company (Watsonville, CA) in the amount of \$130,850.00 in a form acceptable to the City Attorney. The Public Works Director is authorized to execute change orders within the approved project budget.

Consent Agenda (continued)

14. Highway 1/9 Intersection - Approval of an Amendment to Consultant Agreement and Construction Budget Adjustment (c400805 and c401402) (PW)

Motion carried to:

- Authorize and direct the City Manager to execute a contract amendment in the amount of \$356,562, in a form approved by the City Attorney, to the contract with BKF Engineers (San Jose, CA) for the Highway 1/9 Intersection Alternative Analysis consultant services and additional construction support services due to delays and changes; and
- Adopt Resolution No. NS-30,147 amending the FY 2023 budget by transferring funds from the Traffic Impact Fee Fund to fully fund the increased State Route 1/9 Intersection Improvement Project construction costs.

15. Murray Street Bridge Seismic Retrofit (c409321) TRC Engineers, Inc.- Contract Amendment 10 (PW)

Motion carried to approve and authorize the City Manager to execute Contract Amendment 10 with TRC Engineers Inc. (Rancho Cordova, CA) to provide Utility Coordination and Design Completion Services for the Murray Street Bridge Seismic Retrofit Project, in a form approved by the City Attorney. The Public Works Director is authorized to approve contract amendments within the approved project budget.

16. Dimeo Lane Paving and Storm Drain Project (c401312) - Approve Project as an Addendum to the Ocean Street Pavement Rehabilitation Project (c400809) (PW)

Motion carried to retroactively approve the Dimeo Lane Paving and Storm Drain Project (c401312) as an addendum to the Ocean Street Pavement Rehabilitation Project (c400809). The Director of Public Works is hereby authorized to execute change orders within the approved project budget.

Consent Agenda (continued)**17. Bay Drive Protected Bike Lanes and Pedestrian Path (c402304) - Advertise for Bids and Award Contract (PW)**

Motion carried to approve the plans and specifications for the Bay Drive Protected Bike Lanes and Pedestrian Path (c402304) and authorize staff to advertise for bids and award the contract. The City Manager is hereby authorized and directed to execute the contract in a form acceptable to the City Attorney. The Public Works Director is authorized to execute change orders within the approved budget.

18. Newell Creek Instream Habitat Restoration - Large Woody Debris Project Professional Services Agreement Amendment (WT)

Motion carried to:

- Accept the proposal dated April 14, 2023 of cbec, inc. eco engineering (West Sacramento, CA) for bid support and construction services for the Newell Creek Instream Habitat Restoration - Large Woody Debris Project in the amount of \$141,103.00 and to authorize the City Manager to execute Contract Amendment No. 1 in a form to be approved by the City Attorney; and
- Authorize the Water Director to approve change orders with cbec, inc. eco engineering in a form to be approved by the City Attorney for amounts that are within in the approved adjusted budget.

End Consent Agenda

At this time, the Council returned to item 6.

General Business**19. Coral Street Visioning Report (PL)**

Senior Planner S. Neuse, Principal Planner M. VanHua, and Justin Doull, Consultant with DAHLIN Architecture, gave a presentation and responded to Councilmember questions.

Director of Planning and Community Development L. Butler responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke.

Unidentified person
Tom Stagg
Unidentified person
Paul Gallacher
Unidentified person
Kim Salisbury
Jennifer Gallacher
Unidentified person
Unidentified person
Casey Beyer
Unidentified person

Mayor Keeley closed the public comment period.

MOTION: Councilmember Brown moved, seconded by Mayor Keeley, to accept and file the Coral Street Visioning Report and direct staff to:

- Pursue Option 4.1 (outlined below), as the preferred development option for the property at 125 Coral Street;

Option 4.1:**Ground Level**

2,000 sf lobby
3,000 sf Programmable Space
8,000 sf Navigation Center
11 surface parking spaces

Second Level

5,500 sf Programmable Space
11,200 sf Navigation Center

General Business (continued)19. Coral Street Visioning Report (PL) (continued)**MOTION (continued):****Option 4.1 (continued):****Third Level**

16,700 sf Programmable Space

Upper Level

13,800 sf Residential Units (per floor)

- Initiate a process to more fully evaluate potential changes to the general plan and zoning of City-owned property (or properties) on the south side of Coral Street to facilitate the preferred project;
- Begin pursuing funding to support full design and construction of the preferred option for the site, including evaluating the funding for long-term operation, in coordination with the County and other community partners;
- Continue to work with neighboring businesses and other stakeholders to find ways to mitigate parking impacts and identify parking resources in proximity to the Coral Street neighborhood, which calls for exploration of transportation demand management strategies and off-site parking options; and
- Adjust the boundaries of the Visioning Report Project Area to exclude the three parcels on the western boundary of the project area that are held by private property owners.

FRIENDLY AMENDMENT: Councilmember Kalantari-Johnson requested to add direction for appropriate departments to address concerns expressed by local businesses in the Coral Street area to adopt a “good neighbor” clause. Councilmember Brown and Mayor Keeley accepted.

ACTION: The motion carried unanimously with the following vote.

AYES:	Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
NOES:	None.
ABSENT:	None.
DISQUALIFIED:	None.

At this time, Mayor Keeley rearranged the agenda and heard Oral Communications.

General Business (continued)**20. 2024 Affordable Workforce Housing Bond (CN)**

Mayor Keeley spoke and responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke.

Unidentified person
James Ewing Whitman
Unidentified person
Garrett
Unidentified person
Unidentified person
Unidentified person

Mayor Keeley closed the public comment period.

MOTION: Councilmember Brown moved, seconded by Councilmember Kalantari-Johnson, to direct the Council Budget and Revenue Subcommittee and staff to initiate a process to engage the public regarding consideration of an affordable workforce measure, via public signature gathering on the March 2024 ballot, including engagement of a research firm and scheduling community meetings and outreach.

FRIENDLY AMENDMENT: Councilmember Watkins requested to amend the motion language to, “direct the Council Budget and Revenue Subcommittee and staff to initiate a process to engage the public, including engagement of a research firm and scheduling community meetings and outreach, regarding consideration of an affordable workforce measure, via public signature gathering on the March 2024 ballot.” Councilmembers Brown and Kalantari-Johnson accepted.

ACTION: The motion carried unanimously with the following vote.

AYES:	Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
NOES:	None.
ABSENT:	None.
DISQUALIFIED:	None.

General Business (continued)**21. Independent Police Auditor Report (CM)**

Michael Gennaco and Samara Marion with the OIR Group gave a presentation and responded to Councilmember questions.

Chief of Police B. Escalante responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke.

Unidentified person
Unidentified person
Justin Laing
Unidentified person
Unidentified person
Unidentified person

Mayor Keeley closed the public comment period.

MOTION: Councilmember Kalantari-Johnson moved, seconded by Vice Mayor Golder, to receive the annual report from the City's Independent Police Auditor, OIR Group.

ACTION: The motion carried unanimously with the following vote.

AYES:	Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
NOES:	None.
ABSENT:	None.
DISQUALIFIED:	None.

Oral Communications Announcement - The Mayor provided a brief announcement about Oral Communications.

Oral Communications

At 6:46 p.m. Mayor Keeley opened Oral Communications for members of the public who wished to speak regarding items not listed on the City Council agenda.

Shelley Silva spoke regarding the plan for Jump Bikes to be placed in front of her home.

Reggie Meisler spoke regarding Health and Human Services.

Oral Communications (continued)

Unidentified person spoke regarding Jump Bikes and about the George Floyd Justice and Policing Act.

Garrett spoke regarding the West Cliff Response Plan.

Unidentified person spoke regarding the Brown Act and public comment.

At 7:00 p.m. Mayor Keeley closed Oral Communications.

Council took a break at 7:00 p.m. and returned at 7:33 p.m., at which time they returned to item 20.

Adjournment - Vice Mayor Golder moved, seconded by Councilmember Watkins, to adjourn. By consensus City Council adjourned at 9:16 p.m.

Respectfully Submitted:

Julia Wood, Deputy City Clerk Administrator

Attest:

Bonnie Bush, City Clerk Administrator

Approved:

Fred Keeley, Mayor



City Council AGENDA REPORT

DATE: 05/02/2023

AGENDA OF: 05/23/2023

DEPARTMENT: City Council

SUBJECT: Council Sugar-Sweetened Beverage Tax Ad Hoc Committee (CN)

RECOMMENDATION: Motion to create a City Council ad hoc committee to explore the feasibility of placing a sugar-sweetened beverage tax measure on the March or November 2024 ballot.

BACKGROUND: Results from a 2018 poll conducted by the City indicated that 76% of voters in this community supported a two cent per ounce sugar-sweetened beverage tax. In early June 2018, a 1.5 cent per ounce sugar-sweetened beverage tax ballot initiative had been approved by the Santa Cruz City Council to go to a vote by city residents that November, but the initiative was brought to a halt when then-Governor Jerry Brown signed the Keep Groceries Affordable Act into law June 2018, forcing the City to remove the item from the ballot.

The law prevented taxes on grocery items and included a penalty provision for any charter city that attempted to implement a sugar-sweetened beverage tax, or other grocery-related tax that would take away the city's sales tax revenue and was prompted by pressure on California lawmakers from the beverage industry.

In 2018, Fresno-based nonprofit, Cultiva La Salud, and Councilmember Martine Watkins sued the state, arguing that the penalties stipulated by the Keep Groceries Affordable Act were unconstitutional. In 2021, a Sacramento County Superior Court judge agreed and struck down the law. In a ruling at the end of March 2023, the California Third District Court of Appeals found that charter cities such as Santa Cruz cannot be financially penalized by the state for lawfully implementing a sugar-sweetened beverage tax, or soda tax, on residents.

DISCUSSION: With the recent court ruling in the City's favor, Councilmembers Watkins, Brunner, and Kalantari-Johnson wish to do further work to evaluate the feasibility of placing a sugar-sweetened beverage tax measure on either the March or November 2024 ballot. They are requesting the City Council establish a Council ad hoc committee for this scope and are volunteering to serve, with the Council's direction and the Mayor's appointment.

The new Council ad hoc committee, in coordination with the existing work the Council Budget and Revenue Ad Hoc Committee, would update previous data and financial projections and return to the City Council with a recommendation as to whether or not to bring a sugar-sweetened tax initiative to the voters, and when.

FISCAL IMPACT: At the time the tax was first analyzed in 2018, it was expected to generate between \$800,000 and \$1 million in additional revenue in the first full year. However, it was also anticipated that future annual tax receipts were likely to decline to a new, lower base as business and consumers change purchasing and consumption behavior.

Submitted By:
Martine Watkins
Councilmember

Submitted By:
Shebreh Kalantari-Johnson
Councilmember

Submitted By:
Sonja Brunner
Councilmember

ATTACHMENTS:

1. AGENDA REPORT AND ATTACHMENTS FROM FEBRUARY 13, 2018 COUNCIL MEETING.PDF
2. AGENDA REPORT AND ATTACHMENTS FROM JUNE 26, 2018 COUNCIL MEETING.PDF
3. AGENDA REPORT AND ATTACHMENTS FROM APRIL 28, 2020 COUNCIL MEETING.PDF
4. AGENDA REPORT AND ATTACHMENTS FROM FEBRUARY 23, 2021 COUNCIL MEETING.PDF



CITY COUNCIL AGENDA REPORT

DATE: February 6, 2018

AGENDA OF: February 13, 2018

DEPARTMENT: City Council Ad-Hoc Revenue Committee

SUBJECT: City Council Ad-Hoc Revenue Committee Recommendations Related To
Placement Of General Purpose Revenue Tax Measure On June 5, 2018
Special Election (CN)

RECOMMENDATION:

1. Resolution making emergency findings for placing a general purpose one-quarter of one percent sales tax ballot measure and general purpose two cents per ounce sugar sweetened beverage tax ballot measure on the June 5, 2018 special election.
 2. Motion to direct staff to return on February 27, 2018 with a resolution ordering a special election on June 5, 2018, and requesting consolidation of such election to place a general purpose one-quarter of one percent sales tax ballot measure and general purpose two cents per ounce sugar sweetened beverage tax ballot measure.
-

BACKGROUND: In response to projected budget deficits the City of Santa Cruz (City) has embarked on a proactive fiscal sustainability strategy. The strategy involves expenditure reductions as well as increasing revenues to sustain critical city services. Accordingly, on August 22, 2017 the City Council authorized the Mayor to appoint an Ad-Hoc Revenue Committee charged with exploring the potential for a revenue tax ballot measure. The Committee, comprised of Councilmembers Chase, Krohn, and Mathews, has met over the past several months to review a variety of revenue options as well as worked with pollster Gene Bregman to develop a public opinion poll which was conducted in late January.

DISCUSSION: After a comprehensive review and analysis of revenue tax options and the results of the public opinion poll, the committee recommends that two general purpose tax revenue measures be placed on the June 5, 2018 ballot: a one-quarter of one percent sales tax ballot measure and two cents per ounce sugar sweetened beverage tax ballot measure.

In order to proceed, the Council must take two actions. The first is to adopt a resolution making emergency findings. Article XIII C of the California Constitution requires that general tax measures be consolidated with a regularly scheduled general election for members of the local governing body, except in cases of emergency declared by a unanimous vote of the governing body. The attached resolution has been prepared for City Council consideration and adoption.

The second action is for the City Council to adopt a resolution ordering a special election and requesting consolidation of such election. Therefore the Committee recommends that the City Council direct staff to return on February 27, 2018 with a resolution ordering a special election on June 5, 2018, and requesting consolidation of such election to place a general purpose one-quarter of one percent sales tax ballot measure and general purpose two cents per ounce sugar sweetened beverage tax ballot measure.

FISCAL IMPACT: Voter approval of the proposed revenue tax ballot measures would generate approximately \$4 to \$5 million in additional annual revenue to the City's General Fund. Placing the measure on the ballot is expected to cost from \$75,000 to \$150,000.

Submitted by:

Cynthia Chase
Councilmember

Chris Krohn
Councilmember

Cynthia Mathews
Councilmember

Attachment: Resolution

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
DECLARING A FISCAL EMERGENCY IN ORDER TO PLACE GENERAL PURPOSE
TAX BALLOT MEASURES ON THE JUNE 5, 2018 SPECIAL ELECTION

WHEREAS, pursuant to Article XIII C of the California State Constitution, the election for a general tax increase is required to be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, the City faces a budget crisis of unprecedented proportions; and

WHEREAS, the City has experienced revenue disruption and significant increases in expenses; and

WHEREAS, the City Council has already made significant reductions to the City budget in the current fiscal year; and

WHEREAS, the City faces a known budget deficit of at least \$5.5 million in the next fiscal year (Fiscal Year 2019); and

WHEREAS, the City faces a growing budget deficit of up to \$23 million by Fiscal Year 2022; and

WHEREAS, additional reductions at the magnitude faced by the City in the next fiscal years will jeopardize the public health and safety of the residents of the City of Santa Cruz by requiring the reduction of critical City services; and

WHEREAS, the residents of the City of Santa Cruz have expressed their desire to avoid further cuts in essential City services; and

WHEREAS, the City's fiscal crisis herein described is of sufficient gravity and severity that the City must at the earliest feasible juncture propose revenue enhancement measures to the electorate in order, to the extent possible, to preserve the minimal level of governmental services necessary to protect and preserve the health and general welfare of the City's residents, workers, and visitors; and

WHEREAS, the City Council Ad-Hoc Revenue Committee has recommended the adoption of a resolution ordering a special election on June 5, 2018 and requesting consolidation of such election to place a general purpose tax ballot measure to add one-quarter of one percent to the sales tax rate and a general purpose tax ballot measure to impose a two cents per ounce sugar sweetened beverage tax.

RESOLUTION NO. NS-

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby unanimously declares a fiscal emergency.

PASSED AND ADOPTED this 13th day of February, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

City Council Ad-Hoc Revenue Committee Recommendation

23.23
2/13/18, Item #23

Today: Emergency declaration for purpose of placing general tax measures on June 5, 2018 special election

Next Meeting: Adopt content of Ballot Measure Language

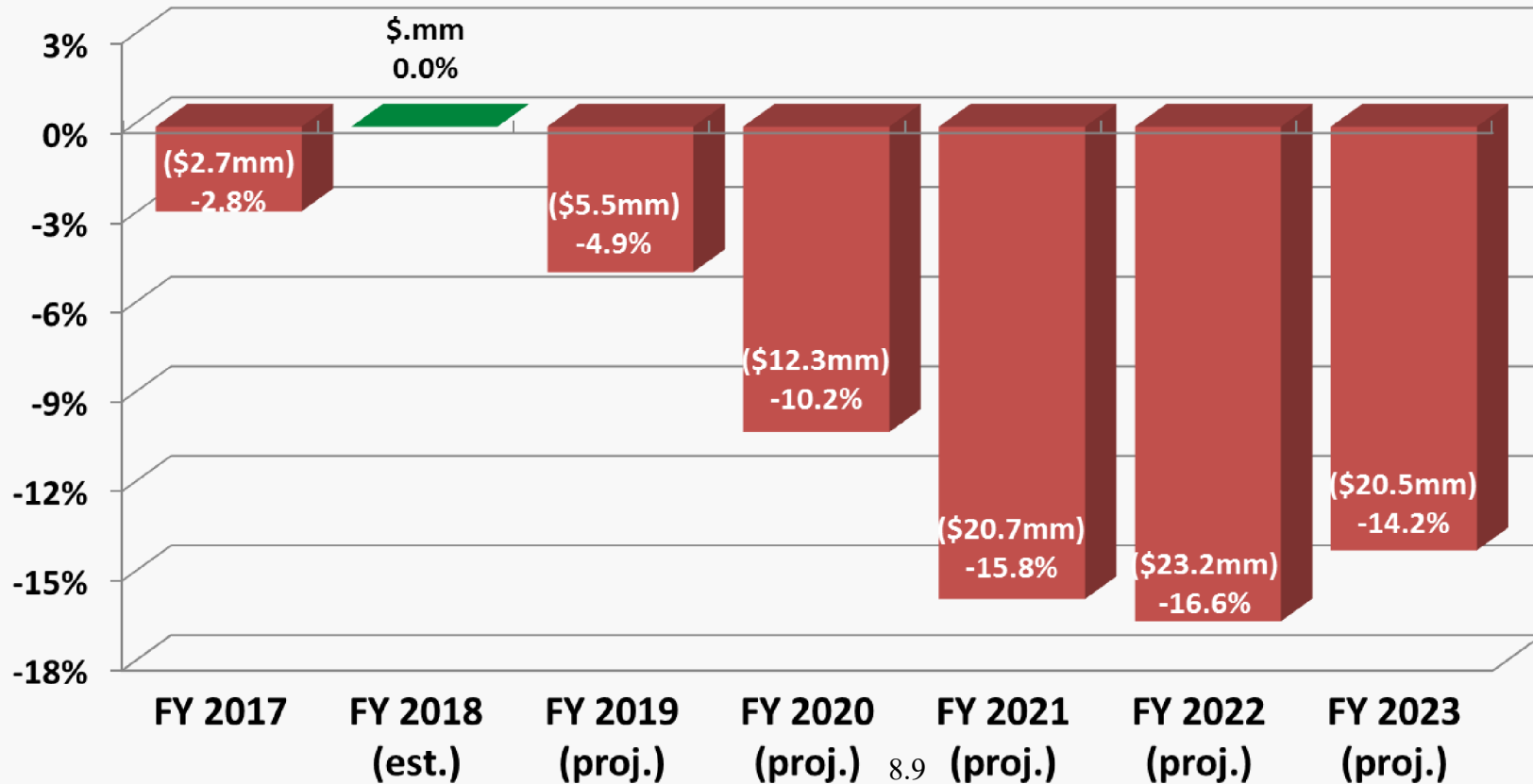


Pro-active actions now to protect critical services while balancing shared need to support Housing

- Unprecedented funding gaps threaten City service levels
 - \$2.7 Million in budgetary changes already in current year
 - \$5.5 Million will be required next year; escalating to \$10 million the following year
 - Escalating erosion of revenue basis, massive increases in payments to the State, looming economic slowdown and decaying facilities and infrastructure
- Actions by June will eliminate \$10+ million shortfall in FY2020 and reduce severity of \$20+ million shortfall in three years
- Preserve and support November 2018 county-wide efforts to provide comprehensive Housing Solutions

Dependable Projections indicate action now

5-Year City forecast of General Fund operations threatens ability to protect and maintain critical public safety & quality of life services



Oct' 2017- Feb'2018 Ad-Hoc Revenue Committee

- Cynthia Chase (Chair), Chris Krohn, Cynthia Mathews
- Investigate current and long-term resource options for 2018 ballot considerations
 - Funding to maintain critical service levels
 - Funding to provide essential capital investments for infrastructure and community facilities
 - Approaches to balance general community needs

Examples of Leading Fiscal Stewardship

23.27

Awards

- National Budget Award recognition (GFOA)
- National Financial Reporting- CAFR (GFOA)

Bond Rating

- Increased Bond Rating in 2014 to AA+
- Within 9 comparable cities, only Berkeley & Palm Springs at this level

Pension Reforms

- Voluntarily adopted lower tier (before State reforms)
- Reset lower salary levels & higher employee contributions
- See next slide for more

Fiscal success

- Adopted major policies for Reserve, Surplus and Trusts
- Restrained position growth & streamlined operations
- Pro-active budget balancing including ensuring cost recovery for requested services
- Unique service contracts lowering tax payer costs (Library, UCSC, Lifeguards, Utilities)

Financial Planning

- Developed long-range, dependable forecasts
- Developed fiscal sustainability plan to maintain services and limit community tax increases
- Inclusion and support of community stakeholders (citizen, non-profit, business, education, etc.)

January 2018 League of California Cities: What Cities can do today *(re: increased payments to State for pensions)*

23.28

Develop plan to pay down liability

- 2011- City paid down significant portion of Liability (pension Bond issue; payments end FY2022)
- 2015- Started annual pre-payments of Pension liabilities to lower interest payments
- 2017- Fiscal plan includes paying down liabilities with beyond market interest rates

Consider local ballot measures

- 2016- City created Ad-Hoc committee providing first review of ballot measures
- 2017- Ad-Hoc committee created to continue and recommend 2018 ballot measures

Create pension rate stabilization

- 2017- Created and allocated process to fund pension trusts
- 2018- Pension trusts funded to generate returns to pay portions of future State payment increases

Change in Service Levels

- Restrained position growth & streamlined operations
- Unique service contracts lowering tax payer costs (County Library, UCSC Fire, Lifeguards, utility services beyond City limits)

Use Bargaining to increase Employee payments

- All employees pay 2.5% to 5.0% of their salary towards pensions (beyond State required levels)
- 2011- Adopted pension reforms prior to later State wide efforts
- Reset to lower, base levels all salaries

Issue Pension Obligation Bond

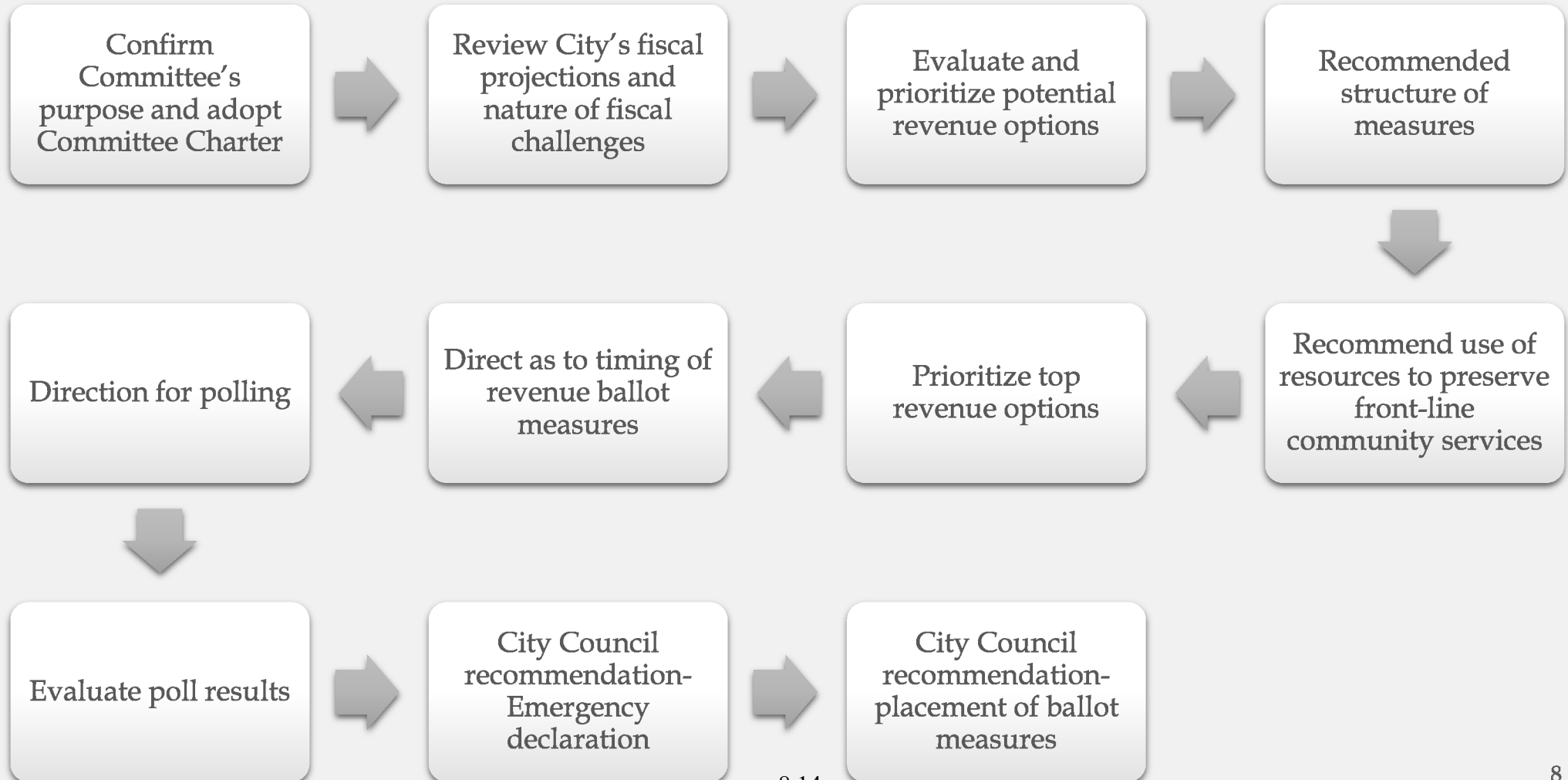
- 2011- City paid down significant portion of public safety liability

All already implemented

Committee Work Plan

Committee Work Plan

23.30



Evaluation of various new revenue options

Resource Options Evaluated

Admission Tax	Business License Tax	Cannabis Excise Tax
Franchise Taxes	Parcel taxes	Other Property taxes
Parking Tax	Property Transfer Tax	Sales Tax
Sugar-Sweetened Tax	Transient Occupancy Tax	Utility Users Tax

Examples of committee considerations

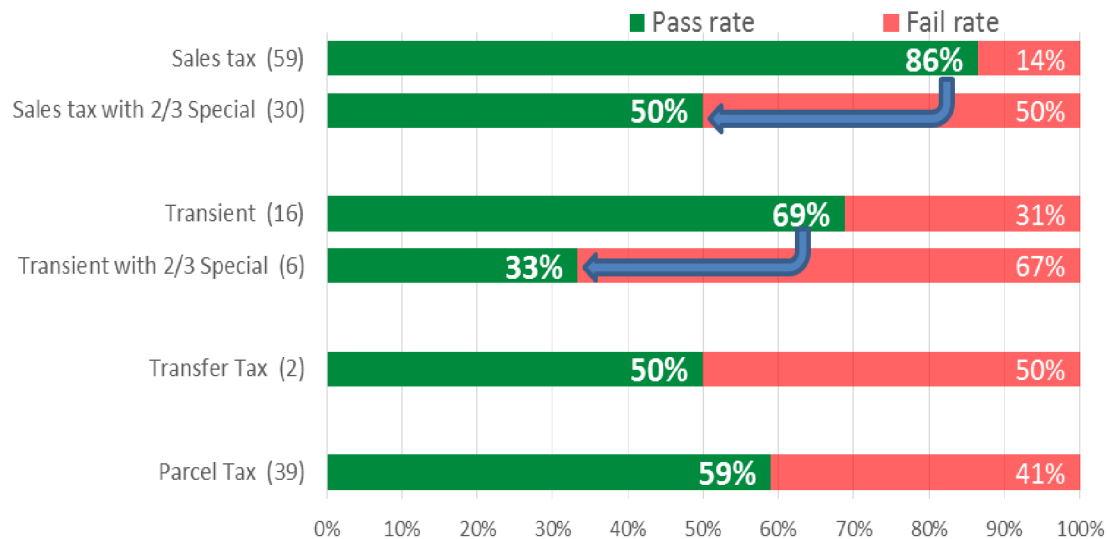
- Competition with other ballot measures (i.e., November county-wide housing)
- Success rate of a ballot measure balance with cost of election
- Revenue potential of new resource
- Voter support patterns of current and prior elections
- Community support
- Any urgency or timing considerations

Key Ballot Measure Considerations

23.32

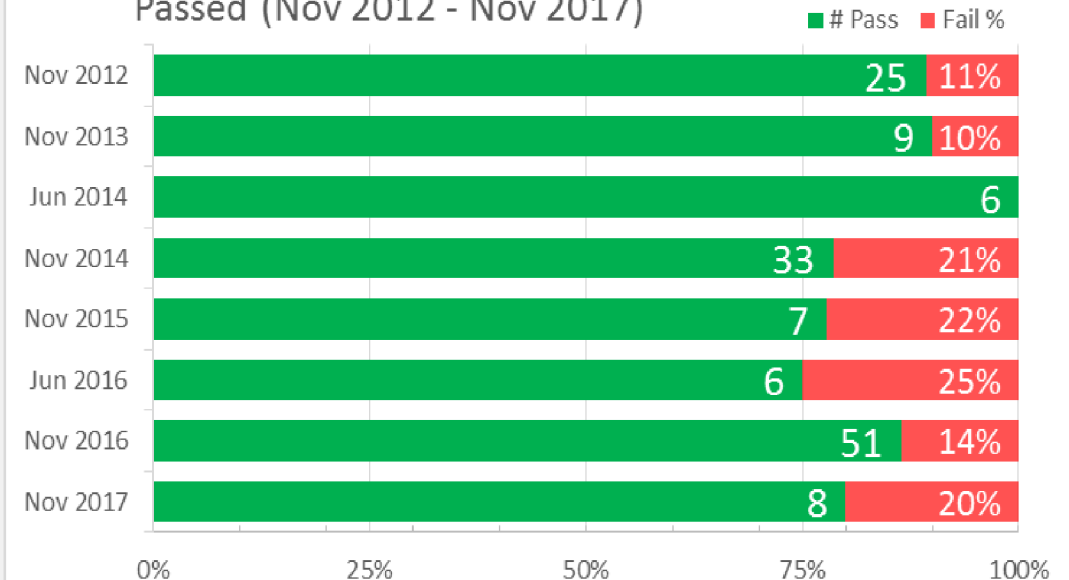
2016 Ballot Measure Success Rates (with total)

NOTE: big drops with "special" & property based taxes



Success rates fall quickly when measures "restricted" for a purpose

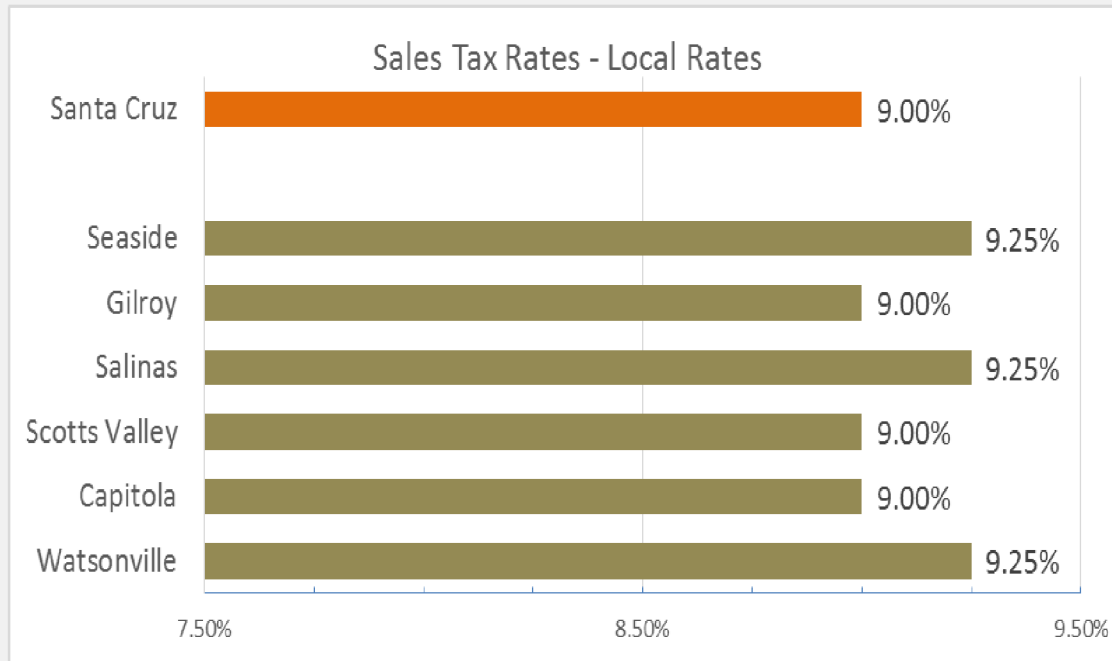
Sales Tax Poll Results - Percent of Measures that Passed (Nov 2012 - Nov 2017)



Nearly 75% of general purpose Sales Tax ballot measures have passed Statewide since 2012

Key Ballot Measure Considerations

23.33



City would remain competitive with local sales tax rates

Rate per ounce	City & Type	Voter Approval
1-cent	Berkeley- General	76%
	San Francisco- General*	62.5%
	Albany- General	72%
	Oakland- General	61.4%
1.5-2.0 cents	Philadelphia, PA (1.5)	n/a
	Seattle, WA (1.75)	n/a
	Boulder, CO (2.0)	55%

Sugar Sweetened Beverage Tax has been successful in like communities

Committee recommendations of top considerations

Key decision points for June 5th items

- Sales tax
 - Provide a credible \$3 Million resource
 - Risk of losing local control of last ¼-cent left
 - Any count-wide entity could propose a ballot measure for their use
- Sugar Sweetened Tax
 - Similar communities have supported this measure
 - Local poll results incredibly strong and support acting now
- TOT & Transfer tax considerations
 - Require significant outreach with stakeholders and community partners before taking action

Prioritized Resource options

June 2018 Ballot		November 2018 or later
Sugar-Sweetened Tax		Transient Occupancy Tax
Sales Tax		Property Transfer Tax

Poll Results

Gene Bregman & Associates

Public Opinion & Marketing Research

Questions

Actions

23.36

- 1) Resolution making emergency findings for placing ballot measures indicated on the June 5, 2018 special election
- 2) Motion directing staff to return February 27, 2018 to order election, request consolidation and place general purpose $\frac{1}{4}$ -cent sales tax and 2-cents sugar sweetened beverage tax ballot measures



Summary Charts of Results From a Survey of Likely Voters in the City of Santa Cruz, California

***503 Interviews
January 2018***

conducted by

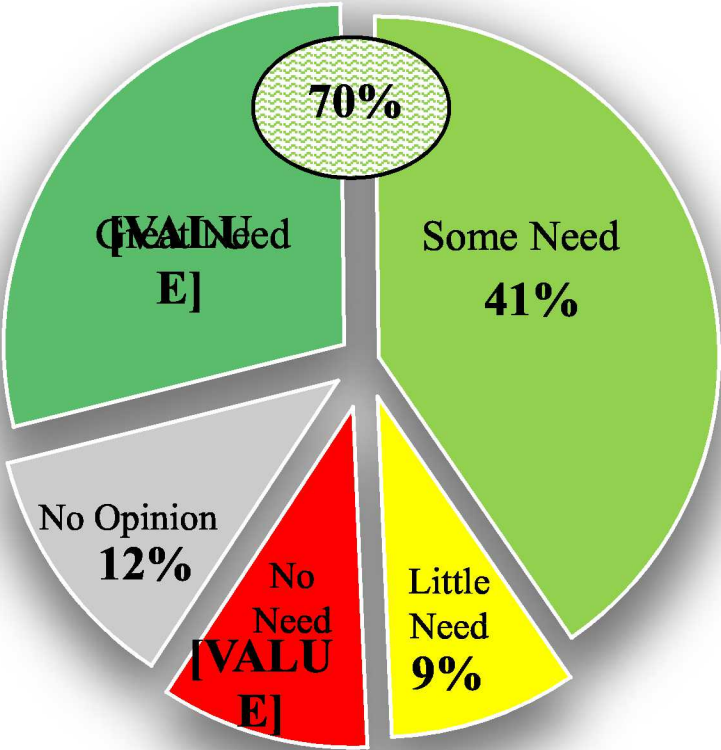


GENE BREGMAN & ASSOCIATES
Public Opinion & Marketing Research

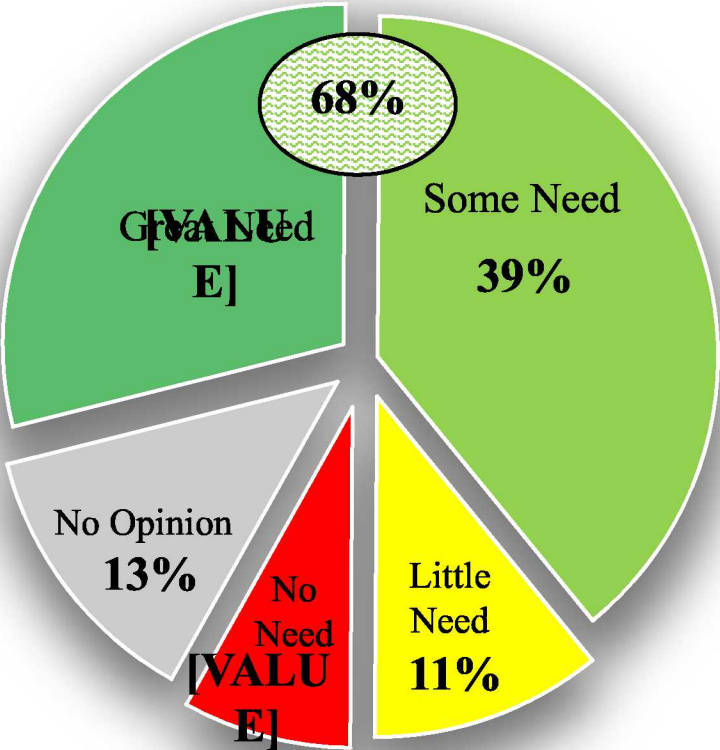
Need For More Money for the City of Santa Cruz

July 2017:
Likely June Voters

23.38

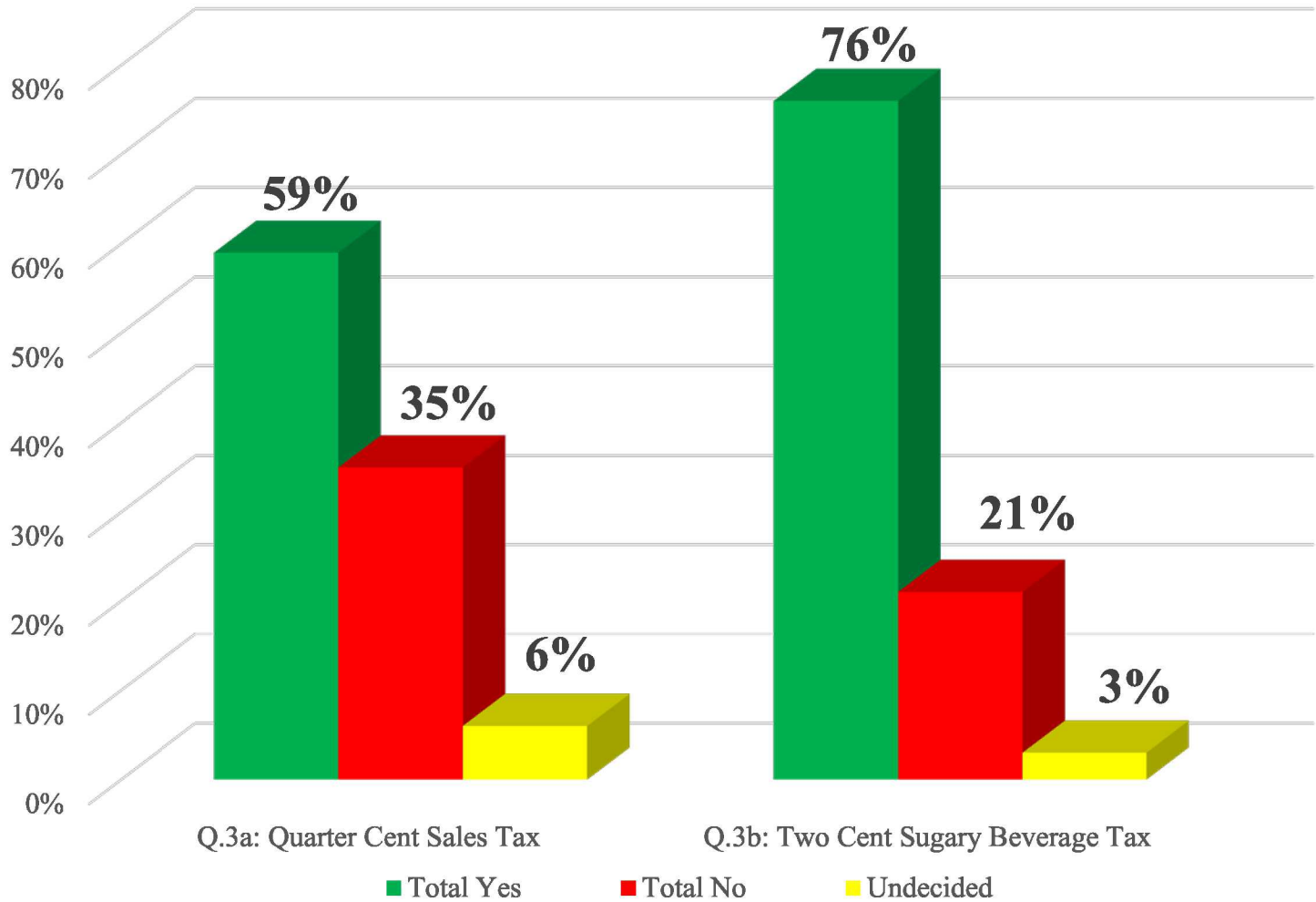


January 2018

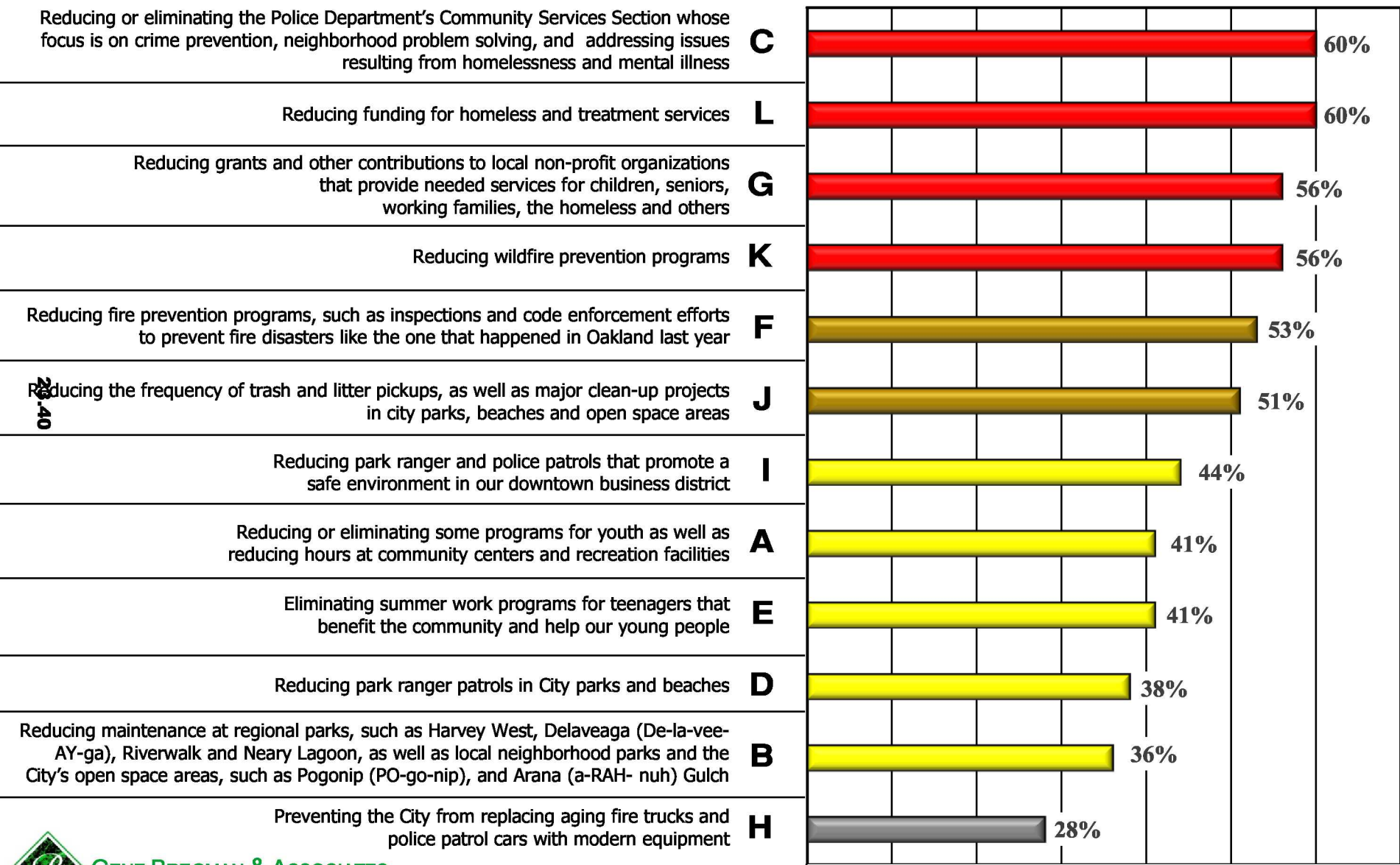


Votes on Tax Measures

23.39

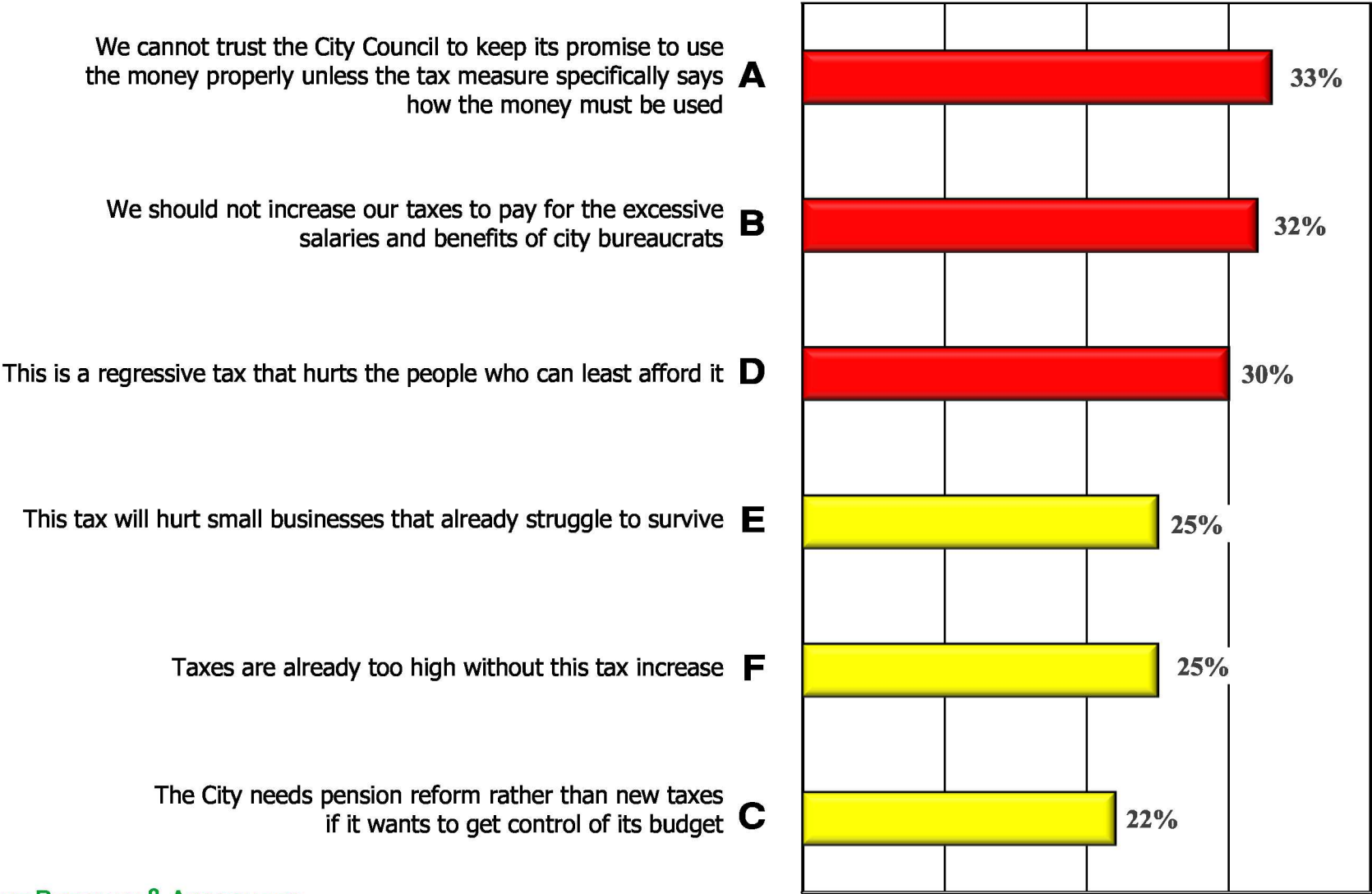


Very Serious Problems for Possible Budget Cuts

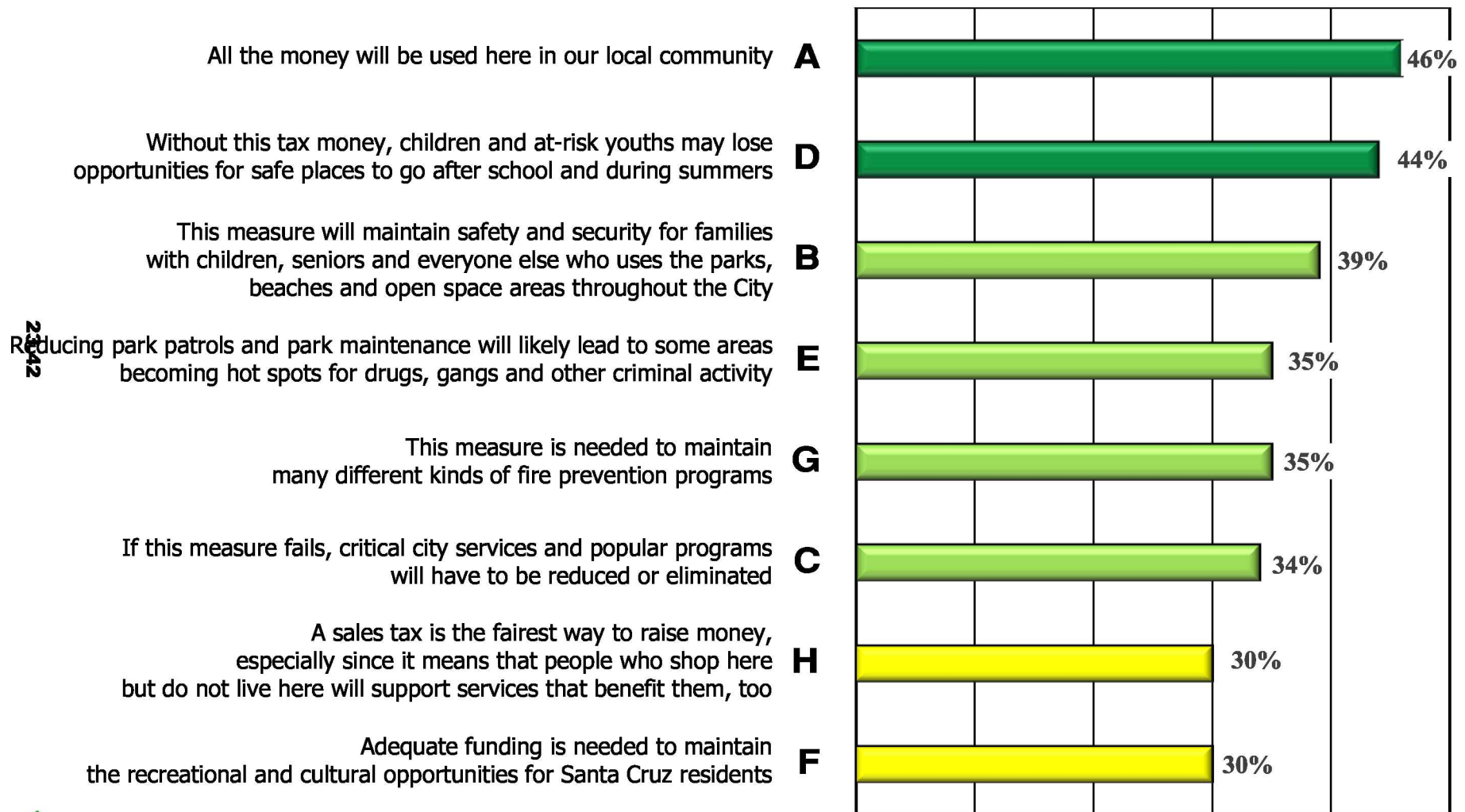


Proportions Much More Likely to Oppose Sales Tax Measure

23.41



Proportions Much More Likely to Favor Sales Tax Measure: More Effective Than Reasons to Oppose



Proportions Much More Likely to Oppose Sugary Beverage Tax Measure: Less Effective Than Reasons to Oppose Sales Tax

23.43

We cannot trust the City Council to keep its promise to use the money properly unless the tax measure specifically says how the money must be used

A



This is a regressive tax that hurts the people who can least afford it

D

Even Senator Bernie Sanders disagrees with this tax, saying that it disproportionately affects low income and middle class Americans

G

We should not increase our taxes to pay for the excessive salaries and benefits of city bureaucrats

B

The City needs pension reform rather than new taxes if it wants to get control of its budget

C

With the cost of living already out of control, we don't need another tax that makes it more expensive every time we go grocery shopping

F

Two cents is just too high a tax; every other city in California that has a beverage tax is just one cent, including Berkeley, San Francisco, and Oakland

H

This tax will hurt small businesses that already struggle to survive

E



Proportions Much More Likely to Favor Sugary Beverage Tax Measure: Much More Effective Than Reasons to Oppose





CITY COUNCIL AGENDA REPORT

DATE: June 20, 2018

AGENDA OF: June 26, 2018

DEPARTMENT: City Council Ad-Hoc Revenue Committee

SUBJECT: City Council Ad-Hoc Revenue Committee Recommendations Related to the Placement of a General Purpose Tax Measure of One-Cent Per Ounce on Distributors of Sugar-Sweetened Beverages on the November 6, 2018 Ballot (CN)

RECOMMENDATION:

1. Resolution to submit to a vote of the electors at the November 6, 2018 General Municipal Election a general tax of one-cent per fluid ounce on distributors of sugar-sweetened beverages, and creation of a Community Oversight Panel to transmit an annual report and make recommendations to the City Council.; and
2. Motion supporting the measure for the purpose of authorizing arguments; directing the Mayor to designate up to three Councilmembers to identify authors and signers for the arguments in favor of this measure, working with members of the community if they so choose; directing the City Attorney to prepare the impartial analysis; and providing direction to the City Manager regarding the preparation of the fiscal analysis, as appropriate.

BACKGROUND: On February 13th, 2018, the City Council established a City Council Revenue Ad-Hoc Committee to evaluate revenue considerations including potential ballot measure(s) for the November 2018 general election. The Committee was comprised of Councilmembers Martine Watkins (chair), Chris Krohn and Cynthia Mathews.

The committee evaluated potential revenue measures as well as reviewed the analysis of the prior ad-hoc revenue committee. The Committee became apprised of the significant health impacts sugar-sweetened beverages have on people as well as actions taken by some jurisdictions to combat these health impacts. That reviewed analysis included information from other jurisdictions as well as the January 2018 poll results that indicated 76% support for a two-cent sugar-sweetened distribution tax.

Since 2014, four California cities and several cities in other states have instituted a sugar-sweetened beverage tax as a critical measure to both improve community health and support local programs and facilities that contribute to community wellness. The Ad-Hoc committee has evaluated resources, advisory committees, and studies from Berkeley, San Francisco, Oakland as well as public health reports.

Various studies have linked a daily sugary drink habit to a 26 percent higher risk of type 2 diabetes⁽¹²⁾, a 27 percent increased risk of adult obesity⁽⁸⁾ and a 55 percent greater risk of childhood obesity⁽⁸⁾, as well as higher incidences of heart disease, liver disease and metabolic disorder. Santa Cruz County health data indicates that although Santa Cruz is doing relatively better than other jurisdictions in the state, they are seeing a rise in diabetes and other harmful health impacts. In addition to these health risk factors, following are some key facts about sugar-sweetened beverages (see attachment for full source information):

- Infants who drink sugary drinks have an 83% chance of cavities at age 6⁽¹¹⁾
- A 20 ounce bottle of soda is equivalent to 16 packets of sugar.
- A single can of soda provides 1.5-times the amount of sugar that the American Heart Association recommends for children⁽²⁾
- 2 in 3 California teenagers drink at least one soda or other sugary drink each day⁽⁵⁾.
- When sugar is delivered in a liquid form it bypasses the body's defense against consuming too many calories⁽¹⁴⁾.
- Beverage companies spend hundreds of millions annually marketing directly to youth, bypassing parents, and market more heavily to youth of color⁽⁷⁾.
- 46% more of Hispanic children aged 2-8 have cavities in their baby teeth⁽¹¹⁾
- 40% of all children will develop Type 2 diabetes in their lifetimes; the projected rate for Latino and African American children is even greater, at 50%⁽¹⁾.

Berkeley was the first California City to lead this effort with support from nearly 70 community organizations like the Federation of Teachers, the Latinos Unidos, Health and Active before 5, leading public health experts and local restaurants and grocers⁽⁵⁾. A year after Berkeley's tax was implemented in March 2015, studies showed a decrease in soda consumption of 9.6% and a corresponding 15.6% increase in drinking bottled or tap water⁽⁹⁾. Another Berkeley poll indicated that 5% of residents reported switching purchases to another city but only 2% of them said it was because of the tax⁽⁴⁾.

In San Francisco research found that sugary drink consumption is highest among youth (middle school more than high school), young adults (age 18-29), and ethnic minorities, particularly Black and Latino populations. In their March 2018 committee report, preliminary data indicated that there were also reductions in sugary drink consumption and increases in water consumption.

The City of Santa Cruz has invested for many years in promoting community health through its parks and beaches, public facilities, recreation programs, public safety and youth development initiatives, and partnership with schools, public and non-profit organizations delivering a broad spectrum of health and wellness services for residents of all ages. During times of severe fiscal constraints, these investments have often been among the first to be eliminated, decreased or delayed.

It is clear from the experience of other communities that sugar sweetened beverage taxes yield a two-fold benefit of healthier consumer choices and additional revenue to sustain and support community wellness investments. Community values and recent polling indicate strong support in Santa Cruz for such a measure. A successful outcome will require a strong independent campaign that is broadbased and well-funded with robust community involvement.

Locally, the committee has thus far conducted outreach to stakeholders such as the Santa Cruz Chamber of Commerce, the Santa Cruz Business Council, Seaside Company, Community Bridges, Santa Cruz Downtown Association, Health Improvement Partnership of Santa Cruz

County (leadership of our community's healthcare, dental and medical care providers including medical groups, hospitals, non-profit clinics and public health agencies.) The Committee has also reached out to representatives of Costco. Additional outreach will continue through the Fall.

DISCUSSION: After a comprehensive review and analysis of revenue tax options, prior ad-hoc committee evaluations, and new considerations of the health challenges in our community, the City Council Ad-Hoc Revenue Committee recommends the placement of a one-cent per fluid ounce tax measure on distributors of sugar-sweetened beverages on the November 6, 2018 General Municipal Election. The goal of this measure would be to improve community health, and support investments that advance community wellness in the City of Santa Cruz.

This measure would also establish a Community Oversight Panel to report annually on the impact of this tax and include recommendations to support and improve community wellness. The Oversight Panel will include members from: the City's Parks and Recreation Commission, Santa Cruz City schools, a youth organization (like First 5), three health or wellness related organizations or practitioners (like a local doctor, pediatrician, and dentist), and three at-large community members.

The Ad-Hoc Revenue Committee favored the one-cent rate to be in alignment with the other California tax rates, although the two-cent rate polling had a 76% favorable rating. Future proceeds from this general tax would support the City's ability to maintain its broad range of recreation and education programs and facilities, maintain funding for community-based and safety-net services. These could include programs such as:

- Keeping parks and facilities accessible, safe and well maintained
- Supporting programs that provide positive opportunities for children and youth
- Maintaining active recreation programs and facilities for people of all ages
- Supporting community based organizations that contribute to community wellness

In order to proceed, the Council must adopt a resolution requesting the consolidation of the November election by June 26, 2018, their last regularly scheduled meeting before the August 10, 2018 deadline.

There are some common misconceptions about a sugar-sweetened distribution tax that are explained in the ordinance. A Frequently Asked Questions (FAQ) document will clear up many of these misconceptions and will be made available soon. Some of the primary points in this FAQ will include:

- The tax is on the distribution of the beverage/syrup into the City and is accordingly paid by the distributors, not the community or local retail and restaurants.
 - However, like other communities have seen, the large beverage distributors will pass on this cost in the form of higher beverage prices.
- There are many common sense tax exemptions including that the tax does not apply to:
 - Diet Soda
 - Any natural juices that have sugar (like apple and orange juice, coconut water)
 - Milk and milk substitute products (like almond or soy milk)
 - Any beverage for diet supplements or for medical purposes
 - All alcohol
- The Santa Cruz measure, like others passed in California, includes a small business exemption. Based on local business feedback, the Santa Cruz measure sets the

exemption at \$500,000 gross annual revenues, the largest exemption to date among other sugar-sweetened tax measures

- This tax only applies to beverages with sugar; it does not apply to any grocery or consumer food products including packaged sugar or drink powders.
 - It would not apply to any beverages where the customer adds their own sugar (like coffee or tea).

Finally, it is expected that the American Beverage Association (ABA) and other corporate and business associations will aggressively mount a well-funded campaign against this tax that will outspend supporters 3 or 4 to 1. In Berkeley, large corporations led the campaign against the proposed tax and poured in over \$2.4 million to fight it⁽³⁾. In San Francisco, the opposition poured in \$22.5 million⁽⁶⁾. The measures in these communities passed in spite of the disproportionate opposition spending. A similar tax is well positioned to pass in Santa Cruz as well, even with substantial opposition funding. However, a successful effort here will require a strong, well-funded independent campaign that represents and engages broad community support.

FISCAL IMPACT: Voter approval of the proposed revenue tax ballot measures could generate \$800,000 to \$1-million in additional revenue in the first full year for the City to support its vital parks, facilities, recreational, wellness and community programs. This amount was credibly estimated by comparing online tax calculators to the proportional amounts that were actually collected in Berkeley and San Francisco, as well as using per-capita calculations for those agencies with the tax, while factoring in tourist-generated sales from the Santa Cruz Beach Boardwalk, local restaurants, and stores. However, future annual tax receipts are likely to decline to a new, lower base as business and consumers change purchasing and consumption behavior.

By adding a measure to the November 2018 election, it would increase the City's proportional cost of the November 2018 election between \$30,000 and \$40,000 (depending on the total number of local measures that are added on the ballot and the City's approximate 37,000 of registered voters).

Submitted by:

Martine Watkins-Chair
Vice Mayor

Chris Krohn
Councilmember

Cynthia Mathews
Councilmember

Attachment:

Resolution
Berkeley vs. Big Soda list of supporters
Source Information
Proposed Ordinance

RESOLUTION NO. NS _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ REQUESTING
THAT THE CONSOLIDATED NOVEMBER 2018 GENERAL ELECTION INCLUDE A
BALLOT MEASURE FOR THE CITY OF SANTA CRUZ TO IMPOSE AN EXCISE TAX OF
ONE CENT (\$0.01) PER FLUID OUNCE ON THE DISTRIBUTION OF SUGAR-
SWEETENED BEVERAGE PRODUCTS IN THE CITY OF SANTA CRUZ

WHEREAS, the City Council Ad Hoc Revenue Committee was established on or about February 13, 2018, to evaluate revenue considerations, including ballot measure(s) for the November, 2018 general election;

WHEREAS, the City Council Ad Hoc Revenue Committee became aware of significant harmful health risks of sugar-sweetened beverages to the public and has evaluated health reports relating thereto;

WHEREAS, the City Council Ad Hoc Revenue Committee has considered and reviewed the experience of other local jurisdictions in seeking to combat the negative health impacts of sugar sweetened beverages;

WHEREAS, the City Council accepts the Ad Hoc Revenue Committee's recommendation for placement of a tax measure on the November 6, 2018 General Municipal Election to levy a tax of one cent (\$0.01) per fluid ounce on the distribution of sugar sweetened beverage products in the city for unrestricted general revenue purposes, in order to promote community health & wellness, and sustain vital city services - such as support for parks, beaches, and open spaces; programs for youth, seniors, and working families; and facilities for community activities - and establish a community oversight panel, with all funds to be used locally.

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

RESOLUTION NO. NS-_____

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county state and other political subdivision elections may be or have been called to be held on November 6, 2018.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Santa Cruz that it hereby orders an election be called and consolidated with any and all elections also called to be held on November 6, 2018 insofar as said elections are to be held in the same territory that is in part the same as the territory of the City of Santa Cruz, and hereby requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401, 10403, and 10418.

Deleted: 10403

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Santa Cruz hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the following measure to be voted on as the November 6, 2018 election:

Measure to be voted on:

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure
Page 2 of 3

RESOLUTION NO. NS-_____

Ballot Question:

“In order to promote community health & wellness, and sustain vital City services - such as support for parks, beaches, and open spaces; programs for youth, seniors, and working families; and facilities for community activities - shall the City levy a tax for unrestricted general revenue purposes of one cent (\$0.01) per fluid ounce on the distribution of sugar sweetened beverage products, and establish a community oversight panel, with all funds to be used locally?”

Yes _____ No _____

The City Council of the City of Santa Cruz submits to the qualified electors said Ballot Measure Question as set forth above and designates and refers to said measure as the measure to be set forth on the ballots for use in said election. The full text of the measure is as set forth in Exhibit A.

In accordance with the provisions of Section 9280 of the California Elections Code, the City Attorney is hereby directed to prepare an impartial analysis of this measure. In accordance with the provisions of Section 9212 of the California Elections Code, the Finance Director is hereby directed to prepare a fiscal impact statement of this measure.

BE IT FURTHER RESOLVED AND ORDERED that Santa Cruz County Elections Department is requested to:

☒ Print the attached measure text exactly as filed or indicated on the filed document in the County Voter Information Guide for the November 6, 2018 election. Cost of printing and distribution of the measure text will be paid for by the city.

BE IT FURTHER RESOLVED AND ORDERED that the City Clerk Administrator of the City of Santa Cruz is hereby ordered and directed to cause said proposed ordinance (Exhibit A) and notice of election to be published in accordance with the provisions of the California State Election Code.

PASSED AND ADOPTED this 26th day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____

David Terrazas, Mayor

ATTEST: _____

Bonnie Bush
City Clerk Administrator

Deleted: ¶

APPROVED: ____¶

Deleted: , City Clerk Administrator

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 3 of 3

EXHIBIT A

BE IT ORDAINED by the electorate of the City of Santa Cruz that Section 3.38 of the Santa Cruz Municipal Code is hereby added as follows:

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SANTA CRUZ
IMPOSING AN EXCISE TAX OF ONE CENT (\$0.01) PER FLUID OUNCE ON THE
DISTRIBUTION OF SUGAR-SWEETENED BEVERAGE PRODUCTS IN THE CITY OF
SANTA CRUZ**

Section 1. Chapter 3.38 – SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX is hereby added to Title 3 – REVENUE AND FINANCE of the City of Santa Cruz Municipal Code, to read as follows:

“Chapter 3.38 - SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX

3.38.005 - SHORT TITLE.

This chapter shall be known as the "Sugar-Sweetened Beverage Distribution Tax Ordinance."

3.38.010 – PURPOSE OF THIS CHAPTER

This chapter imposes a general tax on the Distribution of Sugar-Sweetened Beverage Products for unrestricted general revenue purposes, including, but not limited to, promoting community health & wellness, and sustaining vital City services. This chapter is enacted solely to raise revenue for general municipal purposes, and not for purposes of regulation.

3.38.015 - COMMUNITY OVERSIGHT PANEL.

There is hereby established a Community Oversight Panel:

- 1) A Community Oversight Panel shall report on the impact of the tax, review expenditures, and include recommendations on the use of future revenues to promote community health & wellness and general revenue purposes, as consistent with this chapter.
- 2) The Community Oversight Panel shall be comprised of a minimum of 9 members with a term of 4 years as follows:
 - a) A representative designated by the City's Parks and Recreation Commission,

RESOLUTION NO. NS-

Exhibit A

- b) A representative designated by the Santa Cruz City School District
 - c) City Council appointed representatives from a youth organization, three health or wellness-related organizations or practitioners, and three at-large community members.
- 3) The Community Oversight Panel will transmit its annual report and recommendations to the City Council.

3.38.020 - DEFINITIONS.

Except where the context otherwise requires, the following definitions govern the construction of this chapter:

"Alcoholic Beverage" means any beverage that is subject to taxation as an Alcoholic beverage under California Revenue and Taxation Code, Sections 32001 et seq., as may be amended from time to time.

"Beverage for Medical Use" means a beverage suitable for human consumption and manufactured for use as an oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or for use as an oral rehydration electrolyte solution formulated to prevent or treat dehydration due to illness. "Beverage for Medical Use" also means a "medical food" as defined in Section 109971 of the California Health and Safety Code. "Beverage for Medical Use" shall not include beverages commonly referred to as "sports drinks" or any other common names that are derivations thereof.

"Business Entity" means any Person except for a natural person.

"Caloric Sweetener" means any substance or combination of substances that meets all of the following criteria:

1. Is suitable for human consumption,
2. Adds calories to the diet when consumed,
3. Is perceived as sweet when consumed, and
4. Is added for making, mixing, or compounding Sugar-Sweetened Beverages by combining the substance or substances with one or more ingredients including, but not limited to, water, ice, powder, coffee, tea, fruit juice, vegetable juice, or carbonation or other gas.

"Caloric Sweetener" may take any form, including but not limited to a concentrate, liquid, syrup, gel, and powder, whether or not frozen. "Caloric Sweetener" includes, without limitation, sucrose, fructose, glucose, other sugars, and high fructose corn syrup, honey; but does not include a substance that exclusively contains natural, concentrated, or reconstituted fruit or vegetable juice or any combination thereof.

"City" means the City of Santa Cruz, California.

"Community Oversight Panel" means the Sugar-Sweetened Beverage Distribution Tax Community Oversight Panel described in this chapter.

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 2 of 11

RESOLUTION NO. NS-

Exhibit A

"Concentrate" means a syrup, powder, frozen or gel mixture, or other product containing one or more sweeteners as an ingredient, intended to be used in making, mixing, or compounding a sweetened beverage by combining the concentrate with one or more other ingredients.

"Consumer" or "Consumers" means a natural person or persons who purchase a Sugar-Sweetened Beverage Product(s) in the City for a purpose other than resale in the ordinary course of business.

"Distribution", "Distribute" or "Distributing" means the transfer of title, ownership, or possession other than by a common carrier: (a) from one Business Entity to another for consideration; or (b) within a single Business Entity, such as by a wholesale or warehousing unit to a retail outlet or between two or more employees or contractors of said Business Entity. "Distribution" or "Distribute" shall not mean the retail sale to a Consumer.

"Distributor" means any Person who engages in the business of Distribution of Sugar-Sweetened Beverage Product(s) within the City.

"General Tax" means any tax imposed for unrestricted general governmental purposes.

"Milk Product" means: (a) any beverage in which natural milk secreted by an animal is the primary and first ingredient in the product ingredient list; and (b) any plant-based substance or combination of substances in which (i) water and (ii) grains, nuts, legumes, or seeds, constitute the first two ingredients in the product ingredient list. For purposes of this definition, "Milk Product" includes concentrate and dehydrated forms, whether or not reconstituted. For purposes of this definition, "Milk Product" includes, but is not limited to, soy milk, almond milk, rice milk, coconut milk, hemp milk, oat milk, hazelnut milk, flax milk.

"Natural Fruit Juice" means the original liquid resulting from the pressing of fruit, and includes natural fruit juice concentrate, and dehydrated natural fruit juice.

"Natural Vegetable Juice" means the original liquid resulting from the pressing of vegetables, and includes natural vegetable juice concentrate, and dehydrated natural vegetable juice.

"Natural or Common Sweetener" means: a sweetening agent on its own and independent of any Sugar-Sweetened Beverage Product, including but not limited to, granulated white sugar, brown sugar, honey, molasses, xylem sap of maple trees, agave nectar, or corn syrup.

Deleted: , or stevia

"Nonalcoholic Beverage" means any beverage that is not subject to tax under California Revenue and Taxation Code sections 32001 et seq."

"Person" means any natural person, partnership, cooperative, association, limited liability company, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

"Powder" means any solid mixture containing one or more Caloric Sweeteners as an ingredient intended to be used in making, mixing or compounding a Sugar-Sweetened Beverage by combining the Powder with one or more other ingredients.

RESOLUTION NO. NS-

Exhibit A

"Retailer" means any Person who serves a Sugar-Sweetened Beverage Product(s) to Consumer(s) for payment.

"Small Business" means any Person with less than \$500,000 in annual gross receipts in the most recent calendar year that distributes, sells, serves or provides Sugar-Sweetened Beverage Product(s) directly to final Consumers.

"Sugar-Sweetened Beverage" means any nonalcoholic beverage prepared in any form intended for human consumption to which one or more Caloric Sweeteners has been added and that contains 40 or more calories per 12 fluid ounces of beverage including, but not limited to, drinks and beverages commonly referred to as "soda," "pop," "cola," "soft drinks," "sports drinks," "energy drinks," "slushies," "sweetened ice teas and coffees," or any other common names that are derivations thereof.

"Sugar-Sweetened Beverage Distribution Tax" or "Tax" is the general excise tax imposed under Section 3.38.030.

"Sugar-Sweetened Beverage Product(s)" means a Sugar-Sweetened Beverage, including Concentrates.

Deleted: or Caloric Sweetener

"Syrup" means any liquid or frozen mixture, containing one or more Caloric Sweeteners as an ingredient, intended to be used, or actually used, in making, mixing, or compounding a Sugar-Sweetened Beverage by combining the Syrup with one or more other ingredients.

"Tax Administrator" means the Director of Finance for the City of Santa Cruz or his or her designee.

3.38.025 - EXEMPTIONS.

"Sugar-Sweetened Beverage" and "Sugar-Sweetened Beverage Product" shall not include:

- 1) any beverage that contains less than 40 calories per 12 fluid ounces of beverage;
- 2) any beverage sold for consumption by infants, which is commonly referred to as "infant formula" or "baby formula," or oral rehydration fluids for children;
- 3) any beverage for medical use;
- 4) any beverage designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals;
- 5) Milk Products;
- 6) 100 percent natural fruit or vegetable juice or combination thereof with no added caloric sweetener;
- 7) Any Caloric Sweetener or Concentrate that the Consumer combines with other ingredients to create a Sugar Sweetened Beverage;
- 8) Sweetened medication such as cough syrup, liquid pain relievers, fever reducers, and similar products; or
- 9) Any alcoholic beverage.

The Tax shall not apply to:

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 4 of 11

RESOLUTION NO. NS-

Exhibit A

1. To any Distributor that is not subject to taxation by the City under the laws of the United States or the State of California.
2. The Distribution of any Sugar-Sweetened Beverage Product by a Small Business as defined in this chapter.
3. To any Distributor of Natural or Common Sweeteners.

3.38.030 - EXCISE TAX.

In addition to any other taxes imposed by the City, the City hereby levies a General Tax of one cent (\$0.01) per fluid ounce on the Distribution of Sugar-Sweetened Beverage Products in the City.

For the purposes of this chapter, the volume, in ounces, of a Sugar-Sweetened Beverage Product shall be calculated as follows:

1. For a Sugar-Sweetened Beverage, the volume, in fluid ounces, of Sugar-Sweetened Beverages distributed to any Person in the course of business in the City.
2. For ~~Sugar-Sweetened Beverages that are Concentrates, the tax shall be calculated using~~ the largest volume, in fluid ounces, of Sugar-Sweetened Beverages that could be produced from the ~~Concentrate~~. In accordance with rules and regulations promulgated by the City pursuant to Section 3.38.040, the largest volume, in fluid ounces, that would typically be produced from the ~~Concentrates~~ shall be determined based on the manufacturer's instructions or, if the Distributor uses that ~~Concentrate~~ to produce a Sugar-Sweetened Beverage, the regular practice of the Distributor.
3. The Tax shall be paid upon the first nonexempt Distribution of a Sugar-Sweetened Beverage Product in the City. To the extent that there is a chain of Distribution within Santa Cruz involving more than one Distributor, the tax shall be levied on the first Distributor subject to the jurisdiction of the City. To the extent the Tax is not paid as set forth above for any reason, it shall be payable on subsequent Distributions and by subsequent Distributors; provided, that the Distribution of Sugar-Sweetened Beverage Products may not be taxed more than once in the chain of commerce.

Deleted: added Caloric Sweeteners,

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3.38.040 - ADMINISTRATION OF TAX.

It shall be the duty of the Tax Administrator to collect and receive all taxes imposed by this chapter, and to keep an accurate record thereof.

The Tax Administrator is hereby charged with the enforcement of this chapter, except as otherwise provided herein, and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of this chapter. Such rules and regulations shall include, but are not limited to:

1. Clarify the inclusion or exclusion of particular products.
2. The calculation of tax for concentrates based on manufacturer's instructions or industry practice and the designation of caloric sweeteners

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 5 of 11

RESOLUTION NO. NS-

Exhibit A

3. The reexamination and correction of returns and payments, and for reporting.
4. Prescribing the methods, frequency, and schedules for the calculation, collection and payment of the tax.
5. The manner and form in which a Distributor must register with the City, and shall report and remit the tax.
6. How a Distributor or a Retailer who receives, in the City, Sugar-Sweetened Beverage Product(s) from a Distributor must report to the City the name of that Distributor and the volume of Sugar-Sweetened Beverage Product(s).
7. The documentation to be created or maintained by a Distributor or a Retailer.
8. The administrative process and procedures for any Person against whom a determination is made by the Tax Administrator under this chapter or any Person directly interested in such determination, shall follow to dispute or otherwise challenge a determination, and the form, manner and time within which a determination may be disputed or challenged.

Adoption and implementation by the Tax Administrator of rules and regulations authorized by this Section shall not constitute new or increased tax requiring approval by the voters of the City.

The Tax Administrator shall annually verify that the taxes owed under this chapter have been properly applied, exempted, collected and remitted.

3.38.050 - COLLECTION OF TAX AND REGISTRATION OF DISTRIBUTORS.

Every Person engaged in or about to engage in business as a Distributor in the City shall immediately register with the City in the manner and form determined by the Tax Administrator. Persons engaged in such business must be registered no later than thirty (30) days after the date the tax imposed by this chapter becomes effective on May 1, 2019, but such privilege of such registration after the date of imposition of such tax shall not relieve any Person from the obligation or payment or collection of tax on and after the date of imposition thereof, regardless of registration.

In order to aid in the collection of taxes due to the City under this chapter, any Distributor or Retailer that distributes, receives or sells Sugar-Sweetened Beverage Product(s) shall provide information to the City regarding the Distribution of these products in accordance with rules and regulations adopted by the Tax Administrator.

The City Council is authorized to have the taxes imposed by this chapter collected by the County of Santa Cruz or the California Board of Equalization in conjunction with the collection of other taxes for the City. If the City Council exercises this authorization, the duties and responsibilities of the Tax Administrator shall be given, as appropriate, to the County of Santa Cruz or the California Board of Equalization, which may delegate such duties and responsibilities as necessary and as authorized by law.

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 6 of 11

RESOLUTION NO. NS-

Exhibit A

3.38.055 - PENALTIES AND INTEREST

Any Distributor who fails to file a tax return and pay any amount of tax required to be collected and paid to the City within the time required by the rules and regulations established by the Tax Administrator shall pay a penalty of ten (10) percent of the tax, in addition to the tax, plus interest, computed on the amount of delinquent tax, inclusive of penalties, at the rate of one and one-half (1.5) percent per month, or fraction thereof, from the date on which the tax or the amount of tax required to be collected became due and payable to the City and until the date of payment.

If the Tax Administrator determines that any tax found to be due under this chapter or the delinquent filing of a tax return is due to fraud, intentional disregard or an intent to evade this part or authorized rules and regulations, a penalty of fifteen (15) percent shall be added thereto in addition to any other penalties which may be imposed.

3.38.060 - TAX DEEMED DEBT TO CITY

The amount of any tax, penalties and interest imposed by the provisions of this chapter shall be deemed a debt to the city and any Person carrying on any business taxable under this chapter without first having paid such tax shall be liable in an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such Person and for any and all cost recovery, including attorneys' fees in the enforcement of this chapter.

3.38.070 - CREDITS AND REFUNDS.

Any tax under this chapter that has been paid more than once or has been erroneously or illegally collected or received by the City shall be refunded as determined by the Tax Administrator.

Any tax under this chapter that has been returned to the Distributor within six (6) months of the initial Distribution and for which the entire purchase price has been refunded in cash or credit shall be refunded as determined by the Tax Administrator.

Claims must be filed with the Tax Administrator and determined in accordance with the rules and regulations to be established by the Tax Administrator, within one year from the date of payment of the tax to the City. No refund shall be paid under this section unless claimant establishes entitlement thereto by written documentation.

3.38.080 EXAMINATION OF BOOKS, RECORDS, WITNESSES - CONFIDENTIALITY OF INFORMATION - PENALTY.

It shall be the duty of a Distributor liable for the payment to the City of the tax imposed by this chapter to keep and preserve, for a period of four years, all records, complete and accurate, as

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 7 of 11

RESOLUTION NO. NS-

Exhibit A

may be necessary to determine the amount of such tax, interest, penalties and enforcement charges as the Distributor may be liable for payment to the City.

The Tax Administrator shall have the power to audit and examine all books and records of every Person liable for the payment to the City of the tax imposed by this chapter, including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of Persons engaged in Distribution in the City for the purpose of ascertaining the amount of tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any Person pursuant to the provisions of this chapter. If such Person, after written demand by the Tax administrator, refuses to make available for audit, examination or verification such books, records or other evidence as the Tax Administrator requests, the Tax Administrator may, after full consideration of all information within his or her knowledge concerning the business and activities of the Person, make an assessment in the manner provided in this chapter of any taxes estimated to be due.

Every Person subject to the provisions of this chapter is directed and required to furnish to the Tax Administrator or duly authorized agent or employee, the means, facilities and opportunity for making such examination and investigations. The Tax Administrator is authorized to examine a Person under oath, for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the tax or, if applicable, registration fees, due under this chapter. In order to ascertain the tax due under this chapter, the Tax Administrator may compel, by administrative subpoena, the production of relevant books, papers and records and the attendance of all Persons as parties or witnesses.

Except for disclosures to agents, attorneys, or employees of the City necessary to the purpose of administering or enforcing the tax, or in compliance with a court order, or in connection with an appeal, hearing or court action, City employees shall maintain the confidentiality of all business and personal information and documents furnished to or obtained by the Tax Administrator in connection with the collection or administrative proceedings relating to the determination and assessment of taxes.

The refusal to submit to such examination or production by any employer or Person subject to the provisions of this chapter shall be deemed a violation of this chapter, and administrative subpoenas shall be enforced pursuant to applicable state law.

3.38.085 FAILURE TO COLLECT AND REPORT TAX – DETERMINATION OF TAX BY DIRECTOR OF FINANCE.

If any Person shall fail or refuse to provide records for audit, or to collect the tax and to make, within the time provided any report and remittance of said tax or any portion thereof required by this chapter, the Tax Administrator shall have the discretion to make an estimate of the tax due based on the facts and information available.

As soon as Tax Administrator shall procure such facts and information upon which to base the assessment of any tax imposed by this chapter and payable by the Distributor who has failed or

RESOLUTION NO. NS-

Exhibit A

refused to provide any requested records, the Tax Administrator shall proceed to determine and assess against such Distributor the tax, interest and penalties provided for by this chapter.

In case such determination is made, the Tax Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the Distributor so assessed at the last known place of address.

Such Distributor may within ten (10) days after the serving or mailing of such notice make application in writing to the Tax Administrator for a hearing on the amount assessed. If application by the Person for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Tax Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Tax Administrator shall give not less than five (5) days' written notice in the manner prescribed herein to the Person to show cause at a time and place fixed in the notice why the amount specified therein should not be fixed for such tax, interest and penalties. At such hearing the Distributor may appear and offer evidence why such specified tax, interest and penalties should not be so fixed.

After such hearing the Tax Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the Distributor in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen days unless an appeal is taken as provided in Section 3.38.090.

3.38.090 APPEAL.

Any Distributor aggrieved by any decision of the Tax Administrator with respect to the amount of such tax, interest and penalties, if any, owed under this chapter, may appeal to the city council in accordance with the provisions of Chapter 1.16 of the Santa Cruz Municipal Code.

3.38.100 PENALTY FOR VIOLATIONS.

Any Distributor violating any of the provisions of this chapter shall be guilty of a misdemeanor and shall be punishable by a fine of not more than one thousand dollars or by imprisonment in the county jail for a period of not more than six months or by both fine and imprisonment, as provided in Title 4 of this code, in addition to the penalties provided for in this chapter or elsewhere in this code.

Any Distributor who fails or refuses to register as required in this chapter, or to furnish any return required to be made or who fails or refuses to furnish a supplemental return or other data required by the Tax Administrator, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor, and is punishable as stated above in subsection (a), in addition to being subject to the other penalties provided for in this chapter or code, or elsewhere. Any Person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made is guilty of a misdemeanor and is punishable as stated

RESOLUTION NO. NS-

Exhibit A

above in subsection (a), in addition to the penalties provided for in this chapter or code, or elsewhere.

All remedies prescribed by this chapter or code, or any other provisions of law, and the use of one or more remedies by the City are cumulative, and shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

3.38.110 - COLLECTION DATE.

Collection of the tax shall begin on May 1, 2019.

3.38.120 UNRESTRICTED GENERAL REVENUE PURPOSES.

Notwithstanding the provisions of section 3.38.010, all tax revenue collected and remitted to the City pursuant to this chapter shall be deposited in the City of Santa Cruz unrestricted general fund and can be spent for unrestricted general revenue purposes.

3.38.130 NOT A SALES AND USE TAX.

The tax imposed by this measure is a general excise tax on conducting business within the City of Santa Cruz. It is not a sales tax or use tax or other excise tax on the sale, consumption, or use of Sugar-Sweetened Beverage Product(s).

3.38.140 SEVERABILITY.

Should any provision of this chapter, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

RESOLUTION – Sugar Sweetened Beverage Distribution Tax Measure

Page 10 of 11

RESOLUTION NO. NS-
Exhibit A

Section 2. EFFECTIVE DATE. This ordinance relates to the levying and collecting a general tax and shall take effect immediately if the tax imposed is approved by a simple majority of voters voting on the question at the November 6, 2018 election, and shall become operative on the date specified in Section 3.38.140.

PASSED AND ADOPTED by a majority vote of the electorate of the City of Santa Cruz on November 6, 2018. Pursuant to Section 2, above, the ordinance became effective immediately upon such adoption.

Attest: _____
(Signature)

(Title)

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ REQUESTING
THAT THE CONSOLIDATED NOVEMBER 2018 GENERAL ELECTION INCLUDE A
BALLOT MEASURE FOR THE CITY OF SANTA CRUZ TO IMPOSE AN EXCISE TAX OF
ONE CENT (\$0.01) PER FLUID OUNCE ON THE DISTRIBUTION OF SUGAR-
SWEETENED BEVERAGE PRODUCTS IN THE CITY OF SANTA CRUZ

WHEREAS, the City Council Ad Hoc Revenue Committee was established on or about February 13, 2018, to evaluate revenue considerations, including ballot measure(s) for the November, 2018 general election;

WHEREAS, the City Council Ad Hoc Revenue Committee became aware of significant harmful health risks of sugar-sweetened beverages to the public and has evaluated health reports relating thereto;

WHEREAS, the City Council Ad Hoc Revenue Committee has considered and reviewed the experience of other local jurisdictions in seeking to combat the negative health impacts of sugar sweetened beverages;

WHEREAS, the City Council accepts the Ad Hoc Revenue Committee's recommendation for placement of a tax measure on the November 6, 2018 General Municipal Election to levy a tax of one cent (\$0.01) per fluid ounce on the distribution of sugar sweetened beverage products in the city for unrestricted general revenue purposes, in order to promote community health & wellness, and sustain vital city services - such as support for parks, beaches, and open spaces; programs for youth, seniors, and working families; and facilities for community activities - and establish a community oversight panel, with all funds to be used locally.

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

RESOLUTION NO. NS-

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county state and other political subdivision elections may be or have been called to be held on November 6, 2018.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Santa Cruz that it hereby orders an election be called and consolidated with any and all elections also called to be held on November 6, 2018 insofar as said elections are to be held in the same territory that is in part the same as the territory of the City of Santa Cruz, and hereby requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401, 10403, and 10418.

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Santa Cruz hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the following measure to be voted on as the November 6, 2018 election:

Measure to be voted on:

Ballot Question:

“In order to promote community health & wellness, and sustain vital City services - such as support for parks, beaches, and open spaces; programs for youth, seniors, and working families;

RESOLUTION NO. NS-

and facilities for community activities - shall the City levy a tax for unrestricted general revenue purposes of one cent (\$0.01) per fluid ounce on the distribution of sugar sweetened beverage products, and establish a community oversight panel, with all funds to be used locally?”

Yes _____ No _____

The City Council of the City of Santa Cruz submits to the qualified electors said Ballot Measure Question as set forth above and designates and refers to said measure as the measure to be set forth on the ballots for use in said election. The full text of the measure is as set forth in Exhibit A.

In accordance with the provisions of Section 9280 of the California Elections Code, the City Attorney is hereby directed to prepare an impartial analysis of this measure. In accordance with the provisions of Section 9212 of the California Elections Code, the Finance Director is hereby directed to prepare a fiscal impact statement of this measure.

BE IT FURTHER RESOLVED AND ORDERED that Santa Cruz County Elections Department is requested to:

- Print the attached measure text exactly as filed or indicated on the filed document in the County Voter Information Guide for the November 6, 2018 election. Cost of printing and distribution of the measure text will be paid for by the city.

BE IT FURTHER RESOLVED AND ORDERED that the City Clerk Administrator of the City of Santa Cruz is hereby ordered and directed to cause said proposed ordinance (Exhibit A) and notice of election to be published in accordance with the provisions of the California State Election Code.

PASSED AND ADOPTED this 26th day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
David Terrazas, Mayor

ATTEST:

Bonnie Bush, City Clerk Administrator

EXHIBIT A

BE IT ORDAINED by the electorate of the City of Santa Cruz that Section 3.38 of the Santa Cruz Municipal Code is hereby added as follows:

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SANTA CRUZ
IMPOSING AN EXCISE TAX OF ONE CENT (\$0.01) PER FLUID OUNCE ON THE
DISTRIBUTION OF SUGAR-SWEETENED BEVERAGE PRODUCTS IN THE CITY OF
SANTA CRUZ**

Section 1. Chapter 3.38 – SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX is hereby added to Title 3 – REVENUE AND FINANCE of the City of Santa Cruz Municipal Code, to read as follows:

“Chapter 3.38 - SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX

3.38.005 - SHORT TITLE.

This chapter shall be known as the "Sugar-Sweetened Beverage Distribution Tax Ordinance."

3.38.010 – PURPOSE OF THIS CHAPTER

This chapter imposes a general tax on the Distribution of Sugar-Sweetened Beverage Products for unrestricted general revenue purposes, including, but not limited to, promoting community health & wellness, and sustaining vital City services. This chapter is enacted solely to raise revenue for general municipal purposes, and not for purposes of regulation.

3.38.015 - COMMUNITY OVERSIGHT PANEL.

There is hereby established a Community Oversight Panel:

- 1) A Community Oversight Panel shall report on the impact of the tax, review expenditures, and include recommendations on the use of future revenues to promote community health & wellness and general revenue purposes, as consistent with this chapter.
- 2) The Community Oversight Panel shall be comprised of a minimum of 9 members with a term of 4 years as follows:
 - a) A representative designated by the City’s Parks and Recreation Commission,

- b) A representative designated by the Santa Cruz City School District
 - c) City Council appointed representatives from a youth organization, three health or wellness-related organizations or practitioners, and three at-large community members.
- 3) The Community Oversight Panel will transmit its annual report and recommendations to the City Council.

3.38.020 - DEFINITIONS.

Except where the context otherwise requires, the following definitions govern the construction of this chapter:

"Alcoholic Beverage" means any beverage that is subject to taxation as an Alcoholic beverage under California Revenue and Taxation Code, Sections 32001 et seq., as may be amended from time to time.

"Beverage for Medical Use" means a beverage suitable for human consumption and manufactured for use as an oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or for use as an oral rehydration electrolyte solution formulated to prevent or treat dehydration due to illness. "Beverage for Medical Use" also means a "medical food" as defined in Section 109971 of the California Health and Safety Code. "Beverage for Medical Use" shall not include beverages commonly referred to as "sports drinks" or any other common names that are derivations thereof.

"Business Entity" means any Person except for a natural person.

"Caloric Sweetener" means any substance or combination of substances that meets all of the following criteria:

1. Is suitable for human consumption,
2. Adds calories to the diet when consumed,
3. Is perceived as sweet when consumed, and
4. Is added for making, mixing, or compounding Sugar-Sweetened Beverages by combining the substance or substances with one or more ingredients including, but not limited to, water, ice, powder, coffee, tea, fruit juice, vegetable juice, or carbonation or other gas.

"Caloric Sweetener" may take any form, including but not limited to a concentrate, liquid, syrup, gel, and powder, whether or not frozen. "Caloric Sweetener" includes, without limitation, sucrose, fructose, glucose, other sugars, and high fructose corn syrup, honey; but does not include a substance that exclusively contains natural, concentrated, or reconstituted fruit or vegetable juice or any combination thereof.

"City" means the City of Santa Cruz, California.

"Community Oversight Panel" means the Sugar-Sweetened Beverage Distribution Tax Community Oversight Panel described in this chapter.

RESOLUTION NO. NS-_____

Exhibit A

“Concentrate” means a syrup, powder, frozen or gel mixture, or other product containing one or more sweeteners as an ingredient, intended to be used in making, mixing, or compounding a sweetened beverage by combining the concentrate with one or more other ingredients.

"Consumer" or "Consumers" means a natural person or persons who purchase a Sugar-Sweetened Beverage Product(s) in the City for a purpose other than resale in the ordinary course of business.

"Distribution", "Distribute" or "Distributing" means the transfer of title, ownership, or possession other than by a common carrier: (a) from one Business Entity to another for consideration; or (b) within a single Business Entity, such as by a wholesale or warehousing unit to a retail outlet or between two or more employees or contractors of said Business Entity.

"Distribution" or "Distribute" shall not mean the retail sale to a Consumer.

"Distributor" means any Person who engages in the business of Distribution of Sugar-Sweetened Beverage Product(s) within the City.

"General Tax" means any tax imposed for unrestricted general governmental purposes.

"Milk Product" means: (a) any beverage in which natural milk secreted by an animal is the primary and first ingredient in the product ingredient list; and (b) any plant-based substance or combination of substances in which (i) water and (ii) grains, nuts, legumes, or seeds, constitute the first two ingredients in the product ingredient list. For purposes of this definition, "Milk Product" includes concentrate and dehydrated forms, whether or not reconstituted. For purposes of this definition, "Milk Product" includes, but is not limited to, soy milk, almond milk, rice milk, coconut milk, hemp milk, oat milk, hazelnut milk, flax milk.

“Natural Fruit Juice” means the original liquid resulting from the pressing of fruit, and includes natural fruit juice concentrate, and dehydrated natural fruit juice.

“Natural Vegetable Juice” means the original liquid resulting from the pressing of vegetables, and includes natural vegetable juice concentrate, and dehydrated natural vegetable juice.

"Natural or Common Sweetener" means: a sweetening agent on its own and independent of any Sugar-Sweetened Beverage Product, including but not limited to, granulated white sugar, brown sugar, honey, molasses, xylem sap of maple trees, agave nectar, or corn syrup.

“Nonalcoholic Beverage” means any beverage that is not subject to tax under California Revenue and Taxation Code sections 32001 et seq.”

"Person" means any natural person, partnership, cooperative, association, limited liability company, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

"Powder" means any solid mixture containing one or more Caloric Sweeteners as an ingredient intended to be used in making, mixing or compounding a Sugar-Sweetened Beverage by combining the Powder with one or more other ingredients.

"Retailer" means any Person who serves a Sugar-Sweetened Beverage Product(s) to Consumer(s) for payment.

"Small Business" means any Person with less than \$500,000 in annual gross receipts in the most recent calendar year that distributes, sells, serves or provides Sugar-Sweetened Beverage Product(s) directly to final Consumers.

"Sugar-Sweetened Beverage" means any nonalcoholic beverage prepared in any form intended for human consumption to which one or more Caloric Sweeteners has been added and that contains 40 or more calories per 12 fluid ounces of beverage including, but not limited to, drinks and beverages commonly referred to as "soda," "pop," "cola," "soft drinks," "sports drinks," "energy drinks," "slushies," "sweetened ice teas and coffees," or any other common names that are derivations thereof.

"Sugar-Sweetened Beverage Distribution Tax" or "Tax" is the general excise tax imposed under Section 3.38.030.

"Sugar-Sweetened Beverage Product(s)" means a Sugar-Sweetened Beverage, including Concentrates.

"Syrup" means any liquid or frozen mixture, containing one or more Caloric Sweeteners as an ingredient, intended to be used, or actually used, in making, mixing, or compounding a Sugar-Sweetened Beverage by combining the Syrup with one or more other ingredients.

"Tax Administrator" means the Director of Finance for the City of Santa Cruz or his or her designee.

3.38.025 - EXEMPTIONS.

"Sugar-Sweetened Beverage" and "Sugar-Sweetened Beverage Product" shall not include:

- 1) any beverage that contains less than 40 calories per 12 fluid ounces of beverage;
- 2) any beverage sold for consumption by infants, which is commonly referred to as "infant formula" or "baby formula," or oral rehydration fluids for children;
- 3) any beverage for medical use;
- 4) any beverage designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals;
- 5) Milk Products;
- 6) 100 percent natural fruit or vegetable juice or combination thereof with no added caloric sweetener;
- 7) Any Caloric Sweetener or Concentrate that the Consumer combines with other ingredients to create a Sugar Sweetened Beverage;
- 8) Sweetened medication such as cough syrup, liquid pain relievers, fever reducers, and similar products; or
- 9) Any alcoholic beverage.

The Tax shall not apply to:

1. To any Distributor that is not subject to taxation by the City under the laws of the United States or the State of California.

2. The Distribution of any Sugar-Sweetened Beverage Product by a Small Business as defined in this chapter.
3. To any Distributor of Natural or Common Sweeteners.

3.38.030 - EXCISE TAX.

In addition to any other taxes imposed by the City, the City hereby levies a General Tax of one cent (\$0.01) per fluid ounce on the Distribution of Sugar-Sweetened Beverage Products in the City.

For the purposes of this chapter, the volume, in ounces, of a Sugar-Sweetened Beverage Product shall be calculated as follows:

1. For a Sugar-Sweetened Beverage, the volume, in fluid ounces, of Sugar-Sweetened Beverages distributed to any Person in the course of business in the City.
2. For Sugar-Sweetened Beverages that are Concentrates, the tax shall be calculated using the largest volume, in fluid ounces, of Sugar-Sweetened Beverages that could be produced from the Concentrate. In accordance with rules and regulations promulgated by the City pursuant to Section 3.38.040, the largest volume, in fluid ounces, that would typically be produced from the Concentrates shall be determined based on the manufacturer's instructions or, if the Distributor uses that Concentrate to produce a Sugar-Sweetened Beverage, the regular practice of the Distributor.
3. The Tax shall be paid upon the first nonexempt Distribution of a Sugar-Sweetened Beverage Product in the City. To the extent that there is a chain of Distribution within Santa Cruz involving more than one Distributor, the tax shall be levied on the first Distributor subject to the jurisdiction of the City. To the extent the Tax is not paid as set forth above for any reason, it shall be payable on subsequent Distributions and by subsequent Distributors; provided, that the Distribution of Sugar-Sweetened Beverage Products may not be taxed more than once in the chain of commerce.

3.38.040 - ADMINISTRATION OF TAX.

It shall be the duty of the Tax Administrator to collect and receive all taxes imposed by this chapter, and to keep an accurate record thereof.

The Tax Administrator is hereby charged with the enforcement of this chapter, except as otherwise provided herein, and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of this chapter. Such rules and regulations shall include, but are not limited to:

1. Clarify the inclusion or exclusion of particular products.
2. The calculation of tax for concentrates based on manufacturer's instructions or industry practice and the designation of caloric sweeteners
3. The reexamination and correction of returns and payments, and for reporting.
4. Prescribing the methods, frequency, and schedules for the calculation, collection and payment of the tax.

5. The manner and form in which a Distributor must register with the City, and shall report and remit the tax.
6. How a Distributor or a Retailer who receives, in the City, Sugar-Sweetened Beverage Product(s) from a Distributor must report to the City the name of that Distributor and the volume of Sugar-Sweetened Beverage Product(s).
7. The documentation to be created or maintained by a Distributor or a Retailer.
8. The administrative process and procedures for any Person against whom a determination is made by the Tax Administrator under this chapter or any Person directly interested in such determination, shall follow to dispute or otherwise challenge a determination, and the form, manner and time within which a determination may be disputed or challenged.

Adoption and implementation by the Tax Administrator of rules and regulations authorized by this Section shall not constitute new or increased tax requiring approval by the voters of the City.

The Tax Administrator shall annually verify that the taxes owed under this chapter have been properly applied, exempted, collected and remitted.

3.38.050 - COLLECTION OF TAX AND REGISTRATION OF DISTRIBUTORS.

Every Person engaged in or about to engage in business as a Distributor in the City shall immediately register with the City in the manner and form determined by the Tax Administrator. Persons engaged in such business must be registered no later than thirty (30) days after the date the tax imposed by this chapter becomes effective on May 1, 2019, but such privilege of such registration after the date of imposition of such tax shall not relieve any Person from the obligation or payment or collection of tax on and after the date of imposition thereof, regardless of registration.

In order to aid in the collection of taxes due to the City under this chapter, any Distributor or Retailer that distributes, receives or sells Sugar-Sweetened Beverage Product(s) shall provide information to the City regarding the Distribution of these products in accordance with rules and regulations adopted by the Tax Administrator.

The City Council is authorized to have the taxes imposed by this chapter collected by the County of Santa Cruz or the California Board of Equalization in conjunction with the collection of other taxes for the City. If the City Council exercises this authorization, the duties and responsibilities of the Tax Administrator shall be given, as appropriate, to the County of Santa Cruz or the California Board of Equalization, which may delegate such duties and responsibilities as necessary and as authorized by law.

3.38.055 - PENALTIES AND INTEREST

Any Distributor who fails to file a tax return and pay any amount of tax required to be collected and paid to the City within the time required by the rules and regulations established

by the Tax Administrator shall pay a penalty of ten (10) percent of the tax, in addition to the tax, plus interest, computed on the amount of delinquent tax, inclusive of penalties, at the rate of one and one-half (1.5) percent per month, or fraction thereof, from the date on which the tax or the amount of tax required to be collected became due and payable to the City and until the date of payment.

If the Tax Administrator determines that any tax found to be due under this chapter or the delinquent filing of a tax return is due to fraud, intentional disregard or an intent to evade this part or authorized rules and regulations, a penalty of fifteen (15) percent shall be added thereto in addition to any other penalties which may be imposed.

3.38.060 - TAX DEEMED DEBT TO CITY

The amount of any tax, penalties and interest imposed by the provisions of this chapter shall be deemed a debt to the city and any Person carrying on any business taxable under this chapter without first having paid such tax shall be liable in an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such Person and for any and all cost recovery, including attorneys' fees in the enforcement of this chapter.

3.38.070 - CREDITS AND REFUNDS.

Any tax under this chapter that has been paid more than once or has been erroneously or illegally collected or received by the City shall be refunded as determined by the Tax Administrator.

Any tax under this chapter that has been returned to the Distributor within six (6) months of the initial Distribution and for which the entire purchase price has been refunded in cash or credit shall be refunded as determined by the Tax Administrator.

Claims must be filed with the Tax Administrator and determined in accordance with the rules and regulations to be established by the Tax Administrator, within one year from the date of payment of the tax to the City. No refund shall be paid under this section unless claimant establishes entitlement thereto by written documentation.

3.38.080 EXAMINATION OF BOOKS, RECORDS, WITNESSES - CONFIDENTIALITY OF INFORMATION - PENALTY.

It shall be the duty of a Distributor liable for the payment to the City of the tax imposed by this chapter to keep and preserve, for a period of four years, all records, complete and accurate, as may be necessary to determine the amount of such tax, interest, penalties and enforcement charges as the Distributor may be liable for payment to the City.

The Tax Administrator shall have the power to audit and examine all books and records of every Person liable for the payment to the City of the tax imposed by this chapter, including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of Persons engaged in Distribution in the City for the purpose

of ascertaining the amount of tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any Person pursuant to the provisions of this chapter. If such Person, after written demand by the Tax administrator, refuses to make available for audit, examination or verification such books, records or other evidence as the Tax Administrator requests, the Tax Administrator may, after full consideration of all information within his or her knowledge concerning the business and activities of the Person, make an assessment in the manner provided in this chapter of any taxes estimated to be due.

Every Person subject to the provisions of this chapter is directed and required to furnish to the Tax Administrator or duly authorized agent or employee, the means, facilities and opportunity for making such examination and investigations. The Tax Administrator is authorized to examine a Person under oath, for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the tax or, if applicable, registration fees, due under this chapter. In order to ascertain the tax due under this chapter, the Tax Administrator may compel, by administrative subpoena, the production of relevant books, papers and records and the attendance of all Persons as parties or witnesses.

Except for disclosures to agents, attorneys, or employees of the City necessary to the purpose of administering or enforcing the tax, or in compliance with a court order, or in connection with an appeal, hearing or court action, City employees shall maintain the confidentiality of all business and personal information and documents furnished to or obtained by the Tax Administrator in connection with the collection or administrative proceedings relating to the determination and assessment of taxes.

The refusal to submit to such examination or production by any employer or Person subject to the provisions of this chapter shall be deemed a violation of this chapter, and administrative subpoenas shall be enforced pursuant to applicable state law.

3.38.085 FAILURE TO COLLECT AND REPORT TAX – DETERMINATION OF TAX BY DIRECTOR OF FINANCE.

If any Person shall fail or refuse to provide records for audit, or to collect the tax and to make, within the time provided any report and remittance of said tax or any portion thereof required by this chapter, the Tax Administrator shall have the discretion to make an estimate of the tax due based on the facts and information available.

As soon as Tax Administrator shall procure such facts and information upon which to base the assessment of any tax imposed by this chapter and payable by the Distributor who has failed or refused to provide any requested records, the Tax Administrator shall proceed to determine and assess against such Distributor the tax, interest and penalties provided for by this chapter.

In case such determination is made, the Tax Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the Distributor so assessed at the last known place of address.

Such Distributor may within ten (10) days after the serving or mailing of such notice make application in writing to the Tax Administrator for a hearing on the amount assessed. If application by the Person for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Tax Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Tax Administrator shall give not less than five (5) days' written notice in the manner prescribed herein to the Person to show cause at a time and place fixed in the notice why the amount specified therein should not be fixed for such tax, interest and penalties. At such hearing the Distributor may appear and offer evidence why such specified tax, interest and penalties should not be so fixed.

After such hearing the Tax Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the Distributor in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen days unless an appeal is taken as provided in Section 3.38.090.

3.38.090 APPEAL.

Any Distributor aggrieved by any decision of the Tax Administrator with respect to the amount of such tax, interest and penalties, if any, owed under this chapter, may appeal to the city council in accordance with the provisions of Chapter 1.16 of the Santa Cruz Municipal Code.

3.38.100 PENALTY FOR VIOLATIONS.

Any Distributor violating any of the provisions of this chapter shall be guilty of a misdemeanor and shall be punishable by a fine of not more than one thousand dollars or by imprisonment in the county jail for a period of not more than six months or by both fine and imprisonment, as provided in Title 4 of this code, in addition to the penalties provided for in this chapter or elsewhere in this code.

Any Distributor who fails or refuses to register as required in this chapter, or to furnish any return required to be made or who fails or refuses to furnish a supplemental return or other data required by the Tax Administrator, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor, and is punishable as stated above in subsection (a), in addition to being subject to the other penalties provided for in this chapter or code, or elsewhere. Any Person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made is guilty of a misdemeanor and is punishable as stated above in subsection (a), in addition to the penalties provided for in this chapter or code, or elsewhere.

All remedies prescribed by this chapter or code, or any other provisions of law, and the use of one or more remedies by the City are cumulative, and shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

3.38.110 - COLLECTION DATE.

Collection of the tax shall begin on May 1, 2019.

3.38.120 UNRESTRICTED GENERAL REVENUE PURPOSES.

Notwithstanding the provisions of section 3.38.010, all tax revenue collected and remitted to the City pursuant to this chapter shall be deposited in the City of Santa Cruz unrestricted general fund and can be spent for unrestricted general revenue purposes.

3.38.130 NOT A SALES AND USE TAX.

The tax imposed by this measure is a general excise tax on conducting business within the City of Santa Cruz. It is not a sales tax or use tax or other excise tax on the sale, consumption, or use of Sugar-Sweetened Beverage Product(s).

3.38.140 SEVERABILITY.

Should any provision of this chapter, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

RESOLUTION NO. NS-_____

Exhibit A

Section 2. EFFECTIVE DATE. This ordinance relates to the levying and collecting a general tax and shall take effect immediately if the tax imposed is approved by a simple majority of voters voting on the question at the November 6, 2018 election, and shall become operative on the date specified in Section 3.38.140.

PASSED AND ADOPTED by a majority vote of the electorate of the City of Santa Cruz on November 6, 2018. Pursuant to Section 2, above, the ordinance became effective immediately upon such adoption.

Attest:_____

(Signature)

(Title)

RESOLUTION NO. NS _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ REQUESTING
THAT THE CONSOLIDATED NOVEMBER 2018 GENERAL ELECTION INCLUDE A
BALLOT MEASURE FOR THE CITY OF SANTA CRUZ TO IMPOSE AN EXCISE TAX OF
ONE CENT (\$0.01) PER FLUID OUNCE ON THE DISTRIBUTION OF SUGAR-
SWEETENED BEVERAGE PRODUCTS IN THE CITY OF SANTA CRUZ

WHEREAS, the City Council Ad Hoc Revenue Committee was established on or about February 13, 2018, to evaluate revenue considerations, including ballot measure(s) for the November, 2018 general election;

WHEREAS, the City Council Ad Hoc Revenue Committee became aware of significant harmful health risks of sugar-sweetened beverages to the public and has evaluated health reports relating thereto;

WHEREAS, the City Council Ad Hoc Revenue Committee has considered and reviewed the experience of other local jurisdictions in seeking to combat the negative health impacts of sugar sweetened beverages;

WHEREAS, the City Council accepts the Ad Hoc Revenue Committee's recommendation for placement of a tax measure on the November 6, 2018 General Municipal Election to levy a tax of one cent (\$0.01) per fluid ounce on the distribution of sugar sweetened beverage products in the city for unrestricted general revenue purposes, in order to promote community health & wellness, and sustain vital city services - such as support for parks, beaches, and open spaces; programs for youth, seniors, and working families; and facilities for community activities - and establish a community oversight panel, with all funds to be used locally.

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city shall reimburse the county in full for the services performed upon presentation of a bill to the city; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

RESOLUTION NO.

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county state and other political subdivision elections may be or have been called to be held on November 6, 2018.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Santa Cruz that it hereby orders an election be called and consolidated with any and all elections also called to be held on November 6, 2018 insofar as said elections are to be held in the same territory that is in part the same as the territory of the City of Santa Cruz, and hereby requests the Board of Supervisors of the County of Santa Cruz to order such consolidation under Elections Code Section 10401 and 10403.

BE IT FURTHER RESOLVED AND ORDERED that the City Council of the City of Santa Cruz hereby requests the Board of Supervisors to permit the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Elections Department shall conduct the election for the following measure to be voted on as the November 6, 2018 election:

Measure to be voted on:

Ballot Question:

“In order to promote community health & wellness, and sustain vital City services - such as support for parks, beaches, and open spaces; programs for youth, seniors, and working families; and facilities for community activities - shall the City levy a tax for unrestricted general revenue purposes of one cent (\$0.01) per fluid ounce on the distribution of sugar sweetened beverage products, and establish a community oversight panel, with all funds to be used locally?”

Yes _____ No _____

RESOLUTION NO.

PASSED AND ADOPTED this 26th day of June, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
David Terrazas, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

RESOLUTION NO.

BE IT ORDAINED by the electorate of the City of Santa Cruz that Section 3.38 of the Santa Cruz Municipal Code is hereby added as follows:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SANTA CRUZ
IMPOSING AN EXCISE TAX OF ONE CENT (\$0.01) PER FLUID OUNCE ON THE
DISTRIBUTION OF SUGAR-SWEETENED BEVERAGE PRODUCTS IN THE CITY OF
SANTA CRUZ

Section 1. Chapter 3.38 – SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX is hereby added to Title 3 – REVENUE AND FINANCE of the City of Santa Cruz Municipal Code, to read as follows:

“Chapter 3.38 - SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX

3.38.005 - SHORT TITLE.

This chapter shall be known as the "Sugar-Sweetened Beverage Distribution Tax Ordinance."

3.38.010 – PURPOSE OF THIS CHAPTER

This chapter imposes a general tax on the Distribution of Sugar-Sweetened Beverage Products for unrestricted general revenue purposes, including, but not limited to, promoting community health & wellness, and sustaining vital City services. This chapter is enacted solely to raise revenue for general municipal purposes, and not for purposes of regulation.

3.38.015 - COMMUNITY OVERSIGHT PANEL.

There is hereby established a Community Oversight Panel:

- 1) A Community Oversight Panel shall report on the impact of the tax, review expenditures, and include recommendations on the use of future revenues to promote community health & wellness and general revenue purposes, as consistent with this chapter.
- 2) The Community Oversight Panel shall be comprised of a minimum of 9 members with a term of 4 years as follows:
 - a) A representative designated by the City's Parks and Recreation Commission,
 - b) A representative designated by the Santa Cruz City School District
 - c) City Council appointed representatives from a youth organization, three health or wellness-related organizations or practitioners, and three at-large community members.
- 3) The Community Oversight Panel will transmit its annual report and recommendations to the City Council.

RESOLUTION NO.

3.38.020 - DEFINITIONS.

Except where the context otherwise requires, the following definitions govern the construction of this chapter:

"Alcoholic Beverage" means any beverage that is subject to taxation as an Alcoholic beverage under California Revenue and Taxation Code, Sections 32001 et seq., as may be amended from time to time.

"Beverage for Medical Use" means a beverage suitable for human consumption and manufactured for use as an oral nutritional therapy for persons who cannot absorb or metabolize dietary nutrients from food or beverages, or for use as an oral rehydration electrolyte solution formulated to prevent or treat dehydration due to illness. "Beverage for Medical Use" also means a "medical food" as defined in Section 109971 of the California Health and Safety Code. "Beverage for Medical Use" shall not include beverages commonly referred to as "sports drinks" or any other common names that are derivations thereof.

"Business Entity" means any Person except for a natural person.

"Caloric Sweetener" means any substance or combination of substances that meets all of the following criteria:

1. Is suitable for human consumption,
2. Adds calories to the diet when consumed,
3. Is perceived as sweet when consumed, and
4. Is added for making, mixing, or compounding Sugar-Sweetened Beverages by combining the substance or substances with one or more ingredients including, but not limited to, water, ice, powder, coffee, tea, fruit juice, vegetable juice, or carbonation or other gas.

"Caloric Sweetener" may take any form, including but not limited to a concentrate, liquid, syrup, gel, and powder, whether or not frozen. "Caloric Sweetener" includes, without limitation, sucrose, fructose, glucose, other sugars, and high fructose corn syrup, honey; but does not include a substance that exclusively contains natural, concentrated, or reconstituted fruit or vegetable juice or any combination thereof.

"City" means the City of Santa Cruz, California.

"Community Oversight Panel" means the Sugar-Sweetened Beverage Distribution Tax Community Oversight Panel described in this chapter.

"Concentrate" means a syrup, powder, frozen or gel mixture, or other product containing one or more sweeteners as an ingredient, intended to be used in making, mixing, or compounding a sweetened beverage by combining the concentrate with one or more other ingredients.

"Consumer" or "Consumers" means a natural person or persons who purchase a Sugar-Sweetened Beverage Product(s) in the City for a purpose other than resale in the ordinary course of business.

"Distribution", "Distribute" or "Distributing" means the transfer of title, ownership, or possession other than by a common carrier: (a) from one Business Entity to another for consideration; or (b)

RESOLUTION NO.

within a single Business Entity, such as by a wholesale or warehousing unit to a retail outlet or between two or more employees or contractors of said Business Entity. "Distribution" or "Distribute" shall not mean the retail sale to a Consumer.

"Distributor" means any Person who engages in the business of Distribution of Sugar-Sweetened Beverage Product(s) within the City.

"General Tax" means any tax imposed for unrestricted general governmental purposes.

"Milk Product" means: (a) any beverage in which natural milk secreted by an animal is the primary and first ingredient in the product ingredient list; and (b) any plant-based substance or combination of substances in which (i) water and (ii) grains, nuts, legumes, or seeds, constitute the first two ingredients in the product ingredient list. For purposes of this definition, "Milk Product" includes concentrate and dehydrated forms, whether or not reconstituted. For purposes of this definition, "Milk Product" includes, but is not limited to, soy milk, almond milk, rice milk, coconut milk, hemp milk, oat milk, hazelnut milk, flax milk.

"Natural Fruit Juice" means the original liquid resulting from the pressing of fruit, and includes natural fruit juice concentrate, and dehydrated natural fruit juice.

"Natural Vegetable Juice" means the original liquid resulting from the pressing of vegetables, and includes natural vegetable juice concentrate, and dehydrated natural vegetable juice.

"Natural or Common Sweetener" means: a sweetening agent on its own and independent of any Sugar-Sweetened Beverage Product, including but not limited to, granulated white sugar, brown sugar, honey, molasses, xylem sap of maple trees, agave nectar, corn syrup, or stevia.

"Nonalcoholic Beverage" means any beverage that is not subject to tax under California Revenue and Taxation Code sections 32001 et seq."

"Person" means any natural person, partnership, cooperative, association, limited liability company, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.

"Powder" means any solid mixture containing one or more Caloric Sweeteners as an ingredient intended to be used in making, mixing or compounding a Sugar-Sweetened Beverage by combining the Powder with one or more other ingredients.

"Retailer" means any Person who serves a Sugar-Sweetened Beverage Product(s) to Consumer(s) for payment.

"Small Business" means any Person with less than \$500,000 in annual gross receipts in the most recent calendar year that distributes, sells, serves or provides Sugar-Sweetened Beverage Product(s) directly to final Consumers.

"Sugar-Sweetened Beverage" means any nonalcoholic beverage prepared in any form intended for human consumption to which one or more Caloric Sweeteners has been added and that contains 40 or more calories per 12 fluid ounces of beverage including, but not limited to, drinks and beverages commonly referred to as "soda," "pop," "cola," "soft drinks," "sports drinks,"

RESOLUTION NO.

"energy drinks," "slushies," "sweetened ice teas," or any other common names that are derivations thereof.

"Sugar-Sweetened Beverage Distribution Tax" or "Tax" is the general excise tax imposed under Section 3.38.030.

"Sugar-Sweetened Beverage Product(s)" means a Sugar-Sweetened Beverage or Caloric Sweetener.

"Syrup" means any liquid or frozen mixture, containing one or more Caloric Sweeteners as an ingredient, intended to be used, or actually used, in making, mixing, or compounding a Sugar-Sweetened Beverage by combining the Syrup with one or more other ingredients.

"Tax Administrator" means the Director of Finance for the City of Santa Cruz or his or her designee.

3.38.025 - EXEMPTIONS.

"Sugar-Sweetened Beverage" and "Sugar-Sweetened Beverage Product" shall not include:

- 1) any beverage that contains less than 40 calories per 12 fluid ounces of beverage;
- 2) any beverage sold for consumption by infants, which is commonly referred to as "infant formula" or "baby formula," or oral rehydration fluids for children;
- 3) any beverage for medical use;
- 4) any beverage designed as supplemental, meal replacement, or sole-source nutrition that includes proteins, carbohydrates, and multiple vitamins and minerals;
- 5) Milk Products;
- 6) 100 percent natural fruit or vegetable juice or combination thereof with no added caloric sweetener;
- 7) Any Caloric Sweetener that the Consumer combines with other ingredients to create a Sugar Sweetened Beverage;
- 8) Sweetened medication such as cough syrup, liquid pain relievers, fever reducers, and similar products; or
- 9) Any alcoholic beverage.

The Tax shall not apply to:

1. To any Distributor that is not subject to taxation by the City under the laws of the United States or the State of California.
2. The Distribution of any Sugar-Sweetened Beverage Product by a Small Business as defined in this chapter.
3. To any Distributor of Natural or Common Sweeteners.

3.38.030 - EXCISE TAX.

In addition to any other taxes imposed by the City, the City hereby levies a General Tax of one cent (\$0.01) per fluid ounce on the Distribution of Sugar-Sweetened Beverage Products in the City.

RESOLUTION NO.

For the purposes of this chapter, the volume, in ounces, of a Sugar-Sweetened Beverage Product shall be calculated as follows:

1. For a Sugar-Sweetened Beverage, the volume, in fluid ounces, of Sugar-Sweetened Beverages distributed to any Person in the course of business in the City.
2. For added Caloric Sweeteners, the largest volume, in fluid ounces, of Sugar-Sweetened Beverages that could be produced from the added Caloric Sweeteners. In accordance with rules and regulations promulgated by the City pursuant to Section 3.38.040, the largest volume, in fluid ounces, that would typically be produced from the added Caloric Sweeteners shall be determined based on the manufacturer's instructions or, if the Distributor uses that added Caloric Sweeteners to produce a Sugar-Sweetened Beverage, the regular practice of the Distributor.
3. The Tax shall be paid upon the first nonexempt Distribution of a Sugar-Sweetened Beverage Product in the City. To the extent that there is a chain of Distribution within Santa Cruz involving more than one Distributor, the tax shall be levied on the first Distributor subject to the jurisdiction of the City. To the extent the Tax is not paid as set forth above for any reason, it shall be payable on subsequent Distributions and by subsequent Distributors; provided, that the Distribution of Sugar-Sweetened Beverage Products may not be taxed more than once in the chain of commerce.

3.38.040 - ADMINISTRATION OF TAX.

It shall be the duty of the Tax Administrator to collect and receive all taxes imposed by this chapter, and to keep an accurate record thereof.

The Tax Administrator is hereby charged with the enforcement of this chapter, except as otherwise provided herein, and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of this chapter. Such rules and regulations shall include, but are not limited to:

1. Clarify the inclusion or exclusion of particular products.
2. The calculation of tax for concentrates based on manufacturer's instructions or industry practice and the designation of caloric sweeteners
3. The reexamination and correction of returns and payments, and for reporting.
4. Prescribing the methods, frequency, and schedules for the calculation, collection and payment of the tax.
5. The manner and form in which a Distributor must register with the City, and shall report and remit the tax.
6. How a Distributor or a Retailer who receives, in the City, Sugar-Sweetened Beverage Product(s) from a Distributor must report to the City the name of that Distributor and the volume of Sugar-Sweetened Beverage Product(s).
7. The documentation to be created or maintained by a Distributor or a Retailer.
8. The administrative process and procedures for any Person against whom a determination is made by the Tax Administrator under this chapter or any Person directly interested in such determination, shall follow to dispute or otherwise challenge a determination, and the form, manner and time within which a determination may be disputed or challenged.

RESOLUTION NO.

Adoption and implementation by the Tax Administrator of rules and regulations authorized by this Section shall not constitute new or increased tax requiring approval by the voters of the City.

The Tax Administrator shall annually verify that the taxes owed under this chapter have been properly applied, exempted, collected and remitted.

3.38.050 - COLLECTION OF TAX AND REGISTRATION OF DISTRIBUTORS.

Every Person engaged in or about to engage in business as a Distributor in the City shall immediately register with the City in the manner and form determined by the Tax Administrator. Persons engaged in such business must be registered no later than thirty (30) days after the date the tax imposed by this chapter becomes effective on May 1, 2019, but such privilege of such registration after the date of imposition of such tax shall not relieve any Person from the obligation or payment or collection of tax on and after the date of imposition thereof, regardless of registration.

In order to aid in the collection of taxes due to the City under this chapter, any Distributor or Retailer that distributes, receives or sells Sugar-Sweetened Beverage Product(s) shall provide information to the City regarding the Distribution of these products in accordance with rules and regulations adopted by the Tax Administrator.

The City Council is authorized to have the taxes imposed by this chapter collected by the County of Santa Cruz or the California Board of Equalization in conjunction with the collection of other taxes for the City. If the City Council exercises this authorization, the duties and responsibilities of the Tax Administrator shall be given, as appropriate, to the County of Santa Cruz or the California Board of Equalization, which may delegate such duties and responsibilities as necessary and as authorized by law.

3.38.055 - PENALTIES AND INTEREST

Any Distributor who fails to file a tax return and pay any amount of tax required to be collected and paid to the City within the time required by the rules and regulations established by the Tax Administrator shall pay a penalty of ten (10) percent of the tax, in addition to the tax, plus interest, computed on the amount of delinquent tax, inclusive of penalties, at the rate of one and one-half (1.5) percent per month, or fraction thereof, from the date on which the tax or the amount of tax required to be collected became due and payable to the City and until the date of payment.

If the Tax Administrator determines that any tax found to be due under this chapter or the delinquent filing of a tax return is due to fraud, intentional disregard or an intent to evade this part or authorized rules and regulations, a penalty of fifteen (15) percent shall be added thereto in addition to any other penalties which may be imposed.

3.38.060 - TAX DEEMED DEBT TO CITY

The amount of any tax, penalties and interest imposed by the provisions of this chapter shall be deemed a debt to the city and any Person carrying on any business taxable under this chapter without first having paid such tax shall be liable in an action in the name of the City in any court

RESOLUTION NO.

of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such Person and for any and all cost recovery, including attorneys' fees in the enforcement of this chapter.

3.38.070 - CREDITS AND REFUNDS.

Any tax under this chapter that has been paid more than once or has been erroneously or illegally collected or received by the City shall be refunded as determined by the Tax Administrator.

Any tax under this chapter that has been returned to the Distributor within six (6) months of the initial Distribution and for which the entire purchase price has been refunded in cash or credit shall be refunded as determined by the Tax Administrator.

Claims must be filed with the Tax Administrator and determined in accordance with the rules and regulations to be established by the Tax Administrator, within one year from the date of payment of the tax to the City. No refund shall be paid under this section unless claimant establishes entitlement thereto by written documentation.

3.38.080 EXAMINATION OF BOOKS, RECORDS, WITNESSES - CONFIDENTIALITY OF INFORMATION - PENALTY.

It shall be the duty of a Distributor liable for the payment to the City of the tax imposed by this chapter to keep and preserve, for a period of four years, all records, complete and accurate, as may be necessary to determine the amount of such tax, interest, penalties and enforcement charges as the Distributor may be liable for payment to the City.

The Tax Administrator shall have the power to audit and examine all books and records of every Person liable for the payment to the City of the tax imposed by this chapter, including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of Persons engaged in Distribution in the City for the purpose of ascertaining the amount of tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any Person pursuant to the provisions of this chapter. If such Person, after written demand by the Tax administrator, refuses to make available for audit, examination or verification such books, records or other evidence as the Tax Administrator requests, the Tax Administrator may, after full consideration of all information within his or her knowledge concerning the business and activities of the Person, make an assessment in the manner provided in this chapter of any taxes estimated to be due.

Every Person subject to the provisions of this chapter is directed and required to furnish to the Tax Administrator or duly authorized agent or employee, the means, facilities and opportunity for making such examination and investigations. The Tax Administrator is authorized to examine a Person under oath, for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the tax or, if applicable, registration fees, due under this chapter. In order to ascertain the tax due under this chapter, the Tax Administrator may compel,

RESOLUTION NO.

by administrative subpoena, the production of relevant books, papers and records and the attendance of all Persons as parties or witnesses.

Except for disclosures to agents, attorneys, or employees of the City necessary to the purpose of administering or enforcing the tax, or in compliance with a court order, or in connection with an appeal, hearing or court action, City employees shall maintain the confidentiality of all business and personal information and documents furnished to or obtained by the Tax Administrator in connection with the collection or administrative proceedings relating to the determination and assessment of taxes.

The refusal to submit to such examination or production by any employer or Person subject to the provisions of this chapter shall be deemed a violation of this chapter, and administrative subpoenas shall be enforced pursuant to applicable state law.

3.38.085 FAILURE TO COLLECT AND REPORT TAX – DETERMINATION OF TAX BY DIRECTOR OF FINANCE.

If any Person shall fail or refuse to provide records for audit, or to collect the tax and to make, within the time provided any report and remittance of said tax or any portion thereof required by this chapter, the Tax Administrator shall have the discretion to make an estimate of the tax due based on the facts and information available.

As soon as Tax Administrator shall procure such facts and information upon which to base the assessment of any tax imposed by this chapter and payable by the Distributor who has failed or refused to provide any requested records, the Tax Administrator shall proceed to determine and assess against such Distributor the tax, interest and penalties provided for by this chapter.

In case such determination is made, the Tax Administrator shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the Distributor so assessed at the last known place of address.

Such Distributor may within ten (10) days after the serving or mailing of such notice make application in writing to the Tax Administrator for a hearing on the amount assessed. If application by the Person for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the Tax Administrator shall become final and conclusive and immediately due and payable. If such application is made, the Tax Administrator shall give not less than five (5) days' written notice in the manner prescribed herein to the Person to show cause at a time and place fixed in the notice why the amount specified therein should not be fixed for such tax, interest and penalties. At such hearing the Distributor may appear and offer evidence why such specified tax, interest and penalties should not be so fixed.

After such hearing the Tax Administrator shall determine the proper tax to be remitted and shall thereafter give written notice to the Distributor in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after fifteen days unless an appeal is taken as provided in Section 3.38.090.

3.38.090 APPEAL.

RESOLUTION NO.

Any Distributor aggrieved by any decision of the Tax Administrator with respect to the amount of such tax, interest and penalties, if any, owed under this chapter, may appeal to the city council in accordance with the provisions of Chapter 1.16 of the Santa Cruz Municipal Code.

3.38.100 PENALTY FOR VIOLATIONS.

Any Distributor violating any of the provisions of this chapter shall be guilty of a misdemeanor and shall be punishable by a fine of not more than one thousand dollars or by imprisonment in the county jail for a period of not more than six months or by both fine and imprisonment, as provided in Title 4 of this code, in addition to the penalties provided for in this chapter or elsewhere in this code.

Any Distributor who fails or refuses to register as required in this chapter, or to furnish any return required to be made or who fails or refuses to furnish a supplemental return or other data required by the Tax Administrator, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor, and is punishable as stated above in subsection (a), in addition to being subject to the other penalties provided for in this chapter or code, or elsewhere. Any Person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made is guilty of a misdemeanor and is punishable as stated above in subsection (a), in addition to the penalties provided for in this chapter or code, or elsewhere.

All remedies prescribed by this chapter or code, or any other provisions of law, and the use of one or more remedies by the City are cumulative, and shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

3.38.110 - COLLECTION DATE.

Collection of the tax shall begin on May 1, 2019.

3.38.120 UNRESTRICTED GENERAL REVENUE PURPOSES.

Notwithstanding the provisions of section 3.38.010, all tax revenue collected and remitted to the City pursuant to this chapter shall be deposited in the City of Santa Cruz unrestricted general fund and can be spent for unrestricted general revenue purposes.

3.38.130 NOT A SALES AND USE TAX.

The tax imposed by this measure is a general excise tax on conducting business within the City of Santa Cruz. It is not a sales tax or use tax or other excise tax on the sale, consumption, or use of Sugar-Sweetened Beverage Product(s).

3.38.140 SEVERABILITY.

RESOLUTION NO.

Should any provision of this chapter, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

Section 2. EFFECTIVE DATE. This ordinance relates to the levying and collecting a general tax and shall take effect immediately if the tax imposed is approved by a simple majority of voters voting on the question at the November 6, 2018 election, and shall become operative on the date specified in Section 3.38.140.

PASSED AND ADOPTED by a majority vote of the electorate of the City of Santa Cruz on November 6, 2018. Pursuant to Section 2, above, the ordinance became effective immediately upon such adoption.

Attest: _____
(Signature)

(Title)



Supporters

Measure D - Berkeley's soda tax - was supported by prominent, respected organizations and individuals in and beyond Berkeley. The list below contains a number of them.

- HEALTH ORGANIZATIONS
- COMMUNITY & EDUCATION ORGANIZATIONS
- POLITICAL ORGANIZATIONS
- GROCERS & RESTAURANTS
- BERKELEY CITY COUNCIL AND SCHOOL BOARD (Unanimous endorsement)
- INDIVIDUALS

HEALTH ORGANIZATIONS

African American Tobacco Control Leadership Council
American Academy of Pediatrics - California

American Heart Association
Alameda-Contra Costa Medical Association
Alameda County Public Health Commission
Berkeley Dental Society
Berkeley Pediatric Medical Group
California Dental Hygienists' Association
California Nurses Association
California Center for Public Health Advocacy
California Public Health Association - North
Center for Science in the Public Interest
Healthy & Active Before 5
Healthy Black Families
Healthy & Active Before 5
Latino Coalition for a Healthy California
Lifelong Medical Care, Inc.
Kiwi Pediatrics Medical Group
Public Health Institute
Parents of Children of African Descent
Physicians for Social Responsibility, S.F. Bay Area
Prevention Institute

COMMUNITY & EDUCATION ORGANIZATIONS

Berkeley NAACP
Latinos Unidos de Berkeley
Berkeley Federation of Teachers
California Federation of Teachers
YMCA of the Central Bay Area
The Ecology Center
ACLU Berkeley/North East Bay Chapter
Associated Students of the University of California Berkeley
Berkeley Community Gardening Collaborative
Berkeley Council of Classified Employees
Berkeley Firefighters Association
Berkeley Local Public Employees Union One

Berkeley Media Studies Group
Berkeley Organizing Congregations for Action
Berkeley Youth Alternatives
The Daily Californian (UC Berkeley's Student-Run Newspaper)
East Bay Express Newspaper
LeConte Elementary School PTA
Longfellow Middle School PTA
Malcolm X Elementary School PTA
Oakland Tribune Newspaper
Options Recovery Services
Project Open Hand
Roots of Change
SF Bay Guardian News
Thousand Oaks Elementary School PTA
Urban Adamah Jewish Community Farm
Youth Spirit Artworks
18 Reasons

POLITICAL ORGANIZATIONS

Alameda County Democratic Party Central Committee
Berkeley Citizen Action
Berkeley Democratic Club
Berkeley Organizing Congregations for Action
East Bay Stonewall Democratic Club
East Bay Young Democrats
Gray Panthers Berkeley/East Bay
League of Women Voters Berkeley, Albany, Emeryville
John George Democratic Club
National Women's Political Caucus - Alameda North
Wellstone Democratic Renewal Club

GROCERS & RESTAURANTS

Monterey Market

The Natural Grocery Company

Bette's Oceanview Diner

Cafe Leila, Berkeley

Guerilla Cafe

Smoke BBQ, Berkeley

Westbrae Biergarten

BERKELEY CITY COUNCIL AND SCHOOL BOARD (Unanimous endorsement)

Mayor Tom Bates

District 1 Councilmember, Linda Maio,

District 2 Councilmember, Darryl Moore

District 3 Councilmember Max Anderson

District 4 Councilmember, Jesse Arreguin

District 5 Councilmember, Laurie Capitelli

District 6 Councilmember, Susan Wengraf

District 7 Councilmember, Kriss Worthington

District 8 Councilmember, Gordon Wozniak

Berkeley School Board President, Joshua Daniels

Berkeley School Board Member, Beatriz Leyva-Cutler

Berkeley School Board Member, Karen Hemphill

Berkeley School Board Member, Judy Appel

Berkeley School Board Member, Julie Sinai

Candidates:

District 1 City Council candidate, Alejandro Soto-Vigil

District 7 City Council candidate, Sean Barry

District 8 City Council candidate, George Beier
District 8 City Council candidate, Lori Droste
District 8 City Council candidate, Jacquelyn McCormick
District 8 City Council candidate, Mike Alvarez Cohen
Berkeley School Board candidate, Ty Alper

INDIVIDUALS

Robert Reich, Chancellor's Professor of Public Policy, UC Berkeley*
Loni Hancock, California State Senator*
Nancy Skinner, California State Assembly member*
Keith Carson, Alameda County Board of Supervisors*
Elizabeth Echols, Candidate for California State Assembly
Tony Thurmond, Candidate for California State Assembly
Michael Pollan, Knight Professor of Journalism, UC Berkeley*
Alice Waters, Founder, Edible Schoolyard Project; Executive Chef, Founder, and Owner of Chez Panisse
Anna Blythe Lappe, Small Planet Institute
Alice Walker, Author
Martin Bourque, Executive Director, Ecology Center
Xavier Morales, Executive Director, Latino Coalition for a Healthy California
Dr. Lynn Silver, Senior Advisor, Public Health Institute
Rev. Dr. Marvin Peoples, Pastor, Liberty Hill Missionary Baptist Church*
Rev. Kieran Healy, St. Mary Magdalen Parish-Berkeley*
Dr. Paul M. Martin, President, American Baptist Seminary of the West*
Rev. Michael Smith, McGee Ave. Baptist Church*
Cornell C. S. Wheeler, Pastor, Missionary Church of God in Christ*
Dr. Vicki Alexander, Berkeley City Health Director, Retired
Ann-Marie Hogan, Auditor, City of Berkeley*
Shirley Issel, Former Berkeley School Board President
John Tango Iverson, Singer/Activist, ACT UP East Bay & Occupy AIDS
Hon. Carole Davis Kennerly, former Berkeley Vice Mayor
Marty Lynch, CEO of LifeLong Medical Care
Marian Mabel, Co-President, Malcolm X PTA
Joshua Room, Co-President, Malcolm X PTA

- Joy Moore, Garden educator and community food activist
- Chris Peeples, Director at Large, Board of Directors, Alameda-Contra Costa Transit District*
- Dr. Jeff Ritterman, cardiologist and former Richmond City Council member
- Holly Scheider, parent and public health activist
- Clancey Bateman, Consultant, John Snow, Inc.*
- William Haar, Program Coordinator, Prevention Institute
- Emily Warming, Healthy & Active Before 5
- Lisa Nguyen, Healthy & Active Before 5
- Rhea Elina Laughlin, Healthy & Active Before 5
- Cally Martin, Healthy & Active Before 5
- Tonya D. Lowe, Healthy & Active Before 5
- Sarah Nelson, 18 Reasons
- Lauren Brightwell, Contra Costa Child Care Council*
- Viola Lujan, La Clinica de La Raza*
- John F. Jonas, Contra Costa Child Care Council*
- Valentina Loreto-Ashleu, Contra Costa Health Services*
- Michell Nadoo, Contra Costa College Early Learning Center*
- Yasmin Ahmed, Building Blocks for Kids Richmond*
- Sarah Rios-Hacegaba, Building Blocks for Kids Richmond*
- Mary Helen Rocha, Brighter Beginnings*
- Sandra Scherer, Monument Crisis Center*
- Ana Villalobos, Monument Impact*
- Lisa Stephens, Chair, Berkeley Rent Stabilization Board; Former Chair, Parks & Recreation Commission*
- Marianne Balini
- Sophia Koessel Talbot
- Katharine Mason
- Diana Camacho

*affiliation is for identification purposes only

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Source Information

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- (2) “Added Sugars and Cardiovascular Disease Risk in Children” *American Heart Association*. 2016.
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- (10) “Soda taxes win in Oakland, San Francisco and Albany.” *The Mercury News*. 2016.
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- (12) "Sugar & Type II Diabetes." *Healthy Food America Moving Science to Action*. 2018. http://www.healthyfoodamerica.org/sugar_type_ii_diabetes/. Accessed 20 Jun. 2018.
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City Council Ad-Hoc Revenue Committee Recommendation

6/26/18, Item #28

Actions:

- 1) Place a one-cent Sugary-Sweetened Distribution Beverage Tax and Community Oversight Panel measure on November 6, 2018
- 2) Motion to support the measure, identify authors and prepare legal and as needed, fiscal analysis

Pro-active actions to create a healthier Santa Cruz

2

- ▶ Creation of a Community Oversight Panel of experts
 - ▶ Will report on the impact of the tax, monitor annual tax receipts, and recommend use of future revenues
 - ▶ Will include members from City Parks & Recreation Commission, Santa Cruz schools, youth organizations, wellness organizations, doctors, pediatricians, dentists and other community wellness stakeholders
- ▶ Sugar-Sweetened beverage health impacts
 - ▶ One 12oz can is 1.5 times a child's entire daily sugar intake
 - ▶ Liquid sugar increases the risk of diabetes more than sugar in food
 - ▶ Latino children have a high risk of Type 2 diabetes
- ▶ Berkeley- 9.6% decrease in soda & 15.6% increase in water consumption

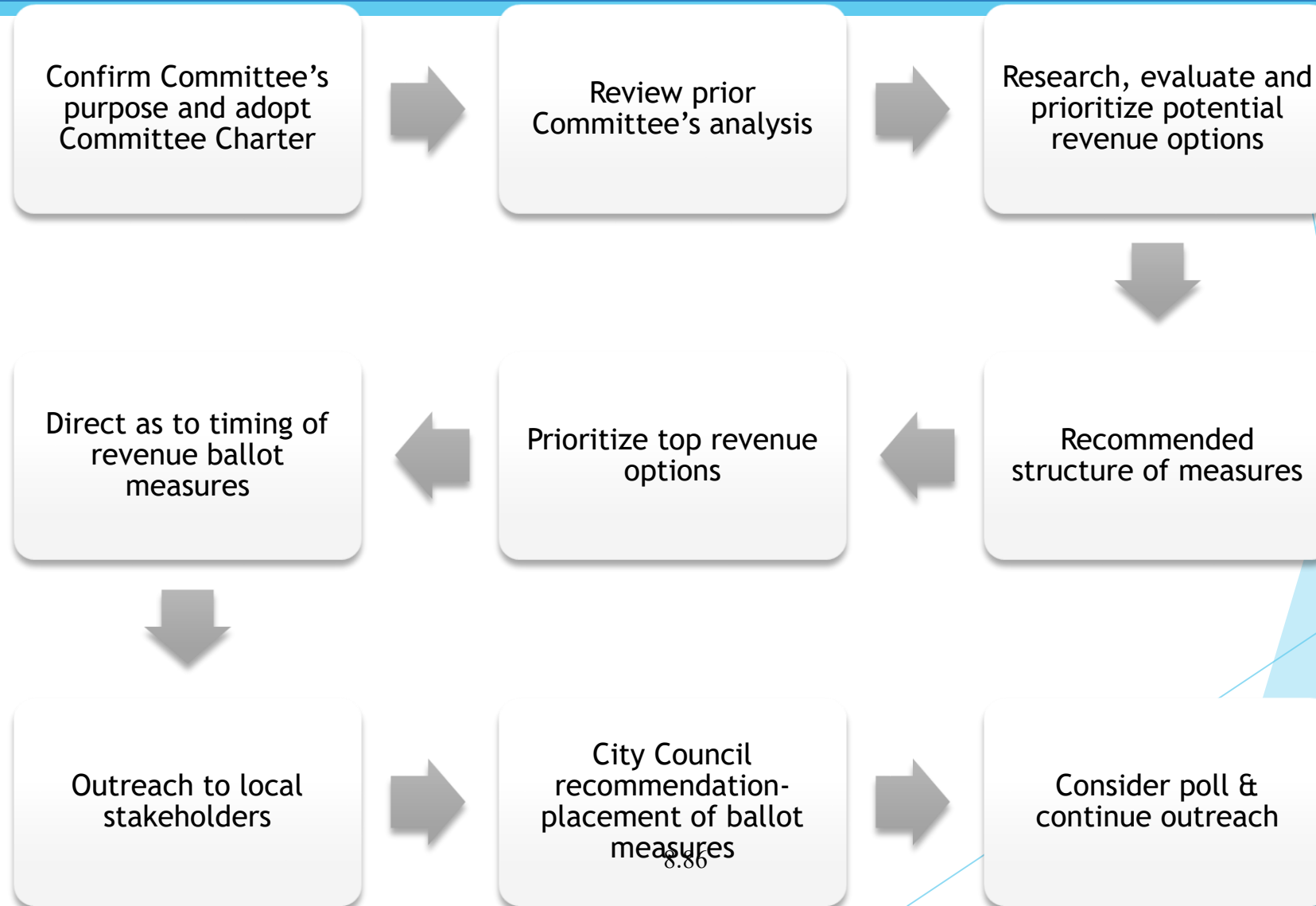
28.64

Ad-Hoc Revenue Committee for November 2018 Ballot

- ▶ Established by Council on February 13, 2018
- ▶ Martine Watkins (Chair), Chris Krohn, Cynthia Mathews
- ▶ Investigate current and long-term resource options for 2018 ballot considerations
 - ▶ Focused on the November 2018 election
 - ▶ Continued research and considerations of the prior Ad-Hoc Revenue Committee
 - ▶ Special emphasis on Community Wellness and coordination of community stakeholders
 - ▶ Critical to fund the ability to sustain Parks and Recreation and CORE and related programs that collectively support access to all to offset Social Determinants of Health

Committee Work Plan

Committee Work Plan



Review of revenue considerations

Resource Options Evaluated

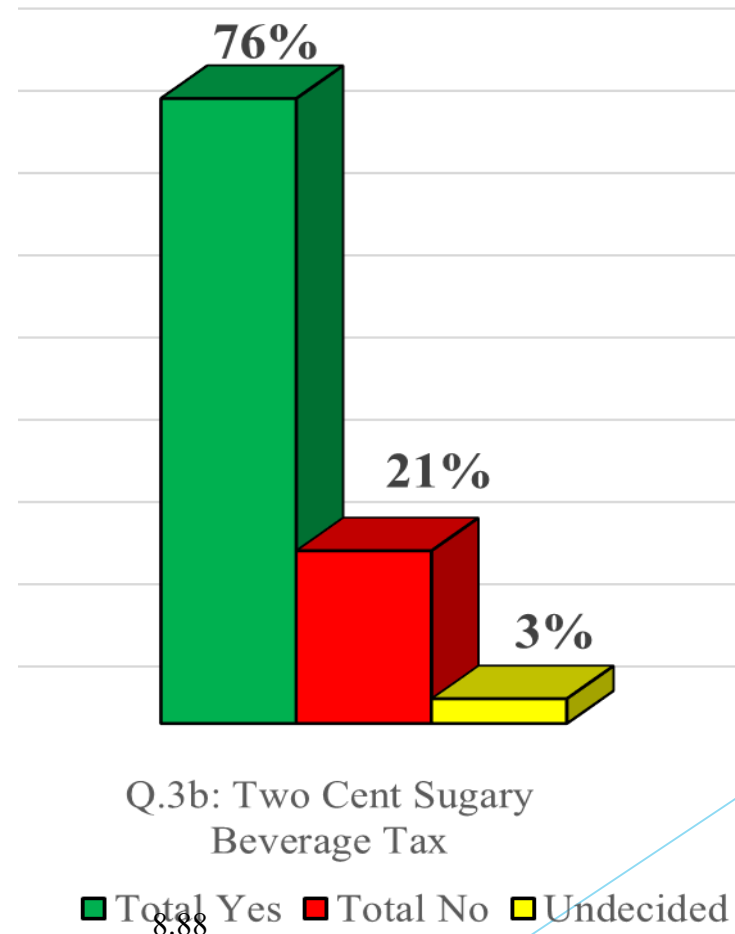
Admission Tax	Business License Tax	Cannabis Excise Tax
Franchise Taxes	Parcel taxes	Other Property taxes
Parking Tax	Property Transfer Tax	Sales Tax
Sugar-Sweetened Tax	Transient Occupancy Tax	Utility Users Tax

Examples of committee considerations

- ▶ Community health and wellness
- ▶ Competition with a possible November county-wide housing measure
- ▶ Success rate of a ballot measure balance with cost of election
- ▶ Voter support patterns of current and prior elections
- ▶ Community support

Community supports sugary distribution tax

- ▶ January 2018 poll results very strong
- ▶ Early outreach confirms support
- ▶ Will require community leadership to be the 5th in the State and 8th in the Country with this tax
- ▶ Groups like American Beverage Association and Big Soda will mount an aggressive fight



Questions & Action

Recommended Actions

- 1) Resolution to place a one-cent sugar-sweetened distribution tax measure on November 6, 2018
- 2) Motion to support the measure, identify authors, and prepare legal and if necessary fiscal analysis

City already implemented fiscal recommendations

January 2018
League of Cal. Cities

9

GFOA Awards

AA+ Bond Rating

Pension Reforms

Fiscal success

Financial
Planning

Develop plan to pay
down liability

Consider local ballot
measures

Create pension rate
stabilization

Change in Service Levels

Use Bargaining to increase
Employee payments

Issue Pension Obligation
Bond

Santa Cruz has AA+ S&P rating!

8.90

28.71


San Francisco Ballot language

"Shall the City collect a tax of one cent per ounce from the distributors of sugar-sweetened beverages?"^[2]

Proposition V 2016--needed simple majority		
Result	Votes	Percentage
Yes	237,168	62.49%
No	142,347	37.51%

Election results from [San Francisco Department of Elections](#)


Election results--2014--needed 2/3's majority

City of San Francisco, Proposition E		
Result	Votes	Percentage
 No	98,625	44.41%
Yes	123,475	55.59%

Berkeley ballot language (2014)


The question on the ballot was:^[4]

Shall an ordinance imposing a 1¢ per ounce general tax on the distribution of high-calorie, sugary drinks (e.g., sodas, energy drinks, presweetened teas) and sweeteners used to sweeten such drinks, but exempting: (1) sweeteners (e.g., sugar, honey, syrups) typically used by consumers and distributed to grocery stores; (2) drinks and sweeteners distributed to very small retailers; (3) diet drinks, milk products, 100% juice, baby formula, alcohol, or drinks taken for medical reasons, be adopted?^[5]

City of Berkeley, Measure D		
Result	Votes	Percentage
 Yes	29,540	76.17%
No	9,243	23.83%

Oakland

"Shall the City of Oakland impose a 1 cent per ounce general tax on the distribution of sugar sweetened beverages, including products such as sodas, sports drinks, sweetened teas, energy drinks, but exempting: milk products, 100% juice, baby formula, diet drinks, or drinks taken for medical reasons; and providing an exemption for small businesses?"^[2]

Measure HH		
Result	Votes	Percentage
 Yes	107,405	61.35%
No	67,655	38.65%

Election results from [Alameda County Registrar of Voters](#)



CITY COUNCIL AGENDA REPORT

DATE: April 20, 2020

AGENDA OF: April 28, 2020

DEPARTMENT: City Council

SUBJECT: Resolution Urging the California State Legislature and the Governor to Immediately Overturn SB 872 (2018), Banning Local Government Taxation of Sugary Beverages (CN)

RECOMMENDATION: Resolution urging the California State Legislature and the Governor to immediately overturn SB 872 (2018) and return to California cities the right to improve public health and raise revenue by disincentivizing consumption of soda and other sugary beverages.

BACKGROUND: According to a Sacramento Bee editorial board article ('Big Soda's sweet deal to ban soda taxes is a California shakedown', June 25, 2018) and general consensus of experienced political observers, the California Governor and Legislature were the victims of a type of "extortion" and "shakedown" by the American Beverage Association in the summer of 2018. The Governor and Legislature were essentially forced to enact a law temporarily prohibiting and preempting the ability of California cities to enact popular sugary drink taxes despite the fact these are proven tools for cities to both improve public health and raise revenue.

California voters who passed soda taxes in their cities before the successful 2018 campaign by the American Beverage Association have improved the health of their residents and given their cities millions of dollars in revenue available to stave off budget cuts due to the COVID-19 induced economic downturn.

A majority vote of the California Legislature and a signature by the Governor now would give California cities one more tool to fight COVID-19 and improve community health in the long term. California cities need every single tool available to give their residents the possibility of a healthier future.

It is noteworthy that among the highest risk categories for complications and death due to COVID-19 are individuals with underlying health conditions. Some of the most significant underlying health conditions, including diabetes and heart disease, have been directly linked to high consumption of sugary beverages. Policies to reduce consumption of sugary beverages will directly influence public health far beyond the immediate COVID-19 crisis.

DISCUSSION: A resolution is being requested urging the California State Legislature and the Governor to recognize that due to the COVID-19 crisis, they need to immediately overturn SB 872 that was passed in 2018 and give California cities back their right to improve public health and raise revenue by disincentivizing consumption of soda and other sugary beverages and allow residents to choose whether they want a sugary drink tax in their city.

FISCAL IMPACT: None.

Submitted by:
Justin Cummings
Mayor

Submitted by:
Martine Watkins
Councilmember

Submitted by:
Cynthia Mathews
Councilmember

ATTACHMENTS

Draft Resolution
Letter from Californians for Less Soda
Sample Resolution from Californians for Less Soda
SB 872

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ URGING THE CALIFORNIA STATE LEGISLATURE AND THE GOVERNOR TO RECOGNIZE THAT DUE TO THE COVID-19 CRISIS THEY NEED TO IMMEDIATELY OVERTURN SB 872 THAT WAS PASSED IN 2018 AND GIVE CALIFORNIA CITIES BACK THEIR RIGHT TO IMPROVE PUBLIC HEALTH AND RAISE REVENUE BY DISINCENTIVIZING CONSUMPTION OF SODA AND OTHER SUGARY BEVERAGES

WHEREAS, According to the Sacramento Bee, the California Governor and Legislature were the victims of a type of “extortion” and “shakedown” by the American Beverage Association in the summer of 2018; and

WHEREAS, the Governor and Legislature were essentially forced to enact a law temporarily prohibiting and preempting the ability of California cities of their right to enact popular sugary drink taxes despite the fact that they are proven tools for cities to improve public health and raise revenue; and

WHEREAS, the City of Seattle enacted a soda tax in 2018 and has been able to use that revenue this year to give \$800 in grocery vouchers to thousands of Seattle families hard hit by COVID-19; and

WHEREAS, California voters who passed soda taxes in their cities before the successful 2018 “extortion” by the American Beverage Association have improved the health of their residents and given their cities millions of dollars in revenue available to stave off budget cuts due to the COVID-19 induced economic downturn; and

WHEREAS, a majority vote of the California Legislature and a signature by the Governor now would give California cities one more tool to fight COVID-19; and

WHEREAS, California cities need every single tool available in the war against COVID-19 to give their residents the possibility of a healthier future; and

WHEREAS, the world has changed since COVID-19, and California can no longer afford to handcuff cities and prevent voters from using proven tools to improve health equity and public health and provide for safe, accessible, and affordable drinking water.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby urges the California Legislature and the Governor of California to overturn SB 872 and allow residents to choose whether they want a sugary drink tax in their city.

BE IT FURTHER RESOLVED that the Mayor is directed to transmit a copy of this resolution to all State Legislators and the Governor with a request to take all action necessary to achieve the objectives of this resolution.

RESOLUTION NO. NS-29,

PASSED AND ADOPTED this 28th day of April, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Justin Cummings, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator



Monday, April 13, 2020

City of Santa Cruz
809 Center Street
Santa Cruz, CA 95060

Re: Urgent Action Needed

Dear City Leaders,

As the World reels from the health and economic consequences of COVID-19, we wanted to alert you that cities can use a sugary drink tax to make your residents and your city finances healthier in the short and long run. In fact, Seattle, one of America's two earliest and most impacted cities, is using a sugary drink tax right now to give \$800 to over 6,000 of their residents to help infuse much needed resources into some of the most vulnerable communities in the City. ([see article link](#)).

In addition, sugary drink taxes have proven extremely effective at fighting the root causes of diabetes and heart disease. In fact, studies show a 2-cent sugary drink tax across California would reduce health care costs by more than \$3 billion over ten years.

We are writing from Californians for Less Soda, a coalition of California and national health equity and public health advocates and health professionals,

If you are interested in seeing how much revenue could be generated for your City, the Rudd Center at the University of Connecticut has a revenue calculator for Sugary Drink Taxes. If you do not see your city in the pull down menu, please reach out to our campaign and we will get projected revenue data for you.

You can find this calculator at: <http://uconnruddcenter.org/revenue-calculator-for-sugary-drink-taxes>

However, in order for California cities to be able to use this effective weapon for public health, we need your help.

In 2018, due to a successful form of political extortion, corporate soda interests won a temporary prohibition on cities being able to enact soda taxes in their own cities. We can end this prohibition and let cities choose to use a soda tax in your fight for public health with a simple majority vote of the California Legislature and a signature by the Governor.

Please, **we urge you to pass a resolution by May 8th** calling on the Governor and Legislature to lift the prohibition on soda taxes as soon as possible. **If Sacramento takes action in this year's state budget, your city may be able to have a soda tax before voters by this November – offering them immediate action in response to this crisis.**

A sample resolution is attached. If you would like more information, please contact us at jon@youngdahlstrategies.com or (916) 806-1691.

Thank you,
Californians for Less Soda



Resolution urging the California State Legislature and the Governor to recognize that due to the COVID-19 crisis, they need to immediately overturn SB 872 that was passed in 2018 and give California cities back their right to improve public health and raise revenue by disincentivizing consumption of soda and other sugary beverages.

WHEREAS, According to the Sacramento Bee, the California Governor and Legislature were the victims of a type of “extortion” and “shakedown” by the American Beverage Association in the summer of 2018; and

WHEREAS, the Governor and Legislature were essentially forced to enact a law temporarily prohibiting and preempting the ability of California cities of their right to enact popular sugary drink taxes despite the fact they are proven tools for cities to improve public health and raise revenue; and

WHEREAS, the City of Seattle enacted a soda tax in 2018 and has been able to use that revenue this year to give \$800 in grocery vouchers to thousands of Seattle families hard hit by COVID-19; and

WHEREAS, California voters who passed soda taxes in their cities before the successful 2018 “extortion” by the American Beverage Association have improved the health of their residents and given their cities millions of dollars in revenue available to stave off budget cuts due to the COVID-19 induced economic downturn; and

WHEREAS, a majority vote of the California Legislature and a signature by the Governor now would give California Cities one more tool to fight COVID-19 and;

WHEREAS, California cities need every single tool available in the war against COVID-19 and to give their residents the possibility of a healthier future; and

WHEREAS, the world has changed since COVID-19 and California can no longer afford to handcuff cities and prevent voters from using proven tools to improve health equity and public health and provide for safe, accessible and affordable drinking water; now, therefore, be it

RESOLVED, That the City Council of Santa Cruz urges the California legislature and the Governor of California to overturn SB 872 and allow residents to choose whether they want a sugary drink tax in their city; and, be it

FURTHER RESOLVED, That the City Council of Santa Cruz directs the _____ to transmit copies of this Resolution to all State Legislators and the Governor with a request to take all action necessary to achieve the objectives of this resolution.

Senate Bill No. 872

CHAPTER 88

An act to add Section 7284.10 to Chapter 1.8 (commencing with Section 7284.8) of Part 1.7 of Division 2 of the Revenue and Taxation Code, as proposed by Assembly Bill 1838 of the 2017–18 Regular Session, relating to taxation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor July 9, 2018. Filed with Secretary of State July 9, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 872, Committee on Budget and Fiscal Review. Local government: taxation: prohibition: groceries.

Existing law authorizes counties, cities, and other local agencies to impose various taxes and fees in connection with activity or property within those jurisdictions. The California Constitution also authorizes a charter city to levy local taxes to raise revenues for local purposes, subject to restrictions imposed by that city's charter or preemption in matters of statewide concern.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose a local sales and use tax in accordance with that law for tangible personal property sold at retail in the county or city, or purchased for storage, use, or other consumption in the county or city. That law requires the county or city to contract with the California Department of Tax and Fee Administration for the administration of the taxes and requires the department to transmit those taxes to the city or county.

AB 1838 of the 2017–18 Regular Session, if enacted, on and after the effective date of that measure and until January 1, 2031, would prohibit the imposition, increase, levy and collection, or enforcement by a local agency of any tax, fee, or other assessment on groceries, except as provided. That bill would allow a local agency to continue to levy and collect, enforce, or reauthorize any tax, fee, or other assessment on groceries imposed, extended, or increased on or before January 1, 2018. That bill would make inoperative on the effective date of that measure any tax, fee, or other assessment on groceries imposed by a local agency after January 1, 2018.

This bill would exclude cannabis from the definition of groceries, as defined for purposes of AB 1838 of the 2017–18 Regular Session, if that bill is enacted and becomes effective.

This bill would appropriate from the General Fund \$12,000 to the California Department of Tax and Fee Administration to notify affected governmental entities of the requirements of AB 1838 of the 2017–18 Regular Session on its Internet Web site.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 7284.10 is added to Chapter 1.8 (commencing with Section 7284.8) of Part 1.7 of Division 2 of the Revenue and Taxation Code, as proposed by Assembly Bill 1838 of the 2017–18 Regular Session, to read:

7284.10. For the purposes of this chapter, all of the following definitions shall apply:

(a) “Alcoholic beverages” has the same meaning as that term is defined in Section 23004 of the Business and Professions Code.

(b) “Cannabis” has the same meaning as that term is defined in Section 26001 of the Business and Professions Code.

(c) “Cannabis products” has the same meaning as that term is defined in Section 26001 of the Business and Professions Code.

(d) “Cigarettes” has the same meaning as that term is defined in Section 30121.

(e) “Electronic cigarettes” has the same meaning as that term is defined in Section 30121.

(f) (1) “Groceries” means any raw or processed food or beverage including its packaging, wrapper, or container, or any ingredient thereof, intended for human consumption, including, but is not limited to, meat, poultry, fish, fruits, vegetables, grains, bread, milk, cheese and other dairy products, carbonated and noncarbonated nonalcoholic beverages, kombucha with less than 0.5 percent alcohol by volume, condiments, spices, cereals, seasonings, leavening agents, eggs, cocoa, teas, and coffees whether raw or processed, including its packaging, wrapper, or container.

(2) “Groceries” does not include alcoholic beverages, cannabis, cannabis products, cigarettes, tobacco products, and electronic cigarettes.

(g) “Local agency” has the same meaning as provided in Section 6252 of the Government Code, and includes the electorate of a local agency in exercising the initiative power.

(h) “Tax, fee, or other assessment on groceries” includes, but is not limited to, sales and use taxes, a gross receipts tax, business and occupation tax, business license tax, excise tax, privilege tax, surcharge, or any other similar levy, charge, or exaction of any kind on groceries or the manufacture, supply, distribution, sale, acquisition, possession, ownership, transfer, transportation, delivery, use, or consumption thereof.

(i) “Tobacco products” has the same meaning as that term is defined in Section 30121.

SEC. 2. The sum of twelve thousand dollars (\$12,000) is hereby appropriated from the General Fund to the California Department of Tax and Fee Administration to notify affected governmental entities of the

requirements of Chapter 1.8 (commencing with Section 7284.8) of Part 1.7 of Division 2 of the Revenue and Taxation Code, as added by Assembly Bill 1838 of the 2017–18 Regular Session, on its Internet Web site.

SEC. 3. This act shall become operative only if Assembly Bill 1838 of the 2017–18 Regular Session is enacted and becomes effective.

SEC. 4. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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City Council AGENDA REPORT

DATE: 02/10/2021

AGENDA OF: 02/23/2021

DEPARTMENT: City Council

SUBJECT: Resolution Regarding the Penalty Provision of AB 1838 (CN)

RECOMMENDATION: Resolution to consider submitting a proposed tax on the distribution of soda and other sugary beverages to Santa Cruz voters and let the voters decide whether they want to tax the distribution of these products in the Santa Cruz community if AB 1838 did not contain the penalty provision, or if AB 1838, including the penalty provision, was repealed.

BACKGROUND: In 2014 and 2016, the voters of the cities of Berkeley, San Francisco, Oakland, and Albany approved local taxes on the distribution of soda and other sugary beverages, despite well-funded opposition by the beverage industry.

On June 26, 2018, the Santa Cruz City Council passed Resolution No. NS-29,419, which put on the ballot for the November 2018 election a measure to impose a tax on the distribution of soda and other sugary beverages.

However, in response to the passage of these local taxes on the distribution of soda and other sugary beverages and to prevent the electorates of other cities from imposing similar taxes, the beverage industry forced the Legislature and the Governor to enact AB 1838 (2018) which imposed a statewide ban on new local taxes on “groceries,” including taxes on sugary beverages and soda, even though most groceries are already exempt from sales tax.

AB 1838 includes a penalty provision (Rev. & Tax Code § 7284.12(f)) that is specifically designed to discourage charter cities from trying to exercise their constitutional power over municipal affairs, and which provides that if a city enacts a tax on “groceries” that conflicts with AB 1838, and if a court determines that the imposition of the tax is a valid exercise of the city’s charter authority under Article XI, section 5 of the California Constitution, then the California Department of Tax and Fee Administration is directed to stop collecting that city’s sales and use taxes.

Sales and use taxes generate 20% of the annual revenue for the City of Cruz’s general fund and the loss of this revenue would be financially devastating to the City.

On August 7, 2018, fearing the fiscal devastation that the City could suffer under the penalty provision of AB 1838, this City Council rescinded Resolution No. NS-29,419 and the proposed measure to impose a tax on the distribution of soda and other sugary beverages within the City of Santa Cruz did not appear on the November 2018 ballot.

DISCUSSION: On November 26, 2019, the City Council formally adopted a Health in All Policies (HiAP) policy framework and implementation plan to shift the culture of how we do things and institutionalize the consideration of health, equity, and sustainability in all functional areas of City operations. HiAP engages governmental partners and stakeholders to work together to improve wellbeing outcomes through local government decisions related to food access, housing, transportation, public safety, education, sustainability, climate change, parks, air and water quality, criminal justice, and economic development, among others.

Excessive sugar consumption has been linked with several metabolic abnormalities and adverse health conditions, as well as a lack of essential nutrients. The American Heart Association (AHA) recommends that Americans drastically cut back on added sugar to help slow the obesity and heart disease epidemics. The AHA suggests an added-sugar limit of no more than 100 calories per day (about 6 teaspoons or 24 grams of sugar) for most women and no more than 150 calories per day (about 9 teaspoons or 36 grams of sugar) for most men. Foods high in sugars, salt, and fat, and total calories and low in nutrients are highly advertised and marketed through media targeted to children and adolescents, while advertising for healthier foods is almost nonexistent in comparison (Centers for Disease Control and Prevention).

The AHA will be introducing legislation repealing AB 1838 this legislative cycle. This resolution states that if AB 1838 did not contain the penalty provision or if AB 1838, including the penalty provision, was repealed, then the City Council would again consider submitting a proposed tax on the distribution of soda and other sugary beverages to its voters to let the voters decide whether they want to tax the distribution of these products in the Santa Cruz community.

FISCAL IMPACT: Approving this resolution would initiate a discussion for Council should AB 1838 be repealed and it does not have a direct fiscal impact.

Submitted By:

Donna Meyers, Mayor

Shebreh Kalantari-Johnson,
Councilmember

ATTACHMENTS:

1. RESOLUTION AB 1838 PENALTY.DOCX

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ TO CONSIDER
SUBMITTING A PROPOSED TAX ON THE DISTRIBUTION OF SODA AND OTHER
SUGARY BEVERAGES TO SANTA CRUZ VOTERS RELATED TO THE PENALTY
PROVISION OF AB 1838

WHEREAS, the City of Santa Cruz is a charter city.

WHEREAS, Article XI, section 5 of the California Constitution grants charter cities the power to make and enforce laws on matters that are municipal affairs without interference from the State.

WHEREAS, local taxation has long been held to be a core area of municipal affairs.

WHEREAS, Article XIII C of the California Constitution reserves to the local electorate the power to enact local taxes by petition and ballot measure.

WHEREAS, in 2014 and 2016, the voters of the cities of Berkeley, San Francisco, Oakland, and Albany approved local taxes on the distribution of soda and other sugary beverages, despite well-funded opposition by the beverage industry.

WHEREAS, on June 26, 2018, this City Council passed Resolution No. NS-29,419, which put on the ballot for the November 2018 election a measure to impose a tax on the distribution of soda and other sugary beverages.

WHEREAS, in 2018 in response to the passage of these local taxes on the distribution of soda and other sugary beverages and to prevent the electorates of other cities from imposing similar taxes, the beverage industry forced the Legislature and the Governor to enact AB 1838 (2018) (Rev. & Tax Code §§ 7284.8-7284.16), which imposes a statewide ban on new local taxes on “groceries,” including taxes on sugary beverages and soda, even though most groceries are already exempt from sales tax.

WHEREAS, the beverage industry forced the Legislature and Governor to enact AB 1838 by threatening to move forward with a statewide ballot measure, for which it gathered enough signatures to qualify it for the November 2018 general election, titled the “Tax Fairness, Transparency and Accountability Act of 2018” that would have gutted local finances.

WHEREAS, on June 28, 2018 Governor Brown signed AB 1838 into law, referring to the threatened statewide ballot measure in his signing letter as “an abomination.”

WHEREAS, Governor Brown also stated in his signing letter for AB 1838 that “a total of 4 cities are considering passing a soda tax to combat the dangerous and ill effects of too much sugar in the diets of children.”

WHEREAS, recognizing that AB 1838's ban on local taxes on soda and other sugary beverages is probably inapplicable to charter cities because local taxation is a municipal affair, the drafters of AB 1838 added a draconian penalty provision (Rev. & Tax Code § 7284.12(f)) that is specifically designed to discourage charter cities from trying to exercise their constitutional power over municipal affairs, and which provides that if a city enacts a tax on "groceries" that conflicts with AB 1838, and if a court determines that the imposition of the tax is a valid exercise of the city's charter authority under Article XI, section 5 of the California Constitution, then the California Department of Tax and Fee Administration is directed to stop collecting that city's sales and use taxes.

WHEREAS, sales and use taxes generate 20% of the annual revenue for the City of Cruz's general fund and the loss of this revenue would be financially devastating to the City.

WHEREAS, on August 7, 2018, fearing the fiscal devastation that the City could suffer under the penalty provision of AB 1838, this City Council rescinded Resolution No. NS-29,419 and the proposed measure to impose a tax on the distribution of soda and other sugary beverages within the City of Santa Cruz did not appear on the November 2018 ballot.

NOW THEREFORE, BE IT RESOLVED that even though the penalty provision in AB 1838 is probably unconstitutional, the City of Santa Cruz cannot risk submitting a tax on soda or other sugary beverages to its voters to test the constitutionality of the penalty because the potential financial risk is too great for the City.

BE IT FURTHER RESOLVED that if AB 1838 did not contain this penalty provision, or if AB1838, including the penalty provision, was repealed, then this City Council would consider submitting a proposed tax on the distribution of soda and other sugary beverages to its voters and let the voters decide whether they want to tax the distribution of these products in this community.

PASSED AND ADOPTED this 23rd day of February, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Donna Meyers, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator



City Council AGENDA REPORT

DATE: 05/08/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Economic Development and Housing

SUBJECT: Downtown Association: Parking and Business Improvement Area
Assessments for FY 2024 (ED)

RECOMMENDATION: Motion to:

- 1) Approve, or to modify and approve, the plan prepared by the Downtown Association for FY 2024; and
 - 2) Adopt a Resolution of Intention to levy a Downtown Association Parking and Business Improvement Assessment for FY 2024 and schedule a public hearing for June 13, 2023 on the levy of the assessments for FY 2024.
-

BACKGROUND: In accordance with State law, the Downtown Association (DTA) is required to submit an annual plan for each year in which assessments are to be levied in the Downtown Parking and Business Improvement Area. The attached plan, prepared by the DTA, fulfills the requirement for FY 2024 and is being submitted for Council approval. The plan may also be modified by Council and then approved. The City acts as a fiscal agent on behalf of the DTA, but is not a member of the DTA, nor is the City involved in the preparation of the plan.

DISCUSSION: The DTA's budget and annual workplan was approved by the DTA Board on May 16, 2023 and proposes no change in the assessment area for FY 2024.

The business improvement assessment formula allows for an annual Consumer Price Index (CPI) adjustment in the rate. The annual CPI adjustment as of February 2023 is 5.3%; therefore, the rate per square foot will increase from \$0.45 to \$.47. The plan also outlines the DTA's FY 2023 planned activities, budgeted expenses and revenues, and contributions from sources other than the assessments levied. The DTA will continue to provide clean, safe, and welcoming services through the Ambassador and Information Kiosk programs. The DTA will also continue to support business owner's in the economic recovery, through marketing, advocacy, and membership services.

Following Council approval of the plan, a resolution declaring the intention of the City to levy and collect the assessments within the Parking and Business Improvement Area must be adopted. The resolution shall also set a public hearing to be held on June 13, 2023. Notice of the public hearing will be given by publishing the Resolution of Intention in a newspaper of general circulation in the City once at least seven days prior to the public hearing. At the public hearing,

written and oral protests, if any, may be made in accordance with State Street and Highways Code Sections 36524 and 36525. Prior to the public hearing, protests may be submitted to the City Clerk's Office.

FISCAL IMPACT: There is no fiscal impact to the City. Revenues collected from the assessment are turned over to the DTA to be spent for promotional activities in the Parking and Business Improvement Area.

Prepared By:
Rebecca Unitt
Economic Development
Manager

Submitted By:
Bonnie Lipscomb
Director of Economic
Development and Housing

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. RESOLUTION.DOCX
2. 23-2024 DTA WORK PLAN.PDF
3. 23-2024 DTA BUDGET - FINAL.PDF

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ TO LEVY
DOWNTOWN ASSOCIATION PARKING AND BUSINESS IMPROVEMENT
ASSESSMENTS FOR FISCAL YEAR 2024

WHEREAS, in accordance with California Streets & Highways Code §36533, the Downtown Association of Santa Cruz has prepared a report to the City of Santa Cruz for Fiscal Year 2024 pertaining to the Parking and Business Improvement Area assessments for the Parking and Business Improvement Area; and

WHEREAS, pursuant to California Streets & Highways Code §36533, the City Council has heretofore considered that annual report and by motion approved the report; and

WHEREAS, Santa Cruz Municipal Code §5.05.030 requires semi-annual assessments to be imposed within the Business Improvement Area pursuant to a formula set forth in Municipal Code §5.05.040.

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

1. The City Council hereby declares its intention to levy and collect, on a semiannual basis, assessments within the Parking & Business Improvement Area for the Fiscal Year 2024.
2. The proposed activities authorized by Santa Cruz Municipal Code Chapter 5.05 are described in the Downtown Association of Santa Cruz report.
3. The annual report of the Downtown Association of Santa Cruz is on file with the City Clerk.
4. The proposed assessments will be calculated under the formula for assessment found in Santa Cruz Municipal Code §5.05.040. This formula is based on the square footage of benefitted businesses, the type of business, and the zone in which it is found. The annual Consumer Price Index adjustment is 5.3% (February 2021 to February 2022), resulting in an increase of the per square foot rate from \$0.45 to \$0.47.
5. The Parking and Business Improvement Area is generally bounded on the East by the San Lorenzo River, on the West by Cedar Street, on the South by Laurel Street and on the North by River, North Pacific, and Water Streets. The precise boundaries of Zones 1 and 2 are shown on diagrams contained in Santa Cruz Municipal Code Chapter 5.05.
6. The Santa Cruz City Council will hold a public hearing in the City Council Chambers on Tuesday, June 13, 2023, to receive any oral or written protests or endorsements to the regularity or sufficiency of the Business Improvement Assessment. If protests complying with Streets and Highways Code §36524 and §36525 are received from the owners of businesses which will pay fifty percent or more of the total assessment, the procedure will be terminated and will

RESOLUTION NO. NS-

not be reconsidered until one full year has elapsed. Protests may be made at the public hearing or any time prior to the City Clerk's Office.

7. The City Clerk is directed to give notice of the public hearing to consider the levy of business improvement assessments for Fiscal Year 2024 by publishing this Resolution of Intention in a newspaper of general circulation in the City once, at least seven days prior to the public hearing.

PASSED AND ADOPTED this 23rd day of May 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

SANTA DOWNTOWN CRUZ

Downtown Association of Santa Cruz

FY 2023-2024 Work Plan

Approved on May 16, 2023

Introduction

The Downtown Association of Santa Cruz is a 501c(6) member benefit organization established to promote the Downtown business district. The organization's mission is to provide effective leadership to create, promote and sustain downtown as a unique and economically viable business, entertainment, social and cultural center.

The Downtown Association operates a merchant-based Business Improvement District (B.I.D.) funded by a special assessment on those operating businesses in the district. The organization is governed by a volunteer board of directors, elected from, and representing, the assessed members of the district.

Staff includes an Executive Director, Brand Director, and part-time Membership Champion. Through our contractor, *BlockbyBlock*, the Downtown Association also has a full-time Operations Director, staffing the Downtown Ambassador Program along with the Downtown Information Kiosk. Additionally, the work of the association is augmented by volunteers, interns and contractors from time to time as projects warrant.

This work plan has been developed by the Board and staff to serve as a roadmap to guide the activities and resource allocation of the Downtown Association for fiscal year 2023-2024.

Budget Increase Needed for A Vibrant Downtown

The Downtown Association's weak financial position was first acknowledged in 2020 with the hiring of an Interim Executive Director, alongside the firm Progressive Urban Management Associates, to facilitate a strategic plan to improve the organization's sustainability, work that was carried out in partnership with the City of Santa Cruz Economic Development Department.

In 2023-24, the organization will be running at a significant deficit and pursuing an increase in Business Improvement Assessments to more sustainably fund the [services and programs offered to downtown business members](#). The levy has not changed for decades, and it is time.

Year In Review

In fiscal year 2022-2023, the community enjoyed the return of a lively, activated Downtown with the [opening of dozens of new businesses](#) and **year-round events** - including the return of the [Holiday Parade](#) - drawing thousands of people back to spending time in Downtown Santa Cruz.

While operating on a shoestring budget, the Downtown Association supported its business members and the community at large, in its following four core areas:

- 1. Clean, Safe & Welcoming Programs:** To ensure long-term sustainability for the Downtown Association's core programs supported by the Downtown Management Corporation, the Downtown Ambassador and Information Kiosk programs, the Downtown Association contracts with [BlockbyBlock](#), which runs operations for over 100 downtowns across the country. In 2022-23, the Downtown Association advocated for the Downtown Management Corporation to expand the Ambassador's coverage area to include the entire Downtown Association district, including Front Street, Center Street, Cedar Street, River Street and the Clock Tower triangle (between Pacific Avenue, Water Street, and River Street). The current Ambassador coverage area is now constrained to the area funded by the Downtown Management Corporation, Pacific Avenue and its side streets from Laurel Street to Water Street.

HOSPITALITY

CLEANING

SAFETY

OUTREACH

Downtown Ambassadors take charge of daily garbage, remove graffiti, report public maintenance issues to the city, and connect people in need to social services, in addition to connecting businesses to resources and assisting visitors, in the monthly [Ambassador Reports](#). The association maintains close working relationships with the Santa Cruz Police Department and Encompass Service downtown Outreach Workers, as well as the City Manager and Office of Economic Development, who provide critical support to our Ambassadors and downtown's safety and cleanliness.

- 2. Marketing:** The Downtown Association of Santa Cruz actively markets Downtown Santa Cruz as the primary shopping district for Santa Cruz County through outreach to local residents and to visitors from Monterey, San Benito and Santa Clara communities. In order to reach a diverse and engaged group of visitors to the downtown district, the Downtown Association uses a multi-faceted approach to marketing by utilizing digital marketing (social media boasting over 19,800 [instagram](#) followers, ads, [website](#) and digital newsletters "e-news") as well as in-person events to increase foot traffic to downtown streets and businesses.

With the help of an engaged Board of Directors, the Marketing Committee also churns out

new promotion ideas each year to increase visibility to Downtown Santa Cruz, this year co-launching [Downtown Fridays](#) to draw hundreds of people Downtown during the winter.

3. **Member Networking & Support:** The association works to keep downtown business owners, managers and employees connected and informed primarily through our weekly *Business News* which is distributed via email and Facebook and read by hundreds of Downtown business owners and staff each week. The Downtown Association also hosts quarterly business mixers for its members, along with city partners, county business serving organizations, and community nonprofits. The association publicizes its Board of Directors and Committee meetings to encourage members' volunteer engagement. It leads an annual public safety meeting with SCPD, County Mental Health, Downtown Outreach and Downtown Ambassadors. The association also collaborates with the Workforce Development Board of Santa Cruz County to host a Walkabout Job Fair, in conjunction with a Downtown Day Welcoming UCSC students in the fall, that results in dozens of hires for downtown businesses.
4. **Advocacy:** The Downtown Association maintains collaborative working relationships with organizations across Santa Cruz county, particularly with those that also serve the association's members, such as the Santa Cruz County Chamber of Commerce, Santa Cruz County Business Council, Visit Santa Cruz, and the Small Business Development Center of Santa Cruz. Advocacy activities this year included supporting the Downtown Library and Affordable Housing project, supporting streamlined permitting and grants for permanent outdoor dining parklets, and co-hosting periodic broker breakfasts focused on reducing vacancies Downtown, with the partnership of Economic Development.

Since 2019, the Downtown Association has also been advocating for Santa Cruz to adopt a better tax assessment structure to sustain the desired downtown management, maintenance, beautification and neighborhood services. Well-funded Property Based Improvement Districts ([PBIDs](#)) provide the clean, safe and welcoming programs of downtowns that are admired around the country. The existing PBID in Downtown Santa Cruz is the Downtown Management Corporation (DMC). The Downtown Association is fully supportive of the DMC expanding its district boundaries to better fund crucially needed Ambassador services for the entire neighborhood.



2023-2024 PROGRAMS

DOWNTOWN AMBASSADOR PROGRAM

The Mission of the Downtown Ambassadors is to be the best part of people's day in Downtown Santa Cruz.

The Downtown Ambassador program is funded by the Downtown Management Corporation. Launched in October of 2018, the Ambassador program has become a vital element of downtown management,

and of businesses' and visitors' downtown experience. Providing a welcoming presence in the

downtown is the core function of the program, but the impact and benefits reach well beyond that. In addition to serving visitors by providing local information, recommendations and directions, the Ambassadors serve as a liaison with city agencies, contractors, service providers and others involved in Downtown management, maintenance, social services, and public safety.

Regular coordination with the Public Works downtown maintenance team, the sanitation department, Uncle Poop waste removal, and property owners adds a level of efficiency and accountability in addressing the ongoing and growing cleaning and maintenance needs of downtown's built environment. The Ambassador team communicates both through the City of Santa Cruz' [Community Request for Service Portal \(CRSP\)](#), as well as by selectively escalating issues of pressing concern via direct communications with relevant city departments.

Communication with the Santa Cruz Police Department, County Mental Health liaisons, Downtown Outreach workers, and with members of our community looking for, or in need of services, extends the valuable impact and reach of the program.

Ongoing engagement with Downtown Businesses and with district residents also does a lot to build community in the Downtown.

BRAND MANAGEMENT AND DISTRICT MARKETING

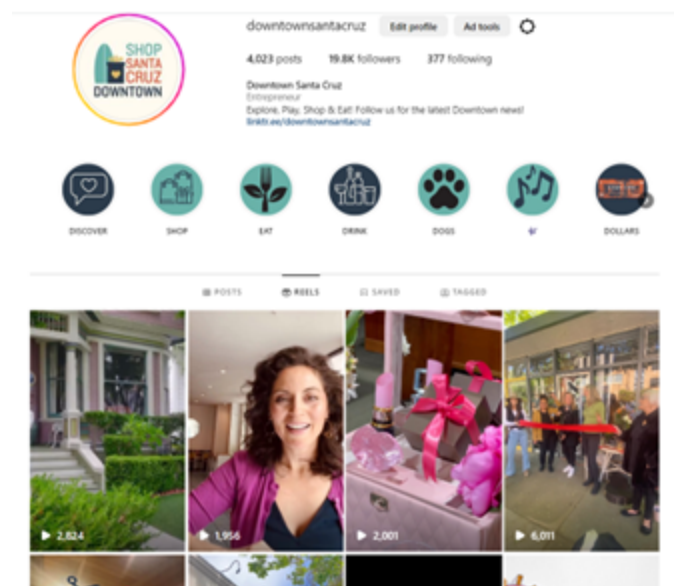
Promoting Downtown has long been a core purpose of the Downtown Association. The Downtown Association of Santa Cruz manages the **Downtown Santa Cruz** brand and promotes the businesses, events and elements that support its visibility and appeal, including:

- Continual alignment of social media and digital marketing
- Brand management across all promotions, events and communications
- Ongoing encouragement of brand alignment with our members and collaborators

The brand is conveyed through all of the association's marketing efforts, designed to bring people to the district and enhance the experience of everyone spending time in Downtown Santa Cruz.

SOCIAL MEDIA & DIGITAL MARKETING

All of the association's promotional efforts direct visitors to downtown businesses and to the Downtown Association's website, which remains current with Downtown events, activities and a complete and expanded directory of businesses. Our social media presence has over 34,000 followers, and continues to gain popularity on Instagram, Facebook and Twitter. The social platforms have provided an outstanding way to reach Downtown Santa Cruz fans with the many specific events, activities and business promotions in the district.



DOWNTOWNSANTACRUZ.COM

The Downtown Santa Cruz website is a cornerstone of the association's marketing. Utilizing a

platform designed for downtowns across the country, the site has enhanced SEO, and provides a wealth of information and resources for visitors, locals and for the Downtown Santa Cruz business community. An online events calendar lists daily activities, concerts, plays, festivals, book readings, classes and everything else happening for the public in the district. A comprehensive business directory helps direct people to the food, shops or services they're hoping to find. The site also provides valuable information to help the association's business members find the resources they need to be successful in Downtown Santa Cruz.

DIGITAL E-NEWS

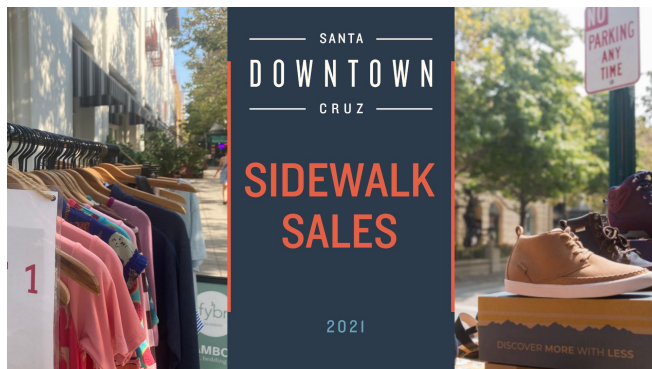
Our e-newsletters, with a reach of over 5,000 residents and fans, include *This Week Downtown* which provides a great sample of what's happening downtown, from the big ticket events, to the more obscure, plus information about new businesses, deals, and interesting happenings.

BUSINESS DIRECTORIES

Each of our member businesses is listed on our online DowntownSantaCruz.com Business Directory. We also publish and distribute 50,000 copies of a popular fold-out illustrated paper Map and Directory with listings of all the retail, restaurants and services in the district, and maintain three freestanding business directory wayfinding signs on Pacific Avenue.

DOWNTOWN PROMOTIONS

Throughout the year, the Downtown Association typically promotes special and themed activities, building on successful events and inventing new activations. Popular community events include Kids Day, Wine Walk, Monthly Sidewalk Sales and of course winter Holiday traditions.



Downtown Sidewalk Sales

On the last weekend of each month, from March through Black Friday Weekend, the retail shops spill out onto the sidewalk for great month-end sales.

Where's Waldo

In partnership with Bookshop Santa Cruz, Where's Waldo is a great local summer activity that brings Waldo seekers around

Downtown and into stores on a month-long scavenger hunt. The Promotion culminates with a special event at Bookshop Santa Cruz with Prizes and Waldo himself.

Ice Cream Month

Downtown Santa Cruz would be remiss if we did not participate in National Ice Cream Month in July. Each year we host a coloring contest and invite folks to color their own exciting ice cream treat. Winners are selected in a variety of categories with a grand prize of ice cream for a year at the many favorite Downtown ice cream spots.

Back to School

Our back to school promotions celebrate students from kindergarten to postgraduates. Our targeted promotions for UCSC slugs and Cabrillo students aim to introduce our area's newer residents to Downtown shops, restaurants, events and attractions.

Downtown Trick or Treat

One of our community's favorite Santa Cruz traditions is Downtown Trick or Treat. Once again the Downtown Association will partner with our business members and the Santa Cruz Police Department to invite the community downtown for a fun, safe trick-or-treating good time.

Downtown Wine Walks

These Popular events are a great opportunity to showcase the local Appalachia and introduce wine lovers to new retail spots Downtown, and bring them back to visit their favorites. Presented twice a year, in November and in May, the Wine Walk is a great opportunity to bring visitors from around the Bay Area to spend a great afternoon in Downtown Santa Cruz.

Downtown Holiday Parade

The Official Kick Off to the Holiday Season happens on the first Saturday in December as the Downtown Holiday Parade marches, rolls, pedals, dances and sings up Pacific Avenue, bringing out thousands of locals, and amazing cross section of our community, and of course, the big finale of the Santa Cruz High School Cardinal Regiment Band followed by the man of the Hour atop a shiny, red, antique Santa Cruz Fire Engine.

Reindeer Roundup

The holidays provide many opportunities for Downtown promotion. Similar to our Summer Where's Waldo Scavenger hunt, the Reindeer Roundup brings families into stores throughout the month of December, helping Santa find his team.



Golden Envelope

The Downtown Association serves as a neighborhood sponsor for the national Small Business Saturday event and brings holiday shoppers downtown to support local businesses during the Black Friday weekend, including on Small Business Saturday. During this Willy Wonka inspired event, shoppers are incentivized to come Downtown to win a Golden Envelope filled with surprise gift cards, when they make qualifying purchases at participating retailers on Saturday.

Santa on Pacific Avenue

Those who have visited Santa on Pacific Avenue for a photo op know that the experience is not matched anywhere. These relaxed visits with our very special ambassador to the North Pole have reached a level of legend among local kids, parents and grandparents.



Kids Day Downtown

With dozens of children's community organizations providing free activities during this fun street fair, Kids Day welcomes thousands of local families to Downtown for entertainment and great specials in our Downtown shops and restaurants.

Partner Events

In addition to producing events in-house, the Downtown Association co-sponsors and supports the production of a number of events throughout the year that promote the brand of Downtown Santa Cruz. Included in these events are Downtown Fridays, Earth Day, First Friday Santa Cruz, Dance Week Santa Cruz, the Santa Cruz Pride Parade & Festival, and more.

DOWNTOWN DOLLARS

Our [Downtown Dollars](#) program keeps tens of thousands of dollars in Downtown every year. Accepted at 85+ businesses in the district, Downtown Dollars make great gifts and are available for purchase at Bookshop Santa Cruz, Pacific Cookie Company, the Downtown Information Kiosk, and online. Downtown Dollar gifts encourage local spending.



DOWNTOWN INFORMATION KIOSK

For over a decade, the visitor information center in the kiosk located at 1130K2 Pacific Avenue, at the intersection of Soquel Avenue in front of New Leaf Community Market, has been a Santa Cruz institution. The location provides valuable information and resources to visitors and locals, while promoting businesses and activities throughout the district. The cost of the kiosk has been offset by donated rent from the City of Santa Cruz Economic Development Department.

DOWNTOWN ADVOCACY

The Downtown Association maintains current knowledge of organizations and agencies that support doing business Downtown, and connects downtown businesses to resources. Downtown Association staff also serve as informed representatives of the downtown business community, on relevant issues, to the City Council, city management and other organizations interested in contributing to the business climate or community events in Downtown Santa Cruz. The Downtown Association's ability to effectively represent the business interests downtown is dependent upon strong relationships, primarily with our business members, and ultimately with the many communities who use Downtown.

MEMBERSHIP EVENTS

One of the greatest assets of Downtown is our business community leaders, who bring their passions and talents downtown and open their doors to the public, defining the common experiences of Downtown Santa Cruz. The Downtown Association recognizes this asset, and fosters the connection of its members, and their ability to support each other, by hosting grand opening ribbon cuttings and networking events designed to bring members together and enhance the sense of community, as well as informational meetings that educate and engage the community on current events and issues.

WORKSHOPS

The Downtown Association hosts workshops and partners with other business service agencies to provide information, tools and knowledge that will help our members succeed.

Other Special Initiatives

Cognizant of important changes on the horizon, the Downtown Association of Santa Cruz will have an ongoing voice in defining the character of downtown as numerous large, mixed-use retail and residential developments begin construction. The Downtown Association will also continue to support permanent family-friendly attractions and privately-managed public spaces, which are widely desired by downtown's business patrons. Constructing a [Toddler Park](#) on Pacific Avenue is one important, ongoing Board initiative.

Conclusion

The Downtown Association of Santa Cruz has been a pillar in promoting, managing, and advocating for our Downtown while supporting the community of neighborhood business leaders who make Downtown the attractive, unique, fun and lively place it is today. The Downtown Association is also an active participant in the economic vibrancy of the Santa Cruz community. Meanwhile, the organization is financially vulnerable and not sustainable in its current Business Improvement District (BID) structure. The strength of the organization's future lies in the ability to increase its revenues, through additional support from DMC and right-sizing Business Improvement Assessments in the coming year.

SANTA
DOWNTOWN
CRUZ

**Downtown Association of Santa Cruz
FY 2023/24 Budget**

	<-- COVID -->						
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	
REVENUE	Actual	Actual	Actual	Actual	Budget	Budget	
Business Improvement Assessment	\$244,718	\$261,817	\$221,963	\$220,419	\$220,000	\$260,000	
Ambassador Services (Downtown Management Corporation contract)	\$171,927	\$167,452	\$201,192	\$214,121	\$213,784	\$337,000	DMC
Sponsorships	\$11,000	\$12,215	\$12,675	\$9,047	\$10,000	\$10,000	
Events	\$40,047	\$15,029	-	\$30,550	\$20,000	\$30,000	
Sublease Rental Income	\$13,010	\$8,900	\$1,400	-	-	-	
EIDL / PPP / CA Relief Grant Funding	-	\$49,900	\$57,480	\$15,000	-	-	
M&D Ads / Unredeemed Downtown Dollars / Other	\$40,343	\$5,339	\$28,231	\$55,991	\$30,000	\$55,000	Only DTA
Total Revenue	\$521,045	\$520,651	\$522,941	\$545,129	\$493,784	\$692,000	\$355,000
EXPENSES							
Staff	Chip	Abra	Jorian-->				
Executive Director	\$80,800	\$56,817	\$85,874	\$80,923	\$52,500	\$120,000	
Brand Director (District Marketing & Events)	\$29,974	\$37,832	\$26,477	\$57,583	\$70,000	\$90,000	
Block by Block (Operations Director, Ambassador Team & Kiosk)	\$143,605	\$139,635	\$242,043	\$255,232	\$215,000	\$361,000	
Administrative/Membership/Other Wages	\$9,425	\$11,589	\$6,513	\$7,100	\$7,500	\$8,500	
Payroll Expenses	\$26,408	\$23,827	\$13,922	\$13,224	\$12,750	\$23,125	
Contract Services	\$24,704	\$17,092	\$13,841	\$2,530	\$7,500	\$5,000	
Bonuses	-	\$1,900	\$7,125	\$4,085	\$7,500	\$9,300	
Staff Development	\$4,510	\$5,076	\$3	-	-	\$2,500	
Conferences and Travel	\$2,763	\$3,440	\$856	\$315	-	\$4,500	
Medical Insurance	-	-	-	-	-	\$12,000	
Total Staff Expense	\$322,189	\$297,209	\$396,654	\$420,992	\$372,750	\$635,925	
Overhead							
Rent	\$18,061	\$18,000	\$11,250	\$8,250	\$9,000	\$9,000	
Facilities Expense	\$736	\$1,884	-	\$200	\$1,000	\$500	
Insurance	\$4,061	\$3,488	\$2,201	\$3,325	\$2,750	\$3,000	
Communications	\$7,387	\$8,047	\$4,281	\$2,624	\$2,500	\$4,500	
Office Supplies	\$1,754	\$3,551	\$1,876	\$958	\$2,000	\$1,500	
Accounting / Bookkeeping	\$5,043	\$5,973	\$6,042	\$6,538	\$6,250	\$6,750	
Tax Preparations	\$2,000	\$2,420	\$2,400	\$2,750	\$2,500	\$3,245	
Dues and Memberships	\$1,445	\$1,881	\$1,087	\$1,478	\$1,000	\$2,000	
Uniforms + Equipment	\$5,951	\$3,682	\$2,265	\$1,104	\$1,000	\$1,650	
Software	\$9,564	\$10,740	\$3,917	\$4,453	\$4,000	\$5,275	
Interest Expense (EIDL)	\$545	-	-	\$2,568	\$2,500	\$2,500	
Bank Fees/Square Fees/Other	\$1,117	\$584	\$2,530	\$3,120	\$2,000	\$3,250	
Total Overhead	\$57,665	\$60,251	\$37,848	\$37,367	\$36,500	\$43,170	
Marketing							
Website	\$5,222	\$9,147	\$8,843	\$7,441	\$8,500	\$8,500	
Directory / Map	-	-	\$8,733	\$19,911	\$20,450	\$24,500	
Free Standing Directories	-	-	-	\$387	\$1,000	\$1,000	
Holiday & Event Marketing / Paid Promotions	\$500	\$3,225	\$16,550	\$13,257	\$12,500	\$10,500	
Misc Marketing	\$5,738	\$3,419	\$510	\$549	\$500	\$500	
Marketing Total	\$11,460	\$15,791	\$34,636	\$41,543	\$42,950	\$45,000	
Events							
Promotional Design Work + Printing	\$3,046	\$8,631	\$9,043	\$4,988	\$6,500	\$7,800	
Food / Drink	\$7,809	\$3,239	\$63	\$4,819	-	\$3,750	
Event Supplies + Contractors	\$30,484	\$8,831	\$3,775	\$14,533	\$5,000	\$24,450	
Permits	\$3,394	\$2,431	\$179	\$3,574	\$5,000	\$6,500	
Artist Fees	\$4,800	\$3,825	\$500	\$20	-	-	
Misc	\$3,585	-	-	\$920	-	-	
Total Events	\$53,118	\$26,956	\$13,560	\$28,853	\$16,500	\$42,500	
Strategic Planning	\$2,585	\$3,057	\$881	\$2,300	\$25,000	\$25,000	BIA Engineer Only DTA
Total Expense	\$447,017	\$403,264	\$483,578	\$531,056	\$493,700	\$791,594	\$454,594
Net	\$74,028	\$117,387	\$39,363	\$14,073	\$84	-\$99,594	proposed BIA increase
CASH RESERVES (End of Year)*	\$32,967	\$100,596	\$155,827	\$158,196	\$158,280	\$58,685	

*Cash balance, minus Downtown Dollars liability, minus Accounts Payable



City Council AGENDA REPORT

DATE: 05/10/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Economic Development and Housing

SUBJECT: 223 Darwin Street CFSC Loan Extension (APN: 011-122-04) (ED)

RECOMMENDATION: Authorize the City Manager to execute any and all loan documents necessary, in a form approved by the City Attorney, to extend the terms of existing Red Cross funded loan in the amount of \$75,000 to CFSC for the property located at 223 Darwin Street for 30 years with 3% simple interest and deferred payments.

BACKGROUND: A \$74,500 Red Cross funded loan, originally granted in 1992, passed from SCAP (Santa Cruz Aids Project) to CFSC, Inc. in 2012. The loan was originally made to HIP (Housing for Independent People) alongside a \$105,000 Community Development Block Grant (CDBG) grant funded in 1991, both grants having 3% interest and passing to CFSC, Inc. with assumption of the property. The grants were made by the City of Santa Cruz for acquisition and rehabilitation of the real property located at 223 Darwin Street which operates as an affordable shared housing facility with 4 bedroom-units, also known as Pearlman House (APN: 011-122-04). Currently, the tenants all have Section 8 Vouchers, which allow the tenants to pay 30% of their incomes in rent while the remaining rent is paid by the Housing Authority of the County of Santa Cruz. The vouchers allow Fair Market Rent (FMR), rent limits established by the Housing Authority, to be charged for each bedroom in the shared housing facility.

On December 8, 1992, City Council approved deferment of the \$74,500 Red Cross loan for the remaining term of the loan through 2022. Additionally, at that time, City Council also approved deferment of the \$105,000 CDBG loan through June 30, 1999, and approved interest only payments from July 1, 1999, through June 30, 2015, with amortized principal and interest payments beginning July 1, 2015 until repaid in full. In April 2001, while SCAP was the successor in interest on the property, the City Council approved the conversion of the \$105,000 CDBG loan to a revocable grant.

The SCAP board of directors dissolved the corporation and transferred all its assets and debt to CFSC, Inc. in 2012, which at the time was the property holding arm of The Santa Cruz Community Counseling Center (SCCCC). The City of Santa Cruz approved the assignment of the debts to CFSC, Inc. in February 2012. SCCC assumed responsibility for SCAP's service, contracts, and programs including those provided at the Pearlman House. Front St. Housing, a local residential services provider, now assumes property management responsibilities at the affordable housing scattered sites held by CFSC, Inc.

DISCUSSION: CFSC, Inc. requested that the City forgive, or convert to a grant, the existing Red Cross loan of \$74,500. The principal and interest currently due total approximately \$146,000.

Staff recommends approving an extension of the Red Cross loan and affordability requirements for a 30-year period, with the original 3% simple interest terms and continuation of deferment of payments (granted in 1992). Since the City has previously forgiven the \$105,000 CDBG principal and interest on this loan and provided the low 3% interest on the Red Cross loan, the current leverage in the property is many factors below the original investment and has not kept up with inflation or rising property value, now estimated at approximately \$1.3 million (see attachment: Darwin CDBG and Red Cross Loan Summaries). Leverage in the property in the form of a loan allows the City to ensure continuing affordability for another 30 years. Deferring the payments would allow the City's interest in the property to continue and ensure affordability in the property for another 30 years while not impacting the operational costs for CFSC, Inc.

Alternately, should the City Council decide to approve the loan forgiveness, staff recommends requesting affordability in perpetuity for the property in exchange for the forgiveness.

At the April 25, 2023 City Council meeting, the CFSC, Inc. loan extension was pulled from consent; following discussion, staff was directed to bring the item back for consideration at the May 23, 2023 City Council meeting. Council further provided direction for staff and the City Attorney to meet with CFSC to determine whether it was possible to structure a forgiveness of the loan with certain findings that would not make it precedent setting and to explore unintended impacts of this direction.

Staff spoke with Mr. LaBerge on May 16, 2023, following direction from City Council to explore criteria or avenues in which forgiveness could be proposed that would not set a precedent for forgiveness of other affordable housing loans. Possible options for consideration for forgiveness that would avoid setting a precedent include affordability in perpetuity with deed restriction or providing other projects with replacements units in the City of Santa Cruz with affordability covenants. While CFSC expressed interest in the concept of the replacement units, they do not have a project at this time that would meet the criteria.

Additionally, they were not interested in the affordability covenant remaining after the loan forgiveness, which is a standard precedence that has been accepted by other parties for loan forgiveness. Therefore, staff recommends extending the loan for the terms previously recommended above which includes deferring the remaining outstanding principal and any accrued interest for an additional 30 years. If CFSC wishes to pay off the remaining loan balance at any time, they are able to do that with no penalties and the affordability provisions would terminate at that time.

Additional Discussion

- It is a HUD and HCD recommended best practice to loan funds rather than grant or forgive loans to ensure continued affordability in projects.
- Forgiveness of this loan (without requiring affordability in perpetuity) would set an unwanted precedent for forgiveness of other affordable housing loans.
- Affordability in perpetuity is a common requirement of affordable housing agreements.

- Under the proposed terms, no payments would need to be made on either principal or interest for 30 years, while ensuring that the value of the investment stays in the community.
- The City has been willing to subordinate its loans to facilitate additional needed financing. In FY 2023, approximately \$91,000 of Community Development Block Grant (CDBG) funding was awarded as a loan to CFSC, Inc. for a project to rehabilitate the units. When the contract was ready to execute, CFSC, Inc. declined the loan and they are now renovating the property with their own funds.
- The current Fair Market Rent (FMR) currently collected for each bedroom is \$1,028 per unit resulting in \$49,344 of annual rent.
- The Red Cross fund from which this loan originated is an asset of the City of Santa Cruz.
- The City regularly receives payments from other affordable housing loans made from the fund.
- Payments on affordable housing loans, when they come back to the City, can be used to fund additional affordable housing projects, preserve affordability in projects and for programming that benefits some of the City's most vulnerable populations.
- There are two ongoing Red Cross funded programs that use this finite funding source: (1) Beach Flats area includes Nueva Vista at \$25,000 annually (services include: after-school programming, tutoring, translation services, benefits, referrals, and food banks); and (2) Community Action Board at \$11,000 annually (Tenant Based Rental Assistance (TBRA)) for eviction prevention). While there is only enough funding to extend these programs for a few more years, the Red Cross loan that is now due at approximately \$146,000 with interest, if repaid to the City, could extend these programs for an additional 4 years.

Health in All Policies (HiAP)

The recommendation is consistent with the Health in All Policies pillars of equity, public health, and sustainability in that the proposed motion will allow CFSC, Inc. to defer the currently due loan for 30 years, helping operations to continue to provide housing for 4 low income SCAP tenants and ensuring that the value of the investment will benefit those needing affordable housing.

FISCAL IMPACT: Deferment of anticipated recapture of the Red Cross loan in the amount of \$74,500 with 3% interest, when repaid, will be available for future affordable housing and/or tenant support programs, consistent with current practices.

Prepared By:
Tiffany Lake
Development Manager

Submitted By:
Bonnie Lipscomb
Director of Economic
Development and Housing

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. CFSC INC. LETTER TO CITY FOR DARWIN LOAN FORGIVENESS.PDF
2. DARWIN CDBG AND RED CROSS LOAN SUMMARIES.PDF

**CFSC, Inc.
2115 7th Avenue
Santa Cruz, CA 95062**

CFSC, Inc.
2115 7th Ave.,
Santa Cruz, CA 95060

To: Members of the Santa Cruz City Council
City of Santa Cruz
809 Center Street
Santa Cruz, CA 95060

March 13, 2023

Dear Members of the Santa Cruz City Council,

Thank you for the opportunity for CFSC, Inc. ("CFSC") to address the Santa Cruz City Council concerning the forgiveness of a loan made 30 years ago to create affordable housing on Darwin Street, located in the City of Santa Cruz.

CFSC was established in 1981, originally under the name of the Community Foundation of Santa Cruz (until the name was given to the current organization with that name). CFSC operates as a valuable non-profit providing affordable housing and other housing and program opportunities to the residents of the County and City of Santa Cruz. Over the last 42 years, CFSC has acquired seventeen different buildings through various government grants and loans; many of these buildings are within the Santa Cruz City limits. Half of the buildings provide permanent affordable housing to people who have been chronically homeless and who have psychiatric disabilities. The remaining buildings are leased to Encompass Community Services at below-market rates (in some cases, at half the market rate) so that Encompass can provide needed services to its clients in Santa Cruz. As a nonprofit, CFSC has been steadfast in its commitment to responsibly provide and care for these valuable facilities.

Within the Santa Cruz city limits, CFSC owns the following affordable supported housing projects:

1. Van Ness Avenue (8 tenants)
2. Water Street (9 tenants)
3. Broadway (4 tenants)
4. Mission (5 tenants)
5. Darwin Street (4 tenants, Santa Cruz Aids Project tenants)

Within the County of Santa Cruz, CFSC also owns four affordable supported housing projects with a total of 35 tenants and in conjunction with the County and another nonprofit, we are in the process of renovating a 10-bedroom, 7-bathroom house for youth at risk of homelessness.

CFSC, Inc.
2115 7th Avenue
Santa Cruz, CA 95062

Finally, CFSC owns properties in Santa Cruz and Watsonville, which it leases to Encompass Community Services, out of which Encompass operates a number of programs benefitting residents in Santa Cruz:

1. Santa Cruz: Santa Cruz Residential Recovery (drug rehabilitation), Sober Living Environment housing, Telos program (short-term psychiatric housing)
2. Watsonville: 2 Youth Services program sites, Escuela Quetzal School, Fuerte Program, Head Start Program,

CFSC acquired these buildings through a series of loans and grants from governmental authorities and currently carries considerable debt on the loans it has obtained. Because CFSC is a nonprofit committed to providing housing and buildings that serve the local community, it does not make a "profit" as it provides these valuable resources to Santa Cruz.

The property at Darwin St. has been providing permanent, affordable supportive housing for tenants with special needs since 1992. It provides independent living for four tenants in a group home setting with four bedrooms, a common area kitchen, a living room, etc. All tenants must be diagnosed with HIV/AIDS, qualify as very low income according to State income limits, and be homeless or at risk of homelessness. The rent for each tenant is currently \$288/mo, \$282/mo, \$282/mo, and \$0/mo. Rents for tenants fortunate enough to have a Section 8 voucher are determined by the Housing Authority (generally a maximum of 30% of their monthly income). The Housing Authority then provides subsidies for the remainder of the rent based on the income and a market rate for a four-bedroom house. Consequently, the tenants living at Darwin have secure and affordable permanent housing in a community where that would otherwise be completely unavailable to them financially.

This loan with the City of Santa Cruz, for which CFSC is seeking forgiveness, has a complicated 30-year history. The Darwin property was originally developed by Housing for Independent People (HIP). In January 1992, the City of Santa Cruz provided a loan to HIP in the amount of \$74,500 from the American Red Cross Housing Reconstruction Fund as part of the earthquake recovery effort. The City Council passed a Resolution in December 1992, stating that the City Council could forgive the loan at the end of the loan term provided that the conditions set forth in the Participation Agreement have been met. These conditions include maintaining the use of the property as affordable housing for very low-, low- and moderate-income households for a period of 30 years. In April 1993, the Promissory Note for the \$74,500 loan was modified to provide that the City of Santa Cruz "may decide to defer, or to forgive, payment of either the outstanding principal or accrued and unpaid interest or both."

In 2001, the Santa Cruz AIDS Project (SCAP) assumed this loan from HIP as well as a number of other loans associated with the property. Unfortunately, SCAP began experiencing financial difficulties in 2012. CFSC and Encompass stepped forward to take over the SCAP program because of the tremendous need in the community for such housing and services for the population who reside there. CFSC assumed ownership of the property and responsibility for all the loans in July 2012, which included a loan with the State HOPWA program (Housing Opportunities for People With AIDS), loans with the City of Santa Cruz, and a loan with Santa Cruz Community Credit Union (SCCCU). An examination of the CFSC Board minutes from 2012 reveals that the forgiveness provisions in the City's \$74,500 loan played a part in the Board's decision to take over the SCAP program and property ownership responsibilities.

CFSC, Inc.
2115 7th Avenue
Santa Cruz, CA 95062

CFSC subsequently rolled the approximately \$110,000 SCCCUC loan into a commercial loan with Comerica, a loan CFSC carries to this day.

Maintaining quality, low-income housing in our region has been a challenge that can, at times, seem to be insurmountable. High real estate costs and ever-increasing operating costs are obstacles all affordable housing providers face every day. CFSC is able to provide affordable housing for our community solely due to the willingness of our funding providers to defer or forgive repayment of our capital debt. Due to regulations that limit the rental income at Darwin to just 30% of each tenant's income, CFSC has no ability to increase operating income as our operating expenses slowly increase over time, unless tenant income or Housing Authority subsidies increase.

The forgiveness provisions included in the Modified Promissory Note required that CFSC and the previous owners adhere to the Participation Agreement for 30 years. CFSC (and HIP and SCAP) have complied with this agreement and accordingly CFSC has earned forgiveness of the loan. Moreover, it is important for the City Council to recognize that CFSC has been a reliable partner, committed to providing housing to people who are chronically homeless with disabilities. For example, in 2012, when CFSC was released from all regulatory restrictions on property it owns on Mission Street in the City of Santa Cruz, CFSC has continued to operate the property as affordable housing for those with psychiatric disabilities for the last 11 years despite having no legal responsibility to do so. Similarly, CFSC operates its property on Lincoln Street in Watsonville as affordable housing despite having no regulatory agreement requiring that it do so.

Due to the significant value this project has provided the city, CFSC requests that the City of Santa Cruz continue its collaborative work with CFSC and forgive the principal and interest on the loan for Darwin St as provided in the Modified Promissory Note. The principal and interest currently total approximately \$146,000. CFSC has complied with all the conditions necessary for forgiveness that the City Council required 30 years ago. We appreciate any consideration that the City of Santa Cruz can give to work with CFSC toward a financial solution that benefits all who work to support the vulnerable residents of Santa Cruz.

Best regards,

DocuSigned by:
Paul O'Brien
62703D2E99FE45F...

Paul O'Brien
Secretary/Treasurer, CFSC, Inc.

**223 Darwin St.
SCAP House
Loan Summary**

\$105,000 CDBG

Document	Date	Notes
Loan Agreement - HIP (copy in file)	Feb. 14, 1991	Instrument No. 9391, Vol. 4793, Page 962
Promissory Note - HIP (copy in file)	Feb. 14, 1991	For acquisition of 223 Darwin St. 3% interest for 10 years. 1 st year deferred; amortized monthly payments of \$1,143.90 for remaining 9 years.
Deed of Trust - HIP (copy in file)	Feb. 14, 1991	Instrument No. 9394, Vol. 4794, Page 8. Secures payment of Note.
Resolution No. NS-20,819 (signed copy in file)	Dec. 8, 1992	a. Defers repayment until 6/30/99. b. Approves interest only payments from 7/1/99 to 6/30/15. c. Principal and interest payments commencing on 7/1/15 until paid.
Resolution No. NS-25,321 (copy in file)	April 10, 2001	Approves conversion of loan to a revocable 24 grant with a 24 year term.
Assignment of Loan Agreement, Note, and Deed of Trust (original in file)	June 6, 2001	Instrument No. 2001-0044467 HIP to SCAP
Release of Loan Agreement (original in file)	June 6, 2001	Instrument No. 2001-0044468 a. Rescinds Loan Agreement. b. City releases SCAP from Loan Agreement. c. City agrees to reconvey HIP DT. d. SCAP agrees to execute new agreement with City converting \$105,000 loan to grant.

Subrecipient Financing Agreement - SCAP (original in file)	June 6, 2001	Acknowledges: a. Transfer of property from HIP to SCAP. b. Conversion of loan to grant. c. Establishes end of grant term as Feb. 13, 2025.
Subordination Agreement (original in file)	June 6, 2001	Instrument No. 2001-0044466 City subordinates its \$105,000 loan to the HOPWA \$100,000 loan.
Full Reconveyance (original in file)	June 7, 2001	Instrument No. 2001-0044470 Reconveys HIP DT dated Feb. 14, 1991 as instrument no. 9394, Vol. 4794, Page 8.
Performance Deed of Trust (copy in file)	July 6, 2001	Instrument No. 2001-0044473 Secures performance of the Subrecipient Financing Agreement.

**223 Darwin St.
SCAP House
Loan Summary**

\$74,500 American Red Cross Housing Reconstruction Fund

Document	Date	Notes
Participation Agreement	Jan. 6, 1992	Establishes affordability requirements in exchange for loan.
Loan Agreement - HIP (copy in file)	Feb. 11, 1992	\$74,500 for acquisition of 223 Darwin St.
Promissory Note - HIP (copy in file)	Feb. 11, 1992	3% interest over 30 years
Construction Deed of Trust - HIP (copy in file)	Feb. 11, 1992	Secures payment of the Note and performance of the Loan Agreement.
Resolution No. NS-20,818 (signed copy in file)	Dec. 8, 1992	a. Approved deferment for the remaining term. b. Determination re: forgiveness to made by City Council and end of term (conditions of Participation Agreement must be met).
Amendment to Loan Agreement	April 8, 1993	a. Amends description of loan documents. b. Amends events of default. c. Amends usury interest language. d. Requires execution of modified security agreement and note.
Modified Security Agreement (copy in file)	Mar. 12, 1993	
Modified Promissory Note (copy in file)	April 8, 1993	a. Establishes Feb. 11, 2022 as date by which loan is due and payable. b. City may forgive payment of principal and interest at any time prior to Feb. 11, 2022.
Assignment of Loan Agreement, Note, and Deed of Trust (original in file)	June 6, 2001	Instrument No. 2001-0044472 HIP to SCAP

Subordination Agreement (original in file)	June 6, 2001	Instrument No. 2001-0044474 City subordinates its \$74,500 loan to HOPWA \$100,000 loan.
Subordination Agreement (original in file)	June 6, 2001	Instrument No. 2001-0044475 City subordinates its \$74,500 loan to City \$105,000 grant.
Subordination Agreement (original in file)	Dec. 7, 2005	Instrument No. 2005-0087244 City subordinates its \$74,500 loan to SCCCUC \$75,000 loan.
Subordination Agreement (original in file)	June 11, 2009	Instrument No. 2009-0056374 City subordinates its \$74,500 loan to SCCCUC \$87,000 loan.
Subordination Agreement (original in file)	June 11, 2009	Instrument No. 2009-0056375 City subordinates its \$74,500 loan to SCCCUC \$25,000 loan.
Assumption and Assignment of Participation Agreement, Loan Agreement, Promissory Note and Deed of Trust	Recorded July, 3, 2012	Instrument no. 2012-0031355 City approves assignment and assumption of the Participation Agreement, Loan Agreement, Promissory Note and Deed of Trust by CFSC, Inc.



City Council AGENDA REPORT

DATE: 05/09/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Economic Development and Housing

SUBJECT: Pacific Collegiate Foundation – Approval of Issuance by the California Municipal Public Financing Authority of Refunding Revenue Bonds for the Purpose of Refinancing the 2016 Variable Rate Revenue Bonds (ED)

RECOMMENDATION: Resolution to approve a non-charter membership agreement (the “Non-Charter Agreement”) with the California Municipal Public Financing Authority (“CalMuni PFA”) to assist the Pacific Collegiate Foundation with the issuance of refunding revenue bonds in an amount not to exceed \$6,000,000 for the purpose of refinancing their 2016 Variable Rate Revenue Bonds.

BACKGROUND: In 2016, the City assisted the Pacific Collegiate Foundation, a California nonprofit public benefit corporation (the “Foundation”), with the issuance of Series 2016 California Statewide Communities Development Authority (Pacific Collegiate Foundation) Variable Rate Demand Revenue Bonds, that were issued on August 4, 2016 (the “2016 Bonds”). On November 24, 2015, the City adopted Resolution No. NS-29,027 (the “2015 Resolution”) which, among other things, approved the issuance of the 2016 Bonds and any refunding bonds as required by Section 147(f) of the Internal Revenue Code of 1986.

The proceeds of the Series 2016 Bonds were used to refinance a construction loan that financed the construction and improvement of an approximately 47,000 sq. ft. building used to house the Pacific Collegiate School (the “School”) located at 3004 Mission Street, Santa Cruz, California 95060 (the “Facilities”). The Facilities are located within the territorial limits of the City, and a substantial portion of the persons utilizing the services provided at the Facilities are expected to be residents of the City. Similarly, a substantial portion of the persons to be employed by the Foundation at the Facilities are expected to be residents of the City. The Facilities continue to promote significant and growing opportunities for the creation and retention of employment to the local economy and the enhancement of the quality of life for residents of the City and will promote opportunities for the creation or retention of employment within the jurisdiction of the City.

The Foundation has requested the City to join CalMuni PFA in order to allow CalMuni PFA to issue Series 2023 Refunding Revenue Bonds (Pacific Collegiate Foundation) in an aggregate principal amount of not to exceed \$6,000,000 (the “Refunding Bonds”) for the purpose of providing the funds necessary to refinance and defease the 2016 Bonds. Without the City being a member of CalMuni PFA, that entity would not have the legal ability to issue bonds on behalf

of a 501(c)(3) located within the jurisdiction of the City (see Govt. Code § 6500 et seq, and specifically § 6502).

DISCUSSION: The purpose of the subject resolution is to approve the form of Non-Charter Agreement allowing the City to become non-charter members of CalMuni PFA. The adoption of this resolution is a required step in the process of the Foundation securing financing.

The 2015 Resolution established the City's jurisdiction to assist the Foundation in the issuance of the Refunding Bonds. As such there are no requirements for a public hearing or approval of any other documentation from the City (see 26 USCS § 147(f)(2)(D)). In essence, the 2016 Bonds are merely being replaced by the Refunding Bonds.

FISCAL IMPACT: The City would not be party to any financing documents. There is no direct or indirect financial impact to the City of Santa Cruz as a result of this proposed financing. CalMuni PFA will issue the Refunding Bonds on behalf of the Foundation. The Refunding Bonds are payable solely out of the revenues derived by the Foundation. No financial obligations are placed on the City for project financing costs or debt repayment.

Prepared and Submitted By:

Bonnie Lipscomb
Director of Economic
Development and Housing

Approved By:

Matt Huffaker
City Manager

ATTACHMENTS:

1. RESOLUTION.DOCX
2. NON-CHARTER AGREEMENT.PDF

RESOLUTION NO. NS-__,__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
APPROVING A NON-CHARTER MEMBERSHIP AGREEMENT IN
CONNECTION WITH THE EXECUTION AND DELIVERY OF SERIES 2023
TAX-EXEMPT REFUNDING REVENUE BONDS FOR THE PACIFIC
COLLEGIATE FOUNDATION, AND OTHER MATTERS RELATING THERETO

WHEREAS, the City Council (the “City Council”) of City of Santa Cruz (the “City”) is reviewing the issuance of tax-exempt refunding bonds to finance the costs associated with the refinancing of certain Series 2016 Bonds by Pacific Collegiate Foundation (the “Series 2016 Bonds”); and

WHEREAS, in 2016 the City assisted the Pacific Collegiate Foundation, a California nonprofit public benefit corporation (the “Corporation”), with the issuance of the Series 2016 Bonds (more specifically, the Series 2016 California Statewide Communities Development Authority Variable Rate Demand Revenue Bonds (Pacific Collegiate Foundation), that were issued on August 4, 2016); and

WHEREAS, the proceeds of the Series 2016 Bonds were used to refinance a construction loan that financed the construction and improvement of an approximately 47,000 sq. ft. building used to house the Pacific Collegiate School (the “School”) located at 3004 Mission Street, Santa Cruz, California 95060 (the “Facilities”); and

WHEREAS, the Corporation has applied for the financial assistance of California Municipal Public Financing Authority (the “Authority”) to (1) refinance the Series 2016 Bonds, and (2) finance costs of issuance, debt service reserve, and other related costs, (both points collectively referred to as the “Refinancing Project”); and

WHEREAS, the Facilities will be used as collateral and security for the Refinancing Project; and

WHEREAS, the Facilities are located within the territorial limits of the City, and a substantial portion of the persons utilizing the services provided at the Facilities are expected to be residents of the City and a substantial portion of the persons to be employed by the Corporation at the Facilities are expected to be residents of the City; and

WHEREAS, the Facilities continue to promote significant and growing opportunities for the creation and retention of employment to the local economy and the enhancement of the quality of life for residents of the City and will promote opportunities for the creation or retention of employment within the jurisdiction of the City and is within the powers conferred upon the Authority; and

WHEREAS, to provide the funds necessary to accomplish the Refinancing Project the Authority is prepared to issue its California Municipal Public Financing Authority, Series 2023 Refunding Revenue Bonds (Pacific Collegiate Foundation) in an aggregate principal amount of

not to exceed \$6,000,000 (the “Bonds”) pursuant to an Indenture and Loan Agreement (the “Bond Documents.”); and

WHEREAS, the Bond Documents comprise a financing structure that is considered standard for California government agencies to assist non-profit organizations that provide community benefits. In using this financing structure, an Indenture must be established with a third-party nonprofit entity experienced in tax-exempt debt transactions in California that can serve as issuer of the Bonds. The Authority is serving as such independent nonprofit entity for this financing transaction; and

WHEREAS, the City desires to, pursuant to a membership agreement, become a Non-Charter Member of the Authority in order to facilitate the Refinancing Project (the “Non-Charter Membership Agreement”); and

WHEREAS, without the City being a member of Authority, the Authority would not have the legal ability to issue bonds on behalf of a 501(c)(3) located within the jurisdiction of the City (*see* Govt. Code § 6500 *et seq*, and specifically § 6502); and

WHEREAS, the City Council, with the aid of its staff, has reviewed the Non-Charter Membership Agreement, the form of which has been presented to the City Council and is on file with the City Clerk, and the City Council wishes at this time to approve the foregoing document in the public interests of the City; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

Section 1. Recitals and Findings. The City Council hereby specifically finds and declares that each of the statements, findings and determinations set forth in the recitals set forth above are true and correct, and that the Bonds are expected to result in significant public benefits to the City, Corporation, and the School.

Section 2. Approval Non-Charter Membership Agreement. The City Council hereby authorizes and approves the Non-Charter Membership Agreement in substantially the form on file with the City Clerk together with any additions thereto or changes therein deemed necessary or advisable by City Manager, who is hereby authorized and directed, for and in the name and on behalf of the City, to execute the final form of the Non-Charter Membership Agreement for and in the name and on behalf of the City, and the execution thereof shall be deemed to be conclusive evidence of the City Council’s approval of any such additions and changes. The City Council hereby authorizes the delivery and performance of the Non-Charter Membership Agreement.

Section 3. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 23rd day of May, 2023 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

NON-CHARTER MEMBERSHIP AGREEMENT
by and between the
CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY
and the
CITY OF SANTA CRUZ

This NON-CHARTER MEMBERSHIP AGREEMENT, dated as of May 1, 2023, by and between THE CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY (“CalMuni PFA”) and the City of Santa Cruz, a duly organized municipal corporation and validly existing under the laws of the State of California (the “City”);

W I T N E S S E T H:

WHEREAS, certain public agencies of the State of California (collectively, the “Charter Members”) have entered into a Joint Powers Agreement Creating the California Municipal Public Financing Authority (the “Agreement”), establishing CalMuni PFA and prescribing its purposes and powers, and providing, among other things, for qualifying public agencies to become non-charter members of CalMuni PFA (each a “Non-Charter Member”); and

WHEREAS, CalMuni PFA has been formed for the purpose, among others, of exercising any powers common to the Charter and Non-Charter Members, including but not limited to acquiring, constructing, improving, operating, leasing and disposing of real property for a public purpose, all as specified in the Agreement, and to exercise the additional powers granted to it in the Act (as defined in the Agreement) and any other applicable provisions of the laws of the State of California; and

WHEREAS, CalMuni PFA has been established pursuant to the Agreement and the Act and is empowered to issue or execute non-recourse debt, which may include bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements or certificates of participation therein (herein “Obligations”), and to otherwise undertake financing programs under the Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the City desires to become an Non-Charter Member of CalMuni PFA; and

WHEREAS, the Board of Directors of CalMuni PFA (the “Board”) has determined that the City should become a Non-Charter Member of CalMuni PFA; and

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, CalMuni PFA and the City do hereby agree as follows:

Section 1. Non-Charter Member Status. The City is hereby made a Non-Charter Member of CalMuni PFA for all purposes of the Agreement and the Bylaws of CalMuni PFA, the

provisions of which are hereby incorporated herein by this reference. From and after the date of execution and delivery of this Non-Charter Membership Agreement by the City and CalMuni PFA, the City shall be and remain a Non-Charter Member of CalMuni PFA.

Section 2. Restrictions and Rights of the City. The City shall not have the right, as a Non-Charter Member of CalMuni PFA, to vote on any action taken by the Board. In addition, no officer, employee or representative of the City shall have any right to become an officer or director of CalMuni PFA by virtue of this Non-Charter Membership Agreement.

Section 3. Effect of Prior Actions. The City hereby agrees to be subject to and bound by all actions previously taken by the Board to the same extent as the Members of CalMuni PFA are subject to and bound by such actions.

Section 4. No Obligations of the City. The debts, liabilities and obligations of CalMuni PFA shall not be the debts, liabilities and obligations of the City.

Section 5. Execution of this Non-Charter Membership Agreement. Execution of this Non-Charter Membership Agreement shall satisfy the requirements of Section 12 of the Agreement and Article VI of the Bylaws of CalMuni PFA for participation by the City in all programs and other undertakings of CalMuni PFA, including, without limitation, any undertaking to finance the acquisition, construction, installation and/or equipping of public capital improvements, and any other financing program undertaken by CalMuni PFA.

[Signature Page to Follow on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Non-Charter Membership Agreement to be executed by their proper officers thereunto duly authorized, on the day and year first set forth above.

**CALIFORNIA MUNICIPAL PUBLIC
FINANCING AUTHORITY**

By: _____

Title: _____

CITY OF SANTA CRUZ

By: _____

Title: _____



City Council AGENDA REPORT

DATE: 05/10/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Finance

SUBJECT: Liability Claims Filed Against the City of Santa Cruz (FN)

RECOMMENDATION: Motion to reject the liability claims of 1) Ezekiel C. Tidmore, 2) Judith Laing, 3) Justin Laing; and to return as late claim of 4) Deborah Marie Guadian, based on staff recommendation.

BACKGROUND: N/A

DISCUSSION: I. Claims to be rejected:

1. Claimant: Ezekiel C. Tidmore
Date of occurrence: 12/21/2022
Date of claim: 04/18/2023
Amount of claim: \$7,136.30

Claimant seeks reimbursement for his vehicle, tow fees, and impound fees when his vehicle was allegedly towed without proper notice.

Self-Represented.

2. Claimant: Judith Laing
Date of occurrence: 10/20/2022
Date of claim: 04/18/2023
Amount of claim: \$100,000,000.00

Claimant seeks damages related to alleged police actions.

Represented by legal counsel.

3. Claimant: Justin Laing
Date of occurrence: 10/20/2022
Date of claim: 04/18/2023
Amount of claim: \$100,000,000.00

Claimant seeks damages related to alleged police actions.

Represented by legal counsel.

II. Claim to be returned as late:

4. Claimant: Deborah Marie Guadian

Date of occurrence: 05/15/2022

Date of claim: 04/20/2023

Amount of claim: Unspecified

Claimant seeks reimbursement for alleged damage to her vehicle.

Self-Represented.

FISCAL IMPACT: No fiscal impact.

Prepared By:
Ross Brandon
Risk & Safety Manager

Submitted By:
Elizabeth Cabell
Finance Director

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

None.

Brittany Inclan

From: Rhonda Reyna <rhondareyna27@gmail.com>
Sent: Saturday, May 20, 2023 11:10 PM
To: City Council
Subject: Correspondence: Agenda Item 12 May 23, 2023 Meeting

Dear Mayor, Vice Mayor and City Council Members,

I am recommending that the City of Santa Cruz pay the claims of both Judith Laing and Justin Laing which are well founded.

The ruling of Johnston-Rossi vs Rossi appellate decision applies to this case and demonstrates that the actions of the Santa Cruz Police Department in facilitating the Laing children to be forced into an unscientific, unproven "reunification" therapy program that is an abuse of judicial discretion as described below, was a violation of Due Process to have the appeal adjudicated and was a violation of the family's civil rights secured by the Constitution. The world has seen the horrific videos of these children screaming for help. Worse yet, they are still missing. I am certain that Judge Rebecca Connolly will be held accountable for her gross misconduct and irreparable harm to the Laing family.

"Without evidence that it is in the best interest of the children to remove them from mother's custody for a period of at least 90 days in order to participate in the Family Bridges program, the court abused its discretion in issuing its order of December 22, 2021. (*In re Marriage of Burgess, supra*, 13 Cal.4th at p. 32.)"

"DISPOSITION

The order of December 22, 2021 ordering the children to participate in the Family Bridges program is reversed. Plaintiff and appellant is awarded costs on appeal."

The night the Laing children were family court kidnapped, dozens of concerned citizens called both the Santa Cruz Police Department and 911 on behalf of the children, so SCPD was receiving information that the reunification camps were a scam, but SCPD willfully and wantonly ignored the advocates. Many of these advocates are available to testify. I am one of them. I spoke to Officer Infuente who told me they were not taking the children and said he would meet with me to review my information on reunification therapists. He specifically told me that it was just a civil order and that they were not going to enforce it. He lied to me. The police officers went back to the Laing home half an hour later to facilitate the kidnapping.

Peace officer's number one duty is to protect. The children stated their preference as described in Family Code 3042. Over 40 million people heard it. As the video evidence shows, the SCPD did not protect these children. Worse yet, they stood by as the children were being physically injured. This is a crime against humanity and they should be held accountable.

Furthermore, the Santa Cruz Police Department had extensive evidence in my complaint about the nefariousness of reunification therapy and it's practitioners, that should have caused them to refuse to enforce Judge Connolly's unlawful order.

Children subjected to reunification camps are sharing their stories about the abuses they've suffered.



The People of Santa Cruz want accountability. Pay up.
Rhonda Reyna

<https://casetext.com/case/johnston-rossi-v-rossi>
Filed 1/30/23; Certified for Publication 3/1/23 (order attached)

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA SECOND APPELLATE DISTRICT
DIVISION EIGHT

KERRY ANN JOHNSTON- ROSSI,

Plaintiff and Appellant, v.

PAUL ROSSI,
Defendant and Respondent.

B318522

(Los Angeles County Super. Ct. No. BD542090)

APPEAL from an order of the Superior Court of Los Angeles County. Steven A. Ellis, Judge.
Reversed.

Summers Levine & Kretzmer, Michael J. Kretzmer; Greines, Martin, Stein & Richland, Robert A.
Olson, Cynthia Tobisman, Eleanor S. Ruth, Tina Kuang; Hall Family Law and Stefanie Hall for
Plaintiff and Appellant.

Arbogast Law, David M. Arbogast; Ovando Bowen and Chumahan B. Bowen for Defendant and
Respondent.

***** **

Plaintiff and appellant Kerry Ann Johnston-Rossi (mother) appeals from the postjudgment order
modifying the parenting plan between her and her former husband, defendant and respondent
Paul Rossi (father) with respect to their two minor children. Mother contends the family court

abused its discretion in ordering the children to participate with father in a therapy program operated by Family Bridges which mandated no contact with mother for a minimum of 90 days.

We agree the court abused its discretion and reverse the order.

FACTUAL AND PROCEDURAL BACKGROUND

Mother and father married in 2004. During their marriage, they had two children, a daughter B.R. and a son D.R. Mother and father separated after six years of marriage, and their final judgment of dissolution was entered on October 16, 2012. At the time of dissolution, both mother and father lived in Los Angeles, and the court ordered joint legal and physical custody of the children.

In April 2015, mother obtained a domestic violence restraining order against father and an order allowing her to relocate with the children to Canada. The court ordered that B.R. and D.R. “shall reside” with mother “at all times except for the custodial parenting time awarded to [father].” Father was given time with the children during breaks in their school year, and he shared alternating holidays with mother, in addition to regular weekly visitation via telephone or videochats (e.g., FaceTime). Mother subsequently was allowed to relocate with the children to New York, their current state of residence. B.R. and D.R. are now in high school.

2

The Orders by Judge Dianna Gould-Saltman

After mother relocated with the children to New York, both mother and father sought postjudgment modifications to the parenting plan and related orders. In the fall of 2020, Judge Dianna Gould-Saltman heard several days of testimony, including from mother, father, B.R., Dr. Stan Katz, and Jayne Roberman.

Dr. Katz, who was appointed to conduct child custody evaluations, testified he felt additional monitored visitation with father in New York was warranted and that the family would also benefit from the appointment of a parenting coach. In discussing different family therapy programs that might be considered, Dr. Katz told the court he was familiar with and approved of a program run by Rebecca Bailey. Dr. Katz said her program was flexible, could be customized to fit the specific needs of the family, and allowed both parents to participate. Dr. Katz was less familiar with the Family Bridges program, but said he understood it had success in cases of severe parental alienation. He described the program as “the most extreme” because it required removal of the child from the custody of the parent with whom the child was aligned (in this case, mother). Dr. Katz said Family Bridges “doesn’t allow for the aligned parent to be involved at all.” Dr. Katz believed the Family Bridges program lasted about five to seven days which was usually followed by a period of time where the aligned parent was not allowed any contact with the child, except potentially therapeutic contact.

Dr. Katz was not in favor of restrictive programs like Family Bridges unless “nothing else ha[d] worked” to help rebuild a child’s relationship with an alienated parent. He said he did not

3

think such a program was necessary for B.R. and D.R. and hoped it would not become necessary.

Ms. Roberman, who was appointed to provide reunification therapy for the family, believed both children were resistant to spending time with father, and that a team approach was warranted. She told the court “the family needs a more intensive, family-focused therapy to include relationships the children have with both parents, addressing effective means for the parents to resolve conflict and more effectively communicate.”

Mother and father each presented an expert who critiqued the recommendations made by Dr. Katz.

After the hearing, Judge Gould-Saltman issued an order requiring additional counseling for the children. Because of the pandemic, the court allowed the sessions to be completed remotely. The court also awarded father additional visitation time with the children in New York on the first and third weekends of each month. Because the pandemic was making travel and contact between different households difficult in the winter of 2020, the court ordered that a review hearing be set to monitor whether the parties were complying with its order and to see how father’s visitation and the children’s therapy sessions were going.

The review hearing was held July 22, 2021. The court heard testimony from B.R., mother, father, and father’s girlfriend, primarily focused on how father’s visits with the children in New York had been going since the last hearing. Father had been unable to make several of the visits. The visits that had occurred had not gone well, but there had been some enjoyable time spent bike riding and visiting a museum.

4

On August 17, 2021, Judge Gould-Saltman issued a written order that addressed various matters. As relevant here, the court ordered that father was allowed to have a week vacation time during the summer with the children in Los Angeles. Further, the court ordered that father was permitted to enroll himself and the children in “a week-long program such as Family Bridges or Turning Point” and in the event he chose to do so, father was entitled to have “the children during the week-long program” in Los Angeles in addition to his one week of summer vacation time with them in Los Angeles.

Mother filed an appeal from the August 17, 2021 order which she subsequently dismissed.

The Order by Judge Steven A. Ellis

About a month later, father filed a new motion requesting further orders modifying the parenting plan in order to allow him uninterrupted time with B.R. and D.R. to complete both the in- person portion of the Family Bridges program and the “Family Bridges required post aftercare.” According to father’s declaration, the program starts with a four-day in-person therapy component followed by a minimum of 90 days of “aftercare” which would require no contact between the children and mother. Father submitted paperwork from Family Bridges confirming the scope of the program. Father testified he was advised by Dr. Randy Rand of Family Bridges that he could not enroll in the program without a court order

requiring the children’s participation in the 90-day aftercare portion of the therapy. Father said he had no interest in taking custody from mother and “fully expect[ed] for custody to return to 50/50 in [New York] once the program is successfully completed.”

5

Mother opposed father’s request for an order requiring the children to participate in the Family Bridges program and requiring them to be removed from her custody for 90 days or more. Mother filed notice, pursuant to Family Code section 217, of her intent to present live testimony at the hearing, including the testimony of B.R. and D.R. Mother contended that, as teenagers, they were entitled to testify about the prospect of being ordered out of their home and excluded from talking to their mother.

The hearing on defendant’s motion was held on November 8, 2021 before a different judge, Judge Ellis. Judge Ellis denied mother’s request to present witnesses. The court found good cause to deny an evidentiary hearing on the basis that Judge Gould-Saltman, in her August 2021 order, had “already resolved” the substantive issues regarding the Family Bridges program. The court then heard argument from the parties on how the Family Bridges program could be completed without interfering with the children’s schooling and whether it was feasible for the program to be completed in Los Angeles.

On December 22, 2021, Judge Ellis issued a nine-page order allowing father to have custody of the children for the time necessary to complete the Family Bridges program and outlining alternative procedures depending on whether the program was completed in Los Angeles or New York. Judge Ellis ordered that participation in the Family Bridges program was not to interrupt the children’s regular schooling in New York. If the program, including the minimum 90-day aftercare portion, could not be completed in Los Angeles during the summer break, then it would have to be completed in New York with father arranging

6

for a residence in New York during the school year where he and the children would reside.

Judge Ellis found it was in the best interest of the children to have no contact with mother during the Family Bridges program unless the parties otherwise agreed or by further order of the court. “Contact” was defined to include telephone calls, text messages, letters and all forms of digital contact or correspondence. Judge Ellis ordered that once the Family Bridges program was completed, B.R. and D.R. “will be able to move back with mother and the prior custody order will be reimplemented subject to any further order of the court.”

This appeal followed. We granted mother’s writ of supersedeas, staying the order pending resolution of this appeal.

DISCUSSION

1. Applicable Law

The overarching concern of California’s child custody and visitation law is the best interest of the child. (*Montenegro v. Diaz* (2001) 26 Cal.4th 249, 255 (*Montenegro*)). Where, as here, there is a final custody determination in place, a postjudgment request to modify custody requires the moving party to demonstrate not just the best interest of the child but changed circumstances. (*Id.* at p. 256.) “Under the so-called changed circumstance rule, a party seeking to modify a permanent custody order can do so only if he or she *demonstrates a significant change of circumstances justifying a modification.*” (*Ibid.*, italics added.)

Once a final custody determination has been made, “the paramount need for continuity and stability in custody arrangements—and the harm that may result from disruption of established patterns of care and emotional bonds with the

7

primary caretaker—weigh heavily in favor of maintaining ongoing custody arrangements.” (*In re Marriage of Burgess* (1996) 13 Cal.4th 25, 32–33.) The changed circumstances rule “ ‘fosters the dual goals of judicial economy and protecting stable custody arrangements.’ ” (*Montenegro, supra*, 26 Cal.4th at

p. 256; accord, *In re Marriage of Brown & Yana* (2006) 37 Cal.4th 947, 955–956 & *In re Marriage of McKean* (2019) 41 Cal.App.5th 1083, 1089.)

Unlike postjudgment modifications of custody orders, postjudgment modifications of visitation and the parenting plan are governed by the statutory best interest of the child test, and the changed circumstance rule does not apply. (*In re Marriage of Lucio* (2008) 161 Cal.App.4th 1068, 1077; accord, *In re Marriage of Furie* (2017) 16 Cal.App.5th 816, 827 [the appropriate standard for ordering a modification in parenting authority that does not rise to the level of a change in custody is the best interests test].) Relevant factors for the court to consider in determining the best interest of the child include the health, safety and welfare of the child, any history of physical or substance abuse by either parent, and the nature and amount of contact with each parent. (Fam. Code, § 3011, subd. (a).)

We review custody and visitation orders under the deferential abuse of discretion test. (*Montenegro, supra*,

26 Cal.4th at p. 255; accord, *In re Marriage of Burgess, supra*, 13 Cal.4th at p. 32 & *Chalmers v. Hirschkop* (2013)

213 Cal.App.4th 289, 299.) The “precise measure” of whether the family court abused its discretion is whether the court “could have reasonably concluded that the order in question advanced the ‘best interest’ of the child.” (*In re Marriage of Burgess*, at p. 32.) To the extent mother’s appeal challenges the trial court’s

8

factual findings, our review is governed by the substantial evidence test. (*Chalmers*, at p. 300.)

2. The Family Court Abused Its Discretion in Ordering

the Children to Participate in the Family Bridges Program with Father.

Mother contends Judge Ellis erred by failing to apply the

changed circumstance rule. She says father did not show a significant change in circumstances that warranted B.R. and D.R. being removed from her custody to participate in the Family Bridges program, and the court abused its discretion by granting father's modification request without requiring such a showing. She also claims the court abused its discretion in denying her request to present testimony at the hearing, and that the record does not contain substantial evidence demonstrating the modification was in the children's best interest.

Father argues Judge Ellis, in ordering the Family Bridges program in December 2021, was merely implementing Judge Gould-Saltman's order of August 17, 2021. He contends we should affirm Judge Ellis's order but also says that given the passage of time, we should remand for further proceedings to allow the family court the opportunity to reconsider what type of program is in the best interests of the children at this time.

The practical effect of the December 2021 modification order was to remove B.R. and D.R. from mother's custody for at least 90 days. The order concedes as much by concluding with the language that after completion of the Family Bridges program "the prior custody order will be reimplemented subject to any further order of the court." Judge Ellis ordered this modification without any evidence of changed circumstances.

9

Nothing in the record supports the court's finding that this significant disruption to the children's established living arrangement with mother was in their best interest. The order requires the children, for a minimum period of three months, to be moved out of their home and either moved across the country to Los Angeles if the Family Bridges program can be completed during a school break, or moved into a new home in New York with father until the program can be completed there during the school year. The children would not be allowed any contact with mother during this disruptive period.

The order was based on the incorrect assumption that Judge Gould-Saltman had already ordered the children to participate in the Family Bridges program. Judge Gould-Saltman's order did not direct the children to participate in Family Bridges, or in any other program that might last more than one week. The order granted father one week of vacation time with the children in Los Angeles during their summer break, and also permitted father to enroll himself and the children in "a week-long program such as Family Bridges or Turning Point." In the event father chose to enroll himself and the children in a conjoint therapy program in Los Angeles, the court ordered that he was entitled to have "the children during *the week-long program*" in addition to his one week of summer vacation with the children. (Italics added.)

The fact Judge Gould-Saltman was apparently under the mistaken impression the Family Bridges program was one of the therapy programs that could be completed in one week underscores the fact that all of the details related to Family Bridges had not been fleshed out and resolved by Judge Gould-

Saltman, let alone the factual issues related to removing the children from mother's custody for a minimum of 90 days.

In denying mother's request for an evidentiary hearing, Judge Ellis prevented mother from offering evidence relevant to the propriety of ordering the children to participate in a 90-day Family Bridges program during which they would be deprived of all contact with mother. The court's finding that good cause supported the denial of an evidentiary hearing because Judge Gould-Saltman had already resolved the substantive issues regarding the Family Bridges program is not supported by the record as we already explained above.

Without evidence that it is in the best interest of the children to remove them from mother's custody for a period of at least 90 days in order to participate in the Family Bridges program, the court abused its discretion in issuing its order of December 22, 2021. (*In re Marriage of Burgess*, *supra*, 13 Cal.4th at p. 32.)

We deny mother's requests to take judicial notice of records related to father's 2020 felony conviction for a violation of Penal Code section 245, subdivision (a)(1) as the records are not relevant to our decision.

DISPOSITION

The order of December 22, 2021 ordering the children to participate in the Family Bridges program is reversed. Plaintiff and appellant is awarded costs on appeal.

GRIMES, J.
STRATTON, P. J. VIRAMONTES, J.

WE CONCUR:

11

Filed 3/1/23

CERTIFIED FOR PUBLICATION

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA SECOND APPELLATE DISTRICT
DIVISION EIGHT

KERRY ANN JOHNSTON- ROSSI,

Plaintiff and Appellant, v.

PAUL ROSSI,
Defendant and Respondent.

B318522

(Los Angeles County Super. Ct. No. BD542090)

**ORDER CERTIFYING OPINION
FOR PUBLICATION**

[No change in judgment]

THE COURT:

The opinion in the above-entitled matter filed on

January 30, 2023, was not certified for publication in the Official Reports. For good cause, it now appears that the opinion should be published in the Official Reports and it is so ordered.

There is no change in the judgment.

STRATTON, P. J. GRIMES, J. VIRAMONTES, J.



City Council AGENDA REPORT

DATE: 05/10/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Finance

SUBJECT: Award Contract for eProcurement Solution (FN)

RECOMMENDATION: Motion to:

- 1) Amend the existing software services agreement, in a form to be approved by the City Attorney, with OpenGov (San Jose, California) to include the purchase of an integrated web-based electronic procurement (eProcurement) and contract management platform for a 3-year term, along with related business process, implementation and support services from June 1, 2023, through May 30, 2026; and,
 - 2) Authorize the City Manager to execute the agreement and any amendments within the approved operating budget.
-

BACKGROUND: The procurement and contracting process is a highly technical one, from Requests for Proposals/Qualifications, to bid evaluation, contract negotiation, approval, and management. It is critical to the City's ability to provide services to its citizens that these actions are done efficiently, transparently, and in line with all applicable laws. It is also important that this process is standardized, while also being able to quickly adapt to the evolving needs of the City.

Modern procurement practices leverage available technology to build these resilient systems, and require online tools that enable a broader pool of available vendors, access to up-to-date bidding and contracting terms, enhanced communications throughout the entire process, central database management of records and tracking of contracts once executed. The OpenGov, Inc. software meets these criteria and is capable of modernizing the City's procurement process.

DISCUSSION: In a decentralized procurement environment such as the City of Santa Cruz, the OpenGov procurement software provides a number of additional features over its competitors that will assist staff with creating highly effective solicitations, which will help identify the "best value" for the particular good or service and maximize the value for the City's expenditures. For example, the OpenGov procurement software contains logic within its programming that guides end users with best practices for appropriate solicitation methods, contains a database of solicitations and similar scopes of work that other municipalities have successfully completed, and contains a network of professionals that are available to the City for solicitation advice.

The web-based solution allows the City to continue to use an intuitive, efficient, and easy-to-use procurement process that includes online self-service and collaboration features that simplify planning, soliciting, evaluating, and awarding contracts, and enables the City to broadcast solicitations to a wider, and more relevant set of vendors.

Section 3.08.170 of the Municipal Ordinance allows the City to utilize cooperative purchasing agreements when is in the best interest of the City to do so. A cooperative purchasing agreement results from a formal procurement process, compliant with state statutes and formal procurement methods, and completed by a consortium or a single agency that is authorized for use by other municipalities and government agencies. The use of a cooperative purchasing agreement results in cost savings of time, money and finance department resources for the City. The County of Sacramento conducted a request for proposals dated December 4, 2020, and awarded the procurement system bid to OpenGov, Inc. on May 6, 2021 as the most responsive and cost-effective proposal.

FISCAL IMPACT: The total amendment amount of \$126,687 consists of a one-time implementation and training cost of \$22,790, and total maintenance costs of \$103,897 for services from July 1, 2023 through June 30, 2026. Staff is requesting approval for a 3-year commitment to realize a cost savings to the City. There are adequate funds in the Finance Department's FY 2023 operating budget for this purchase.

Prepared By:
Elizabeth Millwee
Purchasing Manager

Submitted By:
Elizabeth Cabell
Finance Director

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. OPENGOV PROCUREMENT AGREEMENT.PDF



OpenGov Inc.
6525 Crown Blvd #41340
San Jose, CA 95160
United States

Order Number: Q009570
Created On: April 25, 2023
Quote Expiration Date: May 31, 2023
Subscription Start Date: June 01, 2023
Subscription End Date: May 31, 2026

Prepared By: Alex Martinez
Email: amartinez@opengov.com
Contract Term: 36 Months

Customer Information

Customer:	City of Santa Cruz, CA	Contact Name:	Elizabeth Millwee
Bill To/Ship To:	809 Center St	Email:	emillwee@santacruzca.gov
	Santa Cruz, CA US	Phone:	831-420-5084

Order Details

Billing Frequency: Annual **Payment Terms:** Net 30

SOFTWARE SERVICES:

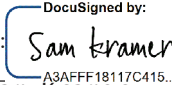
Product / Service	Interval Start Date	Interval End Date	Interval Fee
OpenGov Procurement	June 01, 2023	May 31, 2024	\$32,957.00
OpenGov Procurement	June 01, 2024	May 31, 2025	\$34,605.00
OpenGov Procurement	June 01, 2025	May 31, 2026	\$36,335.00
			Total Amount
			See Billing Table

PROFESSIONAL SERVICES:

Product / Service	Start Date	Total Amount
Professional Services Deployment - Prepaid	June 01, 2023	\$22,790.00
		Services Total Amount
		\$22,790.00

Order Form Legal Terms

Welcome to OpenGov! Thanks for using our Software Services. This Order Form is entered into between OpenGov, Inc., with its principal place of business at 6525 Crown Blvd #41340 San Jose, CA 95160 (“OpenGov”), and you, the entity identified above (“Customer”), as of the Effective Date. This Order Form includes and incorporates the OpenGov Software Services Agreement, signed between the parties, effective **October 15, 2018** as amended (“SSA”) and the applicable Statement of Work (“SOW”) incorporated herein in the event Professional Services are purchased. The Order Form, SSA and SOW shall hereafter be referred to as the “Agreement”. Unless otherwise specified above, fees for the Software Services and Professional Services shall be due and payable, in advance, on the Effective Date. By signing this Agreement, Customer acknowledges that it has reviewed, and agrees to be legally bound by, the OpenGov Software Services Agreement. Each party’s acceptance of this Agreement is conditional upon the other’s acceptance of the terms in the Agreement to the exclusion of all other terms.

City of Santa Cruz, CA	OpenGov, Inc.
Signature:	Signature: 
Name:	Name: Sam Kramer
Title:	Title: VP Finance
Sign Date:	Countersign Date: 5/4/2023

Billing Date:	Billing Amount:
6/1/2023	\$55,747.00 (Annual Software Fee + Professional Services)
6/1/2024	\$34,605.00
6/1/2025	\$36,335.00



Statement of Work

City of Santa Cruz, CA

Creation Date: 4/20/2023
Document Number: PS-04048
Version Number: 1
Created by: Sidney Barnes

Table of Contents

1. Overview and Approach	3
1.1. Agreement	3
2. Statement of Work	3
2.1. Project Scope	3
2.2. Facilities and Hours of Coverage	4
2.3. Key Assumptions	4
2.4. OpenGov Responsibilities	4
2.4.1. Activity 1 – Project Management	4
2.4.2. Activity 2 – Initialization	5
2.4.3. Activity 3 – OpenGov Use Cases	5
2.4.4. Activity 4 – Training	6
2.5. Your Responsibilities	6
2.5.1. Your Project Manager	7
2.6. Completion Criteria	7
2.7. Estimated Schedule	7
2.8. Illustrative Project Timelines	8
2.9. Charges	8
2.10. Offer Expiration Date	8
Appendix A: Engagement Charter	9
A-1: Communication and Escalation Procedure	9
A-2: Change Order Process	9
A-3: Deliverable Materials Acceptance Procedure	10
Appendix B: Implementation Activities	11
B-1: OpenGov Procurement Suite	11
Appendix C: Technical Requirements	16
C-1: OpenGov Procurement Suite	16

1. Overview and Approach

1.1. Agreement

This Statement of Work ("SOW") identifies services that OpenGov, Inc. ("OpenGov" or "we") will perform for City of Santa Cruz, CA ("Customer" or "you") pursuant to that order for Professional Services entered into between OpenGov and the Customer ("Order Form") which references the Software Services Agreement or other applicable agreement entered into by the parties (the "Agreement").

- Customer acknowledges and agrees that this Statement of Work is subject to the confidentiality obligations set forth in the Software Services Agreement between OpenGov and Customer.
- The Deliverables listed in Appendix B are the single source of the truth of the deliverables to be provided.
- Customer's use of the Professional Services is governed by the Agreement and not this SOW.
- Upon execution of the Order Form or other documentation referencing the SOW, this SOW shall be incorporated by reference into the Agreement.
- In the event of any inconsistency or conflict between the terms and conditions of this SOW and the Agreement, the terms and conditions of this SOW shall govern with respect to the subject matter of this SOW only. Unless otherwise defined herein, capitalized terms used in this SOW shall have the meaning defined in the Agreement.
- This SOW may not be modified or amended except in a written agreement signed by a duly authorized representative of each party.
- OpenGov will be deployed as is, Customer has access to all functionality available in the current release.

2. Statement of Work

This SOW is limited to the Implementation of the OpenGov Procurement suite as defined in the OpenGov Responsibilities section of this document ([Section 2.4](#)). Any additional services or support will be considered out of scope.

2.1. Project Scope

Under this project, OpenGov will deliver cloud based Procurement solutions to help the Customer power a more effective and accountable government. OpenGov's estimated charges and schedule are based on performance of the activities listed in the "OpenGov Responsibilities" section below. Deviations that arise during the project will be managed through the procedure described in Appendix A-2: Project Change Control Procedure, and may result in adjustments to the Project Scope, Estimated Schedule, Charges and other terms. These adjustments may include charges on a time-and-materials or fixed-fee basis using OpenGov's standard rates in effect from time to time for any resulting additional work or waiting time.

2.2. Facilities and Hours of Coverage

OpenGov will:

- A. Perform the work under this SOW remotely, except for any project-related activity which OpenGov determines would be best performed at your facility in Santa Cruz, CA in order to complete its responsibilities under this SOW.
- B. Provide the Services under this SOW during normal business hours, 8:30am to 6:00pm local time, Monday through Friday, except holidays.
- C. Use personnel and resources located across the United States, and may also include OpenGov-trained staffing contractors to support the delivery of services.

2.3. Key Assumptions

The SOW and OpenGov estimates are based on the following key assumptions. Deviations that arise during the proposed project will be managed through the Project Change Control Procedure (see Appendix A-2), and may result in adjustments to the Project Scope, Estimated Schedule, Charges, and other terms.

Per

- A. The OpenGov Suites are not customized beyond current capacities based on the latest release of the software.
- B. Individual software modules are configured based on discussions between OpenGov and Customer.
- C. Procurement Suite
 - i. Customer will provide complete and correct boilerplate language for solicitation and contract templates within two (2) weeks immediately following the kick-off meeting.
 - ii. OpenGov template configuration will include up to two (2) solicitation templates and up to three (3) contract templates (See Appendix B for list).
 - iii. Customer will provide a complete and accurate contracts log and vendor list for import to OpenGov.

2.4. OpenGov Responsibilities

2.4.1. Activity 1 – Project Management

OpenGov will provide project management for the OpenGov responsibilities in this SOW. The purpose of this activity is to provide direction to the OpenGov project personnel and to provide a framework for project planning, communications, reporting, procedural and contractual activity. This activity is composed of the following tasks:

Planning

OpenGov will:

- A. review the SOW, contract and project plan with Customer's Project Manager and key stakeholders to ensure alignment and agreed upon timelines;
- B. maintain project communications through your Project Manager;
- C. establish documentation and procedural standards for deliverable Materials; and

- D. assist your Project Manager to prepare and maintain the project plan for the performance of this SOW which will include the activities, tasks, assignments, and project milestones.

Project Tracking and Reporting

OpenGov will:

- A. review project tasks, schedules, and resources and make changes or additions, as appropriate. Measure and evaluate progress against the project plan with your Project Manager;
- B. work with your Project Manager to address and resolve deviations from the project plan;
- C. conduct regularly scheduled project status meetings; and
- D. administer the Project Change Control Procedure with your Project Manager.

Completion Criteria:

This is an on-going activity which will be considered complete at the end of the Services

Deliverable Materials:

- Weekly status reports
- Project plan
- Project Charter
- Risk, Action, Issues and Decisions Register (RAID)

2.4.2. Activity 2 – Initialization

OpenGov will provide the following:

- A. Customer Entity configuration
- B. System Administrators creation
- C. Solution Blueprint creation
- D. Data Validation strategy confirmation

Completion Criteria:

This activity will be considered complete when:

- Customer Entity is created
- System Administrators have access to Customer Entity
- Solution Blueprint is presented to Customer

Deliverable Materials:

- Solution Blueprint
- Sign-off of Initial Draft Solution Blueprint

2.4.3. Activity 3 – OpenGov Use Cases

OpenGov will provide the following:

Procurement Use Cases

- A. Automate Solicitation Development
- B. Enhance Supplier Engagement and Collaboratively Evaluate + Award
- C. Make Contract Management Centralized and Proactive

Completion Criteria:

This activity will be considered complete when:

Procurement Use Cases

- Vendor Portal is configured
- Vendor List is imported
- Solicitation Templates are configured
- Intake Request Template and Workflow are configured
- Contracts Log is imported
- Contract Templates are configured

Deliverable Materials:

- Formal sign off document

2.4.4. Activity 4 – Training

Training will be provided in instructor-led virtual sessions or through OpenGov University Training courses. For any instructor-led virtual sessions, the class size is recommended to be 10, for class sizes larger than 10 it may be necessary to have more than one instructor.

Completion Criteria:

- Administrator training is provided
- Agency-wide intake training is provided

Deliverable Materials:

- Formal sign off document

2.5. Your Responsibilities

The completion of the proposed scope of work depends on the full commitment and participation of your management and personnel. The responsibilities listed in this section are in addition to those responsibilities specified in the Agreement and are to be provided at no charge to OpenGov. OpenGov's performance is predicated upon the following responsibilities being managed and fulfilled by you. Delays in performance of these responsibilities may result in delay of the completion of the project and will be handled in accordance with Appendix A-1: Project Change Control Procedure.

2.5.1. Your Project Manager

Prior to the start of this project, you will designate a person called your Project Manager who will be the focal point for OpenGov communications relative to this project and will have the authority to act on behalf of you in all matters regarding this project.

Your Project Manager's responsibilities include the following:

- A. manage your personnel and responsibilities for this project (for example: ensure personnel complete any self-paced training sessions, configuration, validation or user acceptance testing);
- B. serve as the interface between OpenGov and all your departments participating in the project;
- C. administer the Project Change Control Procedure with the Project Manager;
- D. participate in project status meetings;
- E. obtain and provide information, data, and decisions within five (5) business days of OpenGov's request unless you and OpenGov agree in writing to a different response time;
- F. resolve deviations from the estimated schedule, which may be caused by you;
- G. help resolve project issues and escalate issues within your organization, as necessary; and
- H. create, with OpenGov's assistance, the project plan for the performance of this SOW which will include the activities, tasks, assignments, milestones and estimates.

2.6. Completion Criteria

OpenGov will have fulfilled its obligations under this SOW when any of the following first occurs:

- A. OpenGov accomplishes the activities set forth in "OpenGov responsibilities" section and delivers the Materials listed, if any; or
- B. The End date is reached

2.7. Estimated Schedule

OpenGov will schedule resources for this project upon signature of the order form. Unless specifically noted, the OpenGov assigned project manager will work with Customer Project Manager to develop the project schedule for all requested deliverables under this SOW. OpenGov reserves the right to adjust the schedule based on the availability of OpenGov resources and/or Customer resources, and the timeliness of deliverables provided by the Customer.

The Services are currently estimated to start within two (2) weeks but no later than four (4) weeks from signatures and have an estimated end date of September 30, 2023 ("End Date") or on other dates mutually agreed to between you and OpenGov.

2.8. Illustrative Project Timelines

The typical project timelines are for illustrative purposes only and may not reflect your use cases.

Procurement Suite Illustrative Timeline		Month 1	Month 2	Month 3	Month 4
Procurement Suite	Supplier Engagement, Evaluation, & Award Solution				
	Solicitation Development Solution				
	Contract Management Solution				
	Intake End User Training				
Reporting & Transparency					
GoLive Support	Hypercare				
Customer is responsible for attending the kick off of each phase, providing any necessary data for each phase, participating in working sessions during active phases, and signing off on deliverables at the end of each phase.					

2.9. Charges

The Services will be conducted on a Fixed Price basis. The fixed price is exclusive of any travel and living expenses and other reasonable expenses incurred in connection with the Services. All charges are exclusive of any applicable taxes.

Customer shall reimburse OpenGov for reasonable out-of-pocket expenses OpenGov incurs providing Professional Services. Reasonable expenses include, but are not limited to, travel, lodging, and meals. Expenses are billed based on actual costs incurred. OpenGov shall not exceed the estimated \$5,000 expenses without written approval from the Customer.

2.10. Offer Expiration Date

This offer will expire on July 20, 2023 unless extended by OpenGov in writing.

Appendix A: Engagement Charter

A-1: Communication and Escalation Procedure

Active engagement throughout the implementation process is the foundation of a successful deployment. To help assess progress, address questions, and minimize risk during the course of deployment both parties agree to the following:

- **Regular communication** aligned to the agreed upon project plan and timing.
 - OpenGov expects our customers to raise questions or concerns as soon as they arise. OpenGov will do the same, in order to be able to address items when known.
- **Executive involvement**
 - Executives may be called upon to clarify expectations and/or resolve confusion.
 - Executives may be needed to steer strategic items to maximize the value through the deployment.
- **Escalation Process:**
 - OpenGov and Customer agree to raise concerns and follow the escalation process, resource responsibility, and documentation in the event an escalation is needed to support issues raised
 - Identification of an issue impeding deployment progress, outcome or capturing the value proposition, that is not acceptable.
 - Customer or OpenGov Project Manager summarizes the problem statement and impasse.
 - Customer and OpenGov Project Managers jointly will outline solution, acceptance or schedule Executive review.
 - Resolution will be documented and signed off following Executive review.
- **Phase Sign-Off**
 - OpenGov requests sign-offs at various stages during the implementation of the project. Once the Customer has signed-off, any additional changes requested by Customer on that stage will require a paid change order for additional hours for OpenGov to complete the requested changes.

A-2: Change Order Process

This SOW and related efforts are based on the information provided and gathered by OpenGov. Customers acknowledge that changes to the scope may require additional effort or time, resulting in additional cost. Any change to scope must be agreed to in writing or email, by both Customer and OpenGov, and documented as such via a:

- **Change Order** - Work that is added to or deleted from the original scope of this SOW. Depending on the magnitude of the change, it may or may not alter the original contract amount or completion date and be paid for by Customer. Changes might include:
 - Timeline for completion
 - Sign off process
 - Cost of change and Invoice timing
 - Amending the SOW to correct an error.

- o Extension of work as the complexity identified exceeds what was expected by Customer or OpenGov.
- o Change in type of OpenGov resources to support the SOW.

A-3: Deliverable Materials Acceptance Procedure

Deliverable Materials as defined herein will be reviewed and accepted in accordance with the following procedure:

- The deliverable Material will be submitted to your Project Manager.
- Your Project Manager will have decision authority to approve/reject all project Criteria, Phase Acceptance and Engagement Acceptance.
- Within five (5) business days of receipt, your Project Manager will either accept the deliverable Material or provide OpenGov's Project Manager a written list of requested revisions. If OpenGov receives no response from your Project Manager within five (5) business days, then the deliverable Material will be deemed accepted. The process will repeat for the requested revisions until acceptance.
- All acceptance milestones and associated review periods will be tracked on the project plan.
- Both OpenGov and Customer recognize that failure to complete tasks and respond to open issues may have a negative impact on the project.
- For any tasks not yet complete, OpenGov and/or Customer will provide sufficient resources to expedite completion of tasks to prevent negatively impacting the project.
- Any conflict arising from the deliverable Materials Acceptance Procedure will be addressed as specified in the Escalation Procedure set forth in Appendix A-1. As set forth in Section 6.1(e) of the Agreement, if there are extended delays (greater than 10 business days) in Customer's response for requested information or deliverable; OpenGov may opt to put the project on an "On Hold" status. After the Customer has fulfilled its obligations, Professional Services can be resumed and the project will be taken off the "On-Hold" status.
- Putting a project "on Hold" may have several ramifications including, but not restricted, to the following:
 - o Professional Services to the customer could be stopped;
 - o Delay to any agreed timelines; or
 - o Not having the same Professional Services team assigned.

Appendix B: Implementation Activities

B-1: OpenGov Procurement Suite

Instance Creation

Procurement Suite		
Description	OpenGov Responsibilities	Customer Responsibilities
Website Instance Creation	OpenGov will: <ul style="list-style-type: none"> Build customer portal and upload Customer's logo. 	Customer will: <ul style="list-style-type: none"> Provide logo. Confirm access to the Portal.

Technical Project Review

Description	OpenGov Responsibilities	Customer Responsibilities
Technical Project Review	OpenGov will: <ul style="list-style-type: none"> Provide up to one (1) two-hour working session at the beginning of the project to: <ul style="list-style-type: none"> Finalize list of templates Review technical requirements Provide documentation on requirements and processes OpenGov Assumptions: <ul style="list-style-type: none"> Boilerplate language will be provided within two (2) weeks immediately following the kick-off meeting. 	Customer will: <ul style="list-style-type: none"> Identify relevant participants for attendance. Confirm deliverables. Gather and provide relevant data for the project.

Supplier Engagement, Evaluation and Award Configuration

Description	OpenGov Responsibilities	Customer Responsibilities
Vendor Portal	OpenGov will:	Customer will: <ul style="list-style-type: none"> Allocate resources to create the Vendor Portal.

	<ul style="list-style-type: none"> • Provide the Customer with iframe code and documentation to create the Vendor Portal. • Import the list of vendors provided by Customer. <p>OpenGov Assumptions:</p> <ul style="list-style-type: none"> • Customer will provide a complete and accurate vendor list for import to OpenGov. OpenGov clean up/correction of imported files are not included in the scope of this project. 	<ul style="list-style-type: none"> • Provide vendor email list and send vendor email/letter. • Ensure that Vendor Portal will be active before OpenGov begins configuration of templates or the Solicitation Development phase.
Generic Template	<p>OpenGov will:</p> <ul style="list-style-type: none"> • Deploy generic templates • Provide OpenGov's "Paper to Paperless Language Transition Guide" to assist transition from paper to electronic. 	<p>Customer will:</p> <ul style="list-style-type: none"> • Provide a copy of the next solicitation document. • Provide information to complete the generic solicitation upload template including forms and an example recent solicitation. • Provide the category code set used by the agency (NIGP, NAICS, or UNSPSC).

Solicitation Development Configuration

Description	OpenGov Responsibilities	Customer Responsibilities
Solicitation Development Solution	<p>OpenGov will:</p> <ul style="list-style-type: none"> • Review and confirm the Solicitation Templates and forms provided by Customer. • Work with Customer to design and get sign off on the first template. • Following the sign off of the first template, configure the remaining templates in the system. <p>OpenGov Assumptions:</p>	<p>Customer will:</p> <ul style="list-style-type: none"> • Provide templates with standard boilerplate language. • Provide forms associated with solicitation templates. • Provide admin documents. • Select the first solicitation type (usually ITB or RFP), to work with OpenGov for the design • Sign off on the first template before beginning the subsequent templates.

	<ul style="list-style-type: none"> OpenGov will configure up to two (2) Solicitation Template(s) with standard boilerplate language: <ul style="list-style-type: none"> RFP IFB 	<ul style="list-style-type: none"> Validate and provide signoff on Solicitation Templates.
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Intake Configuration

Description	OpenGov Responsibilities	Customer Responsibilities
Intake Process	OpenGov will: <ul style="list-style-type: none"> Review current intake Process. Perform basic intake Training. Perform a gap analysis Configure "Review/ Approval" workflow defaults for each department. Build the Intake/Project Request Template. 	Customer will: <ul style="list-style-type: none"> Provide OpenGov with any Intake/Project RequestForms (templates) in current use. Validate and provide signoff on Intake/ Project Request template.

Contract Management Configuration

Description	OpenGov Responsibilities	Customer Responsibilities
Create and Manage Contracts	OpenGov will: <ul style="list-style-type: none"> Provide one (1) – one hour Overview of the Contract Management Solution to Customer's System Administrator(s). Provide guidance and instruction to System Administrator on creating and managing contracts. 	Customer will: <ul style="list-style-type: none"> Attend scheduled System Overview Create and manage contract records in the system with guidance from OpenGov.
Historical and/or Active Contracts	OpenGov will: <ul style="list-style-type: none"> Provide a mapping document for the metadata of contracts to be uploaded into the system. 	Customer will <ul style="list-style-type: none"> Provide contract log per the mapping document.

	<ul style="list-style-type: none"> Import the contract records listed in the contract log. <p>OpenGov Assumptions:</p> <ul style="list-style-type: none"> Customer will provide a complete and accurate contracts log for import to OpenGov. OpenGov clean up/correction of imported logs are not included in the scope of this project. 	
Contract Template Deployment	<p>OpenGov will:</p> <ul style="list-style-type: none"> Review & configure agreed upon contract templates. <p>OpenGov Assumptions:</p> <ul style="list-style-type: none"> OpenGov will configure up to three (3) Contract Template(s) with standard boilerplate language: <ul style="list-style-type: none"> Contract for Services Amendment for Professional Services Professional Services Agreement 	<p>Customer will:</p> <ul style="list-style-type: none"> Provide templates with standard boilerplate language. Validate and provide signoff on Contract templates.

Admin Documents and Checklist Configuration

Description	OpenGov Responsibilities	Customer Responsibilities
Admin Documents	<p>OpenGov will:</p> <ul style="list-style-type: none"> Review & configure up to five (5) Admin Documents within the four standard types. 	<p>Customer will:</p> <ul style="list-style-type: none"> Provide Admin Documents.

Working Sessions and Trainings

Description	OpenGov Responsibilities	Customer Responsibilities
-------------	--------------------------	---------------------------

Procurement Working Sessions	<p>OpenGov will:</p> <ul style="list-style-type: none"> • Assign practice exercises to Customer to gain familiarization. • Assist Customer during first real-life solicitation posting, and opening (if during deployment). • Respond to questions regarding configured system functionality. 	<p>Customer will:</p> <ul style="list-style-type: none"> • Complete practice exercises to gain familiarization. • Identify internal Admin Users & security permissions for all other users.
OpenGov University	<p>OpenGov will:</p> <ul style="list-style-type: none"> • Provide access to OpenGov University online training courses intended to teach users on the basics of OpenGov. 	<p>Customer will:</p> <ul style="list-style-type: none"> • Review training courses.
Procurement Training	<p>OpenGov will:</p> <ul style="list-style-type: none"> • Provide training on system functionality. Topics include: <ul style="list-style-type: none"> ○ Creating Bids with Generic Templates ○ Live Bid Management & Vendor Experience ○ Evaluation and Awarding ○ Writing Solicitations using templates ○ Contract Document Developer Tools ○ Intake Training and Workflow 	<p>Customer will:</p> <ul style="list-style-type: none"> • Attend training sessions as scheduled by the Project Manager and agreed to in the Project Plan.

Appendix C: Technical Requirements

C-1: OpenGov Procurement Suite

Procurement Suite	
Description	Technical Requirements
Logo	<ul style="list-style-type: none"> • .png or .jpg file • At least 300KB but not larger than 500KB
Vendor List	<ul style="list-style-type: none"> • Single Flat file • .csv or .xlsx format
Historical/Active Contracts	<ul style="list-style-type: none"> • Single Flat file • .csv or .xlsx format
Sample Documents or Templates with boilerplate language	<ul style="list-style-type: none"> • PDF or Word format
Intake/Project Request Templates	<ul style="list-style-type: none"> • PDF or Word format
Admin Documents	<ul style="list-style-type: none"> • PDF or Word format



City Council AGENDA REPORT

DATE: 05/15/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Human Resources

SUBJECT: Resolution Approving the Tentative Agreement and Adopting the Memorandum of Understanding with Temporary Service Employees SEIU Local 521 (HR)

RECOMMENDATION: Resolution approving the Tentative Agreement and adopting the Memorandum of Understanding with Temporary Service Employees SEIU Local 521.

BACKGROUND: The Memorandum of Understanding (MOU) with the Temporary Service Employees SEIU Local 521(Union) expired on June 10, 2022. The Union and the City have been meeting since November of 2022, and, as a result, a tentative agreement on a successor MOU has been reached.

DISCUSSION: In accordance with the Meyers-Milias-Brown Act (MMBA) each Union's MOU must be formally adopted by the City Council in a separate action. This is a routine action, and no changes may be made to the MOU unless otherwise agreed upon by the City and the Union.

The Temporary Service Employees SEIU Local 521 ratified the terms of the new contract, and the representatives for the bargaining group notified the City that the vote on the Tentative Agreement had passed. The terms of the Tentative Agreement between the parties have been incorporated into the successor MOU and staff is now bringing the Tentative Agreement and the MOU before the City Council for adoption.

The new MOU includes the following: three-year term, with the following cost-of-living adjustments (COLA): a 4% COLA in year one; 3% COLA in year two; and a 5% COLA in year three. In addition, the agreement includes a one-time payment of .87 cents per hour for each actual hour the temporary employee worked between and including January 1, 2022 and December 31, 2022. Other monetary agreements to be effective in the new MOU include: Holiday Premium Pay equal to 1.5 times the employee's base salary for actual hours worked on recognized holidays listed in the MOU; an increase of the Marine Rescue Stipend from \$50 to \$125 for a twenty-four (24) hour assignment; and provision of safety boots/shoes for classifications that require wearing them.

FISCAL IMPACT: The total annual estimated fiscal impact (General Fund and enterprise funds) for major MOU components are as follows:

Holiday Premium Pay	1.5 times actual hours worked on fixed holidays	~\$20,000
Safety Boots	Safety boot stipend for same classifications as SEIU regular @ \$250	~\$11,000
Marine Rescue Stipend	Increase on-call 24-hour status from \$50 for an assignment to \$125	~\$25,000
	Per Year Additional Cost:	~\$56,000

Prepared By:
Debbie Jones
Principal HR Analyst

Submitted By:
Sara De Leon
Chief People Officer

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. RESOLUTION.DOCX
2. TENTATIVE AGREEMENT.DOCX
3. TEMPORARY SERVICE EMPLOYEES SEIU LOCAL 521 MEMORANDUM OF UNDERSTANDING.PDF

RESOLUTION NO. NS-XX,XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ APPROVING
THE TENTATIVE AGREEMENT AND MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SANTA CRUZ AND THE TEMPORARY SERVICE
EMPLOYEES SEIU LOCAL 521

WHEREAS, the staff has prepared the Tentative Agreement within City Council approved negotiation parameters between the City and the Temporary Service Employees SEIU Local 521; and;

WHEREAS, staff has prepared the updated Memorandum of Understanding (MOU) document with the Temporary Service Employees SEIU Local 521 union; and

WHEREAS, it is the obligation of the City Council to approve the MOU at a City Council meeting.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz, that the City Council hereby approves the Memorandum of Understanding with the Temporary Service Employees SEIU Local 521.

PASSED AND ADOPTED this 23rd day of May, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

TOTAL TENTATIVE AGREEMENT
City of Santa Cruz
and
SEIU Local #521 Temporary Service Employees

FOR SUCCESSOR MOU
IN ACCORDANCE WITH GROUND RULE 8

May 23, 2023

Item	Proposal	MOU Section
Term	The City proposes a three (3) year Term : 04/01/23 through 12/05/2025	Section 2.00
COLA	<p>The City proposes to provide a 4.0% COLA effective the pay period beginning April 15, 2023.</p> <p>Effective the pay period beginning March 2, 2024, SEIU members will receive a 3.0% COLA.</p> <p>Effective the pay period beginning March 1, 2025, the SEIU members will receive a 5.0% COLA.</p>	Section 10.00
One Time Signing Bonus	Effective May 13, 2023, or the first pay period in which Council approves an MOU in open session, whichever is later, bargaining unit employees who have worked a minimum of 300 actual hours between and including January 1, 2022 and December 31, 2022 will receive a one-time signing bonus of .87 cents per hour for each actual hour they worked within that time frame.	Section 10.00
Holiday Premium Pay	<p>The City shall provide a payment of one and a half (1.5) times the base hourly rate for actual hours worked on fixed holidays.</p> <p>Temporary employees will not be eligible for paid time off for a holiday unless provided for under another section of the MOU.</p> <p>The following holidays are recognized as Fixed Holidays:</p>	Section 10.10 (New)

	<p>New Year's Day Martin Luther King's Birthday President's Day Memorial Day Juneteenth Independence Day Labor Day Veteran's Day Thanksgiving Day Friday after Thanksgiving Christmas Day</p> <p><u>Two (Four (4) Hour Holidays)</u> The last four (4) hours of the work shift are Holiday hours for Christmas Eve (if Christmas Day is on a Tuesday–Saturday)</p> <p>The last four (4) hours of the work shift are Holiday hours for New Year's Eve (if New Year's Day is on a Tuesday–Saturday)</p> <p>Except as provided for in Christmas Eve and New Year's Eve, when a holiday falls on Sunday, the following Monday shall be observed. When a holiday falls on Saturday, the preceding Friday shall be observed.</p> <p>The City shall recognize all other days appointed by the President of the United States or the Governor of the State of California as a nationwide or statewide public holiday provided specific prior approval is received from the City Council.</p>	
Safety Boots	<p>The City shall provide safety boots/shoes for employees in the classifications that require wearing them as shown in Exhibit D. The City may establish administrative procedures for the selection and purchase of such boots/shoes. All eligible employees will be required to wear safety boots/shoes while on duty unless granted a medical exemption. Safety boots/shoes shall not be worn</p>	Section 17.03 (NEW)

	for non-work-related purposes. Boots/shoes shall be replaced on an as-needed basis up to the current annual limit of \$250 regardless of actual hours worked. If feasible, the City will offer a choice of different styles of boots/shoes.	
Marine Rescue Stipend	<p>Effective April 15, 2023 or the first day of the pay period after Council approves an MOU in open session, which ever is later:</p> <p>A. Duty personnel shall receive \$125 for a twenty-four (24) hour assignment. B. All duty hours actually worked during the period of Duty Assignment and outside the employee's regularly scheduled shift shall be compensated at their regular straight-time pay rate. A minimum of two (2) hours will be paid for callouts of less than two (2) hours.</p>	Section 10.08.03 Compensation
Area Meetings	The City shall provide employees a maximum of one and on-half (1 ½) hours of release time tri-annually (three times per year) to attend area Union general membership meetings. The one and one half (1 ½) hours includes travel time to and from the meeting and cannot result in an adverse impact on City operations. The purpose of general membership meetings shall be to nominate and elect shop stewards and to provide a forum for Union communications. In addition, there may be a maximum of twelve (12) area meetings annually. Union representatives shall have access to City facilities during work hours to conduct such area meetings with employees. The Union shall notify the Human Resources Director at least ten (10) workdays in advance of the date, time, and location of each area meeting. No more than two (2) Union officials shall be provided release time to conduct these meetings.	Section 7.08
Clean-up language	The City will propose non-substantive changes to update MOU.	Various
Withdrawn Proposals	The Parties agree that all prior proposals not included in this total Tentative agreement have been withdrawn.	

Sara De Leon
Chief People Officer

Katy Bradley
SEIU Local 521 Temporary Employees
Chief Negotiator

Date

Date

Timothy L Davis
BSW, Chief Negotiator

Devon King
SEIU Local 521 Temporary Employees
Chief Negotiator Association

Date

Date

April 01, 2023 to December 05, 2025

MEMORANDUM OF UNDERSTANDING

CITY OF SANTA CRUZ

AND

CITY OF SANTA CRUZ TEMPORARY SERVICE EMPLOYEES

S.E.I.U. LOCAL 521

April 01, 2023 to December 05, 2025
MEMORANDUM OF UNDERSTANDING
CITY OF SANTA CRUZ AND CITY OF SANTA CRUZ TEMPORARY
SERVICE EMPLOYEES
S.E.I.U. LOCAL 521

SECTION 1.00	PREAMBLE	1
SECTION 2.00	TERM	1
SECTION 3.00	NO ABROGATION OF RIGHTS.....	1
SECTION 4.00	PAST PRACTICES	2
SECTION 5.00	RECOGNITION	2
SECTION 6.00	NO DISCRIMINATION	2
SECTION 7.00	UNION SECURITY AND UNION RIGHTS	3
7.01	Payroll Deductions	3
7.02	Memorandum of Understanding - Printing and Distribution	4
7.03	Union Notification.....	4
7.04	Bulletin Boards and Department Mail.....	4
7.05	Time Off for Union Officials.....	4
7.05.01	Meet and Confer or Consult Sessions	4
7.05.02	Union Stewards	5
7.05.03	Chief Stewards	5
7.05.04	Union Leave	5
7.06	Access to City Facilities	5
7.07	Bargaining Unit Employee Information	6
7.08	Area Meetings.....	6
7.09	C.O.P.E. Deduction	6
7.10	New Employee Orientation.....	7
SECTION 8.00	SALARY STEPS, PERSONNEL FILES AND PERFORMANCE EVALUATIONS.....	7
8.01	Personnel Files.....	7
8.01.01	Performance Evaluations.....	8
8.01.02	Late Evaluations.....	8
8.02	Salary Step Placement and Advancement within the Range.....	9
8.02.01	Salary Rates Upon Appointment.....	9
8.02.02	Advancement within the Salary Range	9
SECTION 9.00	WORK ASSIGNMENTS	10
9.01	Work Shifts.....	10
9.02	Lunch Period.....	10
9.03	Rest Periods	10
SECTION 10.00	SALARY.....	10
10.01	Salary upon Return to Temporary Employment.....	11
10.02	Salary Step When Hired Into a Regular Position	11
10.02.01	Credit Towards One (1) Year Probation When Hired Into a Regular Position ..	11
10.03	EMT Differential	11

10.04	Bilingual Differential.....	11
10.05	Beach Lifeguard II Duty Officer Stipend.....	11
10.06	Overpayments and Repayments.....	11
10.07	Callback.....	12
10.07.01	Callback by Phone or Computer.....	13
10.07.02	Callback to Worksite.....	13
10.08	Duty Assignment - <i>Marine Rescue Unit Members</i>	13
10.08.01	Definition.....	13
10.08.02	Assignment.....	13
10.08.03	Compensation.....	14
10.09	Duty Assignment - <i>All Other Temporary Service Employees</i>	14
10.09.01	Definition.....	14
10.09.02	Assignment.....	14
10.09.03	Compensation.....	14
10.10	Holiday Premium Pay.....	15
SECTION 11.00	SENIORITY	16
SECTION 12.00	OVERTIME	16
SECTION 13.00	BEREAVEMENT LEAVE.....	17
13.01	Jury Duty	17
13.02	Blood Donation.....	17
13.03	Workers' Compensation	17
SECTION 14.00	IN-LIEU PAID TIME	18
SECTION 15.00	SICK LEAVE	18
SECTION 16.00	CAREER ADVANCEMENT	20
16.01	Job Opening Announcements	20
16.02	Training and Cross Training.....	20
16.03	Reimbursement for Licenses and Certificates	20
16.04	Absence for Examination	20
SECTION 17.00	SAFETY	21
17.01	Safety Committee	21
17.02	Safety Equipment/Uniforms	21
17.03	Safety Boots.....	21
SECTION 18.00	BENEFITS.....	22
18.01	Health Care Reimbursement.....	22
18.02	Bus Passes.....	22
18.03	CalPERS Long Term Care	22
18.04	Medicare	22
18.05	Alternative Transportation Incentive Program	22
SECTION 19.00	GRIEVANCE PROCEDURE.....	22
19.01	Purpose	22
19.02	Definition.....	23
19.03	Limitations.....	23
19.04	Procedures	23
19.04.01	Step I.....	23

19.04.02	Step II	23
19.04.03	Step III	24
SECTION 20.00	DISCIPLINE	24
SECTION 21.00	WRITTEN REPRIMANDS.....	24
SECTION 22.00	LABOR/MANAGEMENT COMMITTEE	25
SECTION 23.00	AUTHORIZED AGENTS	25
SECTION 24.00	RENEGOTIATIONS.....	25
24.01	Successor Negotiations	26
SECTION 25.00	SEVERABILITY	26
EXHIBIT A		
	List of Classifications in Temporary Service Employees Bargaining Unit.....	27
EXHIBIT B		
	Santa Cruz City Council Policy 25.2 Discrimination, Harassment, Retaliation, and Respectful Workplace Conduct	
	policy.....	29
EXHIBIT C		
	Discrimination/Harassment/Retaliation Policy Implementation and Complaint Procedure ...	33
EXHIBIT D		
	Safety Boots	37

April 01, 2023 to December 05, 2025
MEMORANDUM OF UNDERSTANDING
CITY OF SANTA CRUZ AND CITY OF
SANTA CRUZ TEMPORARY SERVICE EMPLOYEES, S.E.I.U., LOCAL 521

SECTION 1.00 PREAMBLE

This Memorandum of Understanding between the City of Santa Cruz (hereinafter referred to as the City) and the City of Santa Cruz Temporary Service Employees, Service Employees' International Union, SEIU Local 521, (hereinafter referred to as the Union), represents the agreement between the parties related to temporary employees, and is binding under Section 3505.1 of the Government Code.

The City and the Union have met and conferred in good faith and have arrived at an understanding concerning wages, hours, working conditions, and other terms of employment.

The City and the Union recognize their obligation to provide services of the highest quality and efficiency to the community.

The City and the Union affirm the principal that harmonious labor-management relations are to be promoted and furthered.

SECTION 2.00 TERM

The term of this agreement shall begin on April 01, 2023 and shall fully terminate on December 05, 2025.

SECTION 3.00 NO ABROGATION OF RIGHTS

The parties acknowledge that City responsibilities and rights as indicated in current Article 1, Section 1, (Appendix A) of the City's Personnel Rules and Regulations and all applicable State or Municipal laws are neither abrogated nor made subject to the meet and confer process by adoption of this Memorandum of Understanding.

Pursuant to Article 1, Section 1, (Appendix A), the City's rights include, but are not limited to the exclusive right to determine the mission of its constituent departments, commissions, and boards; to determine the procedures and standards of selection for employment and promotion; to direct its employees; to assign work to employees in accordance with the requirements determined by the City; to establish and change work schedules and assignments; to determine the content of job classifications; to hire, transfer and promote or to lay-off employees for lack of work; to suspend, discipline and discharge employees for proper cause if required; to expand or to diminish services; to subcontract any work or operations; and to determine the methods, means and personnel by which government operations are to be conducted, except as specifically modified by the terms of the Memorandum of Understanding.

The parties further acknowledge that the rights of employees are neither abrogated nor diminished by the adoption of this Memorandum of Understanding.

SECTION 4.00 PAST PRACTICES

The parties agree that they shall adhere to established labor relations principles in handling past practices. The parties agree that a past practice may be established if the practice meets all of the following:

1. The practice is unequivocal and consistently performed; and
2. The practice is clearly communicated by the City and acted upon by the Union or clearly communicated by the Union and acted upon by the City; and
3. The practice is readily identifiable over a reasonable period of time as a fixed and established practice accepted by both parties.

The parties agree in handling past practice issues within the scope of representation:

1. Past practices superseded by revised M.O.U. language are null and void;
2. Past practices which contradict existing M.O.U. language or written City rules shall be null and void upon reasonable notice from the City that the language will be followed;
3. Past practices within the scope of representation that are not covered by M.O.U. language or City rules shall remain in effect through the term of the M.O.U. unless changed through mutual agreement.

SECTION 5.00 RECOGNITION

Pursuant to the Meyers-Milias-Brown act and the City's Personnel Rules and Regulations, S.E.I.U., Local 521, is certified as the recognized employee organization for temporary employees in classifications listed in Exhibit A attached hereto and all workers in the Temporary Service Classifications assigned to fill regular positions which are vacant for recruitment, or to fill the position during the incumbent's leave. This unit shall be titled Temporary Service Employees.

For the purposes of this M.O.U., the term "employees" shall mean those represented temporary employees listed in Exhibit A.

SECTION 6.00 NO DISCRIMINATION

- A. The Union and the City agree to adhere to the City Council policies pertaining to equal opportunity employment and harassment prevention as listed in Exhibits B and C, as well as applicable Federal and State discrimination law.
- B. Neither the City, nor the Union, shall interfere with, intimidate, coerce or discriminate against City employees because of their exercising their right to form, join, and participate in the activities of the Union, or exercising their right to refuse to join or participate in the activities of the Union.

SECTION 7.00 UNION SECURITY AND UNION RIGHTS

7.01 Payroll Deductions

- A. The City shall honor the terms of the employee's authorization for Union deductions, for example, any terms of a membership and deduction authorization card the Union has supplied the employee. The employee may only revoke the authorization pursuant to the terms of the authorization the employee signed.
- B. Deductions shall start the pay period after the City receives notification of the authorization. The City shall transmit such payments to the Union through electronic funds no later than thirty (30) days after the deduction from the employee's earnings occur.
- C. Requests to authorize payroll deductions for Union purposes or COPE deductions shall be directed by the employees to the Union rather than the City. Requests to revoke or change the authorization shall also be directed to the Union rather than the City. The City shall rely on the Union's explanation in a certified list, submitted by a representative of the Union who has the authority to bind the Union, regarding whether authorization/ revocations/changes in deductions have been requested by the represented employees.
- D. The Union shall not provide the City a copy of the employee's authorization unless a dispute arises about the existence or terms of the authorization.
- E. The City shall on a bi-weekly basis, provide the Union with an electronic file containing payroll information for SEIU 521 employees including the following information: name; job classification; department; work location; work phone; work email (if available); personal email (if available); home address; mailing address; cell phone (if available); home telephone number; date of birth; hourly rate; status (part-time or full-time); union deductions; annual salary; and employee identification number.
- F. The Union shall indemnify, defend, protect and hold harmless the City and its elected and appointed officials, officers, employees, and agents (collectively hereafter the "Indemnitees") from and against any and all claims, liabilities, losses, damages, fines, penalties, claims, demands, suits, actions, causes of action, judgments, costs and expenses (including, but not limited to, reasonable attorneys' fees and court costs) arising from the application of any provisions under Sections 7.01-7.10, including, but not limited to, any claims made by any represented employees for the dues deductions the City made in reliance on the Union's certification, and any claims made by any represented employees for any deduction cancellation or modification the City made in reliance on the information provided by the Union. In the event any such action or proceeding is brought against the City by reason of any such claim, the Union, upon notice from the City, covenants to defend such action or proceeding by counsel reasonably satisfactory to the City. Further, the Union agrees to indemnify and hold harmless the Indemnitees for any loss or damage arising from the Union's actions or inactions under Sections 7.01-7.10.
- G. Violations of this section of the MOU are grievable.

7.01.02 Confidential Employees

Employees filling positions designated as confidential are represented and may hold membership in the Union, but are excluded from active participation as negotiators, committee chairpersons, or any other role in which they represent the Union in matters within the scope of representation pursuant to Section 3507.5 of the Meyers-Milias-Brown Act.

7.02 Memorandum of Understanding - Printing and Distribution

The City and the Union will share the cost of printing copies of this Memorandum of Understanding in a mutually agreeable format and make it available to all members. Such distribution shall only occur during an employee's rest period, meal break or non-work time.

When a person is hired in any classification covered by this Memorandum of Understanding, the City shall notify the person that the Union is the recognized employee organization and of the agency shop provision. The City will provide that person with a copy of the current Memorandum of Understanding.

7.03 Union Notification

Except in cases of bona fide emergencies, the Union shall be given seven (7) workday's advance written notification of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the Santa Cruz City Council, or management, and shall be given the opportunity to meet with the City representative prior to its adoption.

7.04 Bulletin Boards and Department Mail

The Union shall have reasonable access to bulletin boards and departmental mail for the purpose of Union communications. A copy of non-privileged material shall be provided to the Human Resources Department.

7.05 Time Off for Union Officials

7.05.01 Meet and Confer or Consult Sessions

During the term of this agreement, a reasonable number of Union members (from two to five), shall be allowed a reasonable amount of paid release time off for meet and confer or meet and consult sessions scheduled with the City Council's designated representative, providing there is no disruption of work in the employee's division. The exact number to be released shall be determined by mutual agreement prior to the session; and shall vary by the type of issue being discussed (i.e., single department affected, multiple departments affected, etc.) The Union shall notify the Director of Human Resources in advance of the meeting of the names of members who will be in attendance. Such Union members shall obtain permission through supervisory channels before leaving their work or work locations.

Ground rules for negotiating successor agreements shall specify the number of Union members allowed for the meet and confer sessions scheduled with the City Council's representatives.

7.05.02 Union Stewards

The Union shall be authorized to designate employees within the unit as stewards, not to exceed five (5) in number and must furnish a list of these stewards to the Human Resource Department on a biannual basis (twice per year). If a designated steward is not available, temporary workers may utilize stewards from the regular bargaining unit. Stewards shall be allowed a reasonable amount of paid release time for the purpose of representing a unit employee within the steward's area of representation as shown below in the filing or processing of identified grievances as long as there is no disruption of work in the employee's division. The Union may designate an alternative representative when it deems appropriate. Stewards must first obtain permission through appropriate management channels before leaving their work or work location for such purposes, and release shall not be unreasonably denied. This provision shall be limited to periods of regular working hours. It is agreed the City shall not pay stewards for time spent in handling grievances when they are not regularly scheduled to work.

The five (5) Union Stewards will each represent one of the following designated areas:

1. Beach
2. Library
3. Parks and Recreation
4. At Large
5. At Large

7.05.03 Chief Stewards

In addition to the Union Stewards identified in Section 7.05.02 (Union Stewards), the Union may designate up to two (2) Chief Stewards. Chief Stewards shall be entitled to release time to replace stewards when the designated area Steward is not available.

7.05.04 Union Leave

Upon request of the Union's Santa Cruz Area Director, workers who are Union members may request unpaid release time not to exceed twelve (12) months for Union business.

7.06 Access to City Facilities

With the approval of the site administrator, the Union's representative may meet with members on City facilities during the non-working hours of the employees involved. The non-working hour's restriction does not apply to the handling of grievances. A reasonable effort will be made to accommodate the Union representative.

7.07 Bargaining Unit Employee Information

A. Bargaining Unit Employee List

On a bi-weekly basis, the City shall supply the Union with a comprehensive list of all employees covered by this MOU with the following information: full name, employee number, job classification, date of hire, termination date (if employment has ended), hourly rate, annual salary, date of birth, department, work location, work phone, work email (if available), personal email (if available), home address, mailing address, home phone, cellular phone (if available), and employment status (to include date of separation, etc.), to the extent permitted by law. On a monthly basis, a list of Union members whose City employment has ended shall be sent to the Union. These lists will be sent in an electronic format that both the Union and the City agree upon.

B. Protection of Contact/Biographical Information of Bargaining Unit Employees

The City shall immediately notify the Union of any third party requests for contact and/or biographical information about the bargaining unit employees. The City shall promptly provide the Union a copy of the request and any material submitted with the request.

The City shall provide the Union at least ten (10) days to review the request and challenge the scope of the request prior to the City responding to the request. The City agrees to consider the Union's response prior to disclosing to a third party any contact and/or biographical information about the bargaining unit employees.

7.08 Area Meetings

The City shall provide employees a maximum of one and one-half (1 ½) hours of release time triannually (three times per year) to attend area Union general membership meetings. The one and one-half (1 ½) hours includes travel time to and from the meeting and cannot result in an adverse impact on City operations. The purpose of general membership meetings shall be to nominate and elect shop stewards and to provide a forum for Union communications. In addition, there may be a maximum of twelve (12) area meetings annually. Union representatives shall have access to City facilities during work hours to conduct such area meetings with employees. The Union shall notify the Human Resources Director at least ten (10) workdays in advance of the date, time, and location of each area meeting. No more than two (2) Union officials shall be provided release time to conduct these meetings.

7.09 C.O.P.E. Deduction

The City agrees to the establishment of a payroll deduction program for voluntary employee contributions to the Committee on Political Education, (C.O.P.E.) subject to the following conditions:

- A. Voluntary deductions for C.O.P.E. shall be withheld only if the employee so authorizes in writing on a form provided by the Union and approved by the City.
- B. Payroll deductions shall commence on the second pay period after the authorization is

received by the City.

- C. Employees may sign up, change the amount of their contributions or discontinue their contributions at any time.
- D. The Union shall indemnify, defend and hold the City, its officers and employees harmless against any and all claims, demands, suits and from liabilities of any nature which may arise out of or by reason of any action taken or not taken by the City under the provisions of this section.

7.10 New Employee Orientation

- A. The City agrees that each newly hired bargaining unit employee shall participate in a scheduled new employee orientation that includes a half-hour (30 minute) Union informational in-person meeting within the first thirty (30) days from the date of hire during regular working hours and onsite without the loss of compensation. The City shall notify the Union no less than ten (10) days of a scheduled new employee orientation.
- B. The Union agrees that it shall designate a reasonable number of Union designee(s) mutually agreed upon by the City and the Union (no more than three) to attend each orientation, session, or meeting, provided that there is no disruption of work in each designated Union employee's division due to these employees' attendance. The Union agrees that it shall provide the names of the Union designee(s) to the City's Human Resources Director in writing, at least five (5) calendar days prior to the scheduled attendance at the orientation meetings, sessions, or trainings. Union designee(s) who are included in the written notice of attendance by the Union submitted to the Human Resources Director, at least five (5) calendar days in advance, shall be given release time to conduct such orientation sessions, meetings, or trainings under this Section. For purpose of this subsection, Union designee(s) may include, but not be limited to, Union representatives, officers, stewards and members.
- C. City representatives shall be absent from the room during any sessions, meetings or trainings conducted by the Union with newly hired employees. The City shall not discourage an employee's participation in the Union portion of the onboarding process.

SECTION 8.00 SALARY STEPS, PERSONNEL FILES AND PERFORMANCE EVALUATIONS

8.01 Personnel Files

There shall be only one official personnel file which shall be maintained in the City's Human Resources Department. Employees shall have the right to review their personnel files and/or authorize, in writing, review by their representatives. No adverse material will be placed in an employee's personnel file without prior notice and a copy given to the employee. Employees may prepare written responses to adverse material placed in their personnel files. Upon presentation to the Human Resources Department, the Human Resources Department will place these written responses in employees' personnel files.

8.01.01 Performance Evaluations

All temporary employees will receive a written performance evaluation from their supervisors upon eligibility for the next step in the salary schedule.

Evaluations are intended to be a summary of the employee's performance over the course of the evaluation period. Evaluations are also to be used as a tool to motivate the employee to work at their highest capacity and to communicate and document the employee's level of performance. To this end, if the employee is still actively working at the time the evaluation is completed, the supervisor and the employee will meet and discuss work responsibilities, job standards and objectives, review progress and plan for the employee's future development prior to the evaluation being placed in the employee's personnel file. Employees who are not actively working at the time the evaluation is completed will be mailed their evaluation to the last address provided to the City. Supervisors will make every attempt to address performance issues in a timely manner throughout the evaluation period and provide appropriate feedback to employees on an ongoing basis.

Any additions, corrections, deletions or changes on the original evaluation form, require initialing by both the maker of the amendment and the employee to indicate that the changes have been discussed and understood. No evaluation shall be made on hearsay statements. Employees may also choose to appeal a performance evaluation to the department head and, if not satisfied, formally enter a response to the evaluation in their personnel file. Any unsatisfactory areas in an employee's evaluation shall have attached reasons stated by the rater in the commentary section and shall include specific recommendations for improvement. Disputes regarding performance reviews shall not be subject to the grievance process.

If a step increase is denied as part of the evaluation process, the worker may appeal the denial within fifteen (15) days of receipt to the Department head. The Department Head, or designee, shall meet with the worker and their representative, if any, and render a decision within ten (10) business days of the meeting. The decision of the Department Head shall be final.

8.01.02 Late Evaluations

Failure of the supervisor to present the employee with the evaluation within ninety (90) calendar days of the due date, unless extension is mutually agreed upon in writing, shall result in a recommendation of step advancement in conjunction with Section 8.02 (Salary Step Placement and Advancement Within the Range). However, as soon as possible thereafter, the supervisor shall conduct a performance evaluation in accordance with this section.

8.02 Salary Step Placement and Advancement within the Range

8.02.01 Salary Rates Upon Appointment

Temporary workers may be hired at any step in the appropriate salary range depending on the difficulty of recruitment, unusual qualifications, or upon prevailing rates being paid upon the recommendation of the department head and approval of the Director of Human Resources.

Bargaining Unit employees temporarily filling classifications included in the Service Employees' Bargaining Unit shall be placed in the same salary range as provided to employees in the Service employees' bargaining unit.

8.02.02 Advancement within the Salary Range

Advancement within a temporary employee salary range shall be granted solely on meritorious job performance as documented by a satisfactory performance evaluation.

Hours worked in different Temporary Employee positions (different Grade Codes) accumulate separately for the purpose of the calculations described below, including multiple assignments within the Professional & Technical Assistant position (Grade Code 917).

Step increases for temporaries filling classified positions are as follows:

Starting Step	Placement upon initial hire.
Next Step	Eligible upon completion of 1040 hours worked.
Subsequent Steps	Eligible upon completion of each 2080 hours worked.

Step increases for temporary employees filling unclassified* positions are as follows:

Starting Step	Placement upon initial hire.
Subsequent Step	Eligible upon completion of 600 hours worked.
Subsequent Step	Eligible upon completion of an additional 600 hours worked. (Total 1,200 hours)
Subsequent Step	Eligible upon completion of an additional 600 hours worked. (Total 1,800 hours)
Subsequent Step	Eligible upon completion of an additional 600 hours worked. (Total 2,400 hours)

* Professional and Technical Assistants (Grade Code 917) will receive a 5% increase (in lieu of a step increase) in accordance with this schedule, not to exceed the top of their salary range.

SECTION 9.00 WORK ASSIGNMENTS

9.01 Work Shifts

Where practical, employees shall be assigned regularly scheduled starting and quitting times. The Union recognizes that the nature of some temporary employment is on-call and/or irregularly scheduled. Employees in these types of positions will not be assigned regularly scheduled starting and quitting times. Regularly scheduled employees and the Union will be notified as much in advance as possible, but at least five (5) working days in advance of changes in shift schedules and work weeks.

The scheduling of temporary employees is at the sole discretion of the employing department. If requested, the department head will meet with the Union regarding scheduling assignments. Any disputes regarding work assignments will be resolved by the department head.

9.02 Lunch Period

Employees shall be entitled to and expected to take an uninterrupted, unpaid lunch period of a minimum of thirty (30) minutes at or about the mid-point of their workday if the workday is a minimum of eight (8) hours.

9.03 Rest Periods

Employees shall be allowed a fifteen (15) minute rest period during each four hours of regular work. Departments may make reasonable rules concerning the scheduling of same. Rest periods not taken shall be waived. Rest periods cannot be taken at the beginning or end of a shift or combined with a meal period unless approved. This is not effective in periods of a bona fide emergency nature. Rest periods shall be considered work time.

SECTION 10.00 SALARY

1. Cost of Living Adjustments:
 - a. Effective April 15, 2023 the salaries for all represented classifications will be increased by four percent (4.0%).
 - b. Effective the pay period beginning March 2, 2024, salaries for all represented classifications will be increased by three percent (3.0%)
 - c. Effective the pay period beginning March 1, 2025, salaries for all represented classifications will be increased by five percent (5.0%)
2. Effective May 13, 2023 or the first pay period in which Council approves an MOU in open session, whichever is later, bargaining unit employees who have worked a minimum of 300 actual hours between and including January 1, 2022 and December 31, 2022 will receive a

one-time signing bonus of .87 cents per hour for each actual hour they worked within that time frame.

10.01 Salary upon Return to Temporary Employment

A worker, who returns to temporary employment in the same position within two calendar years, or longer at management's discretion, shall be placed at their most recent salary step.

10.02 Salary Step When Hired Into a Regular Position

When a temporary worker is hired into a higher-level regular position, their pay step in the regular position shall be at least 5% higher than their most recent temporary pay rate, but shall not exceed the top step for the new position.

10.02.01 Credit Towards One (1) Year Probation When Hired Into a Regular Position

Employees hired into positions that require a one-year probation shall receive credit toward completion of the probationary period for any time spent in the same position on a temporary assignment immediately prior to the regular appointment. Such credit shall be given on a monthly basis up to a maximum of six (6) months of credit (per Service MOU Section 8.02.01 – Probationary Period).

10.03 EMT Differential

Lifeguard I's who obtain and maintain an EMT certificate shall receive a five percent (5%) differential for all hours worked. The employee shall present proof of certification to the Department.

10.04 Bilingual Differential

The City shall provide payment of an additional \$0.55 per hour on the hourly rate for hours worked when the City certifies an employee as qualified and the position requires the use of bilingual language skills.

10.05 Beach Lifeguard II Duty Officer Stipend

Beach Lifeguard II will receive a four percent (4%) stipend when scheduled to work as the Duty Officer.

10.06 Overpayments and Repayments

The City will not attempt to recover overpayments made to employees as a result of an error made by the City which are over 12 months old.

A. Overpayments

If an overpayment or unauthorized payment has been made to a City employee, the City shall notify the employee in writing and supply the employee with the documentation used to determine the overpayment.

If the employee contends that any portion or the entire amount is not owed, they may request a meeting with the City to attempt to resolve the disagreement. The employee may have a representative attend such meeting(s) with them.

B. Repayment of Funds

An employee will pay no penalties, fees or interest as a result of the overpayment when the City and employee mutually agree upon how the repayment will be made. The employee shall have the right to select one of the following options for repayment:

1. Lump sum payment with the date mutually established by the employee and the City (lump sum payments must be made if the total amount due is 5 percent or less than the employee's biweekly gross salary).
2. Biweekly installment payments through payroll deduction (installment payments must be a minimum of \$10 and repayment must be completed within twenty-six pay periods).
3. Any other repayment arrangement mutually agreed upon between the City and the employee.

The final agreement on the repayment will be committed to writing (including the lump sum payment date, or the biweekly amount and the beginning and ending date of the installment plan identified).

C. Referral to Collections

The City may refer an employee to a collection agency or seek payment only when the employee, after being duly notified of the overpayment and having had the opportunity to review the relevant documentation, refuses to agree to a repayment of the amount owed. The employee will be notified of the referral and the City reserves all its rights to seek repayment and pursue all remedies under law including interest as it would for any other debtor.

10.07 Callback

Callback work is defined as work required by management of an employee who, following completion of the employee's work day or work week and departure from the employee's

work site, is unexpectedly ordered to report back to duty or by phone or computer to perform necessary work.

10.07.01 Callback by Phone or Computer

If the employee is able to respond by phone or computer and is not required to report to the worksite, then:

A. For the first response of the day, a minimum of thirty minutes (0.5 hours) of overtime will be paid for actual overtime worked of less than thirty minutes. Thereafter, a minimum of fifteen minutes (0.25 hours) of overtime will be paid for actual overtime worked of less than fifteen minutes.

B. An additional minimum will not be paid if an employee is required to respond to additional call(s) and the time and duration of the response is within the previous minimum.

10.07.02 Callback to Worksite

A. All callback hours shall be paid at the overtime rate. A minimum of two (2) hours of overtime compensation shall be paid for all callback periods of less than two (2) hours.

B. Hours worked shall include reasonable travel time to work. Return travel time shall not be included within time worked.

C. If an employee, who was called back to work and has completed their assignment and left work, is again called back to work, they will not receive another minimum if the time of return is within the previous callback minimum.

D. Employees who are required to respond to the worksite will be provided mileage compensation, at the federal rate, for the use of their personal vehicles.

10.08 Duty Assignment – Marine Rescue Unit Members ONLY (see Section 10.09 for all Other Temporary Service Employees)

10.08.01 Definition

Duty assignment is defined as an assignment to an on-call status for a twenty-four (24) hour period of time. While on duty assignment, an employee must remain available to be contacted by phone or pager and be able to report to work within ten (10) minutes. The employee must remain within a ten (10) minute response area to the Santa Cruz Municipal Wharf throughout the duty assignment. Duty assignment shall not be considered “hours worked” pursuant to the Fair Labor Standards Act.

10.08.02 Assignment

Duty personnel shall be assigned on a monthly rotational basis from an established list consisting of, but not limited to, qualified volunteers. A voluntary rotation process will be the preferred method of duty assignment selection; however, the City may require duty assignment if there are insufficient qualified volunteers. Prior to making mandatory assignments, the City will notify the Union. Only “qualified” employees may be appointed to duty assignment lists, as determined by the appropriate department head(s). Such qualifications will be based on the nature and requirements of the tasks performed while on duty assignment. With the concurrence of the duty supervisor, duty assignments may be substituted by other personnel on an approved list, provided employees have at least one week between duty assignments.

10.08.03 Compensation

- A. Duty personnel shall receive \$125 for a twenty-four (24) hour assignment.
- B. All duty hours actually worked during the period of Duty Assignment and outside the employee’s regularly scheduled shift shall be compensated at their regular straight-time pay rate. A minimum of two (2) hours will be paid for callouts of less than two (2) hours.

10.09 Duty Assignment – All Other Temporary Service Employees (see Section 10.08 for Marine Rescue Unit Members ONLY)

10.09.01 Definition

Duty assignment is defined as an assignment to an on-call status for a specified period of time. While on duty assignment, an employee must remain available to be contacted by phone or pager and be able to report to work within a thirty (30) minute period. Duty assignment shall not be considered “hours worked” pursuant to the Fair Labor Standards Act.

10.09.02 Assignment

Duty personnel shall be assigned on a weekly rotational basis from an established list consisting of, but not limited to, qualified volunteers. A voluntary rotation process will be the preferred method of duty assignment selection; however, the City may require duty assignment if there are insufficient qualified volunteers. Prior to making mandatory assignments, the City will notify the Union. Only “qualified” employees may be appointed to duty assignment lists, as determined by the appropriate department head(s). Such qualifications will be based on the nature and requirements of the tasks performed while on duty assignment. With the concurrence of the duty supervisor, duty assignments may be substituted by other personnel on an approved list, provided employees have at least one week between duty assignments.

10.09.03 Compensation

- A. Weekdays

Duty personnel shall receive one and one half (1.5) hours of their base hourly salary for a sixteen hour assignment

B. Weekends

Duty personnel shall receive two (2) hours of their base hourly salary for a twenty-four hour assignment.

C. Holidays (City Designated Eight (8) Hour Holidays)

Duty personnel shall receive eight (8) hours of their base hourly salary for a twenty-four hour assignment.

D. Holidays (City Designated four (4) Hour Holidays)

Duty personnel shall receive four (4) hours of their base hourly salary for a twenty hour assignment.

E. All duty hours actually worked outside the employee's regularly scheduled shift shall be compensated at the overtime rate. A minimum of two (2) hours of overtime will be paid for callouts of less than two (2) hours. An additional minimum will not be paid if an employee is required to perform an additional duty call and the time of return is within the previous duty call minimum.

If the assigned duty person or crew member assisting the duty person is required to respond to a call that requires them to work more than twelve (12) hours within a twenty-four hour period, and any portion of those twelve (12) hours is after midnight, the employee shall be entitled to an eight (8) hour rest period prior to returning to work. If any portion of the rest period occurs during the employee's regular schedule, the employee shall receive regular paid compensation for that time.

F. An employee shall have the option of receiving compensatory time off for the duty assignment compensation and hours worked.

10.10 Holiday Premium Pay

The City shall provide a payment of one and a half (1.5) times the base hourly rate for actual hours worked on fixed holidays.

Temporary employees will not be eligible for paid time off for a holiday unless provided for under another section of the MOU.

The following holidays are recognized as Fixed Holidays:

New Year's Day

Martin Luther King's Birthday

President's Day

Memorial Day

Juneteenth

Independence Day

Labor Day

Veteran's Day
Thanksgiving Day
Friday after Thanksgiving
Christmas Day

Two (Four (4) Hour Holidays)

The last four (4) hours of the work shift are Holiday hours for Christmas Eve (if Christmas Day is on a Tuesday–Saturday)

The last four (4) hours of the work shift are Holiday hours for New Year's Eve (if New Year's Day is on a Tuesday–Saturday)

Except as provided for in Christmas Eve and New Year's Eve, when a holiday falls on Sunday, the following Monday shall be observed. When a holiday falls on Saturday, the preceding Friday shall be observed.

The City shall recognize all other days appointed by the President of the United States or the Governor of the State of California as a nationwide or statewide public holiday provided specific prior approval is received from the City Council.

SECTION 11.00 SENIORITY

Seniority for temporary workers shall be defined as hours worked within a given classification from the date of initial hire as a temporary worker.

SECTION 12.00 OVERTIME

The Union understands that from time to time the City will direct employees to work overtime hours. When overtime work is necessary, the City will make an effort to distribute overtime equally among qualified employees. To the extent possible, employees will be given advance notification. An employee may be excused from overtime work for legitimate reasons.

Overtime is defined as all management authorized hours in a paid status in excess of forty (40) hours per week, which are contiguous with the employee's regular work schedule, excluding voluntary training. Overtime shall be computed at the rate of one and one-half times the base hourly rate or may be converted to compensatory time off at the rate of one and one-half times the hours worked.

Employees covered by the Fair Labor Standards Act (FLSA) shall be entitled to FLSA overtime which is defined as all hours required by management and actually worked by the employee in excess of forty (40) hours in a work period as defined by the City. FLSA overtime is compensated in pay or compensatory time off at one and one-half (1-1/2) times the employee's regular rate of pay. The regular rate shall be as defined in the FLSA.

Compensatory time off shall not be allowed to accumulate beyond eighty (80) hours at any given time.

Based on IRS tax law under constructive receipt rules an employee may use the following methods to meet the IRS rule.

- An employee with accrued compensatory time off shall be permitted to use such time within a reasonable period in the same calendar year as it was earned after making the request, unless such time off will unduly disrupt the operations of the department.
- Cash out all or part of the accrued and unused compensatory time anytime during the calendar year
- Any remaining balance will be paid out on the last payday in December.

Unused compensatory time hours earned prior to January 1, 2021 may be carried over into calendar year 2021 and are subject to the same provisions above as new hours earned in calendar year 2021 and after.

SECTION 13.00 BEREAVEMENT LEAVE

The purpose of this section is to provide paid leave for employees when they are bereaved at the death of a family member and this loss has had a temporary negative effect on their ability to continue their work performance.

When a temporary worker is scheduled to work and a death occurs in the employee's immediate family, a leave of absence with pay of up to twenty (20) hours per incident, in a seven (7) consecutive day period, may be granted an employee by the department head. For the purpose of this section, "immediate family" is defined as: spouse, parent, son, daughter, grandparent, sibling, mother or father-in-law, brother or sister-in-law, grandchild of the employee or spouse, son-in-law, daughter-in-law, grandparent-in-law, registered Principal Domestic partner, or other close relation residing in the employee's household. In rare cases when the individual has no other legal relationship with the deceased other than foster or step-parent, the HR Director or City Manager has the discretion to approve that leave upon application.

13.01 Jury Duty

Employees shall receive equivalent unpaid time off when performing jury duty on their scheduled work day on the day the jury duty is performed. An employee must notify their supervisor of the expected duration of the absence and must present to the department head official documents supporting such duty. This section shall not apply to grand jury service.

13.02 Blood Donation

An employee may be granted paid release time of up to a maximum of one (1) hour for donating blood during regularly scheduled hours of work at a City sponsored blood drive. The length of such leave must be approved by the supervisor and is dependent upon the nature and scheduling of the work performed and the travel distance required.

13.03 Workers' Compensation

An employee who is entitled to workers' compensation payments may use accumulated in-lieu paid time and/or compensatory time off to supplement such payments to an amount equal to their net salary. After depletion of any accrued paid leaves, the employee shall be eligible for benefits only in the amounts prescribed by the workers' compensation laws.

The Union and the City recognize that work-related injuries/illnesses can often be prevented. Therefore, work-related injuries/illnesses shall be an ongoing agenda item for the Citywide Safety Committee. Proactive, preventive measures may be recommended by the Committee. The Committee will also make recommendations on appropriate way(s) of reviewing workers' compensation claims.

SECTION 14.00 IN-LIEU PAID TIME

During the term of the MOU, upon completion of 600 or more hours of work, temporary employees shall receive nineteen (19) hours of in-lieu paid time. Subsequently, workers accrue nine (9) hours of paid time for every 200 additional hours of work thereafter. Such in-lieu paid time is provided instead of any other type of paid leave or holiday time off (except paid Bereavement Leave). Employees will be allowed to receive payment for accrued in-lieu paid time upon request. Any unused in-lieu paid time will be payable to the employee upon termination of employment.

SECTION 15.00 SICK LEAVE

In accordance with the Healthy Workplaces, Healthy Families Act of 2014:

I. Applicability and Eligibility to Earn and Use Paid Sick Leave

- A. Employees shall receive paid sick leave as described in this section after 30 days of City employment within a 12-month period.
- B. An employee is eligible to use accrued paid sick leave after 90 days of City employment within a 12-month period. The 12-month period shall be measured initially by the employee's hire date and by the employee's anniversary date.

II. Annual Grant of Paid Sick Leave

- A. Beginning on July 1, 2015, and on July 1st of each calendar year thereafter, the City shall grant employees 24 hours of paid sick leave to use for permitted purposes as described in this section. Employees who are hired after July 1st of any given calendar year shall also be issued 24 hours of paid sick leave.
- B. Any unused paid sick leave hours remaining as of June 30th of any calendar year shall expire and shall not be carried over to the next 12-month period.

III. Use of Paid Sick Leave

- A. An eligible employee may use only up to a maximum of three (3) days or 24 hours of paid sick leave in a 12-month period. An employee must be allowed to take up to a

total of 24 hours of accrued time during any 12-month period for reasons allowed under Section III.B. (For example, if an eligible seasonal or temporary employee who works six (6) hours per day and has accrued 24 hours of paid sick leave, takes three (3) paid sick days during the year, the employee has used 18 hours and still has six (6) hours of paid leave remaining in the same year.)

- B. An eligible employee may use paid sick leave under this section for the following reasons:
- i. Diagnosis, care, or treatment of the employee's existing health condition or preventive care for an employee; or
 - ii. Diagnosis, care, or treatment of an existing health condition of, or preventive care for an employee's family member. For the purposes of using sick leave under this section only, "family member" shall mean an employee's parent, child, spouse, registered domestic partner, parent-in-law, sibling, grandchild, or grandparent.
 - iii. In addition, with appropriate certification an employee who is a victim of domestic violence, sexual assault, or stalking may use accrued paid sick leave under this section for the following reasons:
 - a) To obtain or attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or the victim's child;
 - b) To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking;
 - c) To obtain services from a domestic violence shelter, program, or rape crisis center;
 - d) To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking; or
 - e) To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

IV. Notification to City of Use of Paid Sick Leave

When accrued sick leave must be used, an employee will notify their immediate supervisor of the need to use leave and its probable duration, if known, within one hour after the regular scheduled starting time. If the employee's need to use sick leave is unforeseeable, the employee must provide notice to the employee's supervisor as soon as practicable. When the employee's need to use sick leave is foreseeable, the employee must provide reasonable advance notice.

V. Other Terms of Paid Sick Leave

- A. Employees may determine how much paid sick leave they wish to use, however, the minimum amount of paid sick leave an employee may use is one hour per work day.

- B. Employees shall be compensated for each hour of sick leave used under this policy at the employee's base hourly rate of pay. Employees shall be compensated for using sick leave, on the payday for the next regular payroll period after the sick leave was taken.
- C. Except as provided in this section, upon termination, resignation, retirement or other separation from employment, no cash out or compensation of any kind will be provided to an employee for accrued and unused paid sick leave.

If an employee separates from the City and is rehired within one (1) year from the date of separation, any previously accrued and unused paid sick leave shall be restored to the employee to the extent required by law. If at the time of separation from City employment, the rehired employee had not yet worked the required 90 days to be able to use paid sick leave, the employee must still satisfy the 90 day requirement, counting all days previously worked for the City, before the employee may use the employee's accrued paid sick leave.

SECTION 16.00 CAREER ADVANCEMENT

16.01 Job Opening Announcements

The City encourages employees to apply for other positions and, to that end, all job announcements will normally be posted on department bulletin boards and other appropriate locations as determined by the Director of Human Resources. Employees are also advised to access the listings via the City's website and/or the Human Resources Department.

16.02 Training and Cross Training

The City shall maintain, consistent with budgetary allocations and availability, a training program which will enable employees to upgrade their skills and improve their levels of performance.

The City and Union acknowledge that there is a benefit to cross-training of employees. When feasible, the City will cross-train employees to enhance skill development. Employees may request consideration for cross-training opportunities. Such requests will be considered and a timely response provided.

16.03 Reimbursement for Licenses and Certificates

Employees shall be reimbursed for the cost of licenses and certificates which are required to perform their job duties. No reimbursement shall be made for fees of less than \$5.

Employees whose job description requires a class A or B driver's license shall receive \$100 per month provided they possess and maintain said required license in the performance of their job duties.

16.04 Absence for Examination

An employee shall be granted release time to participate in any part of an examination process for promotion or transfer within the City workforce that is scheduled during the employee's hours of work. The employee shall notify their immediate supervisor five (5) calendar days in advance of such an absence.

SECTION 17.00 SAFETY

The City intends to meet its obligation under the California Occupational Safety and Health Act and shall adopt and use reasonable safeguards, devices and practices for safe employment. Responsibility for promoting safety practices is shared equally by the City and its employees. The City will provide appropriate safety training courses and may place reasonable requirements of prior training and/or certification before employees engage in certain activities.

In order to ensure that health and safety hazards are dealt with on a timely basis, the following procedure shall be used to deal with potential hazards.

- A. Employees shall report health and safety hazards to their immediate supervisor upon discovery and in accordance with appropriate City Administrative Procedures. If the immediate supervisor is unable to abate the hazard, they shall refer the matter to the department/division manager, or
- B. Employees may use the Safety Communication System as provided in the City's Administrative Procedure Order.

17.01 Safety Committee

The union may appoint one temporary worker to serve on the Citywide Safety Committee. This Committee shall meet at least quarterly to consider potential or actual health, safety, and training matters. Union members shall serve on the Safety Committee without loss of compensation if scheduled to work during meeting times provided supervisory approval is received.

The Safety Committee shall be apprised of all reported hazards, their status, and resolution of the issue(s).

17.02 Safety Equipment/Uniforms

The City shall provide employees with any necessary and required uniforms or safety equipment required for the performance of their job.

17.03 Safety Boots

The City shall provide safety boots/shoes for employees in the classifications that require wearing them as shown in Exhibit D. The City may establish administrative procedures for the selection and purchase of such boots/shoes. All eligible employees will be required to wear safety boots/shoes while on duty unless granted a medical exemption. Safety boots/shoes shall not be worn for non-work-related purposes. Boots/shoes shall be

replaced on an as-needed basis up to the current annual limit of \$250 regardless of actual hours worked. If feasible, the City will offer a choice of different styles of boots/shoes.

SECTION 18.00 BENEFITS

18.01 Health Care Reimbursement

Employees who work more than 220 hours in the following quarters will be reimbursed 50% the cost of their single coverage medical plan, not to exceed \$100 per quarter.

<u>Quarter</u>	<u>Payable</u>
July/August/September	October
October/November/December	January
January/February, March	April
April/May/June	July

Employees must provide a receipt showing their payment for coverage within ten (10) days after the end of each quarter to be eligible for payment. Reimbursement will only be for single medical coverage paid for directly by the employee.

18.02 Bus Passes

Temporary service employees are eligible to participate in the City's bus pass program. Additional information regarding this program is available from the Human Resources Department.

18.03 CalPERS Long Term Care

Temporary service employees are eligible to participate in the CalPERS Long Term Care insurance benefit. Additional information regarding this program is available from the Human Resources Department.

18.04 Medicare

Temporary service employees and the City (on employees' behalf) participate in and contribute to the Medicare program.

18.05 Alternative Transportation Incentive Program

The City will provide up to \$10 per month per employee for reimbursement of eligible transportation related expenses, subject to a cap, as defined in the City's APO II-53 - Alternative Transportation Incentive Program.

SECTION 19.00 GRIEVANCE PROCEDURE

19.01 Purpose

To assure prompt and fair treatment of grievances related to employment.

Any employee or group of employees covered by this Memorandum of Understanding, or the Union acting on their behalf, may file a grievance.

19.02 Definition

A grievance is defined as an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding or the City's Personnel Rules and Regulations.

19.03 Limitations

- A. A grievant may be represented by an individual of their choosing in preparing and presenting a grievance.
- B. No reprisal shall result against any employee, group of employees, or the Union, who presents a bona fide grievance under this procedure.
- C. Time limits may be extended by mutual agreement of the parties. Absent such agreement, grievances may be advanced to the next step if time limits are not met.
- D. Only upon mutual written agreement between the parties may Step I of the grievance procedure be waived.
- E. Grievances may, by mutual agreement in writing, be referred back for further consideration or discussion to a prior Step, or advanced to a higher Step of the grievance procedure. If a grievance is moved either forward or backward to another step, the time limits at that step shall be controlling and shall begin on the date the parties agree to the move.

19.04 Procedures

19.04.01 Step I

The grievant will first attempt to resolve the grievance through informal discussions with their immediate supervisor or other appropriate departmental personnel. These discussions must be initiated within ten (10) working days of the incident upon which the grievance is based. Meetings shall be scheduled in advance and the nature of the grievance stated when the appointment is made. Every attempt will be made by the parties to settle the issue at this level.

19.04.02 Step II

If the grievance is not resolved through the informal discussions, the grievant or their representative may within ten (10) working after the informal meeting, submit a written grievance to the department head. The written grievance must contain in clear, factual and concise language.

1. Name of the grievant.
2. A brief statement as to the date, time and place of the occurrence on which the

- grievance is based and the facts as the grievant see them.
3. The specific provision of the M.O.U. which the grievant alleges has been misinterpreted, misapplied, or violated.
 4. Steps taken toward informal resolution.
 5. The action the grievant believes will resolve the grievance.
 6. The name of any representative chosen by the grievant.
 7. A copy of the written grievance, signed by the grievant or Union Representative, shall be presented at the time of the department head conference. However, the grievance will not be processed by the City until the Grievant or employee representative of a group grievance has signed the written grievance document.

The department head shall hold a conference with the grievant within ten (10) workdays following receipt of the formal grievance. They shall prepare a written response within five (5) working days after the conference. Copies shall go to the parties involved including the employee's representative and the Human Resources Department.

19.04.03 Step III

If the grievance is not resolved, the grievant may, within five (5) workdays following receipt of the department head's response, appeal to the City Manager or their representative, stating in writing the basis for the appeal. The grievance may also be appealed if the department head fails to respond within fifteen (15) workdays after submission of the formal grievance. The City Manager or their representative shall set a meeting within ten (10) workdays of receiving the appeal. The grievant and/or their representative shall state their position on the grievance to the City Manager and present any other materials that they deem relevant to the grievance. The City Manager or their representative shall render a written decision to all parties directly involved within fifteen (15) workdays following the meeting. The decision of the City Manager on the grievance shall be final.

SECTION 20.00 DISCIPLINE

The City and Union acknowledge that temporary employees have at will employment status and that either the employee or the City is entitled to end the employment relationship at any time, for any reason.

Should the City decide to terminate, suspend or demote a temporary employee due to performance and/or attendance issues, it will so notify the employee in writing with concurrent notice to the Union. Upon request, by the employee or the Union, a meeting will be scheduled with the department head to allow the employee and/or their representative to provide explanatory or mitigating information, which the City will consider in determining if any change in its position is appropriate. The department head shall have the final decision in all temporary employee decisions. There is no appeal.

SECTION 21.00 WRITTEN REPRIMANDS

A written reprimand may be issued by an employee's supervisor if an employee has violated a City

rule, provision of the MOU, or if their performance is in need of improvement. Written reprimands shall be placed in the employee's personnel file. An employee shall have the right to prepare a written response to the reprimand and have said response placed in their personnel file. An employee may appeal the supervisor's decision to issue a written reprimand to the department head by filing an appeal to the department head within ten (10) working days of receipt of the reprimand. The department head's decision regarding the written reprimand shall be final.

SECTION 22.00 LABOR/MANAGEMENT COMMITTEE

The City and the Union agree to establish a committee for the purpose of discussing the use and management of temporary employees and positions. Each party (City and Union) may appoint up to four (4) representatives to the committee. The committee will meet at least twice per each contract year at a date, time, and location that is mutually convenient.

The committee will review data pertaining to temporary employees including: names, hours worked, position classification, assigned department, original start date, and position status (temporary or regular). The purpose of reviewing this data is to identify if and when it is appropriate to transition temporary workers &/or positions to regular employment status. As a result of working with this data, the committee shall also recommend improved tracking and accounting practices for managing temporary employees and positions.

Additionally, in an effort to maintain transparency and accountability in the recruitment and selection of temporary employees, the committee shall discuss and recommend improvement to those processes.

SECTION 23.00 AUTHORIZED AGENTS

For the purposes of administering the terms and provisions of this Memorandum of Understanding:

- A. The City's principal authorized agent shall be the Director of Human Resources, or their duly authorized agent (address 809 Center Street, Room 6, Santa Cruz, CA 95060); except where a particular Management representative is specifically designated in connection with the performance of a specified function or obligation set forth herein.
- B. The Union's principal authorized agent shall be the Field Representative of Local 521, or their duly authorized representative (address 517 Mission Street, #B, Santa Cruz, CA 95060.)

SECTION 24.00 RENEGOTIATIONS

If the Union desires to negotiate a successor M.O.U., then the Union shall serve upon the City, no later than ninety (90) days prior to the expiration date of the M.O.U., its written request to begin negotiations as well as its written proposals modifying the M.O.U.

Negotiations shall begin within thirty (30) days from the date of receipt by the City of such notice and proposals, or any other mutually agreed upon dates.

24.01 Successor Negotiations

The parties will meet and consult no later than October 1, 2017 about whether or not the Temporary Service Employees bargaining unit will bargain over a successor Memorandum of Understanding with the Regular Service Employees bargaining unit.

SECTION 25.00 SEVERABILITY

Should any of the provisions herein contained be rendered or declared invalid by reason of any State or Federal legislation or court action, such invalidations shall not invalidate the remaining portions of this Memorandum of Understanding, which shall remain in full force and effect, insofar as such remaining portions are severable.

CITY OF SANTA CRUZ

**CITY OF SANTA CRUZ
TEMPORARY SERVICE EMPLOYEES,
S.E.I.U., LOCAL 521**

Date: May 15, 2023

Date: May 15, 2023

Sara De Leon

Katy Bradley

Tim Davis

Devon King

Ken Bare

Emilio Galvan

Noah Nagel



City of Santa Cruz
California
Human Resources
Salary Compensation Plans

Sorted by: Grade Description

Grade Code	Description	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
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Temporary

901	AQUATIC INSTRUCTOR/COACH		15.5000	16.2750	17.0888	17.9432	18.8403				
902	BEACH CAPTAIN		24.0862	25.2905	26.5550	27.8828	29.2769				
903	BEACH LIEUTENANT		23.6973	24.8822	26.1263	27.4326	28.8042				
904	BEACH LIFEGUARD I		19.6860	20.6703	21.7038	22.7890	23.9285				
905	BEACH LIFEGUARD II		21.6610	22.7441	23.8812	25.0753	26.3291				
907	COMMUNITY SERVICE AIDE I		16.3318	17.1489	18.0063	18.9066					
908	COMMUNITY SERVICE AIDE II		18.2225	19.1367	20.0922	21.0971	22.1520				
925	LIBRARY AIDE		15.5000	16.2750	17.0888	17.9432	18.8403				
911	MAINTENANCE WORKER AIDE I		15.5000	16.2750	17.0888	17.9432	18.8403				
913	MAINTENANCE WORKER AIDE II		17.8250	18.7163	19.6521	20.6347	21.6664				
914	OFFICE ASSISTANT		15.5000	16.2750	17.0888	17.9432	18.8403				
915	POOL LIFEGUARD		15.5000	16.2750	17.0888	17.9432	18.8403				
916	POOL MANAGER		15.4176	16.1862	16.9965	17.8464	18.7387				



City of Santa Cruz
California
Human Resources
Salary Compensation Plans

Page 2 of 2

12/19/2022

Effective Date: 12/24/2022

Deliver To: cruser

Sorted by: Grade Description

Grade Code	Description	Step A	Step B	Step C	Step D	Step E	Step F	Step G	Step H	Step I	Step J
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Temporary

917	PROFESSIONAL & TECH ASSIST	15.5000		41.7306							
918	RANGER TRAINEE		17.2875	18.1534	19.0607	20.0136	21.0142				
919	RECREATION AREA AIDE		15.5000	16.2750	17.0888	17.9432	18.8403				
920	RECREATION I		15.5000	16.2750	17.0888	17.9432					
921	RECREATION II		17.0500	17.9025	18.7976	19.7375	20.7244				
922	RECREATION III		18.7550	19.6928	20.6774	21.7112	22.7968				
923	RECREATION IV		20.6305	21.6620	22.7451	23.8824	25.0765				
924	RECREATION V		22.6935	23.8282	25.0196	26.2706	27.5841				

POLICY TITLE DISCRIMINATION, HARASSMENT, RETALIATION, AND
RESPECTFUL WORKPLACE CONDUCT POLICY

POLICY STATEMENT

It is the policy of the City of Santa Cruz to maintain and promote a working environment free from abusive conduct, discrimination, harassment, and retaliation; and to provide all current and prospective employees, Councilmembers, contractors, unpaid interns, and volunteers with equal opportunity in employment regardless of race, religious creed (including religious dress and grooming practices), color, national origin (including language use restrictions), ancestry, disability (mental and physical), medical condition, sex, gender (including gender identity and gender expression), physical characteristics, marital status, age, sexual orientation, genetic information (including family health history and genetic test results), organizational affiliation, and military and veteran status (all of which are later referred to as “Protected Categories”), or any other consideration made unlawful by local, State or Federal law.

This policy pertains to all aspects of employment with the City or the application for employment with the City including, but not limited to, recruitment, selection, placement, assignment, compensation, benefits, training, transfer, promotion, evaluation, discipline, and termination.

This policy prohibits unlawful harassment, discrimination, and retaliation by supervisors, managers, co-workers, and third parties such as vendors or customers.

Definitions:

Discrimination as used in this policy is defined as the treatment or consideration of, or making a distinction in favor of or against, an employee on the basis of any of the above-listed protected categories including, but not limited to, any of the following forms:

- a) basing an employment decision on a job applicant’s or an employee’s protected status;
- b) treating an applicant or employee differently with regard to any aspect of employment because of their protected status;
- c) offering an employment benefit in exchange for sexual favors;
- d) threatening negative consequences if an employee declines a sexual advance;
- e) engaging in harassment, as more specifically defined below; and
- f) taking adverse employment action (i.e., demotion, transfer, discipline, or termination) against an employee based on the employee opposing discrimination in the workplace; assisting, supporting, or associating with a member of a protected category who complains about discrimination, or assisting in an investigation of discrimination.

Harassment as used in this policy is defined as the persistent disturbance or irritation of an employee on the basis of any of the above-listed protected categories including, but not limited to, any of the following forms:

- a) verbal harassment such as epithets, derogatory comments, or slurs, including on social media;
- b) physical acts such as assault or impeding or blocking movement;
- c) visual insults such as derogatory posters, drawings, or photographs;

- d) unwanted sexual advances, requests for sexual favors, and other acts of a sexual nature; and
- e) sending sexually-related emails or text messages.

Abusive Conduct as used in this policy is defined as conduct in the workplace or on social media, undertaken with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests; it may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating or humiliating, or the sabotage or undermining of a person's work performance. A single act shall not constitute abusive conduct, unless especially severe and egregious.

Employee as used in this policy is defined as an individual performing business activities under direct supervision of another City employee and includes full-time, part-time, and temporary employees, contractors, unpaid interns, and volunteers.

Equal Employment Opportunity Committee (EEOC) as used in this policy is an advisory body to the City Council consisting of nine (9) members, including representatives from the community appointed by the City Council, employees appointed by the City Manager, and employees appointed by various labor groups.

Responsibilities:

1. The City of Santa Cruz shall take reasonable steps to prevent abusive conduct, discrimination, harassment, and retaliation from occurring in the workplace environment, including the following:
 - a) affirmatively raising the subjects of abusive conduct, discrimination, harassment and retaliation;
 - b) expressing strong disapproval;
 - c) maintaining and developing appropriate sanctions;
 - d) informing employees of their right to raise and how to raise the issues of abusive conduct, discrimination, harassment, and retaliation under City policy and/or the law; and
 - e) maintaining and developing methods to sensitize all concerned.

Such behavior shall not be tolerated, condoned, or trivialized. The City is committed to take action against any person violating this policy which will end the prohibited conduct. City employees who violate this policy shall be subjected to appropriate discipline, including possible dismissal, upon consideration of the findings and recommendations of the City Manager or their representative.

2. The City Manager shall fully accept and support the City's commitment to prevent abusive conduct, discrimination, harassment, and retaliation as a means to assure full equal employment opportunity for all prospective and current employees, contractors, unpaid interns, and volunteers including the following:
 - a) defining and assigning specific responsibilities throughout the organization for the development, implementation, and monitoring of this policy;
 - b) appointing one (1) department head and three (3) employee representatives to the EEOC;
 - c) ensuring all department heads support this policy;
 - d) reviewing the recommendations of the Human Resources Director on the resolution of complaints appealed under the Administrative Procedure Order (APO) Discrimination/Harassment/Retaliation Policy Implementation and Complaint Procedure, and making final decisions in each such complaint; and
 - e) ensuring that an EEO Report is completed and submitted annually to the City Council.

3. The Human Resources Department (HR) Director shall be responsible for:
 - a) ensuring that this policy, including its definition of abusive conduct, discrimination, harassment, and retaliation and the complaint procedures are disseminated to all employees;
 - b) providing guidance, training sessions, and assistance to department heads, managers, supervisors, and employees within their areas of responsibility;
 - c) investigating, resolving, and making findings and recommendations on complaints that are reported according to established informal and formal grievance procedures as set forth in in the Discrimination/Harassment/Retaliation Policy Implementation and Complaint Procedure APO and the Respectful Workplace Conduct APO;
 - d) coordinating the annual EEO report, to include data on the make-up of the City workforce and the representation of protected classes, and distributing the report to the City Council, City staff, the public, and Federal and state agencies as requested or required;
 - e) regularly reviewing and revising personnel policies, procedures, and practices to eliminate non-job-related criteria, minimize the opportunity for discrimination and harassment, and ensure compliance with all legal requirements for equal employment opportunity;
 - f) designing, implementing, and monitoring a recruitment program to draw all qualified applicants; and
 - g) designating an EEO Coordinator, who will assist the HR Director with EEO-related activities and staff the EEOC.
4. Department Heads, Managers, and Supervisors shall all be responsible for:
 - a) giving their full support to this policy through active cooperation, leadership, and personal example;
 - b) informing employees in their respective departments or areas of responsibility of their rights and responsibilities regarding abusive conduct, discrimination, harassment, and retaliation under this policy;
 - c) ensuring that their employees have equal access to training and promotional opportunities;
 - d) acting to prevent abusive conduct, discrimination, harassment and retaliation from occurring; and
 - e) cooperating with the HR Director in resolving complaints involving employees in their respective departments.
5. Employees of the City shall be responsible for lending their personal support and cooperation in maintaining equal employment opportunities in the City. Employees shall cooperate fully with all investigations of abusive conduct, discrimination, harassment, and retaliation and implementation of remedial measures and shall not retaliate against complainants or witnesses.
6. The EEOC shall act in an advisory capacity to the City Council in all matters pertaining to EEO and be responsible for serving as a communication channel between City employees, the community, the City Manager, and the EEO Coordinator on any EEO activities and concerns.

Additional Applications and Considerations:

- Complaints may be filed by any individual (or a representative of their choice, on their behalf) who feels a violation of this policy has occurred. The procedures for resolving complaints alleging violation of this policy are set forth in APO Discrimination/Harassment/Retaliation Policy Implementation and Complaint Procedure and APO Respectful Workplace Conduct.

- Contracts with the City of Santa Cruz which contain an equal employment opportunity/non-discrimination clause shall also include language which requires those contractors to be responsible for ensuring that effective policies and procedures concerning the prevention of abusive conduct, discrimination, harassment, and retaliation exist in their companies.
- Councilmembers, contractors, unpaid interns, volunteers, customers and visitors shall not be subjected to, or cause, a violation of this policy.
- All Memoranda of Understanding entered into by the City and any employee organization shall contain an appropriate non-discrimination/harassment clause.
- In applying this policy, the rights of free speech and association shall be accommodated consistently with the intent of this policy. Nothing in these regulations may be construed as limiting the City's right to take reasonable disciplinary measures which do not discriminate on a basis identified in this policy.
- Discrimination/harassment/retaliation prevention (including prevention of abusive conduct), and cultural diversity awareness training, is mandatory for all City employees and City Councilmembers.
- All City employment announcements, brochures, procedures, advertisements, and application forms will state that the City is an Equal Opportunity Employer. The Human Resources Department will also inform all outreach recruitment and referral sources of the City's Discrimination and Harassment Policy and request that sources actively recruit and refer qualified applicants from all sectors of the community.
- In support of recruitment and retention efforts, City management shall consider the viability of participating in or developing supportive programs in such areas as: job-related skill training and education, job development, career counseling, transportation, day care, and health care.
- Where groups of employees are featured in the City's publications and communications (i.e., text and photographs), insofar as possible, the materials should illustrate that the City's workforce is as diverse as the populace it serves.

AUTHORIZATION: Council Policy Manual Update of November 17, 1998

HISTORY:

Revision by Resolution No. NS-28,533 July 24, 2012

Revision by Resolution No. NS-28,823 September 9, 2014

Revision by Resolution No. NS-29,220 April 4, 2017

City of Santa Cruz
Administrative Procedure Order
Section II, #1A (Revised April 2017)

II-1A

TO: Department Heads

SUBJECT: DISCRIMINATION/HARASSMENT/RETALIATION POLICY
IMPLEMENTATION AND COMPLAINT PROCEDURE

PURPOSE

The purpose of this document is to confirm the City's commitment to prohibit and prevent unlawful discrimination, harassment, and retaliation in employment, and provide a City complainant an investigation procedure to resolve complaints of alleged discrimination, harassment, or retaliation in violation of the law or City Council Policy 25.2 (*Discrimination, Harassment, and Respectful Workplace Conduct Policy*).

POLICY

It is the policy of the City of Santa Cruz to maintain and promote a working environment free from discrimination, harassment, and retaliation, and to provide all current and prospective employees, contractors, interns, and volunteers with equal opportunity in employment regardless of race, religious creed (including religious dress and grooming practices), color, national origin (including language use restrictions), ancestry, disability (mental and physical), medical condition, sex, gender (including gender identity and gender expression), physical characteristics, marital status, age, sexual orientation, genetic information (including family health history and genetic test results), organizational affiliation, and military and veteran status (later referred to collectively as "Protected Categories") or any other consideration made unlawful by local, State, or Federal law.

This policy is promulgated in recognition of the fact that conduct of the type prohibited by this policy, if allowed to exist, not only violates Federal, State, and municipal law, but also serves to undermine employee integrity, create low employee morale, reduce employee productivity, and cause skilled and valuable workers to leave their City employment. All of this, in turn, is detrimental to the general health and welfare of the community, which depends upon a highly motivated and skilled body of City employees to deliver essential municipal services.

The City Council acknowledges and understands that in order to implement a policy of this type, it is essential that all persons who witness or experience discrimination, harassment, or retaliation report it immediately in order to facilitate early, effective, efficient, and impartial investigation and intervention by the City. Accordingly, any retaliation against a person for filing a complaint, reporting discrimination, harassment, or retaliation which he or she has witnessed, or assisting in an investigation is strictly prohibited. Employees found to have participated in retaliatory action in contravention of this policy shall be subject to disciplinary action up to and including termination.

In implementing the policy, the rights of free speech and association shall be accommodated in a manner consistent with applicable Federal and State law and in a manner consistent with the intent of the policy.

DISSEMINATION OF POLICY AND TRAINING

All employees, supervisors, and managers shall receive a copy of this Administrative Procedure Order and City Council Policy 25.2 and shall also attend sexual harassment and cultural diversity training according to the following schedule:

- 1) All New Employees – Harassment/Discrimination/Retaliation Prevention Training, and Cultural Diversity Training, within the first year of hire.
- 2) Supervisors – Cultural Diversity Training within the first year of hire, Harassment/Discrimination/Retaliation Prevention Training within six months of gaining supervisory responsibilities, and refresher training no less frequently than every two years.

Posters explaining local, State, and Federal non-discrimination laws will be prominently displayed in the Human Resources Department.

REASONABLE ACCOMMODATION FOR DISABILITY (in accordance with Title II of the *Americans with Disabilities Act of 1990, and as amended by the ADA Amendments Act of 2008*)

Disability is defined as: a) a physical or mental impairment that substantially limits one or more major life activities, b) having a documented record of such an impairment, or c) being regarded as having such an impairment.

Accommodation is any change in the work environment or in the way things are customarily done that enables an individual with a disability to enjoy equal employment opportunities. It means modifications or adjustments to: a) a job application process to enable an individual with a disability to be considered for the position, b) the work environment in which a position is performed so that a person with a disability can perform the essential functions of the position, and c) enable individuals with disabilities to enjoy equal benefits and privileges of employment as employees without disabilities enjoy.

I. Inclusions

Accommodation includes making existing facilities and equipment used by employees readily accessible to and usable by individuals with disabilities. Accommodation applies to: a) all employment decisions and to the job application process, b) all services and programs provided in connection with employment, c) non-work facilities provided in connection with employment, and d) known disabilities only.

II. Exclusions

Accommodation is not required if: a) it eliminates essential functions of a position from the person's job, or b) adjustments or modifications requested are primarily for the benefit of the person with a disability. The law does not require an accommodation that imposes an "undue

hardship” on the operation of the City. Undue hardship means significant difficulty or expense incurred in the provision of accommodation relative to the operation of the City’s program and includes, but is not limited to, financial difficulty. Undue hardship refers to any accommodation that would be unduly costly, extensive, substantial, disruptive, or that would fundamentally alter the nature or operation of the City. Whether a particular accommodation will impose an undue hardship is determined on a case-by-case basis. The following factors will be considered in determining whether an accommodation would create undue hardship: a) the nature and cost of the accommodation, b) the financial resources of the City, c) the number of employees, and d) the type of operations of the City, including the composition and functions of its workforce.

III. Determining the Appropriate Accommodation

Where a particular accommodation would result in an undue hardship, the City must determine if another accommodation is available that would not result in an undue hardship. If a qualified individual with a disability requests the provision of a reasonable accommodation, the City shall engage in an informal, interactive process with the person with a disability which identifies the precise limitations resulting from the disability and potential accommodations that could overcome those limitations. The accommodation process shall generally involve five (5) steps.

- First, the City shall analyze the particular job at issue and determine its purpose and essential functions.
- Second, the City shall consult with the individual with a disability to ascertain the precise job-related limitations imposed by the individual’s disability.
- Third, the City shall consult with the individual with a disability and, if desired by the agency, the appropriate rehabilitation or ergonomics consultant to identify potential accommodations and the necessary modifications.
- Fourth, the City shall assess the effectiveness of each potential accommodation with regard to enabling the individual to perform the essential functions of the position.
- Finally, the City shall consider the preference of the individual to be accommodated and select and implement the accommodation that is most appropriate for both the employee and the agency.

DISCRIMINATION, HARASSMENT, AND RETALIATION COMPLAINT PROCEDURE

This complaint procedure is available to City of Santa Cruz employees and individuals who believe that they have been subjected to discrimination, harassment, and/or retaliation in relation to employment with the City of Santa Cruz.

Complainants, and employees alleged to have engaged in discrimination, harassment, or retaliation, may choose to be represented at any or all steps in the complaint process.

I. Filing a Complaint

Complaints may be submitted to an employee’s immediate supervisor, any supervisor or manager within or outside the department, the department head, or Human Resources Department within one (1) year of the date the alleged action occurred. Any City of Santa

Cruz supervisor, manager, or department head who receives a discrimination or harassment complaint shall notify the Human Resources Department immediately upon receipt of the complaint. Complaints may be presented orally or in writing.

Written complaints should include the following information:

- The name, address, and telephone number of the complainant.
- The basis for the alleged discrimination or harassment (protected category and/or retaliation).
- The specific discriminatory practice(s) or incident(s) that have occurred.
- The names of any persons thought to be responsible for the discrimination/harassment.
- The remedy the complainant is seeking as a result of the complaint.
- The name, address, and telephone number of the complainant's representative, if any.

If complainants wish to file the complaint in person and receive assistance, they may contact the Human Resources Department to schedule an appointment with a staff investigator.

II. Investigation and Resolution

After reviewing the complaint, the Human Resources Director shall determine if an investigation is necessary to resolve the issues of the complaint and, if so, authorize and supervise the investigation of the complaint by a qualified person. The complainant will be contacted by the investigator upon the investigator's receipt of the complaint and will be kept apprised of the status of the investigation. The investigation will be documented and tracked for reasonable progress and appropriate due process. Every effort will be made to conclude the investigation within one hundred and twenty (120) calendar days of receipt of the complaint.

The Human Resources Director will not proceed with the investigation of a complaint if the complaint contains no assertion that the alleged acts occurred based on one or more of the protected categories or if a nexus cannot be established between the alleged act(s) and discrimination based on any of the protected categories.

When the investigation is completed, the Human Resources Director will determine if there is sufficient evidence to substantiate a violation of the City's Discrimination, Harassment, and Retaliation Policy and if remedial action is necessary to resolve the issues of the complaint. The complainant, alleged perpetrator/harasser, and department head(s) will be notified of the Human Resources Director's determination. If discipline is imposed, the discipline will not be communicated to the complainant.

If it would present a conflict (or the appearance of such) for the review and investigation of a complaint to be conducted by the Human Resources Department, the City Manager will be responsible for this process.

III. City Manager Review

Complainants who are not satisfied with the Human Resources Director's determination may request a review by the City Manager (or his/her representative), in writing, within ten (10) workdays following receipt of the Human Resources Director's determination. The City Manager (or his/her representative) shall review the complainant's written appeal and the investigative findings and shall render a written decision within thirty (30) workdays following the review.

IV. Additional Remedies

Current City employees covered by a memorandum of understanding that includes arbitration as the final step in the grievance process may request that the matter be taken to arbitration in accordance with the specific procedures contained in the applicable memorandum of understanding.

In addition, all complainants may file complaints of discrimination, harassment, or retaliation with the State of California Department of Fair Employment and Housing and the Federal Equal Employment Opportunity Commission, whether or not complainants choose to use the City of Santa Cruz' complaint procedure. Time limits for filing complaints with State and Federal compliance agencies vary, and those agencies should be contacted directly for specific information. The addresses and telephone numbers (as of the revision date of this procedure) are:

California Department of Fair Employment and Housing
Bay Area Regional Office
39141 Civic Center Drive, Suite 250
Fremont, CA 94538
Phone: (800) 884-1684
For Persons with a Hearing Impairment: (800) 884-1684 or TTY at (800) 700-2320
E-mail: contact.center@dfeh.ca.gov

United States Equal Employment Opportunity Commission
San Jose Local Office
96 North Third Street, Suite 250
San Jose, CA 95112
Phone: (800) 669-4000
Fax: (408) 291-4539
TTY: (800) 669-6820
ASL Video Phone: (844) 234-5122

EXHIBIT D

CLASSIFICATIONS REQUIRING SAFETY BOOTS (Temporary Positions)

*Assistant Engineer I
*Assistant Engineer II
Assistant Wastewater Plant Operator
Building Inspector
Building Maintenance Worker I
Building Maintenance Worker II
Chemist I
Chemist II
Construction Specialist
Courier Driver
Custodian (Civic, Wharf, Parks & LNCC only)
*Engineering Technician
Environmental Compliance Inspector
Equipment Mechanic I
Equipment Mechanic II
Equipment Service Worker
Landfill Gate Attendant
Light Equipment Mechanic
Parking Attendant
Parking Control Maintenance Worker
Parking Enforcement Officer
Parking Facility Maintenance Assistant
Parks Maintenance Worker
Parks Maintenance Mechanic I/II
Police Property Attendant
Ranger
Recycling Center Equipment Mechanic
Recycling Maintenance Technician
Resource Recovery Equipment Operator
Resource Recovery Worker I
Resource Recovery Worker II
Sanitation/Recycling Aide
Service Maintenance Trainee
Service Maintenance Worker
Senior Building Inspector
Senior Environmental Compliance Inspector
Senior Parks Maintenance Worker
Senior Resource Recovery Worker
Senior Service Maintenance Worker
Senior Water Distribution Worker
Solid Waste Worker
Street Maintenance Worker
Street Signing Specialist
Traffic Signal Technician
Traffic Signal Worker
Utility Maintenance Technician
*Utility Service Representative
*Waste Reduction Coordinator
Wastewater Facilities Electrical/Instrumentation Technician I/II
Wastewater Facilities Lead Electrical/Instrumentation Technician

Wastewater Mains Maintenance Trainee
Wastewater Mains Maintenance Worker
Wastewater Mains Senior Maintenance Worker
Wastewater Plant Operator I
Wastewater Plant Operator II
Water Distribution Worker I
Water Distribution Worker II
Water Meter Technician
Water Quality Laboratory Assistant
Water Quality Microbiologist I/II/III
Water Treatment Operator I/II/III/IV
Wharf Construction Worker

*Field positions only, requirement is optional with department head approval.



City Council AGENDA REPORT

DATE: 05/11/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Police

SUBJECT: Award Contract for Portable Digital Radios (PD)

RECOMMENDATION: Motion to authorize and direct the City Manager to execute an agreement in a form acceptable to the City Attorney with Motorola Solutions for the lease-purchase of portable digital radios and portable digital radio accessories for the Santa Cruz Police Department in the amount of \$899,077.13.

BACKGROUND: Motorola issued an Intent-to-Cancel Notice to the Santa Cruz Police Department (SCPD) in October 2014, indicating Motorola was canceling the Department's portable analog radios (model XTS 2500) and vendor support would cease by December 2019. The SCPD continues to outfit all its sworn and non-sworn officers with XTS 2500 portable analog radios to receive and transmit calls for service and conduct two-way communication between officers, supervisors, and dispatchers. For years, parts to repair or replace damaged radios have become limited or unavailable.

As more of the Department's radios are taken offline due to inoperability, purchasing new radios to outfit officers becomes more imminent. Project 25 (P25), a suite of standards for interoperable digital two-way radio products, plays a significant role in the Department's decision to move away from its existing portable analog radios and toward new portable digital radios. P25-compliant radios are a direct replacement for analog devices and offer improved sound quality, security, and versatility in transferring data, rendering the SCPD's current radio equipment obsolete. Many public safety departments (i.e., fire, police, ambulance) in surrounding jurisdictions have already fully adopted P25-compliant radios. To provide all officers with secure and reliable radio equipment and maintain interoperable two-way communication between other service departments, the SCPD intends to adopt and implement P25-complaint radio equipment by early FY 2024.

DISCUSSION: Section 3.08.170 of the Municipal Ordinance allows the City to buy from cooperative purchasing agreements when it is in the City's best interest to do so.

Cooperative purchasing is a form of purchasing that leverages the buying power of multiple government agencies to get the best pricing and favorable contract terms and conditions. Hundreds of contracts are available to use that offer competitively priced contracts for almost every good or service the City buys.

By utilizing a cooperative purchase agreement through Sourcewell (contract # 042021-MOT), SCPD has secured competitive pricing on 120 new portable digital radios (model APX6000) and portable digital radio accessories. Motorola has provided a 20-27% discount on the new radios and accessories – a savings of \$241,034.94 off the list price.

FISCAL IMPACT: Financing has been offered through Motorola Solutions and applied towards a lease-purchase agreement of seven annual \$128,439.59 lease payments, totaling \$899,077.13. Existing funds from the Police Department's services, supplies, and other materials & services budget can be used towards this purchase.

Prepared By:
Catherine Brothers
Principal Management
Analyst

Submitted By:
Bernie Escalante
Chief of Police

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. SOURCEWELL (#042021-MOT) CONTRACT.PDF
2. SCPD MOTOROLA P25 DIGITAL RADIO PURCHASE FINANCING AGREEMENT.PDF
3. MOTOROLA QUOTE-2131449 120 UNITS APX6000.PDF
4. XTS2500 CANCELLATION NOTICE.PDF

**Solicitation Number: RFP #042021****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Motorola Solutions, Inc., 500 W. Monroe, Chicago, IL 60661 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Public Safety Communications Technology and Hardware Solutions from which Vendor was awarded a contract.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires June 23, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 14 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Vendor warranties for Equipment, Products, and Services furnished are set forth in Vendor's then-current Communication, Systems & Services Agreement, which will be made available to Participating Entities at the time of purchase. Vendor's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized dealers, distributors, and/or resellers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcwell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Freight, title and risk of loss terms will be as set forth in Vendor's then-current Communication, Systems & Services Agreement, which will be made available to Participating Entities at the time of purchase.

B. SALES TAX. Each Participating Entity is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcwell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcwell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcwell Price and Product Change Request Form to the assigned Sourcwell Contract Administrator. This form is available from the assigned Sourcwell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcwell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and

- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract in the United States. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically, a Participating Entity will issue an order directly to Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance,

Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Vendor will require the use of Vendor's then-current Communication, Systems & Services Agreement ("CCSA") and Exhibits, Subscription Services Addendum ("SSA"), Maintenance and Support Addendum ("MSA"), and Telecommunication Carrier Addendums ("TCA"). Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Participating Entity and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal or state laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity, after receipt of notice from Sourcewell or the Participating Entity, and fails to correct such breach within thirty days.

In the event of termination under this subsection 6. D., the Participating Entity will remain liable for contract amounts due and attributable to Equipment, Products, and Services delivered or performed on or before the date of the termination.

E. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Vendor will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. **BUSINESS REVIEWS.** Vendor must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. **CONTRACT SALES ACTIVITY REPORT.** Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcewell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. **ADMINISTRATIVE FEE.** In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not

added to, the pricing. Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Vendor's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

D. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

E. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of the performance of this Contract by the Vendor or its agents or employees. Sourcewell will provide prompt written notice to Vendor of any claim or suit, and will cooperate with Vendor in its defense or settlement of the claim or suit. Vendor's maximum liability for damages caused by failure to perform its obligations under this Contract is limited to proven direct damages for all claims arising out of this Contract not to exceed the total net payments of Administrative Fees paid under any twenty-four (24) month period during the Term. Vendor's indemnification obligations under the Contract are excluded from this provision. **VENDOR WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES FOR ANY CAUSE OF ACTION, WHETHER IN CONTRACT OR TORT. CONSEQUENTIAL, INCIDENTAL, AND INDIRECT DAMAGES INCLUDE, BUT ARE NOT LIMITED TO, LOST PROFITS, LOST REVENUES, AND LOSS OF BUSINESS OPPORTUNITY, WHETHER OR NOT THE OTHER PARTY WAS AWARE OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF THESE DAMAGES.**

Vendor's obligations to indemnify or hold harmless Participating Entities will be as set forth in Vendor's Communication, Systems & Services Agreement.

12. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use the Trademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.
 - b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.
3. *Use; Quality Control.*
 - a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.
 - b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.
 - c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.
4. As applicable, Vendor agrees to indemnify and hold harmless Sourcewell against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Vendor in violation of applicable United States patent or copyright laws. Vendor's obligations to indemnify or hold harmless Participating Entities for intellectual property infringement will be as set forth in Vendor's then-current Communication, Systems & Services Agreement.
5. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all

marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

D. **ENDORSEMENT.** The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary,

Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.

2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have 30 calendar days to cure an outstanding issue.

3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed will be borne by the Vendor.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default (unless a force majeure causes the default):

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a 30 day opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. **REQUIREMENTS.** At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance in accordance with the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts listed below:

Limits:

\$1,000,000 each accident for bodily injury by accident

\$1,000,000 policy limit for bodily injury by disease

\$1,000,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Limits:

\$3,000,000 each occurrence Bodily Injury and Property Damage

\$3,000,000 Personal and Advertising Injury

\$5,000,000 aggregate for Products-Completed operations

\$5,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below.

Limits:

\$2,000,000 each accident, combined single limit

4. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. **ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE.** Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Vendor waives and must require (by endorsement or otherwise) its workers compensation, commercial general liability, and automobile liability insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the workers compensation, commercial general liability, and automobile liability insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Vendor must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian

government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcwell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may also require additional requirements based on specific funding specifications. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Vendor’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that

each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. Intentionally Omitted.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for

debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

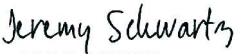
L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a

satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

22. CANCELLATION

Sourcwell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcwell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcwell

DocuSigned by:

C0FD2A139D06489...

By: _____

Jeremy Schwartz

Title: Chief Procurement Officer

7/3/2021 | 8:47 AM CDT

Date: _____

Motorola Solutions, Inc.

DocuSigned by:

BCC52DFA8464445...

By: _____

Carrie Hemmen

Title: MSSSI Territory Vice President &
Director of Sales

7/2/2021 | 3:56 PM CDT

Date: _____

Approved:

DocuSigned by:

7E42B8F817A64CC...

By: _____

Chad Coauette

Title: Executive Director/CEO

7/4/2021 | 6:43 PM CDT

Date: _____

RFP 042021 - Public Safety Communications Technology and Hardware Solutions

Vendor Details

Company Name: Motorola Solutions, Inc.
Address: 500 W Monroe St
Ste 4400
Chicago, IL 60661
Contact: Lane Feingold
Email: lane.feingold@motorolasolutions.com
Phone: 720-338-7624
HST#: 36-1115800

Submission Details

Created On: Tuesday March 30, 2021 21:05:37
Submitted On: Tuesday April 20, 2021 12:23:07
Submitted By: Lane Feingold
Email: lane.feingold@motorolasolutions.com
Transaction #: a493650e-28b5-493e-a11e-7305bc7e532a
Submitter's IP Address: 140.101.167.250

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond “N/A” if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (and applicable d/b/a, if any):	Motorola Solutions, Inc.	*
2	Proposer Address:	500 W. Monroe, Chicago IL 60661	*
3	Proposer website address:	https://www.motorolasolutions.com/	*
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Carrie Hemmen Territory Vice President & Director of Sales 500 W. Monroe, Chicago IL 60661 carrie.hemmen@motorolasolutions.com 602-319-2355	*
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Lane Feingold Senior Account Manager 7237 Church Ranch Blvd, Ste 406 Westminster, CO 80021 lane.feingold@motorolasolutions.com 720-338-7624	*
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Tracy Loudenslager MSSSI Vice President and Director, U.S. Federal Government Market Channels & Sales Operations tracy.loudenslager@motorolasolutions.com 410-952-0743 Joe Fick Senior Account Manager joe.fick@motorolasolutions.com 951-395-3463	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
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7	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	<p>Motorola Solutions is a global leader in mission-critical communications. Our technology platforms in communications, command center software, video security & analytics, and managed & support services make cities safer and help communities and businesses thrive. Motorola Solutions has created the first and only mission critical ecosystem built for Public Safety and Enterprise. Our mission is to never stop advancing that lifeline.</p> <p>We have a rich history of firsts, including pioneering mobile communications in the 1930s, creating the technology that carried the first words from the moon in 1969, developing the first commercial handheld cellular phone in 1983 and revolutionizing public safety communications with the launch of smart radio, APX NEXT and public safety virtual assistant, ViQi in 2019. Today, our employees are committed to designing and delivering the solutions our customers refer to as their lifeline. At Motorola Solutions, we are ushering in a new era in public safety and security.</p> <p>For more than 90 years, Motorola Solutions has demonstrated our stability and commitment to public safety. With more than 800 P25 deployments across North America, we are the partner of choice for large-scale emergency radio networks around the continent. And with a growing portfolio of devices, applications, and services designed to increase the safety and efficiency of first responders, we are now firmly established at the leading edge of mission critical communications.</p> <p>In the United States, Motorola is responsible for the deployment of 36 state-wide mission critical radio networks, as well as hundreds of county-wide systems and municipality systems across the country.</p>	*
8	What are your company's expectations in the event of an award?	If awarded, Motorola Solutions expects to utilize this contract with may of our customers to allow them to purchase equipment and services without going to bid.	*
9	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	<p>You can find our Quarterly Earning and other financial information at https://investors.motorolasolutions.com/earnings-sec-filings/QuarterlyResults/default.aspx.</p> <p>Motorola Solutions Annual reports from 2010 to the present can be found here: http://investors.motorolasolutions.com/AnnualReports</p>	*
10	What is your US market share for the solutions that you are proposing?	"Motorola Solutions ("Motorola") is a publicly traded company (NYSE - MSI) with billions of dollars in annual sales globally, employing thousands of workers worldwide, and having tens of thousands of shareholders. Such inquiries may be subject to confidentiality rules, whereby disclosure is prohibited. As a publicly traded company, Motorola files an annual report Form 10-K with the SEC and describes therein certain information that is material for disclosure under SEC rules. Our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q can be found at www.sec.gov or on our website, https://investors.motorolasolutions.com/earnings-sec-filings/QuarterlyResults/default.aspx "	*
11	What is your Canadian market share for the solutions that you are proposing?	We are not including Canada as a part of this RFP Response.	*
12	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Motorola Solutions, Inc. ("Motorola") is a Fortune 500 company that is publicly traded on the New York Stock Exchange employing thousands of workers worldwide. As is normal for such companies, Motorola and its subsidiaries do not maintain centrally located records that would allow it to answer the question as written. However, Motorola, Inc. has never filed a petition in bankruptcy, nor taken any action with respect to receivership, moratorium, or assignment for the benefit of creditors. As a publicly traded company, Motorola files an annual report Form 10-K with the SEC and describes certain material for disclosure under SEC rules. Motorola's most recent 10-K report can be found at: http://investors.motorolasolutions.com/Docs	*
13	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals	<p>Motorola Solutions is a manufacturer as well as a service provider. From a sales perspective, we have a direct sales force of over 200 people across the United States as well as Manufacturer Representatives throughout the United States.</p> <p>The Manufacturers Representative (MR) program is designed to improve Motorola Solutions market reach and account coverage by leveraging a single integrated distribution strategy to combine MSI's Go-to Market Resources with those of our MR Partners so as to deliver unparalleled value and ease of doing business to our Customers. The Motorola Field Team designates the accounts, develops or approves the strategy for the account, determines the products to be offered, and establishes the selling or contract price. The business is transacted in Motorola's name allowing the utilization of State and Local Purchasing contracts and sole source procurements and combines high touch customer consultation with ease of doing business all for the benefit of our Customers.</p> <p>The Manufacturer's Representative (MR) Sales Program requires it's representatives to complete necessary training to ensure that our MRs are familiar with our products and how those products fit within the needs of our customers. Manufacturer's Representatives (MRs) serve as an extension of the MSI direct account sales team</p>	

your employees, or the employees of a third party?

and perform sales functions on behalf of Motorola. Sales facilitated by MRs are considered MSI sales; the end customer would issue a purchase order to Motorola.

Likewise for service, we utilize the Field Service Organization (FSO) within Motorola Solutions as well as our certified Motorola Service Partners. Motorola's technical experts have the most cumulative years of experience in the industry, with over 1,000 years of current experience.

The Field Services Organization (FSO) is a nationwide organization of over 500 trained and certified Motorola technicians. They are responsible for the sustainment of our government and commercial LMR systems and related applications. FSO provides onsite support, preventative maintenance and 24X7 support. They support our customers by providing best in class, highly qualified and trained service delivery.

From the Service Shop perspective, Motorola has over 450 registered service locations across the United States and our collective service presence remains significant in the industry. The Motorola Servicer Program is designed to recognize and reward a Servicer's level of commitment and investment in the quality of service provided to our customers. The Servicer program is founded on Motorola's key values and expectations from our Servicers.

Members of the Service Partner Program are required to meet a number of requirements to be admitted into the Motorola Service Partner Program. Depending on the service partner level, each service partner is required to have individuals in their company with the following training and certifications:

1. CET certification, Associates Degree in Electronics Engineering Technology, or equivalent
2. Motorola R56 Certification
3. Motorola Service Specialist Program (Technical Associate) Certification: The Service Specialist Certification Program includes a wide selection of classes from our comprehensive technical training portfolio and includes the following certification and underlying training courses:

P25 System Technical Associate Certification

ASTRO 25® Subscriber Portfolio Overview

ASTRO 25® IV&D System Overview

Introduction to R56

Basic Radio

4. Motorola Service Specialist Technical Certification: This certification includes the following certifications which also include a wide selection of classes from our comprehensive technical training portfolio that must be completed to achieve these certifications.

APX Subscriber Technical Associate Certification

MCC7000 Console Maintenance Certification

ASTRO 25® Repeater Site Lifecycle Maintenance Certification

ASTRO 25® Simulcast Site Lifecycle Maintenance Certification

ASTRO 25® Master Site Lifecycle Maintenance Certification

The Motorola specific training consists of a combination of both online and instructor led training. The instructor led training includes lab work where the technician gets hands on experience with our equipment. Once the training course has been completed, the technician is required to pass the corresponding course exam and the certification lasts for 2 years. After the 2 year period, the technician will need to recertify to keep their certification current. Please note that all technicians must also be certified in the underlying technology for the systems they support.

14	<p>If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.</p>	<p>Personnel who would support the equipment and implementation in support of Public Safety Communication system infrastructure products and radios would include Project Managers, Engineers, System Technologists, Field Service Engineers, Service Delivery Managers, the System Support Center, and other specialized staff depending on the scope of the project. Motorola Solutions has a full training curriculum as a requirement for each role.</p> <p>Motorola tracks the following training and certifications for the staff tasked with supporting our Public Safety infrastructure in the field:</p> <p>Training Classes to Track:</p> <ul style="list-style-type: none"> Antenna System Analysis (SRV2012) Astro Ethernet Testing Astro Networking I Astro Firewalls/CEN End-to-End Audio Link Verification LMR Master Basics Network+ Bootcamp Passive Intermodulation R56 Installer/Auditor (NST9257) Security+ Bootcamp Signal Investigation Techniques <p>CompTIA Certifications:</p> <ul style="list-style-type: none"> CompTIA Network+ CompTIA Security+ <p>ETA Certifications:</p> <ul style="list-style-type: none"> Antenna System Analysis (ASA) APX Radio Technician (APX) Associate (CETa) Astro 25 RF Site Preventative Maintenance (A25-SPM) Certified Service Manager (CSM) Communication Site Inspector / Auditor (CSIA) Communication Site Installer (R56) Computer Service Technician (CST) Customer Service Specialist (CSS) Data Cabling Installer (DCI) Industrial Electronics (IND) Information Technology Security (ITS) General Communications Technician I (GCT1) General Communications Technician II (GCT2) GTR 8000 P25 RF Site Performance Verification (GTR-SPV) GTR 8000 Repeater Site Technician (GTT) Master CET (CETma) Master Specialty (CETms(RF or IT)) M Core Technician (MCT 7.x) Microwave Radio Technician (MRT) Mobile Communications and Electronics Installer (MCEI) Network Computer Technician (NCT) Network Systems Technician (NST) PIM RADAR (RAD) <p>RF Signal Investigation Techniques (RFSIT)</p> <ul style="list-style-type: none"> T1 Link Verification (T1LV) Telecommunications (TCM) Wireless (USMSS/TRN/WCN) Wireless Network Technician (WNT)
15	<p>Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.</p>	<p>Motorola Solutions, Inc. ("Motorola") asserts that, to the best of its knowledge and belief, that presently, and for the last fifteen (15) years, neither it, its subsidiaries, nor their principals are or have been debarred or suspended from covered transactions by any government entity.</p>

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
16	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>Company:</p> <p>Around the world, Motorola Solutions has been consistently recognized for our technology leadership and business strength.</p> <p>Fortune World's Most Admired Companies, Network and Other Communications Equipment, 2021</p> <p>The Wall Street Journal Management Top 250, No. 108, 2020</p> <p>Bloomberg 50 Companies to Watch in 2020, 2019</p> <p>Government Technology GovTech 100, 2021</p> <p>Employer:</p> <p>We've been consistently recognized for our commitment to inclusion and diversity, as well as providing fair working conditions for our employees.</p> <p>Forbes America's Best Large Employers, 2021</p> <p>FlexJobs Top 100 Companies to Watch for Remote Jobs, 2021</p> <p>Built In 100 Best Large Companies to Work For, 2021</p> <p>Built In Chicago 100 Best Places to Work in Chicago, 2021</p> <p>Human Rights Campaign Corporate Equality Index, 2021</p> <p>ComputerWorld Best Places to Work in IT, 2020</p> <p>Fast Company's 100 Best Workplaces for Innovators, 2020</p> <p>Forbes America's Best Employers for Diversity, 2020</p> <p>Disability Equality Index Best Places to Work, 2020</p> <p>Bloomberg Gender Equality Index, 2019</p> <p>WayUp Top 100 U.S. Internship Programs, 2019</p> <p>Corporate Responsibility:</p> <p>We've been recognized for our leadership in corporate responsibility, including programs focused on the environment, governance, supply chain and community commitment.</p> <p>Barron's 100 Most Sustainable Companies, No. 19, 2020</p> <p>Newsweek America's Most Responsible Companies, 2021</p> <p>The Wall Street Journal Top 100 Most Sustainably Managed Companies in the World, No. 27, 2020</p> <p>Innovation:</p> <p>Our products and solutions are consistently recognized for excellence in design. To date, we've earned more than 90 awards for distinction in innovation.</p> <p>Fast Company's Most Creative People in Business 2020, Paul Steinberg for APX NEXT</p> <p>APX NEXT digital launch named as a finalist in Fast Company's Innovation by Design Awards User Experience Category, 2020</p> <p>iF Design Award, 20 awards since 2009</p> <p>Red Dot Design Award, 19 awards since 2008</p> <p>Australia Good Design Award, 19 awards since 2009</p> <p>Japan Good Design Award, 3 awards since 2014</p> <p>International Design Excellence Awards, 14 awards since 1996</p> <p>Chicago Athenaeum Good Design Awards, 5 awards since 2014</p> <p>https://www.motorolasolutions.com/en_us/about/company-overview/recognition.html</p>

17	What percentage of your sales are to the governmental sector in the past three years	"Motorola Solutions is a global leader in mission critical communications and analytics. Our technologies in Land Mobile Radio Mission Critical Communications (""LMR"" or ""LMR Mission Critical Communications""), bolstered by managed and support services, make communities safer and help businesses stay productive and secure. We serve more than 100,000 public safety and commercial customers in over 100 countries, providing "purpose-built" solutions designed for their unique needs, and we have a rich heritage of innovation focusing on advancing global safety for more than 90 years. We serve government agencies, state and local public safety agencies, as well as commercial and industrial customers. Our customer base is fragmented and widespread when considering the many levels of governmental and first-responder decision-makers that procure and use our products and services. Serving this global customer base spanning federal, state, county, province, territory, municipal, and departmental independent bodies, along with our commercial and industrial customers, requires a significant go-to-market investment. Our largest customers are the U.S. government (through multiple contracts with its various branches and agencies, including the armed services) and the Home Office of the United Kingdom, representing approximately 9% and 8% of our consolidated net sales in 2020, respectively. Our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q can be found at www.sec.gov or on our website, https://investors.motorolasolutions.com/earnings-sec-filings/QuarterlyResults/default.aspx "	*
18	What percentage of your sales are to the education sector in the past three years	"Motorola Solutions is a global leader in mission critical communications and analytics. Our technologies in Land Mobile Radio Mission Critical Communications (""LMR"" or ""LMR Mission Critical Communications""), bolstered by managed and support services, make communities safer and help businesses stay productive and secure. We serve more than 100,000 public safety and commercial customers in over 100 countries, providing "purpose-built" solutions designed for their unique needs, and we have a rich heritage of innovation focusing on advancing global safety for more than 90 years. We serve government agencies, state and local public safety agencies, as well as commercial and industrial customers. Our customer base is fragmented and widespread when considering the many levels of governmental and first-responder decision-makers that procure and use our products and services. Serving this global customer base spanning federal, state, county, province, territory, municipal, and departmental independent bodies, along with our commercial and industrial customers, requires a significant go-to-market investment. Our largest customers are the U.S. government (through multiple contracts with its various branches and agencies, including the armed services) and the Home Office of the United Kingdom, representing approximately 9% and 8% of our consolidated net sales in 2020, respectively. Our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q can be found at www.sec.gov or on our website, https://investors.motorolasolutions.com/earnings-sec-filings/QuarterlyResults/default.aspx "	*
19	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Motorola Solutions hold numerous state contracts and nationwide frame agreements. Houston-Galveston Area Council (H-GAC) and NASPO Value Point (NVP) are our top valued frame agreements.	*
20	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Motorola Solutions does not have a direct GSA contract for Radio Products.	*

Table 4: References/Testimonials

Line Item 21. Supply reference information from three customers who are eligible to be Sourcwell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Hennepin County, MN	Sheriff David Hutchinson	612-348-3744	*
City of New Orleans, LA	Ross Bourgeois	504-658-3930	*
City of Aurora, CO	Tracey Kent	303-326-8182	*

Table 5: Top Five Government or Education Customers

Line Item 22. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Name not included	Government	New York - NY	Project 25 (P25) radio system and services	Various	122,100,100	*
Name not included	Government	North Dakota - ND	Project 25 (P25) radio system and services	Various	94,100,000	*
Name not included	Government	Michigan - MI	Project 25 (P25) radio system and services	Various	72,500,000	*
Name not included	Government	Arizona - AZ	Project 25 (P25) radio system and services	Various	71,100,000	*
Name not included	Government	Arkansas - AR	Project 25 (P25) radio system and services	Various	63,500,000	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
23	Sales force.	Motorola Solutions has a direct sales force in the United States of over 200 people spread across all 50 states.. This, along with the over 490+ Manufacturer Representative sales people represents our total sales force. We have a presence in all 50 states.	*
24	Dealer network or other distribution methods.	Motorola Solutions has 170+ Manufactures Representative (MR) Sales Partners with locations in all 50 United States, with 490+ individual Authorized MR Sales Representatives. MRs are described in the answer to Line 13.	*
25	Service force.	Motorola utilizes our Field Service Organization (FSO) and a network of over 450 certified service shops that are located across all 50 states. These are both described in the answer to Line 13	*
26	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>Our customer service includes essential services that are delivered through a tailored combination of local field service personnel, centralized teams equipped with a sophisticated service delivery platform, product repair depots, and MyView Portal. These service entities will collaborate to swiftly analyze issues, accurately diagnose root causes, and promptly resolve issues to restore the Customer's network to normal operations.</p> <p>Centralized Managed Support Operations The cornerstone of Motorola Solutions' support process is the Centralized Managed Support Operations ("CMSO") organization, which includes the Service Desk and technical support teams. The CMSO is staffed 24x7x365 by experienced personnel, including service desk specialists, security analysts, and operations managers.</p> <p>The Service Desk provides a single point of contact for all service related items, including communications between the Customer, Motorola Solutions, and third-party subcontractors.</p> <p>The Service Desk processes service requests, service incidents, change requests, and dispatching, and communicates with stakeholders in accordance with pre-defined response times. All incoming transactions through the Service Desk are recorded, tracked, and updated through the Motorola Solutions Customer Relationship Management ("CRM") system. The Service Desk also documents Customer inquiries, requests, concerns, and related tickets.</p> <p>The CMSO coordinates with the field service organization that will serve the Customer locally.</p> <p>Customer Support Manager</p>	

		<p>A Motorola Solutions Customer Support Manager ("CSM") will be the Customer's key point of contact for defining and administering services. The CSM's initial responsibility is to create the Customer Support Plan ("CSP") in collaboration with the Customer.</p> <p>The CSP functions as an operating document that personalizes the services described in this document. The CSP contains Customer-specific information, such as site names, site access directions, key contact persons, any tailored case priority level definitions, case handling instructions, and escalation paths for special issues. The CSP also defines the division of responsibilities between the Customer and Motorola Solutions so response protocols are pre-defined and well understood when the need arises.</p> <p>The CSP governs how the services will be performed and will be automatically integrated into this Statement of Work by this reference. The CSM and Customer will review and amend the CSP on a mutually agreed cadence so the CSP remains current and effective in governing the Essential Services.</p> <p>Repair Depot The Motorola Solutions Repair Depot provides the Customer with a central repair location, eliminating the need to send network equipment to multiple vendor locations for repair. All products sent to the Depot are tracked throughout the repair process, from inbound shipment to return, through a case management system that enables Customer representatives to see repair status.</p> <p>MyView Portal Supplementing the CSM and the Service Desk as the Customer points of contact, MyView Portal is a web-based platform that provides network maintenance and operations information. The portal is accessed from a desktop, laptop, tablet, or smartphone web browser. The information available includes:</p> <ul style="list-style-type: none"> • Remote Technical Support: Manage cases and view self-service reports. Observe incident details by incident priority level, and track the progress of issue resolution. • Network Hardware Repair: Track return material authorizations ("RMA") shipped to Motorola Solutions' repair depot and eliminate the need to call for status updates. In certain countries, customers will also have the ability to create new RMA requests online. • Security Update Service: View available security updates. Access available security update downloads. <p>• Orders and Contract Information: View available information regarding orders, service contracts, and service coverage details.</p> <p>The data presented in MyView Portal is provided to support the services described in the following sections, which define the terms of any service delivery commitments associated with this data.</p> <p>Quality Team Our Quality Team is used as a resource for our customers, and brought in when a customer is having issues with a product or solution that is not being resolved in a timely manner. The Quality team continuously tracks ongoing issues and pushes them to closure when necessary.</p> <p>We have also included the Mission Critical Operations white paper in our attachments for additional information.</p> <p>Response Times Response Times vary depending on the product or system in question, but are in line with the requirements of our customer's expectations.</p>	*
27	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	We are equipped and staffed to deliver our products and services to any government customer throughout the United States, and we have a proven track record of taking care of our customer and meeting our commitments that goes back decades.	*
28	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	We are not including Canada as a part of this RFP response.	*
29	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	We will not be serving any part of Canada within this RFP response.	*

30	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Within the United States, we will be fully serving all Federal, State, and local government and education entities.	*
31	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Motorola Solutions, Inc. ("Motorola") asserts that, to the best of its knowledge and belief, that presently, there are no requirements or restrictions that would apply to the participating entities in Hawaii and Alaska and in US Territories.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
32	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Motorola values the relationships that are created with our customers and actively engage on a regular basis. We engage at live events, webinars, and tradeshows. In the past, Motorola has hosted webinars explaining the benefits of existing contracts and can do so for Sourcewell. Occasionally on a regional level, contract exclusive promotions are run and advertised through email campaigns. This is also something we can do for Sourcewell.	*
33	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Motorola Solutions leverages its social media channels on LinkedIn, Facebook, Twitter and YouTube to convey our values and mission. Through our channels, we highlight upcoming product and software launches, customer success stories and leverage marketing content in the form of videos and documents to highlight our commitment to public safety. Customer led programs are sponsored by Motorola to provide a channel for feedback to our users. Motorola's website and e-commerce site have a large presence on the internet housing brand, product and marketing content.	*
34	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	While it would be great for Sourcewell to market the vendors that are awarded contracts, we do understand that Sourcewell has a large number of participating vendors and marketing for each of them would be prohibitive. If awarded the contract, our direct sellers as well as our Manufacturer Representatives will consistently discuss our products and services and that the Sourcewell contract can be used as a method of purchase with all of our customers. Even if they are not current members of Sourcewell, we will discuss that by joining Sourcewell they will have a contracting vehicle in place that is already competitively bid and priced.	*
35	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Not all of our products and services are able to be purchased from our e-procurement system (shop.motorolasolutions.com). But all of our accessories and many of our parts are available through that system for our customers to order at any time.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
36	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Motorola Solutions has a Learning eXperience Portal (LXP) that encapsulates all that our Worldwide Learning Services (WLS) team. Here you can register for training, complete online training, and track where you are on all required training that you have. We also offer in-person training for specific classes. While training is never required, we highly recommend training be included for customers that will be utilizing a solution for the first time. Our training website can be found here: https://learning.motorolasolutions.com/	*
37	Describe any technological advances that your proposed products or services offer.	<p>For decades, Motorola Solutions has been at the forefront of Public Safety Communications Technology. From an LTE connected 2-way radio to private LTE systems and devices, we are continuously innovating to bring advanced and necessary technology to our customers. We have developed the majority of "firsts" in 2-way communications from before WWII until now. We spent \$686 million dollars on research and development in 2020 to ensure that we stay in that position going forward.</p> <p>The services we offer are comprehensive and available beginning with our System Support Center that is open 24x7x365. We use our Network Operation Center to continuously monitor the systems that we support to identify and issues as soon as they begin. Our Field Service Organization (500+) and our Service Partners (450+ shops) are available to provide the needed services to our customers for project implementations, maintenance, and issue response.</p>	*
38	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Please find attached the 2019 Corporate Responsibility Report	*
39	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Please find attached the 2019 Corporate Responsibility Report	*
40	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	We do not qualify for any of these certifications, but we partner with WMBE and SBEs regularly.	*
41	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Motorola Solutions is a public safety solutions company that has been in business over 90 years. Public safety is who we serve. We focus our R&D dollars and time investments on building solutions that are integrated solutions. With all of these solutions, we have created an end-to-end platform and can provide the technology to handle an incident from the time someone picks up the phone to call 911, through case closure. We also offer implementation, managed, and support services to assure that our solutions are properly installed and maintained throughout their lifecycle.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
42	Do your warranties cover all products, parts, and labor?	Warranty covers all products, parts and labor provided by Motorola. For third party products we will flow through the OEM's standard warranty as provided to us.	*
43	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Warranty does not cover products that fail as a result of liquid, lightning or physical damage.	*
44	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	For infrastructure products, warranty does cover travel and mileage expenses for a technicians to respond on site. Subscriber warranty is provide through our repair depot.	*
45	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Within the Unites State we are able to serve all geographic regions. We will not be serving any part of Canada within this RFP response.	*
46	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Warranty covers all products and systems manufactured by Motorola. For any individual drop-ship items, those are covered by the warranty provided by that specific vendor. In other words, for third party products we will flow through the OEM's standard warranty as provided to us.	*
47	What are your proposed exchange and return programs and policies?	Warranty covers the repair and return of products provided by Motorola. Advanced replacement options can be quoted in addition to the standard warranty.	*
48	Describe any service contract options for the items included in your proposal.	Motorola offers Warranty Wrap options for infrastructure systems. This enhances the manufacture warranty to 24X7 coverage and can include monitoring where applicable.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
49	What are your payment terms (e.g., net 10, net 30)?	Net 30	*
50	Describe any leasing or financing options available for use by educational or governmental entities.	We work with the Motorola Solutions Credit Company to provide financing options for our customers. We have been doing this for over 35 years for our customers to give them a competitive financing option.	*
51	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell participating entities' purchase orders.	For the quarterly reports, we will work with our Order Management team to set up a specific bid and quote (B&Q) number that will be used when processing all orders under this contract. Then we will be able to utilize that B&Q number for create the quarterly report, and process payment to Sourcewell based off of the amount sold. We are currently doing it this way for the other cooperative purchasing contracts. Only Motorola Solutions and our Manufacturer Representatives will process participating agency purchase orders. Regardless of which of the two processes the order, all purchase orders will be made out to Motorola Solutions.	*
52	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes we do accept P-Cards. There is not an additional cost to Sourcewell participating agencies to use a P-Card.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
53	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	The pricing model we are using in this RFP response is showing percentage discounts off of list price for each product category. The details can be found in the pricing section that has been uploaded with our response. We have also included as an attachment our latest product catalog that shows list pricing for the majority (but not all) of the solutions that we are proposing in this RFP response.	*
54	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	We have provided product-category discount percentages in our attached pricing document. The range of discounts is take off list price.	*
55	Describe any quantity or volume discounts or rebate programs that you offer.	Volume discounts or system incentives may be applied based on the size and scope of the opportunity.	*
56	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	For items that are dropship and not sourced by Motorola Solutions, we supply those items at a cost plus. The percentage we use varies depending on the item.	*
57	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	We have included all components needed for an acquisition within the pricing categories and discounts provided.	*
58	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight, delivery, and shipping are not additional costs. We do not charge those items to government customers.	*
59	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	We have no specific or different freight, shipping, or delivery terms for Alaska or Hawaii. Canada is not a part of our response. Shipping terms are FOB Shipping.	*
60	Describe any unique distribution and/or delivery methods or options offered in your proposal.	We have no unique distribution and/or delivery methods or options.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
61	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	Please find our pricing details in the attachments

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
62	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	<p>To ensure that we have proper pricing, we will load the Sourcewell contract category discounts into our quoting system so that we can utilize the discounts listed in our response for Sourcewell members.</p> <p>For the quarterly reports, we will work with our Order Management team to set up a specific bid and quote (B&Q) number that will be used when processing all orders under this contract. Then we will be able to utilize that B&Q number for create the quarterly report, and process payment to Sourcewell based off of the amount sold. We are currently doing it this way for the other cooperative purchasing contracts.</p> <p>Only Motorola Solutions and our Manufacturer Representatives will process participating agency purchase orders. Regardless of which of the two processes the order, all purchase orders will be made out to Motorola Solutions.</p>	*
63	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Total sales in US dollars per category	*
64	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	We are proposing a 1% admin fee that will be calculated off of total sales under this contract.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
65	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	<p>Below is a list of what is included in our offering. We have also included specification sheets for these solutions. The specification documents include technical information, including the applicable safety or regulatory standards or codes.</p> <p>Land Mobile Radio Systems, Solutions, and Serices Mobile and Portable radios and accessories Base Stations and accessories Radio Dispatch Consoles Interoperability Solutions Fire Station Alerting Solutions and Services Broadband Wireless Infrastructure and Subscribers Radio/Broadband Site Infrastructure (Towers, Shelters, UPSs and Generators) Broadband and LTE Communication Equipment Radio, Broadband, and LTE Implementation and Maintenance Services</p>	*
66	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	We have no sub-categories. All categories of equipment, products, and services are listed above	*

Table 148: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
67	Fire or EMS station alerting or paging systems	<input checked="" type="radio"/> Yes <input type="radio"/> No	Yes. We partner with Mach Alert to provide Fire Station Alerting solutions.	*
68	Connectivity and interoperability devices, hardware and equipment	<input checked="" type="radio"/> Yes <input type="radio"/> No	Yes. We are offering Critical Connect as our system to system interoperability solution, as well as control station radios to tie in legacy frequencies to current radio systems.	*
69	Airborne, marine, and underwater communication systems	<input type="radio"/> Yes <input checked="" type="radio"/> No	No.	*
70	Services related to lines 67, 68 and 69 above	<input checked="" type="radio"/> Yes <input type="radio"/> No	Yes. We have included the necessary services to implement and maintain the solutions mentioned in lines 67 & 68.	*

Table 15: Industry Specific Questions

Line Item	Question	Response *	
71	Describe the interoperability of your products and services with other equipment, software, and systems, as applicable	Because we follow industry standards across our portfolio, our products are fully interoperable with other systems/devices that follow the definition in the specific standard in question. The standards the our products and solutions follow are listed in Line Item 73. Additionally, our services providers maintain certifications required within each solution (certifications are detailed in Line Item 14).	*
72	Describe how your products and services integrate with other communications and technology components (e.g., CAD, RMS, LMR, etc.)	<p>Aside from meeting what the applicable standard defines for its interoperability requirements, Motorola Solutions has created an end-to-end platform that integrates our solutions from the time someone picks up the phone to dial 911 until case closure. These solutions include, but are not limited to Radio, 911 call handling, CAD, Records Management, Body Worn and In-Vehicle Cameras, Digital Evidence Management, Video Security, License Plate Recognition, Situational Awareness, and Broadband Communications. Because these are all solutions that we develop, we are creating integrations and are not limited to interfacing different solution together. Interfacing typically limits the communication between two solutions because it uses the least common denominator of the information that can pass between to solutions from different vendors. The integrations that we have, and continue, to develop are allowing for greater efficiencies as our customers do their jobs.</p> <p>We have also created a solution called CommandCentral Aware that allows for our radio system to integrate with other vendors CAD and Video solutions to create situational awareness for our customers as the approach a scene.</p>	
73	Describe how your products and services conform to applicable industry standards and required specifications.	The systems and equipment included in this response fully comply with one of the following standards; Project 25 (P25) - http://www.project25.org/ , Digital Mobile Radio (DMR) - https://www.dmrassociation.org/dmr-standards.html , and Citizens Broadband Radio Service (CBRS) standards - https://www.ecfr.gov/cgi-bin/text-idx?SID=960a62ced28f9e89c169ed12daafa030&mc=true&node=pt47.5.96&rgn=div5 .	
74	Describe your use of installation or service partners, if applicable.	Motorola Solutions utilizes both certified internal employees as well as our certified service partner shops to do installs and maintenance. Deciding which we utilize on each opportunity is dependent on the customer, if they have a preference, and the type of project.	

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
 2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
 3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
 4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- Financial Strength and Stability (optional)
 - Marketing Plan/Samples (optional)
 - WMBE/MBE/SBE or Related Certificates (optional)
 - Warranty Information (optional)
 - [Pricing](#) - Sourcewell RFP 042021 Pricing.pdf - Monday April 19, 2021 18:16:04
 - [Upload Additional Document](#) - Sourcewell RFP 042021 Proposal Document.pdf - Monday April 19, 2021 18:19:49

Proposer's Affidavit

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or

3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Carrie Hemmen, Territory Vice President & Director of Sales, Motorola Solutions, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

☒ Yes ☐ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_8_PS_Communications_Tech_RFP_042021 Tue April 13 2021 04:33 PM	<input checked="" type="checkbox"/>	1
Addendum_7_PS_Communications_Tech_RFP_042021 Mon April 12 2021 06:55 PM	<input checked="" type="checkbox"/>	1
Addendum_6_PS_Communications_Tech_RFP_042021 Wed April 7 2021 06:45 PM	<input checked="" type="checkbox"/>	1
Addendum_5_PS_Communications_Tech_RFP_042021 Mon April 5 2021 08:18 PM	<input checked="" type="checkbox"/>	1
Addendum_4_PS_Communications_Tech_RFP_042021 Thu April 1 2021 03:59 PM	<input checked="" type="checkbox"/>	1
Addendum_3_PS_Communications_Tech_RFP_042021 Thu March 25 2021 08:23 AM	<input checked="" type="checkbox"/>	1
Addendum_2_PS_Communications_Tech_RFP_042021 Mon March 8 2021 01:20 PM	<input checked="" type="checkbox"/>	2
Addendum_1_PS_Communications_Tech_RFP_042021 Fri March 5 2021 12:57 PM	<input checked="" type="checkbox"/>	2



5/10/23

City of Santa Cruz
155 Center Street
Santa Cruz CA 95060

RE: Municipal Lease # 25405

Enclosed for your review, please find the **Municipal Lease** documentation in connection with the solution to be leased from Motorola. The interest rate and payment streams outlined in Equipment Lease-Purchase Agreement #25405 are valid for contracts that are executed and returned to Motorola on or before **May30, 2023**. After **5/30/23**, the Lessor reserves the option to re-quote and re-price the transaction based on current market interest rates.

Please have the documents executed where indicated and forward the documents to the following address:

Motorola Solutions Credit Company LLC
Attn: Bill Stancik / 44th Floor
500 W. Monroe
Chicago IL 60661

Should you have any questions, please contact me at 847-538-4531.

Thank You,

MOTOROLA SOLUTIONS CREDIT COMPANY LLC
Bill Stancik

LESSEE FACT SHEET

Please help Motorola provide excellent billing service by providing the following information:

1. Complete Billing Address City of Santa Cruz

E-mail Address: _____
Attention: _____
Phone: _____
2. Lessee County Location: _____
3. Federal Tax I.D. Number _____
4. Purchase Order Number to be referenced on invoice (if necessary) or other “descriptions” that may assist in determining the applicable cost center or department: _____
5. Equipment description that you would like to appear on your invoicing: _____

Appropriate Contact for Documentation / System Acceptance Follow-up:

6. Appropriate Contact & Mailing Address

Phone: _____
Fax: _____

7. Payment remit to address: **Motorola Solutions Credit Company LLC**
P.O. Box 71132
Chicago IL 60694-1132

Thank you

EQUIPMENT LEASE-PURCHASE AGREEMENT

Lease Number: 25405

LESSEE:

City of Santa Cruz
155 Center Street
Santa Cruz CA 95060

LESSOR:

Motorola Solutions, Inc.
500 W. Monroe
Chicago IL 60661

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the equipment and/or software described in Schedule A attached hereto ("Equipment") in accordance with the following terms and conditions of this Equipment Lease-Purchase Agreement ("Lease").

1. TERM. This Lease will become effective upon the execution hereof by Lessor. The Term of this Lease will commence on date specified in Schedule A attached hereto and unless terminated according to terms hereof or the purchase option, provided in Section 18, is exercised this Lease will continue until the Expiration Date set forth in Schedule B attached hereto ("Lease Term").

2. RENT. Lessee agrees to pay to Lessor or its assignee the Lease Payments (herein so called), including the interest portion, in the amounts specified in Schedule B. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment Date as set forth in Schedule B and thereafter on each of the Lease Payment Dates set forth in Schedule B. Any payments received later than ten (10) days from the due date will bear interest at the highest lawful rate from the due date. Except as specifically provided in Section 5 hereof, the Lease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, or recoupment for any reason whatsoever. Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that a request for appropriation for funds from which the Lease Payments may be made will be requested each fiscal period, including making provisions for such payment to the extent necessary in each budget submitted for the purpose of obtaining funding. It is Lessee's intent to make Lease Payment for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the Equipment will be used for one or more authorized governmental or proprietary functions essential to its proper, efficient and economic operation.

3. DELIVERY AND ACCEPTANCE. Lessor will cause the Equipment to be delivered to Lessee at the location specified in Schedule A ("Equipment Location"). Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment either (a) by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor; or (b) by executing and delivering the form of acceptance provided for in the Contract (defined below).

Even if Lessee has not executed and delivered to Lessor a Delivery and Acceptance Certificate or other form of acceptance acceptable to Lessor, if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessee's receipt of Lessor's request) whether or not Lessee deems the Equipment (i) to have been delivered and (ii) to be operational, and hence be accepted by Lessee. If Lessee fails to so respond in such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate or other form acceptable to Lessor.

4. REPRESENTATIONS AND WARRANTIES. Lessor acknowledges that the Equipment leased hereunder is being manufactured and installed by Lessor pursuant to contract (the "Contract") covering the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Agreement and the Equipment to an assignee ("Assignee"). LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE AND THE ASSIGNEE, THE PROPERTY SHALL BE ACCEPTED BY LESSEE "AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH LESSOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST THE ASSIGNEE. NEITHER LESSOR NOR THE ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. NON-APPROPRIATION OF FUNDS. Notwithstanding anything contained in this Lease to the contrary, Lessee has the right to not appropriate funds to make Lease Payments required hereunder in any fiscal period and in the event no funds are appropriated or in the event funds appropriated by Lessee's governing body or otherwise are not available by any lawful means whatsoever in any fiscal period of Lessee for

Lease Payments or other amounts due under this Lease are insufficient therefor, this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The Lessee will immediately notify the Lessor or its Assignee of such occurrence. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. Non-appropriation of funds shall not constitute a default hereunder for purposes of Section 16.

6. LESSEE CERTIFICATION. Lessee represents, covenants and warrants that: (i) Lessee is a state or a duly constituted political subdivision or agency of the state of the Equipment Location; (ii) the interest portion of the Lease Payments shall be excludable from Lessor's gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"); (iii) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; (iv) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (v) Lessee will comply with the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986 (the "Code"), and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (vii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (viii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payment to be or become includible in gross income for Federal income taxation purposes under the Code; and (ix) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term.

Lessee represents, covenants and warrants that: (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect, (ii) it has complied with all laws relative to public bidding where necessary, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

If Lessee breaches the covenant contained in this Section, the interest component of Lease Payments may become includible in gross income of the owner or owners thereof for federal income tax purposes. In such event, notwithstanding anything to the contrary contained in Section 11 of this Agreement, Lessee agrees to pay promptly after any such determination of taxability and on each Lease Payment date thereafter to Lessor an additional amount determined by Lessor to compensate such owner or owners for the loss of such excludibility (including, without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error). Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds.

It is Lessor's and Lessee's intention that this Agreement not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes.

7. TITLE TO EQUIPMENT; SECURITY INTEREST. Upon shipment of the Equipment to Lessee hereunder, title to the Equipment will vest in Lessee subject to any applicable license; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 5 hereof; (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing; or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in Lessor or its Assignee, and Lessee shall immediately discontinue use of the Equipment, remove the Equipment from Lessee's computers and other electronic devices and deliver the Equipment to Lessor or its Assignee. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

8. USE; REPAIRS. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies, the Contract, any licensing or other agreement, and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense will keep the Equipment in good repair and furnish and/or install all parts, mechanisms, updates, upgrades and devices required therefor.

9. ALTERATIONS. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. LOCATION; INSPECTION. The Equipment will not be removed from, [or if the Equipment consists of rolling stock, its permanent base will not be changed from] the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

11. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, licensing, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or

measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within ten days of written demand.

12. RISK OF LOSS: DAMAGE; DESTRUCTION. Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair (an "Event of Loss"), Lessee at the option of Lessor will: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor the sum of: (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease payment due on such date; and (ii) an amount equal to all remaining Lease Payments to be paid during the Lease Term as set forth in Schedule B.

In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Balance Payment (as set forth in Schedule B) to be made by Lessee with respect to that part of the Equipment which has suffered the Event of Loss.

13. INSURANCE. Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, Lessee may self-insure against any or all such risks. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Balance Payment with respect to such Equipment. The initial amount of insurance required is set forth in Schedule B. Each insurance policy will name Lessee as an insured and Lessor or its Assigns as an additional insured, and will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its Assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

14. INDEMNIFICATION. Lessee shall, to the extent permitted by law, indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages or liabilities, including attorneys' fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, licensing, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon.

15. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment or; (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights, title and interest in and to this Lease, the Equipment and any documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Lessee covenants and agrees not to assert against the Assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. No assignment or reassignment of any Lessor's right, title or interest in this Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Lease, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. EVENT OF DEFAULT. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events: (i) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease when funds have been appropriated sufficient for such purpose, and any such failure continues for ten (10) days after the due date thereof; (ii) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (iii) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in writing delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. REMEDIES. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (i) by written notice to Lessee, declare all amounts then due under the Lease, and all remaining Lease Payments due during the fiscal period in effect when the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (ii) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly discontinue use of the Equipment, remove the Equipment from all of Lessee's computers and electronic devices, return the Equipment to Lessor in the manner set forth in Section 5 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (iii) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for all Lease Payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, Lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee hereunder; (iv) promptly return the Equipment to Lessor in the manner set forth in Section 5 hereof; and (v) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state of the Equipment Location or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Equipment. In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

18. PURCHASE OPTION. Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to purchase the Equipment on the Lease Payment dates set forth in Schedule B by paying to Lessor, on such date, the Lease Payment then due together with the Balance Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that the Equipment is free and clear of any liens created by Lessor.

19. NOTICES. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

20. SECTION HEADINGS. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

21. GOVERNING LAW. This Lease shall be construed in accordance with, and governed by the laws of, the state of the Equipment Location.

22. DELIVERY OF RELATED DOCUMENTS. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.

23. ENTIRE AGREEMENT; WAIVER. This Lease, together with Schedule A Equipment Lease-Purchase Agreement, Schedule B, Evidence of Insurance, Statement of Essential Use/Source of Funds, Certificate of Incumbency, Certified Lessee Resolution (if any), Information Return for Tax-Exempt Governmental Obligations and the Delivery and Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitutes the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

24. EXECUTION IN COUNTERPARTS. This Lease may be executed in several counterparts, either electronically or manually, all of which shall constitute but one and the same instrument. Lessor reserves the right to request receipt of a manually-executed counterpart from Lessee. Lessor and Lessee agree that the only original counterpart for purposes of perfection by possession shall be the original counterpart manually executed by Lessor and identified as "Original", regardless of whether Lessee's execution or delivery of said counterpart is done manually or electronically.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the ____ day of May, 2023.

LESSEE:
City of Santa Cruz

By: _____

Printed Name: _____
Title: _____

LESSOR:
MOTOROLA SOLUTIONS, INC.

By: _____

Uygar Gazioglu
Title Treasurer

CERTIFICATE OF INCUMBENCY

I, _____ do hereby certify that I am the duly elected or
(Printed Name of Secretary/Clerk)

appointed and acting Secretary or Clerk of the City of Santa Cruz, an entity duly organized and existing under the laws of the **State of California** that I have custody of the records of such entity, and that, as of the date hereof, the individual(s) executing this agreement is/are the duly elected or appointed officer(s) of such entity holding the office(s) below his/her/their respective name(s). I further certify that (i) the signature(s) set forth above his/her/their respective name(s) and title(s) is/are his/her/their true and authentic signature(s) and (ii) such officer(s) have the authority on behalf of such entity to enter into that certain Equipment Lease Purchase Agreement number **25405**, between _____ City of Santa Cruz and Motorola Solutions, Inc. If the initial insurance requirement on Schedule B exceeds \$1,000,000, attached as part of the Equipment Lease Purchase Agreement is a Certified Lessee Resolution adopted by the governing body of the entity.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of City of Santa Cruz, hereto this _____ day of May, 2023.

By: _____
(Signature of Secretary/Clerk)

OPINION OF COUNSEL

With respect to that certain Equipment Lease-Purchase Agreement 25405 by and between Motorola Solutions, Inc. and the Lessee, I am of the opinion that: (i) the Lessee is, within the meaning of Section 103 of the Internal Revenue Code of 1986, a state or a fully constituted political subdivision or agency of the State of the Equipment Location described in Schedule A hereto; (ii) the execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary action on the part of the Lessee, (III) the Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; and (iv) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year of the Lease, and such monies have been properly budgeted and appropriated for this purpose in accordance with State law. This opinion may be relied upon by the Lessor and any assignee of the Lessor's rights under the Lease.

Attorney for City of Santa Cruz

**SCHEDULE A
EQUIPMENT LEASE-PURCHASE AGREEMENT**

Schedule A 25405
Lease Number:

This Equipment Schedule is hereby attached to and made a part of that certain Equipment Lease-Purchase Agreement Number **25405** ("Lease"), between Lessor and _Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment

QUANTITY	DESCRIPTION (Manufacturer, Model, and Serial Nos.)
	Refer to attached Equipment List.
Equipment Location:	

Initial Term: 84 Months

Commencement Date: 6/1/23

First Payment Due Date: 6/1/24

7 annual payments as outlined in the attached Schedule B, plus Sales/Use Tax of \$0.00, payable on the Lease Payment Dates set forth in Schedule B.

City of Santa Cruz (Schedule B 25405)						
Compound Period:				Monthly		
Nominal Annual Rate:				5.540%		
CASH FLOW DATA						
	Event	Date	Amount	Number	Period	End Date
1	Lease	6/1/2023	\$ 725,151.67	1		
2	Lease Payment	6/1/2024	\$ 128,439.59	7	Annual	6/1/2030
AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year						
	Date	Lease Payment	Interest	Principal	Balance	
Lease	6/1/2023				\$725,151.67	
1	6/1/2024	\$ 128,439.59	\$ 41,209.39	\$ 87,230.20	\$637,921.47	
2	6/1/2025	\$ 128,439.59	\$ 36,252.22	\$ 92,187.37	\$545,734.10	
3	6/1/2026	\$ 128,439.59	\$ 31,013.33	\$ 97,426.26	\$448,307.84	
4	6/1/2027	\$ 128,439.59	\$ 25,476.73	\$102,962.86	\$345,344.98	
5	6/1/2028	\$ 128,439.59	\$ 19,625.49	\$108,814.10	\$236,530.88	
6	6/1/2029	\$ 128,439.59	\$ 13,441.73	\$114,997.86	\$121,533.02	
7	6/1/2030	\$ 128,439.59	\$ 6,906.57	\$121,533.02	\$ -	
Grand Totals		\$ 899,077.13	\$ 173,925.46	\$725,151.67		

INITIAL INSURANCE REQUIREMENT: \$725,151.67

Except as specifically provided in Section five of the Lease hereof, Lessee agrees to pay to Lessor or its assignee the Lease Payments, including the interest portion, in the amounts and dates specified in the above payment schedule.

EVIDENCE OF INSURANCE

Fire, extended coverage, public liability and property damage insurance for all of the Equipment listed on Schedule A number **25405** to that Equipment Lease Purchase Agreement number **25405** will be maintained by the City of Santa Cruz as stated in the Equipment Lease Purchase Agreement.

This insurance is provided by:

Name of insurance provider

Address of insurance provider

City, State and Zip Code

Phone number of local insurance provider

E-mail address

In accordance with the Equipment Lease Purchase Agreement Number **25405** , City of Santa Cruz , hereby certifies that following coverage are or will be in full force and effect:

Type	Amount	Effective Date	Expiration Date	Policy Number
Fire and Extended Coverage	_____	_____	_____	_____
Property Damage	_____	_____	_____	_____
Public Liability	_____	_____	_____	_____

Certificate shall include the following:

Description: All Equipment listed on Schedule A number 25405 to that Equipment Lease Purchase Agreement number 25405. Please include equipment cost equal to the Initial Insurance Requirement on Schedule B to Equipment Lease Purchase Agreement number 25405 and list any deductibles.

Certificate Holder:

MOTOROLA SOLUTIONS, INC. and or its assignee as additional insured and loss payee
1303 E. Algonquin Road
Schaumburg, IL 60196

If self insured, contact Motorola representative for template of self insurance letter.

STATEMENT OF ESSENTIAL USE/SOURCE OF FUNDS

To further understand the essential governmental use intended for the equipment together with an understanding of the sources from which payments will be made, please address the following questions by completing this form or by sending a separate letter:

1. What is the specific use of the equipment?
2. Why is the equipment essential to the operation of **City of Santa Cruz**?
3. Does the equipment replace existing equipment?

If so, why is the replacement being made?

4. Is there a specific cost justification for the new equipment?

If yes, please attach outline of justification.

5. What is the expected source of funds for the payments due under the Lease for the current fiscal year and future fiscal years? the

EQUIPMENT LEASE PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of lease Schedule A to the Equipment Lease Purchase Agreement executed by Lessee and Lessor.

Equipment Lease Purchase Agreement No.: 25405

Lease Schedule A No. : 25405

EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION
		Equipment referenced in lease Schedule A# 25405. See Schedule A for a detailed Equipment List.

LESSEE:

City of Santa Cruz

By: _____

Date: _____

CERTIFIED LESSEE RESOLUTION

At a duly called meeting of the Governing Body of the Lessee (as defined in the Lease 25405) held on (Enter date) May_____, 2023, the following resolution was introduced and adopted.

BE IT RESOLVED by the Governing Board of Lessee as follows:

1. Determination of Need. The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment or other personal property described in the Lease between City of Santa Cruz(Lessee) and Motorola Solutions, Inc. (Lessor).
2. Approval and Authorization. The Governing body of Lessee has determined that the Lease, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment or other personal property, and the Governing Board hereby approves the entering into of the Lease by the Lessee and hereby designates and authorizes the following person(s) referenced in the Lease to execute and deliver the Lease on Lessee's behalf with such changes thereto as such person deems appropriate, and any related documents, including any escrow agreement, necessary to the consummation of the transactions contemplated by the Lease.
3. Adoption of Resolution. The signatures in the Lease from the designated individuals for the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

Information Return for Tax-Exempt Governmental Bonds

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0720

**Part I Reporting Authority**

If Amended Return, check here ►

1 Issuer's name City of Santa Cruz		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 155 Center Street	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Santa Cruz CA 95060		7 Date of issue 6/1/23
8 Name of issue Equipment Lease-Purchase Agreement 25405		9 CUSIP number none
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14	725,151.67	
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19a If bonds are TANs or RANs, check only box 19a		<input type="checkbox"/>	
b If bonds are BANs, check only box 19b		<input type="checkbox"/>	
20 If bonds are in the form of a lease or installment sale, check box		<input checked="" type="checkbox"/>	

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	6/1/30	725,151.67	n/a	7 years	5.54%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) N/A

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27		
28 Proceeds used to refund prior taxable bonds. Complete Part V	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds. N/A

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions
- b** Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ▶ _____
- d** Enter the name of the issuer of the master pool bond ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☐
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of Authorized Representative

Date
Title

issuer's authorized representative paid preparer

Date

Type or print name and title

Signature of

Date



Quote Number: QUOTE-2131449

REV001

Billing Address:

SANTA CRUZ POLICE DEPT, CITY OF
155 CENTER ST
SANTA CRUZ CA, 95060

Quote Date: 2023-04-17
Expiration Date: 2023-06-16
Contract Name: 36273 - SOURCEWELL
CONTRACT Number 042021-MOT

Quote Created By:

Jim Trevino
Motorola Manufacture Representative
jtrevino@daywireless.com
408-640-9861

Customer: SANTA CRUZ POLICE DEPT, CITY OF
Contact Name: Lt. Gregory Crofts

Currency: USD

Terms and Conditions: Net 30 Days

Line #	Item Number	Description	Quantity	Unit List Price	Ext. List Price	Discount %	Discount \$	Unit Sale Price	Ext. Sale Price	APC	Parametric Data
	APX™ 6000 Series										
1	H98KGF9PW6BN	APX6000 VHF MHZ MODEL 2.5 PORTABLE.	120	\$3,595.00	\$431,400.00	27.00%	\$970.65	\$2,624.35	\$314,922.00	0481	
1a	H869BZ	ENH: MULTIKEY.	120	\$363.00	\$43,560.00	27.00%	\$98.01	\$264.99	\$31,798.80	0481	
1b	QA05570AA	ALT: LI-ION IMPRES 2 IP68 3400 MAH.	120	\$115.50	\$13,860.00	27.00%	\$31.18	\$84.32	\$10,118.40	0481	
1c	Q887AU	ADD: 5Y ESSENTIAL SERVICE.	120	\$306.00	\$36,720.00	0.00%	\$0.00	\$306.00	\$36,720.00	0185	
1d	QA09007AA	ADD: OUT OF THE BOX WIFI PROVISIONING.	120	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0481	
1e	QA09001AB	ADD: WIFI CAPABILITY.	120	\$330.00	\$39,600.00	27.00%	\$89.10	\$240.90	\$28,908.00	0481	
1f	H35BU	ADD: CONVENTIONAL OPERATION.	120	\$550.00	\$66,000.00	27.00%	\$148.50	\$401.50	\$48,180.00	0481	
1g	Q806BM	ADD: ASTRO DIGITAL CAI OPERATION.	120	\$567.00	\$68,040.00	27.00%	\$153.09	\$413.91	\$49,669.20	0481	
1h	Q629AK	ENH: AES ENCRYPTION AND ADP.	120	\$523.00	\$62,760.00	27.00%	\$141.21	\$381.79	\$45,814.80	0481	
2	PMNN4486A	BATT IMPRES 2 LIION R IP67 3400T.	120	\$188.27	\$22,592.40	20.01%	\$37.67	\$150.60	\$18,072.00	0453	
	Standalone Items										
3	NNTN8860A	CHARGER, SINGLE-UNIT, IMPRES 2, 3A, 115VAC, US/NA.	120	\$169.56	\$20,347.20	20.01%	\$33.93	\$135.63	\$16,275.60	0785	
4	NNTN8844A	CHARGER, MULTI-UNIT, IMPRES 2, 6-DISP, NA/LA-PLUG, ACC USB CHGR.	4	\$1,420.20	\$5,680.80	20.01%	\$284.18	\$1,136.02	\$4,544.08	0785	
	Standalone Items										
5	PMMN4136B	XVP830 REMOTE SPEAKER MICROPHONE NO CHANNEL KNOB.	120	\$486.00	\$58,320.00	20.01%	\$97.25	\$388.75	\$46,650.00	0372	
	Standalone Items										
6	PMLN8120A	RX ONLY XL CLEAR TUBE EARPIECE, 3.5MM JACK.	120	\$75.60	\$9,072.00	20.01%	\$15.13	\$60.47	\$7,256.40	0742	

Net Total \$658,929.28
Estimated Tax \$60,950.96

Estimated Freight \$5,271.43
Grand Total \$725,151.67



XTS 2500 Models

INTENT-TO-CANCEL NOTICE

OVERVIEW

The purpose of this notification is to inform ASTRO 25 Subscriber Owners of a Cancellation of the XTS 2500 radio models on November 30, 2014. It is recommended that last time purchases be considered at this time to cover anticipated or planned customer expansion and lifetime spare units.

XTS 2500 Last Order Entry: October 31, 2014

All XTS 2500 ECAT (Electronic Price Pages) will be pulled from visibility no later than the second week of November 2014.

XTS 2500 Last Customer Scheduled Ship Date: November 30, 2014

(Schaumburg factory (SCOG))

No customer ship dates will be scheduled after this date.

XTS 2500 Last Field Service 5 years Support to conclude: December 31, 2019

MODELS/ OPTIONS CANCELLATION ROLLOUT

Listed below are the XTS 2500 models (Cancellation Includes "AN, BN, ISR and Rugged" Models) -

Radio Model	Frequency	Watt	Description	APC
H46KDC9PW5_N	VHF (136-174)	1-5 Watt	XTS2500 MDL I PORTABLE VHF	407
H46KDD9PW5_N	VHF (136-174)	1-5 Watt	XTS2500 MODEL 1.5 PORTABLE VHF	407
H46KDF9PW6_N	VHF (136-174)	1-5 Watt	XTS2500 MDL II PORTABLE VHF	407
H46KDH9PW7_N	VHF (136-174)	1-5 Watt	XTS2500 MDL III PORTABLE VHF	407
H46QDC9PW5_N	UHFR1 (380-470)	1-5 Watt	XTS2500 MDL I PORTABLE UHFR1	407
H46QDD9PW5_N	UHFR1 (380-470)	1-5 Watt	XTS2500 MODEL 1.5 UHFR1	407
H46QDF9PW6_N	UHFR1 (380-470)	1-5 Watt	XTS2500 MDL II PORTABLE UHFR1	407
H46QDH9PW7_N	UHFR1 (380-470)	1-5 Watt	XTS2500 MDL III PORTABLE UHFR1	407
H46SDC9PW5_N	UHFR2 (450-520)	1-5 Watt	XTS2500 MDL I PORTABLE UHFR2	407
H46SDD9PW5_N	UHFR2 (450-520)	1-5 Watt	XTS2500 MODEL 1.5 UHFR2	407
H46SDF9PW6_N	UHFR2 (450-520)	1-5 Watt	XTS2500 MDL II PORTABLE UHFR2	407
H46SDH9PW7_N	UHFR2 (450-520)	1-5 Watt	XTS2500 MDL III PORTABLE UHFR2	407
H46UCC9PW5_N	7/8 (764-870)	1-3 Watt	XTS2500 MDL I PORTABLE 700/800	205
H46UCD9PW2_N	7/8 (764-870)	1-3 Watt	XTS2500RB MDL 1.5 PORTABLE 700/800	270
H46UCD9PW5_N	7/8 (764-870)	1-3 Watt	XTS2500 MODEL 1.5 PORTABLE 7/800	205
H46UCF9PW2_N	7/8 (764-870)	1-3 Watt	XTS2500RB MDL II PORTABLE 700/800	270
H46UCF9PW6_N	7/8 (764-870)	1-3 Watt	XTS2500 MDL II PORTABLE 700/800	205
H46UCH9PW2_N	7/8 (764-870)	1-3 Watt	XTS2500RB MDL III PORTABLE 700/800	270



H46UCH9PW7_N	7/8 (764-870)	1-3 Watt	XTS2500 MDL III PORTABLE 700/800	205
H46WCD9PW5_N	900 (896-941)	1-2.5 Watt	XTS2500 MODEL 1.5 PORTABLE 900MHZ	205
H46WCH9PW7_N	900 (896-941)	1-2.5 Watt	XTS2500 MODEL III PORTABLE 900MHZ	205

Note: There is no dedicated accessory APC for this product, or Government Services Administration (GSA) requirements. There are no accessories being cancelled with this Intent to Cancel.

SUGGESTED REPLACEMENT PRODUCTS

The APX 6000/APX 6000XE/APX 6000Li will replace the XTS 2500 and is currently available for order. The APX 6000/APX 6000XE/APX 6000 Li is a smart investment delivering leading edge technology in a lightweight design. Ideal for agencies requiring advanced features in a single band radio. Another alternative replacement solution to the XTS 2500 is the APX 4000. The APX 4000 is currently available for order and the two-knob version will be available for order in Dec 2014. The APX 4000 is a durable and compact product with basic features in an easy to use design. It is ideal for agencies requiring a budget friendly P25 solution.

Please visit InSite - ASTRO 25 Subscriber at a Glance Brochure to learn more about the APX 6000/6000XE/6000Li/4000products. <https://insite.motorolasolutions.com/viewcontent.asp?qv=1&docid=16053>

Listed below are the APX 6000/APX 6000XE/APX 6000Li models -

Radio Model	Frequency	Watt	Description	APC
H98KGD9PW5AN	VHF (136-174)	1-6 Watt	APX 6000 MODEL I PORTABLE	481
H98KGF9PW6AN	VHF (136-174)	1-6 Watt	APX 6000 MODEL II PORTABLE	481
H98KGH9PW7AN	VHF (136-174)	1-6 Watt	APX 6000 MODEL III PORTABLE	481
H98QDD9PW5AN	UHFR1 (380-470)	1-5 Watt	APX 6000 MODEL I PORTABLE	481
H98QDF9PW6AN	UHFR1 (380-470)	1-5 Watt	APX 6000 MODEL II PORTABLE	481
H98QDH9PW7AN	UHFR1 (380-470)	1-5 Watt	APX 6000 MODEL III PORTABLE	481
H98SDD9PW5AN	UHFR2 (450-520)	1-5 Watt	APX 6000 MODEL I PORTABLE	481
H98SDF9PW6AN	UHFR2 (450-520)	1-5 Watt	APX 6000 MODEL II PORTABLE	481
H98SDH9PW7AN	UHFR2 (450-520)	1-5 Watt	APX 6000 MODEL III PORTABLE	481
H98UCD9PW5AN	7/8 (764-870)	1-3 Watt	APX 6000 MODEL I PORTABLE	481
H98UCF9PW6AN	7/8 (764-870)	1-3 Watt	APX 6000 MODEL II PORTABLE	481
H98UCH9PW7AN	7/8 (764-870)	1-3 Watt	APX 6000 MODEL III PORTABLE	481

Listed below are the APX 4000models –

Radio Model	Frequency	Watt	Description	APC
H51UCF9PW6AN	7/8 (764-870)	1-3 Watt	APX 4000 MODEL II PORTABLE	426
H51UCH9PW7AN	7/8 (764-870)	1-3 Watt	APX 4000 MODEL III PORTABLE	426
H51KDF9PW6AN	VHF (136-174)	1-6 Watt	APX 4000 MODEL II PORTABLE	426
H51KDH9PW7AN	VHF (136-174)	1-6 Watt	APX 4000 MODEL III PORTABLE	426
H51QDF9PW6AN	UHFR1 (380-470)	1-5 Watt	APX 4000 MODEL II PORTABLE	426
H51QDH9PW7AN	UHFR1 (380-470)	1-5 Watt	APX 4000 MODEL III PORTABLE	426
H51SDF9PW6AN	UHFR2 (450-520)	1-5 Watt	APX 4000 MODEL II PORTABLE	426
H51SDH9PW7AN	UHFR2 (450-520)	1-5 Watt	APX 4000 MODEL III PORTABLE	426



H51WCF9PW6AN	900 (896-941)	1-2.5 Watt	APX 4000 MODEL II PORTABLE	426
H51WCH9PW7AN	900 (896-941)	1-2.5 Watt	APX 4000 MODEL III PORTABLE	426

SERVICE IMPLICATIONS OF CANCELLATION

Aftermarket Product support will be available for XTS 2500 radios via commercially reasonable efforts up to 12/31/2019 through Customer Fulfillment Centers (CFC).

CONTACT INFORMATION

If you have specific questions regarding this notification, please contact -

Territory	Contact	Phone	E-mail
Federal Manager	John Ruddy	954-723-3813	ejr003@motorolasolutions.com
T1 - Canada	Patricia Capparelli	954-723-6678	patriciacapparelli@motorolasolutions.com
2 & 3	Jeff Ashton	954-723-3809	jeff.ashton@motorolasolutions.com
4	Renata Sardenberg	954-723-4072	rsardenberg@motorolasolutions.com
5	Dane Windsor	954-723-3449	Dane.windsor@motorolasolutions.com
6 & 7	Michael Costa	954-723-8767	michael.n.costa@motorolasolutions.com
8	Ray Melendez	954-723-3970	r.melendez@motorolasolutions.com
Large Projects	Dax Lopez	954-723-8933	dax.lopez@motorolasolutions.com
State & Local Manager	Janelle Lopez	954-723-8184	janellelopez@motorolasolutions.com

Motorola Solutions Customer Fulfillment Center

In the US and Canada, call 1-800-422-4210

In Latin America, Asia, Middle East, and Europe, call 1-847-538-8023

Federal Inquiries, call 1-800-826-1913



City Council AGENDA REPORT

DATE: 05/10/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Public Works

SUBJECT: Housing Matters Hygiene Bay Remodel Project (c102205) – Notice of Completion (PW)

RECOMMENDATION: Motion to accept the work of Selden & Son (Watsonville, CA) and authorize the filing of the Notice of Completion for the Housing Matters Hygiene Bay Remodel Project (c102205).

BACKGROUND: At its February 8, 2022 meeting, the City Council approved the authorization to advertise this project and authorized the City Manager to execute the contract. On June 30, 2022, the project was awarded to the lowest responsive and responsible bidder, Selden & Son. Construction began on August 4, 2022.

The project encompassed two floors. The ground floor work included the installation of new walls, moisture barriers, doors, partitions, and fixtures to accommodate six showers, five toilets, and eight sinks in the shower and bathroom area. A new boiler and new plumbing were installed as part of the project. A new reception desk, cabinets, and twelve lockers were also installed for the new reception area at the entryway.

New electrical was installed to accommodate the new boiler and new HVAC system, new lighting, bottle filling station, USB outlets for the lockers and reception area, faucet sensors, and a new electrical panel. The HVAC upgrade included new ducts and exhaust fans installation.

Two storage rooms on the second floor were renovated into mechanical rooms to accommodate the new HVAC system and controls.

DISCUSSION: The Housing Matters Hygiene Bay Remodel Project is now complete. The project building permit has been finalized. The project has been inspected by staff and found to be completed in accordance with the plans and specifications.

FISCAL IMPACT: The total project cost was \$1,294,159.72. This project was funded by the American Rescue Plan Act. There is no impact to the General Fund.

Prepared By:
Hoi Yu
Associate Professional
Engineer

Submitted By:
Nathan N. Nguyen, P.E.
Director of Public Works

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. NOTICE OF COMPLETION.DOCX

RECORDED AT THE REQUEST OF:
City of Santa Cruz, Public Works
Attn: Hoi Yu

WHEN RECORDED MAIL TO:
City Clerk's Department
809 Center Street, Room 9
Santa Cruz, CA 95060

(Space above for Recorder's use only)

This instrument is being recorded for the benefit of the City of Santa Cruz.
No recording fee is required pursuant to Government Code § 27383.

NOTICE OF COMPLETION

PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 8102 AND 9204, NOTICE IS HEREBY GIVEN THAT:

The undersigned is an authorized representative of the owner of the interest or estate stated below.

1. The Owner's Name and Address. The Project owner is the City of Santa Cruz, a municipal corporation (the "City"). The City's mailing address is 809 Center Street, Santa Cruz, California 95060. The City of Santa Cruz has the following interest in the subject Property described below: City Property
2. Title of Project. The full name of the work of improvement/public works project (the "Project") which is the subject of this Notice of Completion is: Housing Matters Hygiene Bay Remodel Project
3. Project Number: C102205
4. The Property site location description or address (the "Property") on which the Project was constructed is located in the City of Santa Cruz, County of Santa Cruz, State of California at: 115 Coral St., Santa Cruz, CA 95060
5. Date of Completion. The Project on the Property was completed on: May 23, 2023
6. Name of Contractor. The name of the Contractor on the Project is: Selden & Son
7. Address of Contractor. The address of the Contractor on the Project is: P.O. Box 327 Watsonville, CA 95077
8. Nature of Work Performed on the Property or Materials Furnished for the City. The Project consisted of work described as: installation of new showers, toilets, fixtures, floors, moisture barriers and partitions. A new desk, cabinets and lockers were installed to create a new reception area. A new HVAC system and electrical system were also installed.
9. The filing of this Notice of Completion was authorized by the Santa Cruz City Council Minute Order on Tuesday, May 23, 2023

DATED: _____

Nathan Nguyen
Public Works Director, as Owner's Authorized Agent
City of Santa Cruz

VERIFICATION FOR THE CITY OF SANTA CRUZ

The undersigned, being duly sworn, says:

That I am the City Manager (or his/her official designee) of the City of Santa Cruz, a municipal corporation in the State of California. I have read the attached Notice of Completion and know and understand its contents. I declare under penalty of perjury that the facts stated in the Notice of Completion are true and correct, to the best of my knowledge.

Executed on 5/23/2023, at Santa Cruz, California.

Nathan Nguyen
Public Works Director, as Owner's Authorized Agent
City of Santa Cruz



City Council AGENDA REPORT

DATE: 05/10/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Public Works

SUBJECT: Contract Renewal with Hope Services, Inc. for the Resource Recovery Facility (PW)

RECOMMENDATION: Motion to authorize and direct the City Manager to execute renewal of an agreement in a form acceptable to the City Attorney with Hope Services, Inc., (Santa Cruz, CA) for recycling and litter control services at the City's Resource Recovery Facility on Dimeo Lane.

BACKGROUND: For the last twenty-five years, Hope Services, Inc. a local rehabilitation-training program has provided employment to developmentally disabled workers through an annual contract with the City of Santa Cruz (City) Resource Recovery Facility (RRF) on Dimeo Lane. Under the terms of this agreement, Hope Services workers help sort recycled materials being processed on the City's single-stream sorting line and help to control litter in and around the RRF.

DISCUSSION: The Hope Services contract enables the City to meet its recycling and diversion objectives by providing supplementary staffing for the sorting equipment the City operates at the RRF. This enables regular City recycling staff to perform a growing list of more specialized duties, such as baler operation, oil and oil filter recycling, operation of loaders and forklifts, and packing and documenting electronic waste. This contract also provides City workers time to sort more difficult materials and reduce contaminants from recycled materials, thereby maximizing sales revenues.

RRF staff continues to work to control the windblown litter problem at the RRF. Windblown litter at the RRF is unsightly, contributes to unsanitary conditions at the site, and is a constant threat to the City's efforts to remain good neighbors with Wilder Ranch State Park. Hope Services workers assist with picking up litter around the RRF site.

FISCAL IMPACT: The total cost for FY 2024 contract for the RRF is \$250,000. Funding for this contract is included in the proposed FY 2024 Recycling Processing budget within the Refuse Fund. There is no impact to the General Fund.

Prepared By:
Eleazar Mejinez
Supervisor of Resource
Recovery

Submitted By:
Nathan Nguyen, P.E.
Director of Public Works

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:
1. CONTRACT.DOC



**Agreement Between
City of Santa Cruz
and HOPE Services for Recycling and Litter Control Services
2023-2024**

This agreement is entered into this 1 day of July 2023, by the City of Santa Cruz, a Municipal Corporation, and HOPE Services, Inc., a California non-profit Corporation whose address is 220 Lincoln Street, Santa Cruz 95060 (hereinafter referred to as "Contractor").

Recitals

WHEREAS: The City of Santa Cruz is in need of services to provide assistance processing assorted recyclable materials at the 605 Dimeo Lane Resource Recovery Facility, and supplementing the City's litter control program, and wishes to incorporate the employment of people with disabilities.

WHEREAS: Contractor is willing to provide such services for the purposes set forth herein on the terms and conditions set forth below. In consideration of the mutual covenants herein set forth for the above named project, it is agreed to as follows:

A. DUTIES OF THE CONTRACTOR: The Contractor shall provide the following services:

1. Definitions:

Client: A HOPE Services worker that has a developmental disability or is a person that is in another referral program with the Department of Rehabilitation.

Production Worker: A person working on the recycling line that is not a client. This person could be a Substitute Job Coach or a hired non-client worker who works the same work shift as a HOPE client.

Job Coach: A person on HOPE Service's staff that supervises HOPE clients, models work

behaviors, monitors clients' interactions, insures client safety, trains clients and is normally scheduled to work on the Recycle Work Crew, sorting 50% of the time.

2. Recycle Work Crew

HOPE intends to provide a minimum of 3 clients and 1 Job Coach each day. HOPE Job Coaches are scheduled to work ½ of their time sorting on the recycling line and ½ of their time coaching clients and handling client relations.

From time to time additional HOPE Services' clients may work on the recycle line to be assessed for job preferences and suitability for potential inclusion on the recycle line. There is no additional cost to the City for this additional work service.

Work Crew Schedule:

7 hours each day; (9:00 a.m. – 4:00 p.m.), with two (2) ten-minute breaks and one unpaid 30-minute lunch period for a total of 6.5 hours working.

Monday – Friday

Work Crew Duties will include: Separating recyclable items, general clean-up and litter control.

As dictated by the program and facility design, crewmembers may be shifted into other specific jobs that are mutually agreed upon.

Litter Control specifics:

- a.) Duties will include: Patrol the approximate 1.5 miles of roads and byways of the Resource Recovery Facility to control plastic bags, litter and other refuse. Litter will be safely within HOPE workers' reach using City of Santa Cruz provided implements. A map will be provided for our crew of the areas to be targeted.
- b.) The City of Santa Cruz will provide all equipment, special clothing, rain gear, safety vests, safety cones and the pick up of filled litterbags.
- c. Hazardous materials or objects over 30 pounds will be flagged for City of Santa Cruz handling.
- d.) The City of Santa Cruz will provide safety training on litter control for HOPE Services Job Coaches and HOPE Services workers and daily direction for work start points.
- e.) As dictated by the program and facility design, crewmembers may be shifted into other specific jobs upon mutual agreement.

B. COMPENSATION

1. Compensation to be paid to Contractor includes, and the Contractor shall be liable for, all taxes, raises, assessment and other charges levied by any government agency on, or because of, the services performed hereunder.

2. Compensation rates:

Daily Rate:

\$470.00 daily rate per crew

C. All services performed shall be in compliance with all applicable laws, including, without limitations, those relating to health and safety, licensing, prevailing wages and the like.

D. In performance of the services described herein, the Contractor, its agents, officers, and employees shall be independent contractors of the City of Santa Cruz shall not be treated or considered employees of the City of Santa Cruz.

E. Contractor shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance retirement benefits, life insurance, pensions, annuities and similar benefits which may now or hereafter be imposed by law with respect to persons employed by the Contractor for performance of service under this agreement.

F. GENERAL PROVISIONS:

1. Workmanship and Supervision. In performance pursuant to this Agreement, Contractor shall provide the highest quality workmanship available. All work shall be performed by personnel directly employed and supervised by the Contractor. Contractor shall provide management and technical supervision as required to implement the work.

2. Equipment and Labor. Contractor shall use and furnish, unless otherwise indicated herein, at its own expense, all labor necessary for the satisfactory performance of the work set forth in this Agreement. City of Santa Cruz to provide all recycle equipment and the following safety equipment for Contractor's recycle crew workers: gloves, earplugs, and safety eye wear. City of Santa Cruz will also provide sufficient space for lockers and a worker break area.

3. Holidays. The following days are statutory holidays on which Contractor shall not be obligated to perform any service:

Independence Day
Labor Day
Thanksgiving Day
Day After Thanksgiving
Christmas Eve Day
Christmas Day
New Year's Day
Martin Luther King, Jr. Day
President's Day
Memorial Day
Annual Picnic

Additionally, HOPE Services Workers will be required to work only until 11:30am on the day of the HOPE Services Annual Picnic unless other agreements are made previous to the date, which is yet to be announced.

4. Security: Contractor shall comply with the City of Santa Cruz's regular security regulations, including but not limited to:

- a. All employees of Contractor will have identification materials in the possession of the Job Coaches.
- b. Contractor shall follow and modify as necessary an Illness and Injury Prevention Program (I.I.P.P.)

G. HOLD HARMLESS: All Officers, agents, employees, subcontractors, their agents, officers, and employees who are hired by Contractor to perform pursuant to this Agreement, shall be deemed officers, agents, employees and subcontractors of Contractor. Contractor shall indemnify, defend, save, and hold harmless, the City of Santa Cruz, its officers, agents and employees from any and all law suits, damages, liability, claims or costs (including attorneys' fees) of any nature whatsoever arising out of, or resulting from, either directly or indirectly, the performance of this Agreement to the maximum extent allowed by law.

H. INSURANCE: Contractor shall secure, maintain in full force and effect, and bear the costs of complete Workers' Compensation Insurance, in accordance with the Labor Code, for the duration of the Agreement, and shall furnish to the City of Santa Cruz, prior to the execution of the Agreement, a Certificate of Insurance which meets the requirements of the Labor Code.

Contractor shall maintain in force public liability and property damage insurance, ample in amount to cover all awards of judgments for any death, injury, loss or damage arising out of the performance of the work by Contractor.

Business, Auto and Public Liability Insurance shall be in the amount of not less than One Million Dollars and No Cent (\$1,000,000.00) for injuries, including accidental death, to any one person, and subject to the same limit for each person in an amount not less than One Million Dollars and No Cent (\$1,000,000.00) per occurrence.

Contractor shall file with the City of Santa Cruz, prior to execution of the Agreement, a Certificate of Insurance issued by the insurance carrier certifying that the stipulated insurance policies are in effect and that thirty (30) days written notice will be given to the City of Santa Cruz prior to cancellation or reduction in coverage thereof. The City of Santa Cruz, its officers, employees, and agents shall be named as additional insureds under the policies.

The City of Santa Cruz, its agents, officers, and/or employees shall not be liable or responsible for any accident, loss or damage as a result of the work in the Agreement or costs of expense in law or equity arising out of damages to property or personal injury by reason of or in the course of performing Contractor's responsibilities under this Agreement.

The City of Santa Cruz, or any of its officers, agents, or employees, will not be responsible for any claims or law suits or equity occasioned by the failure of Contractor to comply with the provisions of this Paragraph H.

- I. PAYMENT TERMS:** Total compensation depends on the total number of days approved and worked and shall be paid to Contractor bi-monthly, payable on or before the fifteenth and thirtieth day of the month following the month service is performed.

Contractor shall submit all invoices per City of Santa Cruz accounts payable schedule. City of Santa Cruz agrees to pay Contractor according to the payment schedule in this contract for each day approved and worked during the term of the Agreement as total compensation for all services rendered herein. Payment for all services contained in this Agreement is for all labor services, supervision, quality assurance and performance. Contractor agrees to perform all service herein in a workmanlike manner.

- J. GENERAL:** No member, officer, or employee of City of Santa Cruz, during his or her tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof and Contractor agrees not to allow, permit, grant, transfer or otherwise do anything which will result in such member, officer, or employee of the City of Santa Cruz from having such interest.

- K. LAW GOVERNING:** This Agreement shall be governed by the laws of the State of California. Any suit brought by either party against the other arising out of the

performance of this Agreement shall be filed and maintained in the Superior Municipal Court for the County of Santa Cruz.

- L. MODIFICATION OF AGREEMENT:** This Agreement may be modified only by a written amendment signed by both parties hereto. A thirty (30) day written notice will be provided in the event of an increase or decrease in average crew number.
- M. ASSIGNABILITY:** Contractor shall not assign or transfer any interest in this Agreement nor the performance of any of Contractor's obligations hereunder, without the prior written consent of City of Santa Cruz, and any attempt by Contractor to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.
- N. ENTIRE AGREEMENT:** This Agreement represents the entire understanding of the parties as to these matters, contained herein. No prior oral or written understanding shall be of any force or effect with respect to these matters covered hereunder.
- O. CIVIL RIGHTS COMPLIANCE:** Contractor must be in compliance with the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967, which prohibits employment discrimination on the basis of race, color, religion, sex, national origin, or age. In addition, Contractor will not discriminate in employment on the basis of physical handicap or sexual orientation. This requirement shall apply (but not be limited) to: recruitment, employment, promotion, demotion, transfer, compensation, training and termination. Contractor should also maintain an affirmative action plan to ensure that applicants are employed and that employees are treated during employment without regard to sex their race, color, religion, sex national origin, age, physical handicap or sexual orientation. In the event of the Contractor's noncompliance with this clause, Contractor may be declared ineligible for further contracts with the City of Santa Cruz.
- P. CANCELLATION:** Notwithstanding any other provisions of this Agreement to the contrary, this Agreement may be terminated at any time by either party upon thirty (30) days written notice as follows:

Contractor: Regional Manager of Vocational Services
Hope Services
Heather Perez, (831) 600- 1512/Cell 650-703-6309
220 Lincoln Street
Santa Cruz, CA., 95060

City of Santa Cruz: Public Works Director
City of Santa Cruz
809 Center Street, Room 201
Santa Cruz. CA. 95060

- Q. TERM:** This Agreement shall be for the period of twelve (12) consecutive calendar months, commencing on the 1st day of July 2023 and ending on the last day of June 2024, unless otherwise terminated, as provided herein.

In Witness Whereof, the parties hereto have executed this Agreement on the date first above written in the City of Santa Cruz, California.

City of Santa Cruz: City of Santa Cruz,
809 Center Street
Santa Cruz, CA. 95060

By: _____
Matt Huffaker
City Manager

Contractor: Hope Services, a private, non-profit
corporation

By: _____
Hope Services' CFO Clayton Ng

By: _____
_____, Hope Services' _____

Approved as to Form: ABN Date: 05/11/2023
Office of the City Attorney

rev. 05/10/23



City Council AGENDA REPORT

DATE: 05/10/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Public Works

SUBJECT: 2024 Isuzu NRR Cab Chassis with 9-yard Heil Mini Rear Loader – Award Contract (PW)

RECOMMENDATION: Motion to:

- 1) Award a contract for the purchase of a 2024 Isuzu NRR Cab Chassis with a 9-yard Heil Rear Loader from TEC of California (San Francisco, CA); and
 - 2) Adopt a resolution transferring and appropriating funds in the FY 2023 budget in the amount of \$165,355.40 from Public Works' Homelessness Response Field salary savings and from the City Manager's Office Homelessness Response Action Plan, California grant project.
-

BACKGROUND: The Public Works Homelessness Response Field (HRF) division is responsible for the abatement of trash and debris from abandoned encampments citywide. Currently, staff are utilizing small passenger trucks to load trash and larger household items that are dumped in the public right of way, along the levee, and open spaces. The Parking division purchased a similar mini rear loader in 2018 and this unit has been occasionally rented by HRF when it is available for use during the day. The rental agreement is not sustainable when scheduling larger cleanups since the asset is essential to Parking's daily operations and a rental rate is paid to the Parking district for equipment usage.

The benefits of incorporating the mini rear loader into HRF's daily operation is that it is a smaller designed garbage truck that can easily navigate the aforementioned locations and provides optimal route efficiency and productivity by increasing the volume collected, while reducing the number of trips to the Resource Recovery Facility. Additionally, the gross vehicle weight (GVW) and specifications allow for non-CDL drivers to operate this equipment. In other words, a class C driver can operate the truck instead of requiring a Class A or B license.

DISCUSSION: Section 3.08.170 of the Municipal Ordinance allows the City of Santa Cruz (City) to buy from cooperative purchasing agreements when is in the best interest of the City to do so, however, staff requested quotes from TEC of California (\$165,355.40), as well as a Sourcwell contract from the National Auto Fleet Group (\$169,958.42). Staff has determined that TEC of California has the lowest purchase price, and Public Works has purchased most refuse trucks from this reputable vendor.

FISCAL IMPACT: FY 2023 funds are available in General Fund activity 6105 (Homelessness Response) to fully fund the purchase of this mini rear loader.

Prepared By:
Filipina Warren
Public Works Operations
Manager

Submitted By:
Nathan Nguyen, P.E
Director of Public Works

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. BUDGET ADJUSTMENT.PDF
2. QUOTE.PDF

City of Santa Cruz

BUDGET ADJUSTMENT REQUEST

Clear Form

☐ Administrative Approval
☒ Council Approval

Fiscal Year: 2023

Date: 05/03/2023


Reso #:

Purpose: The Public Works Homelessness Response Field (HRF) division is responsible for the abatement of trash and debris from abandoned encampments city wide. For work efficiency and to improve staff's quality of life, HRF is purchasing a 2024 Isuzu NRR Cab Chassis with a 9-yard Heil Mini Rear Loader. This 9-yard rear loader includes lower gross vehicle weight (GVW) and specifications, which allow for non-CDL drivers (a class C driver can operate versus requiring a Class A or B license).

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR REVENUE ACCOUNT TITLE	AMOUNT
101-00-00-0000-49178	p102302-991-0-0	From CA14 Homelessness Action Plan	-100,000
		Encampment Response and Cleanup	
101-00-00-0000-49178		From CA 14 Homelessness Action Plan	100,000
TOTAL REVENUE			0

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR EXPENDITURE ACCOUNT TITLE	AMOUNT
101-10-16-6105-57990	p102302-100-2020-0	Other capital outlay	-100,000
		Encampment Response and Cleanup	
101-40-66-6105-57402		Vehicle equipment	165,355
101-40-66-6105-51199		Salary Savings	-65,355
TOTAL EXPENDITURE			0

NET: \$ -0

REQUESTED BY	DEPARTMENT HEAD APPROVAL	BUDGET/ACCOUNTING REVIEWED	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Christina Alberti <small>Digitally signed by Christina Alberti DN: cn=Christina Alberti, o=City of Santa Cruz, ou=Public Works Operations, email=calberti@cityofscruz.org, c=US Date: 2023.05.03 13:57:06 -0700</small>	 Digitally signed by Nathan Nguyen	Nicholas Gong <small>Digitally signed by Nicholas Gong Date: 2023.05.11 09:14:00 -0700</small>	Elizabeth Cabell <small>Digitally signed by Elizabeth Cabell DN: cn=Elizabeth Cabell, o=City of Santa Cruz, ou=Finance Department, email=ecabell@cityofscruz.org, c=US Date: 2023.05.11 09:29:29 -0700</small>	



TEC OF CALIFORNIA, INC.

400 Cesar Chavez (800) 356-7773
San Francisco, CA 94124 (415) 822-9804 FAX
(415) 822-9800

ISUZU



SALES ORDER

City of Santa Cruz

PURCHASERS NAME

809 Center Street

STREET ADDRESS

Santa Cruz CA 95060

CITY STATE ZIP CODE

831-420-5160

PHONE

Email

REPRESENTATIVE

PLEASE ENTER MY ORDER FOR THE FOLLOWING:

QUANTITY 1 YEAR 2024 MAKE Isuzu MODEL NRR VEHICLE TYPE MILEAGE

TO BE DELIVERED

ON OR ABOUT

SERIAL #

STOCK #

USED VEHICLE TRADE-IN AND/OR OTHER CREDITS	
Isuzu NRR chassis 19,500 GVWR	MAKE OF USED VEHICLE
WB 132" CA 110" Options: Safety Kit PTO enable Switch	YEAR BODY TYPE SERIES
Back up Alarm	SERIAL #
Heil Mini Rear Loader 9 Yard	BALANCE OWED TO
Hopper work light kit switch on tailgate	ADDRESS
Stabe light amber switch in cab	AMT. GOOD UNTIL BY
Hopper Floor kit (3/16"150,000 PSI	TRADE-IN ALLOWANCE \$ -
	BALANCE OWED TO \$ -
	CASH REFUND TO CUSTOMER
	NET TRADE IN ALLOWANCE \$ -
	CASH DOWN PAYMENT/ REBATE \$ -
	LIENHOLDER:
DISCLAIMER OF CONSEQUENTIAL DAMAGES: In the event of any civil action by Purchaser against TEC of California, Inc., arising out of this agreement, Purchaser shall not be entitled to recover any consequential damages as defined in the CALIFORNIA COMMERCIAL CODE, including but not limited to Loss of Profits and	
DISCLAIMER OF WARRANTIES: The Seller hereby expressly disclaims all warranties. The item described in being sold on an "as-is", "where-is" basis. Seller makes no representations or warranties, express or implied, as to the quality, workmanship, design, merchantability, suitability, or fitness for any particular purpose, or any other representation or warranty whatsoever, express or implied. Seller neither assumes nor authorizes any other person to assume for it any liability in connection	
THIS CONTRACT IS SUBJECT TO ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE	
HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE. Purchaser agrees that this Order includes all of the terms and conditions. This order cancels and supercedes any prior agreement and as of the date hereof comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby, and that <u>THIS ORDER SHALL NOT BECOME BINDING UNTIL ACCEPTED BY THE DEALER OR HIS AUTHORIZED REPRESENTATIVE. THIS SALES ORDER CAN BE TERMINATED BY SELLER AT ANY TIME AT ITS SOLE DISCRETION. Purchaser by his</u> execution of this Order acknowledges that he has read the terms and conditions and has received a true copy of this Order. Initial <u></u>	
ACKNOWLEDGED BY:	FET \$ -
	SALE PRICE \$ 149,795.00
PURCHASER	DOCUMENTATION FEE \$ 85.00
DATE	TIRE TAX \$ 10.50
	SUB-TOTAL \$ 149,890.50
ACCEPTED BY	SALES TAX 9.250% \$ 13,863.90
	ELT \$ 33.00
	LICENSE \$ 1,568.00
	TOTAL CASH DELIVERED PRICE \$ 165,355.40
	TOTAL DOWN PAYMENT
	UNPAID CASH BALANCE DUE ON DELIVERY \$ 165,355.40



City Council AGENDA REPORT

DATE: 05/04/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Water

SUBJECT: Water Supply Augmentation, Aquifer Storage and Recovery Beltz 9 Pilot Test, Pueblo Water Resources Professional Services Contract (WT)

RECOMMENDATION: Motion to authorize the City Manager to execute an agreement in a form to be approved by the City Attorney with Pueblo Water Resources of Ventura, CA in the amount of \$216,425 to conduct pilot testing of Aquifer Storage and Recovery (ASR) at Beltz Well 9 and authorizing the Water Director to execute amendments within the approved project budget.

BACKGROUND: The Water Department has been implementing the supply augmentation recommendations of the Water Supply Advisory Committee (WSAC) since early 2016. The recommended strategy was developed around the goal of delivering long-term water supply security to the City of Santa Cruz (City) water customers. Simultaneously with the evaluation and implementation of ASR, Water Department staff are evaluating the feasibility of all WSAC recommendations including water transfers and exchanges, recycled water, and desalination with regional engagement of neighboring water agencies.

Evaluation and implementation of ASR includes feasibility analyses, pilot testing, demonstration testing, and permanent facility construction. The City's ASR program is currently focused on the Santa Cruz Mid-County Groundwater Basin (MCB), underlying the areas of Live Oak, Soquel, and City of Capitola within the City's service area. The ASR work plan for the MCB considers first the conversion of the four existing groundwater production wells (Beltz Wells 8, 9, 10, and 12) followed by four optional new wells to be implemented over time.

Pueblo Water Resources (PWR) was part of the technical team that supported the work of the WSAC and has been providing experience-based professional services as seen below with the Council-authorized agreements.

- February 9, 2016 – Develop ASR work plan.
- April 25, 2017 – Perform groundwater modeling that included approximately 40 modeling scenarios.
- October 9, 2018 – Pilot testing at the City's Beltz 12 water production well.
- December 10, 2019 – Pilot testing at the City's Beltz 8 water production well.

- October 26, 2021 – ASR Demonstration Study in the City’s Beltz 12 water production well.
- November 9, 2021 – ASR Demonstration Study in the City’s Beltz 8 water production well.
- November 15, 2022 – Year 2 of ASR Demonstration Studies in the City’s Beltz 8 and 12 water production wells.

DISCUSSION: Based on favorable results obtained from the feasibility investigation already performed for Beltz 9 and the pilot testing at Beltz 8 and Beltz 12, the Water Department is recommending that City Council authorize signing an agreement with PWR to implement a pilot test at Beltz 9 to advance the overall ASR water supply program. The data collected during the pilot testing will be used to assess the technical and economic viability of ASR at Beltz 9 and will provide the basis for the design, environmental planning, and permitting for a long-term, full-scale ASR project at the site.

Similar to the pilot tests conducted at Beltz 8 and 12, the pilot test program at Beltz 9 will consist of three repeated ASR cycles of operation and monitoring, each of larger volume and duration than the preceding cycle, so that if adverse conditions are encountered at any point the program can be adjusted accordingly.

Staff recommends continuing with the sole-source contract with PWR. PWR has ongoing work with several agencies in Santa Cruz County performing hydrogeological services and has served as a technical expert to both the Santa Margarita and Mid-County groundwater agencies. Their work with the City as well as other neighboring agencies will benefit the timely implementation of the plan and schedule recommended by the WSAC and approved by the City Council.

FISCAL IMPACT: Funds are available in the Water Department’s Capital Investment Program budget, c701609 – ASR Planning.

Prepared By:
Heidi Luckenbach
Deputy Water Director/
Engineering Manager

Submitted By:
Rosemary Menard
Water Director

Approved By:
Matt Huffaker
City Manager

ATTACHMENTS:

1. PUEBLO WATER RESOURCES AGREEMENT.PDF

PROFESSIONAL SERVICES AGREEMENT FOR
AQUIFER STORAGE AND RECOVERY PILOT TEST FOR BELTZ WELL 9

THIS AGREEMENT for professional services is made by and between the City of Santa Cruz ("City") and Pueblo Water Resources ("Consultant") (each is referred to individually as a "Party" and collectively, as the "Parties") as of _____, 2023 (the "Effective Date").

NOW, THEREFORE, in consideration of each other's mutual promises, the Parties hereto agree as follows:

SECTION 1: SCOPE OF WORK

Consultant will furnish services as defined and described in the Scope of Work, attached hereto as Exhibit A and incorporated herein.

SECTION 2: RESPONSIBILITIES OF CONSULTANT

All work performed by Consultant, or under Consultant's direction, shall be rendered in accordance with the generally accepted practices, and to the standards of, Consultant's profession. Consultant represents and agrees that Consultant: (i) is fully experienced and properly qualified to perform the work and services provided for herein, (ii) has the financial capability required for the performance of the work and services, and (iii) is properly equipped and organized to perform the work and services in a competent, timely, and proper manner, in accordance with the requirements of this Agreement.

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

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

Consultant shall meet with Rosemary Menard, Director of the Water Department, hereinafter called "Director", or other designated and authorized City personnel, or third parties as necessary, on all matters connected with carrying out of Consultant's services described in Exhibit A. Such meetings shall be held at the request of either Party. Review and City approval of completed work shall be obtained monthly, or at other intervals as may be mutually agreed upon during the course of this Agreement. Review, approval, or acceptance of Consultant's work by City or others shall not relieve Consultant from responsibility for errors and omissions in Consultant's work.

SECTION 3: RESPONSIBILITIES OF THE CITY

City shall make available to Consultant all necessary data and information in the City's possession and shall actively assist Consultant in obtaining such information from other agencies and individuals as needed. Consultant is entitled to reasonably rely upon the accuracy and completeness of such data and information, and Consultant shall provide City prompt written notice of any known defects in such data and information.

The Director may authorize a staff person to serve as his or her representative. The work in progress shall be reviewed at such intervals as may be mutually agreed upon between the Parties. The City reserves the right to approve Consultant's work will be the sole judge of acceptable work, provided that such approval which will not be unreasonably withheld or delayed.

SECTION 4: FEES AND PAYMENT

For services actually performed, the City will compensate Consultant at the rates set forth in the **Fee Schedule** detailed in **Exhibit B** and in accordance with the terms set forth therein. Payment for Consultant's services in carrying out the entire Scope of Work shall be made within the budget limit, or limits shown, upon Exhibit B. Such payment shall be considered the full compensation for all personnel, materials, supplies, and equipment used by Consultant in the Scope of Work.

Consultant agrees that the payments to Consultant specified in this Section 4 will constitute full and complete compensation for all obligations assumed by Consultant under this Agreement. Where conflicts regarding compensation may occur, the provisions of this section apply.

Variations from the budget for each task which are justified by statements indicating personnel time expended and submittal of a revised budget are only allowed with prior City approval; however, in no event shall the total fee charged for the Scope of Work set forth in Exhibit A exceed the budget of **\$216,425.00** without advance written City authorization in the form of an amendment or change order.

Invoices shall detail the time worked by each class of employee on each task and the expenses incurred for which billing is made. Invoices must include: Period worked (dates), hours worked per period, rate per hour, and itemized expenses with receipts. Invoices shall indicate the percentage completion of each work task as identified in the Scope of Work in Exhibit A and the overall percentage of completion of the total required services. Unless otherwise specified in the fee schedule, payments shall be made monthly by the City within 30 days based on itemized invoices from the Consultant which list the actual costs and expenses.

All invoices shall contain the following affidavit signed by Consultant (if individual) or by a principal of Consultant's firm (if Consultant is an entity):

"I hereby certify [or as principal of Consultant] that the charge of (Insert invoice amount) as summarized above and shown in detail on the attachments represents services provided in accordance with the terms of Agreement dated (Insert Agreement Date) and has not been previously paid."

This Agreement is contingent upon the appropriation of sufficient funding by the City for the services covered by this Agreement. If funding is reduced or deleted by the City for the services covered by this Agreement, the City has the option without penalty or liability to either terminate this Agreement or to offer an amendment to this Agreement indicating the reduced amount.

SECTION 5: TRAVEL REIMBURSEMENT POLICY

The City agrees to reimburse Consultant and Consultant's employee(s) for only authorized travel expenses. It is expected that all travel expenses incurred by Consultant while conducting activities on behalf of the City will be at reasonable rates and that Consultant and Consultant's employee(s) will exercise prudence in incurring these expenses. The total fees and costs of Consultant's expenses shall not exceed the amount described in the Fee Schedule, Exhibit B.

Consultant will be reimbursed at the Per Diem rate of \$150/day which includes all meals, lodging, and incidentals. Receipts are required for reimbursement.

Consultant will be reimbursed for vehicle use on travel days at the rate of \$75/travel day. Evidence of automobile liability insurance meeting the City's requirements must be provided. Maps showing starting point, City work location, and total miles are required for reimbursement.

Travel expenses not listed or checked above will not be reimbursed. Travel reimbursements are paid after the completion of travel. There are no travel advances.

Exceptions to any of the above requirements require advance written permission from the Director or City's designated agent contracting with the Consultant. The City of Santa Cruz has the sole discretion to deny any Consultant proposed reimbursable expense the City has determined to be excessive or an inappropriate use of public funds.

SECTION 6: CHANGES IN WORK

City may negotiate changes in the Scope of Work. No changes in the Scope of Work shall be made without the written approval of City and Consultant. Any change requiring compensation in excess of the sum specified in Exhibit B shall be approved in advance in writing by the City. Only City's authorized representative(s) is authorized to approve changes to this Agreement on behalf of City. If any changes or modifications to Consultant's scope of services are proposed by City, Consultant shall, upon receipt of such written change or modification, determine the impact on both time and compensation and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and compensation, an amendment to this agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

SECTION 7: TIME OF BEGINNING AND SCHEDULE FOR COMPLETION

The term of this Agreement shall be on the effective date of this Agreement and terminating on June 30, 2024.

Consultant shall begin work as specified in a written authorization (e.g., Notice to Proceed) to perform services. The written authorization to perform work shall not be issued until after this Agreement has been approved and authorized by the City and signed by Consultant.

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

Neither party will be held responsible for delay or default caused by declared emergencies, natural disasters, or any Force Majeure event which is beyond the party's reasonable control. Consultant will, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and will, upon the cessation of the cause, diligently pursue performance of its obligations in this Agreement.

The City reserves the right to obtain the item(s) and/or services covered by this Agreement from another source during any on-going suspension of service due to the circumstances outlined above.

Consultant acknowledges that it is necessary for Consultant to complete its work on or before the completion date set forth in Exhibit A in order to allow the City to achieve its objectives for entering into this Agreement unless Consultant is delayed due to causes beyond Consultant's reasonable control. The Parties therefore agree that time is of the essence in the performance of this Agreement.

SECTION 8: TERMINATION

The City may terminate the Agreement for convenience by providing written notice to Consultant not less than 10 calendar days prior to an effective termination date.

The Consultant may terminate the Agreement for cause by providing written notice to the City not less than 30 calendar days prior to an effective termination date.

The City may, at its option, allow Consultant to cure its failure to perform within 10 business days (or longer period authorized in writing by the City) from the date of the City's termination notice. The termination shall be become effective if Consultant has not cured within the specified time period to the City's satisfaction.

Consultant may terminate this Agreement for cause if the City fails to cure a material default in performance within a period of 30 calendar days (or such longer period agreed to by the Consultant), from date of the Consultant's written termination notice specifying the default in performance.

Upon notice of termination by either the City or Consultant, the Consultant will immediately act to not incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities. The City's only obligation to the Consultant will be just and equitable payment for services authorized by City and performed by Consultant to the satisfaction of the City up to and including the effective date of termination less any amounts withheld. All finished or unfinished work or documents procured or produced under the Agreement will become property of the City upon the termination date in accordance with Section 14, paragraph 8 of this Agreement. In the event of Consultant's failure to perform pursuant to the Agreement, the City reserves the right to obtain services elsewhere and Consultant will be liable for the difference between the prices set forth in the terminated Agreement and the actual cost to the City to the extent that Consultant has been found legally liable for such cost(s). Termination of the Agreement pursuant to this paragraph shall not relieve the Consultant of any liability to City for additional costs, expenses, or damages sustained by City due to negligent failure of the Consultant to perform pursuant to the Agreement. City may withhold any payments to Consultant for the purpose of set-off until such time as the exact amount of damages due City from Consultant is determined. After the effective date of termination, Consultant will have no further claims against the City under the Agreement. No other compensation will be payable for anticipated profit on unperformed services.

SECTION 9: INSURANCE

Prior to the beginning of and throughout the duration of the Agreement, Consultant will maintain and comply with the **Insurance Requirements** as set forth in **Exhibit C**. Consultant will insure the City against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder. The insurance coverages required shall not in any way limit the liability of the Consultant.

SECTION 10: INDEMNIFICATION

Consultant agrees, to the fullest extent permitted by law, to indemnify, defend, and hold harmless the City, its officials, officers, employees, agents, and volunteers (collectively, "Indemnitees") from and against any and all liability, claim, action, loss, injury, damage, judgment, or reasonable expense, including reimbursement of reasonable attorneys' fees and costs ("Losses") caused by or resulting from the negligence, recklessness, or willful misconduct of Consultant, Consultant's officers, employees, agents, or subcontractors in any way related to this Agreement. Consultant's duty to indemnify and hold harmless Indemnitees shall not apply to the extent such Losses are caused by the sole or active negligence or willful misconduct of Indemnitees or the negligence or operations of any third party. Consultant's obligation to defend shall arise regardless of any claim or assertion that Indemnitees caused or contributed to the Losses.

In the event this Agreement involves the performance of design professional services by Consultant, Consultant's officers, employees, agents, or subcontractors, Consultant's costs to defend Indemnitees shall not exceed the Consultant's proportionate percentage of fault per Civil Code §2782.8. This section shall survive the termination or expiration of this Agreement.

SECTION 11: EQUAL EMPLOYMENT OPPORTUNITY/NON-DISCRIMINATION POLICIES

City's policies promote a working environment free from abusive conduct, discrimination, harassment, and retaliation; and require equal opportunity in employment for all regardless of race, religious creed (including religious dress and grooming practices), color, national origin (including language use restrictions), ancestry, religion, disability (mental and physical), medical condition, sex, gender (including gender identity and gender expression), physical characteristics, marital status, age, sexual orientation, genetic information (including family health history and genetic test results), organizational affiliation, and military or veteran status, or any other consideration made unlawful by local, State or Federal law. City requires Consultant to comply with all applicable Federal and State and local equal employment opportunity laws and regulations, and Consultant is responsible for ensuring that effective policies and procedures concerning the prevention of abusive conduct, discrimination, harassment, and retaliation exist in Consultant's business organization. The City's current Equal Employment Opportunity and Non-Discrimination policies to which this Section applies may be viewed at <http://www.codepublishing.com/CA/SantaCruz/?SantaCruz09/SantaCruz0983.html> and <http://www.cityofsantacruz.com/home/showdocument?id=59192>.

SECTION 12: LEGAL ACTION/ATTORNEYS' FEES

If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees as part of prevailing party's attorney's fees as determined by a court of competent jurisdiction. The laws of the State of California, with jurisdiction in the Santa Cruz County Superior Court, shall govern all matters relating to the validity, interpretation, and effect of this Agreement and any authorized or alleged changes, the performance of any of its terms, as well as the rights and obligations of Consultant and the City.

SECTION 13: AMENDMENTS

This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this particular Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the City and Consultant. Consultant acknowledges that no such amendment shall be effective until approved and authorized by the City's authorized representative. No representative of the City is authorized to obligate the City to pay the cost or value of services beyond the scope of services set forth in Exhibit A. Such authority is retained solely by the City Manager, Director, or their designee. Unless expressly authorized by the City Manager or Director, Consultant's compensation shall be limited to that set forth in Exhibit B, Fee Schedule.

SECTION 14: MISCELLANEOUS PROVISIONS

1. Project Manager Key Staff. Director reserves the right to evaluate and confer with Consultant regarding the project manager or other key staff assigned by Consultant to perform the work under this Agreement. Consultant shall replace the project manager or key staff upon Director's request due to Director's concern about their performance, or City shall have the right to terminate this Agreement. Otherwise, no change in assignment by the Consultant may occur without prior written approval of the City.
2. Consultant Services Only. Consultant is employed to render professional services only and any payments made to Consultant are compensation solely for such professional services.

3. Independent Contractor. In the performance of this Agreement, it is expressly understood that Consultant, including each of Consultant's employees, agents, subcontractors or others under Consultant's supervision or control, is an independent contractor solely responsible for its own acts and omissions, and shall not be considered an employee of the City for any purpose. Consultant agrees to comply with AB5, codified at Labor Code section 2750.3, and shall indemnify, defend and hold harmless the City, its officials, officers, employees, and agents against any claim or liability, including attorneys' fees and costs, arising in any manner related to this Agreement that an employee, agent or others under Consultant's supervision or control was misclassified.
4. Consultant Not an Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.
5. Subcontractors. Consultant shall obtain prior approval of the City prior to subcontracting of any work pursuant to this Agreement. If at any time, the City determines any subcontractor is incompetent or unqualified, Consultant will be notified and will be expected to immediately cancel the subcontract. Consultant shall require and verify that all subcontractors maintain insurance meeting all of the requirements stated herein, including naming the City of Santa Cruz, its officers, officials, employees, agents, and volunteers as additional insureds. Any modification to the insurance requirements for subcontractors must be agreed to by the City in writing.
6. Assignment. This Agreement shall not be assigned without first obtaining the express written consent of the Director or after approval of the City Council. Neither party may assign this Agreement unless this Agreement is amended in accordance with its terms.
7. Conflicts of Interest. Consultant agrees to comply with conflict of interest laws in performing the work and services under this Agreement. Consultant covenants (on behalf of Consultant and Consultant's employees, agents, representatives, and subcontractors) that there is no direct or indirect interest, financial or otherwise, which would conflict in any manner or degree with the performance of services required under this Agreement. Consultant acknowledges and agrees to comply with applicable provisions of conflict of interest law and regulations, including the CA Political Reform Act, Sections 1090 and 87100 of the Government Code, and the City's conflict of interest code. Consultant will immediately advise City if Consultant learns of a conflicting financial interest of Consultant during the term of this Agreement.
8. City Property. The work, or any portion, of Consultant in performing this Agreement shall become the property of City in accordance with this Section 8. The Consultant may be permitted to retain copies of such work for information and reference in connection only with the provision of services for the City. All materials and work product, whether finished or unfinished, shall be delivered to City upon completion of contract services or termination of this Agreement for any reason subject to Consultant's receipt of payment of undisputed amounts for services rendered under this Agreement up to the date of completion or termination. Notwithstanding anything to the contrary in this Agreement, City agrees that the Consultant's drafts or final documents prepared under this Agreement and all copyrights, if applicable, shall become the property of City. Under no circumstances shall the transfer of ownership of Consultant's documents be deemed a sale by Consultant, and Consultant makes no warranties, either express or implied, of merchantability and fitness for any particular purpose other than as specified in this Agreement. Unless otherwise provided herein, Consultant agrees that all copyrights which arise from creation of project-related documents and materials pursuant to this Agreement shall be vested in the City in accordance with this Section 8 and Consultant waives and relinquishes all claims to copyright or other intellectual property rights in favor of City. Any work product related to this Agreement shall be confidential, not to be used by the Consultant on other projects or disclosed to any third party, except by agreement in writing by the City, or except as otherwise provided herein. Consultant's final deliverables shall comply with Section 508 (29 U.S.C. Section 794d) accessibility requirements, as applicable.

9. Intellectual Property and Indemnity. Consultant represents to City that, to the best of Consultant's knowledge, any Intellectual Property (including but not limited to: patent, patent application, trade secret, copyright and any applications or right to apply for registration, computer software programs or applications, tangible or intangible proprietary information, or any other intellectual property right) in connection with any services and/or products related to this Agreement does not violate or infringe upon any Intellectual Property rights of any other person or entity.

To the fullest extent permitted by law, Consultant agrees to indemnify, defend, and hold harmless City, its officials, officers, employees, and agents, from any and all claims, demands, actions, liabilities, damages, or reasonable expenses (including reimbursement of reasonable attorneys' fees and costs) arising out of a claim of Consultant's infringement, actual or alleged, direct or contributory, of any Intellectual Property rights in any way related to Consultant's performance under this Agreement or to the City's authorized intended or actual use of Consultant's product or service under this Agreement. This provision shall survive termination or expiration of this Agreement. The obligation to defend shall arise regardless of any claim or assertion that Indemnitees caused or contributed to the Losses.

If any product or service becomes, or in the Consultant's opinion is likely to become, the subject of a claim of infringement, the Consultant shall, at its sole expense: (i) provide the City the right to continue using the product or service; or (ii) replace or modify the product or service so that it becomes non-infringing; or (iii) if none of the foregoing alternatives are possible even after Consultant's commercially reasonable efforts, in addition to other available legal remedies, City will have the right to return the product or service and receive a full or partial refund of an amount equal to the value of the returned product or service, less the unpaid portion of the purchase price and any other amounts, which may be due to the Consultant. City shall have the right to retrieve its data and proprietary information at no charge prior to any return of the product or termination of service.

10. Confidentiality.

- a. Consultant shall not acquire any ownership interest in data and information ("City Data") received by Consultant from City, which shall remain the property of the City. Certain information may be considered confidential ("Confidential Information"). Confidential Information shall mean all non-public information or proprietary materials (in every form and media) disclosed or made available directly or indirectly through any means of communication, either verbally or in writing, to Consultant in connection with this Agreement. Unless otherwise required by law, Consultant shall not, without City's written permission, use or disclose City Data and/or Confidential Information other than in the performance of the obligations under this Agreement. As between Consultant and City, all City Confidential Information shall remain the property of the City. Consultant shall not acquire ownership interest in the City's Confidential Information.
- b. Consultant shall be responsible for ensuring and maintaining the security and confidentiality of City Data and Confidential Information, protect against any anticipated threats or hazards to the security or integrity of City Data and Confidential Information, protect against unauthorized access to or use of City Data and Confidential Information that could result in substantial harm or inconvenience to City or any end users; and ensure the proper return and/or disposal of City Data and Confidential Information upon termination of this Agreement with notice to the City.
- c. Consultant shall take appropriate action to address any incident of unauthorized access to City Data and Confidential Information, including addressing and/or remedying the issue that resulted in such

unauthorized access, notifying City as soon as possible of any incident of unauthorized access to City Data and Confidential Information, or any other breach in Consultant's security that materially affects City or end users; and be responsible for ensuring compliance by its officers, employees, agents, and subcontractors with the confidentiality provisions hereof. Should confidential and/or legally protected City Data be divulged to unauthorized third parties, Consultant shall comply with all applicable federal and state laws and regulations, including but not limited to California Civil Code sections 1798.29 and 1798.82 at Consultant's sole expense. Consultant shall not charge City for any expenses associated with Consultant's compliance with these obligations.

- d. Consultant shall defend, indemnify, and hold harmless City, its officials, officers, employees and agents against any claim, liability, loss, injury or damage (including attorneys' fee and costs) arising out of, or in connection with, the unauthorized use, access, and/or disclosure of City Data and/or Confidential Information by Consultant and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of the City. This provision shall survive the termination or expiration of this Agreement.

11. Consultant's Records. Consultant shall maintain accurate accounting records and other written documentation pertaining to the costs incurred relating to this Agreement for examination and audit by the City, State, or federal government, as applicable, during the period of this Agreement, and for a period of at least five years from the date of the final City payment for Consultant's services, unless otherwise stated herein. If Consultant engages a subcontractor to perform work related to this Agreement with a cost of \$10,000 or more over a 12 month period, such subcontract shall contain these same requirements. This provision shall survive the termination of this Agreement.
12. California Public Records Act. City is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Consultant's proprietary information is contained in documents or information submitted to City, and Consultant claims that such information falls within one or more CPRA exemptions, Consultant must clearly mark such information "Confidential and Proprietary," and identify the specific lines containing the information. In the event of a request for such information, City will make best efforts to provide notice to Consultant prior to such disclosure. If Consultant contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Santa Cruz County before the City is required to respond to the CPRA request. If Consultant fails to obtain such remedy within the time the City is required to respond to the CPRA request, City may disclose the requested information without any liability to Consultant. Consultant further agrees that it shall defend, indemnify and hold City harmless against any claim, action or litigation (including but not limited to all judgments, costs, and attorney's fees) that may result from denial by City of a CPRA request for information arising from any representation, or any action (or inaction), by the Consultant.
13. Compliance with Laws. All activities of Consultant, its employees, subcontractors and/or agents will be carried out in compliance with all applicable federal, state, and local laws and regulations in effect at the time Consultant's services are rendered under this Agreement. Consultant further agrees to comply with the covenant of good faith and fair dealing and other provisions of Santa Cruz Municipal Ordinance chapter 3.09, or otherwise Consultant may be subject to penalties including being declared an irresponsible contractor..
14. Business License Tax. Consultant agrees that Consultant, its subcontractors and/or agents (if any) has/have complied with any and all federal, state, and local licensing requirements and agrees to provide proof of a current City of Santa Cruz Business Tax Certificate if:
 - Consultant, its subcontractor(s) and agent(s) or its business is/are located in the City of Santa Cruz;

- Will perform actual work in the City of Santa Cruz for 6 or more days annually; or
- Will use company vehicles to deliver within the City of Santa Cruz for 6 or more days annually.

For additional information and licensing requirements, view the City's [Business Licenses and Permits webpage](#) or call the Revenue and Taxation division at 831/420-5070.

15. Living Wage. Every contract for services to the City for \$10,000 or more, is subject to City of Santa Cruz Living Wage Ordinance number 2000-25. If applicable, Consultant agrees to comply with the requirements of the Living Wage ordinance as provided in Santa Cruz Municipal Code Chapter 5.10.

16. Prevailing Wages for Public Work. To the extent that the work or services to be performed under this Agreement may be considered a "public work" (construction, alteration, demolition, or repair work) pursuant and subject to Labor Code section 1720 *et seq.*, Consultant (and any subconsultant performing the work or services) shall conform to any and all prevailing wage requirements applicable to such work/and or services under this Agreement. Consultant (and any subconsultant) shall adhere to the prevailing wage determinations made by the Director of Industrial Relations (DIR) pursuant to California Labor Code Part 7, Chapter 1, Article 2, applicable to the work, if any. All workers employed in the execution of a public works contract (as such term is defined California Labor Code section 1720 *et seq.* and section 1782(d)(1)) must be paid not less than the specified prevailing wage rates for the type of work performed. (CA Labor Code sections 1720, 1774 and 1782.)

To the extent applicable to the scope of work and services under this Agreement, Consultant agrees to be bound by the state prevailing wage requirements, including, but not limited to, the following:

- a. If a worker is paid less than the applicable prevailing wage rate owed for a calendar day (or any portion thereof), Consultant shall pay the worker the difference between the prevailing wage rate and the amount actually paid for each calendar day (or portion thereof) for which the worker(s) was paid less than the prevailing wage rate, as specified in Labor Code section 1775;
- b. Consultant shall maintain and make available payroll and worker records in accordance with Labor Code sections 1776 and 1812;
- c. If Consultant employs (and/or is legally required to employ) apprentices in performing the work and/or services under this Agreement, Consultant shall ensure compliance with Labor Code section 1777.5;
- d. Consultant is aware of the limitations imposed on overtime work by Labor Code sections 1810 *et seq.* and shall be responsible for any penalties levied in accordance with Labor Code section 1813 for failing to pay required overtime wages;
- e. Consultant shall post a copy of the applicable wage rates at each jobsite at a location readily available to its workers.
- f. Any failure of Consultant and/or its subconsultant to comply with the above requirements relating to a public work project shall constitute a breach of this Agreement that excuses the City's performance of this Agreement at the City's sole and absolute option and shall be at the sole risk of Consultant. Consultant on behalf of itself and any subconsultant, agree to indemnify, defend and hold harmless the City and its officials, officers, employees, and agents from and against any and all claims, liabilities, losses, costs, expenses, attorney's fees, damages, expenses, fines, financial consequences, interest, and penalties, of any kind or nature, arising from or relating to any failure (or alleged failure) of the Consultant and any subconsultant to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law relating to a public work.

- g. Consultant acknowledges that it and/or any subconsultant may not engage in the performance of any contract for public work unless currently registered with the DIR and qualified to perform public work pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
17. Storm Water Requirements. To the extent applicable to the Scope of Work under this Agreement, Consultant, Consultant's employees, subcontractors, and agents are required to abide by the applicable City of Santa Cruz Storm Water Best Management Practices (BMPs) for the duration of the work. The City's mandatory Storm Water BMPs, which are listed according to the type of work, operations, or business, are located on the City website at: <https://www.cityofsantacruz.com/government/city-departments/public-works/stormwater/best-management-practices>
18. Dispute Resolution. The Parties agree to attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to this Agreement. Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. Promptly upon such notification, the Parties shall meet at a mutually agreeable time and place in order to exchange relevant information and perspective, and to attempt to resolve the dispute. In the event that no resolution is achieved, and if, but only if, the parties mutually agree, then prior to pursuing formal legal action, the parties shall make a good faith effort to resolve the dispute by non-binding mediation or negotiations between representatives with decision-making power, who, to the extent possible, shall not have had substantive involvement in the matters of the dispute. To the extent that the dispute involves or relates to a public works project, the Parties agree to attempt to resolve the dispute by complying with the claims process as set forth in Public Contract Code sections 9204(e), 20104-20104.6, but without waiving the requirements of the California Tort Claims Act, Gov't Code section 800 et seq. unless otherwise agreed to by the Parties.
19. Force Majeure. Neither party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation is prevented or delayed by an act of God, natural disaster, pandemic, acts of terrorism, war, a strike, lockout or other labor difficulty, or other peril, which is beyond the reasonable control of the affected party and without the negligence of the respective Parties. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. Each Party will, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and will, upon the cessation of the cause, diligently pursue performance of its obligations in this Agreement. In the event either party is prevented or delayed in the performance of its respective obligation by reason of such Force Majeure, the only remedy that there may be an equitable adjustment of the schedule based on City's sole discretion.
20. Complete Agreement. This Agreement, along with any attachments, is the full and complete integration of the Parties' agreement with respect to the matters addressed herein, and that this Agreement supersedes any previous written or oral agreements between the Parties with respect to the matters addressed herein. Unless otherwise stated, to the extent there is any conflict between this Agreement and any other agreement (written or oral), the terms of this Agreement shall control.
21. Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.
22. Waiver. Waiver by any party of any portion of this Agreement shall not constitute a waiver of the same or any other portion hereof.

23. Governing Law. This Agreement shall be governed by and interpreted in accordance with California law.
24. Contract Interpretation. Each party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
25. MacBride Principles/Peace Charter. City of Santa Cruz Resolution NS-19,378 (7/24/90) encourages all companies doing business in Northern Ireland to abide by the MacBride Principles and Peace Charter.
26. Notices. If either party shall desire or is required to give notice to the other such notice shall be given in writing, via email and concurrently delivered by: (a) personal delivery, in which case notice is effective upon delivery; (b) overnight courier (i.e., Federal Express) with charges prepaid or charged to the sender's account, in which case notice is effective when delivered; (c) pre-paid certified Mail, return-receipt requested, in which case notice shall be deemed received on the date of receipt. Notices shall be addressed to recipient as follows:

To CITY:

City of Santa Cruz Water Department
Rosemary Menard, Water Director
212 Locust St, Suite A
Santa Cruz, CA 95060
rmenard@cityofsantacruz.com

To CONSULTANT:

Pueblo Water Resources
Robert C. Marks, Principal Hydrogeologist
4478 Market St, Suite 705
Ventura, CA 93003
rmarks@pueblo-water.com

A Party must provide written notice to the other of any change to the above information before the change is effective.

27. Counterparts. The Parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.
28. Warranty of Authority. The signatories to this Agreement warrant and represent that each is authorized to execute this Agreement and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

Technical Review By:

By: _____ Date: _____

Heidi R. Luckenbach, Deputy Water Director/ Engineering Manager

Approved As To Form:

By: _____ Date: _____

Office of the City Attorney

CONSULTANT

By: _____ Date: _____

Printed: _____ Title: _____

WATER DEPARTMENT

By: _____ Date: _____

Rosemary Menard, Water Director

NOTE: *NEED 2 SIGNATURES FROM CORPORATE OFFICERS: 1) PRES/VP; AND 2) SECRETARY/CFO/ TREASURER
(unless 1 person holds two officer positions in both categories (1) and (2))

EXHIBIT A: SCOPE OF WORK & WORK SCHEDULE

[EXHIBIT ON FOLLOWING PAGE]

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EXHIBIT B: FEE SCHEDULE

[EXHIBIT ON FOLLOWING PAGE]

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EXHIBIT C: INSURANCE REQUIREMENTS

[EXHIBIT ON FOLLOWING PAGE]

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EXHIBIT C: INSURANCE REQUIREMENTS

Consultant shall procure and maintain insurance against claims for injuries to persons or damages to property and otherwise which may arise from or in connection with the performance of the work under this Agreement and the results of that work by Consultant, its agents, representatives, employees, or subcontractors.

A. CERTIFICATE REQUIREMENTS

The City will be issued a Certificate of Insurance (a Memorandum of Understanding will not be accepted) with the following minimum requirements:

- Certificate(s) will show current policy number(s) and effective dates,
- Coverage and policy limits will meet, or exceed, requirements below,
- The Certificate Holder will be City of Santa Cruz, Risk Management, 1200 Pacific Ave, Suite 290, Santa Cruz, CA 95060,
- Certificate will be signed by an authorized representative,
- An endorsement, if required below, will be provided to show the City, its officers, officials, employees, and volunteers as additional insureds, and
- Coverages must be maintained during the term of the Agreement with the City, unless a longer duration is required.

B. MINIMUM SCOPE AND LIMITS OF INSURANCE

Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. If Consultant maintains broader insurance coverage and/or higher limits than the minimums shown below, the City of Santa Cruz requires and shall be entitled to the broader insurance coverage and/or higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Santa Cruz.

Coverage will be at least as broad as:

- **COMMERCIAL GENERAL LIABILITY (CGL):** \$5,000,000 PER OCCURRENCE; \$5,000,000 AGGREGATE
Proof of coverage for \$5 Million per occurrence including products and completed operations, property damage, bodily injury, personal and advertising injury will be provided on Insurance Services Office (ISO) Form CG 00 01 covering CGL.
- **PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS):** \$2,000,000 PER OCCURRENCE OR CLAIM, \$2,000,000 AGGREGATE.

Consultant will maintain insurance appropriate to Consultant's profession; with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after date of completion of the services under this Agreement. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date or start of work date, Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

- **AUTOMOBILE LIABILITY:**
Proof of coverage for \$1,000,000 provided on ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, hired, (Code 8) and non-owned autos (Code 9), per accident for bodily injury and property damage.
- **WORKERS' COMPENSATION AS REQUIRED BY THE STATE OF CALIFORNIA, WITH STATUTORY LIMITS, AND EMPLOYER'S LIABILITY INSURANCE:** \$1,000,000 per accident for bodily injury or disease.
The Worker's Compensation policy must be **endorsed** with a waiver of subrogation in favor of the City for all work performed by the Consultant and its employees.

(Not required if Consultant provides written verification it has no employees) - If Consultant has no employees, Consultant shall complete and sign a [Workers' Compensation Exemption Declaration and Release of Liability](#)

C. OTHER INSURANCE PROVISIONS

The insurance policies are to comply with the following provisions:

- **ADDITIONAL INSURED STATUS**
The City, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage will be provided in the form of an **endorsement** to Consultant's insurance at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of **both** CG 20 10 CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 (if a later edition is used).
- **PRIMARY COVERAGE**
For any claims related to this Agreement, Consultant's General Liability and Automobile Liability insurance coverage will be **primary and non-contributory** insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers will be excess of Consultant's insurance and will not contribute with it.
- **NOTICE OF CANCELLATION**
Each insurance policy required above shall state that the coverage shall not be canceled, except with notice to the City.
- **WAIVER OF SUBROGATION**
Consultant hereby grants to the City a waiver of any right to subrogation, except as otherwise not applicable, which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss, including attorney's fees under such insurance. Consultant agrees to obtain any endorsement that may be necessary to effectuate this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
- **EXCESS LIABILITY/UMBRELLA INSURANCE POLICIES**
Consultant may use excess liability/umbrella policies to meet the required liability limits on the condition that they provide all of the insurance coverages required herein, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The excess liability/umbrella insurance policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying CGL insurance. No General Liability or Automobile Liability insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Consultant's primary and excess liability policies are exhausted.

The excess/liability policies will provide similar coverage as the primary CGL policy with no new exclusions - Excess liability insurance must **follow form** the terms, conditions, definitions, and exclusions of the underlying CGL insurance. The excess/umbrella policy must also be written on a primary and noncontributory basis for an additional insured, and that it will apply before any other insurance that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that other insurance.

The policy regarding Limits of Insurance regarding Aggregates must provide that the aggregate limits if applicable shall apply in the same manner as the aggregate limits shown in the Schedule of the Underlying Insurance.

- **DURATION OF COVERAGE**
CGL & Excess Liability/Umbrella policies for any construction related work, including, but not limited to, maintenance, service, or repair work, shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- **SELF-INSURED RETENTIONS**
Self-insured retentions must be declared to and approved by the City. City may require Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- **ACCEPTABILITY OF INSURERS**
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.
- **CLAIMS MADE POLICIES**
If any of the required policies provide coverage on a claims-made basis:
 1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 3. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of *five (5)* years after completion of contract work.
- **VERIFICATION OF COVERAGE**
Consultant will furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL and CPL Policies and any Excess Liability/Umbrella policies listing all policy endorsements to be approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning will not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

D. SUBCONTRACTORS

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

E. SPECIAL RISKS/CIRCUMSTANCES

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances and provide notice to Consultant.

DRAFT



May 1, 2023
Project No. 15-0119

City of Santa Cruz Water Department
212 Locust St., Suite C
Santa Cruz, California 95060

Attention: Ms. Leah Van Der Maaten, P.E., Associate Professional Engineer

Subject: Proposal for Hydrogeologic Services; Santa Cruz ASR Project Phase 2 Feasibility Investigation - Beltz 9 ASR Pilot Test

Dear Leah:

In accordance with your request, Pueblo Water Resources, Inc. (PWR) is pleased to submit this proposal for hydrogeologic services to implement an Aquifer Storage and Recovery (ASR) pilot test program at the Santa Cruz Water Department's (SCWD) Beltz 9 Well. The subject ASR pilot test at Beltz 9 represents further advancement of Phase 2 of the SCWD's technical feasibility investigation of ASR in the Santa Cruz Mid-County Groundwater Basin (MGB) following the successful implementation of similar programs at the Beltz 12 and 8 wells in 2019 and 2020/2021, respectively. Presented in this proposal is a detailed scope of work, estimated costs, and a schedule to implement the subject project.

BACKGROUND

ASR is a form of managed aquifer recharge (MAR) that involves the enhanced conjunctive use of surface water and groundwater resources to "bank" water in an aquifer during times when excess surface water is available (typically wet periods) for storage and subsequent recovery of the water from the aquifer when needed (typically dry periods). ASR utilizes dual-purpose injection/recovery wells for the injection of water into aquifer storage and the subsequent recovery of the stored water by pumping. In order to feasibly implement ASR, the following five basic project components are required:

1. A supply of excess surface water for injection;
2. A system for the diversion, treatment and conveyance of water between the source and groundwater storage basin;
3. A suitable groundwater basin with available storage space;
4. ASR wells to inject and recover the stored water, and;
5. A system for the treatment and conveyance of recovered water from the ASR wells into the distribution system.

PUEBLO WATER RESOURCES, INC

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As applied to Santa Cruz, ASR would involve the diversion of “excess” winter and spring flows from North Coast sources and the San Lorenzo River (SLR), treated to potable standards at the Graham Hill Water Treatment Plant (GHWTP), then conveyed through the existing (and/or improved) water distribution system(s) to ASR wells located in the MGB and/or the Santa Margarita Groundwater Basin (SMGB). In this context, “excess” flows are those flows that exceed SCWD demands and in-stream flow requirements and are within water rights.

As a consultant to the Water Supply Advisory Committee (WSAC) Technical Team, PWR performed an initial reconnaissance-level study (Recon-Study) of the feasibility, potential yields, and costs of ASR for the SCWD. The scope of the Recon-Study was limited to evaluating readily available existing information to develop conceptual components of an ASR project for the WSAC to consider. Based on the available information, the Recon-Study findings indicated that ASR appears to be technically feasible with no obvious fatal flaws. Based on these findings, an implementation strategy for ASR was developed through the WSAC that consisted of three basic phases:

- **Phase 1 – Technical Feasibility Analyses:** Performance of detailed technical feasibility investigations that were beyond the scope of the Recon-Study, including the use of groundwater modeling, completion of site-specific injection capacity and geochemical interaction analyses, and development of a pilot ASR testing program.
- **Phase 2 – ASR Pilot Testing:** Performance of a pilot ASR testing program and assessment of probable ASR system performance, cost and schedule to complete build-out of the ASR system.
- **Phase 3 – Project Implementation:** Development of full-scale ASR project basis-of-design, construction of ASR system facilities (perhaps incrementally), establishment of ASR project operational parameters, and long-term operation of project to achieve target storage volumes.

The findings developed from the Phase 1 investigation have been documented in task-specific Technical Memoranda (TM)¹, the details of which will not be repeated here; however, key findings related to Beltz 9 are summarized below:

¹ Pueblo Water Resources, Inc. (November 2016), *Task 1.1 Existing Wells Screening*, Technical Memorandum prepared for Santa Cruz Water Department.

Pueblo Water Resources, Inc. (May 2017), *Task 1.2 Site-Specific Injection Capacity Analysis*, Technical Memorandum prepared for Santa Cruz Water Department.

Pueblo Water Resources, Inc. (November 2020), *Geochemical Interaction Analysis (Task 1.3)*, Technical Memorandum prepared for Santa Cruz Water Department.



- Task 1.1 – Existing Well Screening identified SCWD’s Beltz 9 well as a suitable existing well for conducting ASR pilot testing of the A Unit of the western Purisima Aquifer system of the MGB.
- Task 1.2 – Site-Specific Injection Capacity Analysis resulted in an estimated injection capacity for Beltz 9 of approximately 330 gallons per minute (gpm), equivalent to approximately 0.475 million gallons per day (mgd).
- Task 1.3 – Geochemical Interaction Analysis indicated that there is limited potential for adverse geochemical reactions as a result of injecting treated SLR water into the A Unit of the Purisima Aquifer (assuming GHWTP pH is maintained at less than 7.6); additionally, the potential for beneficial reduction of manganese concentrations in the recovered waters (relative to native groundwater) was identified and will be investigated further during the ASR pilot test program.

An ASR pilot test Work Plan² for Beltz 9 has been prepared, which included detailed descriptions of the following tasks:

- Permitting Requirements
- Site Preparation Details
- ASR Pilot Test Program
- Sampling and Analysis Plan
- Preliminary Project Schedule

Similar to the ASR pilot tests performed at Beltz 12 and 8, the overall objective of the Phase 2 pilot testing at Beltz 9 is to field verify the findings developed from Phase 1 and empirically determine site-specific hydrogeologic and water quality factors that will allow a technical and economic viability assessment of ASR technology in at this site in A Unit of the MGB. If successful, the data gathered may be used to complete CEQA documentation and Regional Water Quality Control Board (RWQCB) permitting for a permanent ASR project and provide design basis information for a permanent ASR facility.

It is important to reiterate that successful ASR program development is necessarily an iterative process – continuing to be refined in response to investigative findings and input from the SCWD (and other interested parties) and in response to more focused (or re-focused as needed) data analyses. The scope of work described in this proposal represents the next step in that process for ASR at the Beltz 9 well and will inform the development of the scope for Phase 3 – Project Implementation at ASR wells in the MGB.

² Pueblo Water Resources, Inc. (February 2023), *Santa Cruz ASR Project – ASR Pilot Test Work Plan for Beltz 9*, Technical Memorandum prepared for Santa Cruz Water Department (draft).



PURPOSE AND SCOPE

The proposed scope of work essentially consists of implementing the ASR pilot test Work Plan that has been developed for Beltz 9. The primary purpose of the Beltz 9 ASR pilot test program is to field demonstrate the potential application of ASR in the A Unit of the Purisima Aquifer system in the MGB at the site. The data will be used to assess both the economic and logistical viability of ASR and will provide the basis for the design, environmental planning, and permitting for a long-term full-scale ASR project in the area. Primary issues to be investigated in the ASR pilot test include the following:

- Determination of well efficiency and specific capacity and injectivity
- Evaluation of injection well plugging rates (both active and residual)
- Determination of optimal rates, frequency, and duration of backflushing to maintain injection capacity
- Determination of long-term sustainable injection rates
- Determination of local aquifer response to injection and extraction at Beltz 9
- Monitoring of ion exchange and redox reactions
- Evaluation of water-quality changes during aquifer storage and recovery pumping (e.g., arsenic mobilization)
- Monitoring Disinfection Byproducts (DBPs) Trihalomethanes (THM) and Haloacetic Acid (HAA) ingrowth and degradation during aquifer storage
- Monitoring of recovery efficiencies (with particular emphasis on manganese concentrations)

The proposed scope of work consists of implementing the Work Plan that has been developed for the Belt 9 ASR pilot test program and includes the following main tasks:

1. Project permitting assistance
2. Development of plans, specifications and bidding assistance for a well contractor to prepare the well and site facilities for ASR testing
3. Field oversight and management of well and site facilities preparation
4. Implementation of the ASR cycle testing program
5. Data collection, analysis and reporting
6. Project management and meetings

A detailed scope of work to perform the above tasks is presented below:

Task 1 – ASR Permitting Assistance

The State Water Resources Control Board (SWRCB) has adopted general waste discharge requirements for ASR projects that inject drinking water into groundwater (Order No.



2012-0010-DWQ or General ASR Order). The General ASR Order provides a statewide regulatory framework for authorizing both pilot ASR testing and permanent ASR projects. Oversight of these regulations is done through the Regional Water Quality Control Boards (RWQCBs) and obtaining coverage under the General ASR Order requires the preparation and submission of a Notice of Intent (NOI) application package to the local RWQCB (in this case, the Central Coast RWQCB).

Based on the information developed in the ASR pilot test Work Plan for Beltz 9, a Technical Report will be prepared by PWR in accordance with the application requirements of the General ASR Order and will include the following minimum components:

- Project location map
- Identification and description of target aquifers
- Pilot testing schedule
- Delineation of the Areas of Hydrologic Influence
- Identification of all land uses within the delineated Areas of Hydrologic Influence
- Identification of known areas of contamination within the Areas of Hydrologic Influence
- Identification of project-specific Constituents of Concern (COCs)
- CEQA compliance documentation (Categorical Exemption assumed)
- Groundwater Degradation Assessment

PWR will issue a draft copy of the completed Technical Report for SCWD review and comment. PWR will incorporate SCWD comments and prepare the final Technical Report for inclusion in the NOI application package. It is assumed that SCWD staff will then prepare the complete NOI application package in accordance with the requirements of the General ASR Order and submit it to the RWQCB.

Task 2 – Plans, Specifications and Bidding Assistance for Well and Site Facilities Preparation

As presented in the Work Plan, the Beltz 9 well and site facilities will need some preparatory work performed in order to implement a successful ASR pilot test program, including the following key activities:

- Installation of an on-site monitoring well that is screened in the same section of the A Unit as Beltz 9;
- Downhole preparation of the Beltz 9 well, and;
- Installation of various temporary site improvements at the Beltz 9 facility.

PWR will develop plans and technical specifications, which will include identification of materials and methods to be utilized, logistical constraints, and schedule considerations. The



technical specifications are intended to provide adequate detail for bidding by competent, licensed (C-57 / C-61) well contractors. The specifications will include the following minimum items:

- Minimum Contractor Qualifications
- Contractor Equipment Requirements
- Traffic Control Requirements
- Materials Requirements
- Well Drilling Procedures
- Well Rehabilitation / Downhole Cleaning Procedures
- Temporary Test Pump and Downhole Appurtenances Specifications
- Temporary Injection Piping Specifications
- NPDES Discharge Requirements and Limitations
- Site Cleanup and Restoration

PWR will issue a draft copy of the technical specifications for SCWD review and comment. PWR will incorporate SCWD comments and provide the final technical specifications. It is assumed that SCWD will incorporate PWR's technical specifications with its contract "boiler plate", including general conditions and special insurance requirements, into the final contract package. It is also assumed that the SCWD will duplicate and distribute the bid packages and serve as the primary contact for response to questions from bidders.

PWR will be available to assist SCWD throughout the bidding process. This will include responding to questions Contractors may have during the preparation of bids, preparing and distributing requisite addenda, and communicating to potential bidders other pertinent information. PWR will also assist the SCWD in evaluating the received bids for conformance and responsiveness with the requirements set forth in the bid documents and will provide recommendations for bid award.

Task 3 – Field Oversight of Contractor Activities

This task will involve the coordination and field oversight of the selected contractor during monitoring well drilling, and Beltz 9 well and site preparation activities. Prior to contractor mobilization, PWR will coordinate a pre-construction meeting to introduce involved parties, establish chain-of-command and communications protocols, review the key work elements and safety procedures, and develop a schedule of the work to be performed. During project execution, PWR will coordinate weekly "tailgate" meetings with the contractor and provide email summaries of key items discussed to SCWD staff.

During the field operations, PWR will oversee and document contractor activities to ensure adherence to the project specifications. PWR will provide the SCWD with routine daily email field summaries of work performed, significant accomplishments and anticipated work to



be performed. PWR will also provide assistance the SCWD in reviewing contractor submittals, responding to Requests for Information (RFIs) and processing Change Order requests.

Task 4 – ASR Pilot Test Program Implementation

This task consists of implementing the ASR pilot test program for Beltz 9. The program planned for Beltz 9 is nearly identical to the programs that were recently implemented at Beltz 12 and 8, modified slightly for the specific site conditions at Beltz 9. ASR operations generally consist of three steps, which constitute an ASR “cycle”:

1. Injection of potable-quality drinking water into the aquifer;
2. Storage of the injected/recharged water within the aquifer, and;
3. Recovery of the stored water.

The structure of the ASR pilot test program includes numerous incremental steps of ASR operations to provide multiple checkpoints in the event that pilot operations deviate significantly from the predicted responses. The test program will generally involve three repeated ASR cycles of operations and monitoring, each of larger volume and duration than the preceding cycle, so that if adverse conditions are encountered at any point, the program can be adjusted, if needed.

A summary of the planned ASR cycles is presented in **Table 1** below:

Table 1. Summary of ASR Cycles

ASR Cycle No.	Injection					Storage	Recovery					
	Period (days)	Rate (gpm)	Total Volume		Radius (ft)		Period (days)	Period (days)	Rate (gpm)	Volume		Discharge Location
			(mg)	(af)						(mg)	(af)	
1	1	350	0.50	1.55	31	2	1	525	0.76	2.32	Creek	
2	7	350	3.53	10.8	82	14	7	525	5.29	16.2	Creek	
3	30	350	15.1	46.4	169	60	20	525	15.1	46.4	Distribution	

Total Active Duration (days): 142
Total Injection Volume (af): 58.8
Total Recovery Volume (af): 65.0

The primary test objectives for each ASR Cycle are summarized below:

ASR Cycle 1

- Establish short-term injection hydraulics
- Monitor short-term ion exchange reactions
- Evaluate water chemistry changes during storage and recovery (e.g., arsenic mobilization)



ASR Cycle 2

- Measure well plugging rates (active and residual)
- Evaluate backflushing efficacy
- Monitor longer-term ion exchange reactions
- Monitor redox reactions
- Evaluate water chemistry changes during storage and recovery (e.g., arsenic mobilization)
- Monitor recovery efficiency (the percentage of recharged water that is recovered during each cycle)
- Monitor DBPs during recovery

ASR Cycle 3

- Evaluate longer-term well performance and plugging rates
- Monitor injected water quality stability during storage and recovery (e.g., arsenic mobilization)
- Monitor DBP ingrowth/degradation during storage
- Monitor recovery efficiency (the percentage of recharged water that is recovered during each cycle)
- Monitor DBPs during recovery

The total duration of the ASR pilot test program is anticipated to require approximately 6 months and is tentatively scheduled to begin in November 2023 (refer to the preliminary schedule presented below).

During the Beltz 9 ASR Pilot Test Program, a variety of water-level and water-quality data will be collected by PWR in accordance with the Work Plan. Water levels in the aquifer system will be monitored during all phases at the ASR pilot testing well (Beltz 9) as well as several existing, proximate monitoring wells. In addition, periodic samples of the injected, stored, and recovered waters will be collected from the Beltz 9 pilot test well and the to-be-constructed on-site monitoring well and analyzed for a variety of water-quality constituents in accordance with the Sampling and Analysis Plan (SAP) that was developed for the Work Plan.

Task 5 – Data Analysis and Reporting

The reporting task will consist of producing three types of reports; a draft Summary of Operations Report (SOR), General ASR Order quarterly and annual compliance reports for submittal to the RWQCB, and a final SOR. Detailed descriptions of each of these reports are presented below:



Task 5.1 – Draft Summary of Operations Report. Upon completion of the ASR pilot test program, a draft Summary of Operations Report (SOR) documenting the project procedures, testing results and data analyses will be prepared. Documentation of the monitoring well drilling, as-built completion and development will be presented as an appendix in the SOR for future reference by the SCWD. Specific ASR well and aquifer hydraulic data analysis and issues addressed in the report will include the following:

- Estimates of aquifer parameters of transmissivity, hydraulic conductivity, and storage coefficients
- Well specific capacity/injectivity ratios
- Well plugging rates (observed and normalized)
- Well backflushing efficiency and criteria
- Well interference effects on Beltz 8
- Long-term sustainable injection and extraction/recovery rates
- Local aquifer water-level response to injection and extraction
- Recovery efficiency

PWR will also analyze water-quality data from the ASR pilot testing program to confirm the results of the geochemical interaction analysis that was performed as part of the Phase 1 investigation. This will include evaluating water-quality changes during aquifer storage and recovery pumping, with particular emphasis on arsenic mobilization and Disinfection Byproducts (DBPs) ingrowth and degradation during aquifer storage and recovery, as well as manganese concentrations during recovery pumping.

The report will also provide specific recommendations for continued ASR operation of the facility and additional tests and procedures that may be needed to further assess ASR issues of long-term water-quality interactions, well plugging and biofouling mechanisms, and injectate recovery.

Task 5.2 - Final Summary of Operations Report. After the SCWD has reviewed the draft SOR and provides comments, PWR will prepare the final report. Five hard copies of the final report will be provided to SCWD, including a digital image copy (PDF). PWR will also transmit to SCWD all digital files of collected water-level data, water-quality data and project photographs.

Task 5.3 – ASR General ASR Permit Compliance Reporting. This task includes the preparation of the RWQCB Monitoring and Reporting Program (MRP) quarterly and annual reports required by the General ASR Permit. PWR will compile all field water-level and water-quality data, laboratory analytical reports, and flow information required by the MRP, and will prepare brief transmittal letter-reports for submittal to the RWQCB by SCWD staff.



Task 6 – Project Management, Meetings

This task consists of overall project management, budget and schedule tracking, invoicing, and attendance at various project-related meetings. The overall purpose is to ensure effective management of project implementation, schedule and budget. This will also include the coordination and attendance at various meetings over the course of the project to communicate progress and findings to the SCWD and other interested parties. For budgetary purposes, the following formal meetings are assumed:

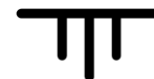
- Project Kick-Off
- Periodic Coordination and Test Results Discussions with Staff
- Water Commission Update
- Draft Report Review

Each meeting will be attended by one to two PWR Principal Hydrogeologists, depending on the meeting agenda.

Services Not Included

Services which are (or may be) necessary for the completion of this project, which are not included in our proposal include the following:

- Distribution system hydraulic modeling (if needed, assumed provided by others);
- CEQA compliance documents (assumed provide by SCWD);
- RWQCB NOI package compilation, submittal and associated fee (assumed provided by SCWD);
- Plans, specifications and inspection for an upgraded permanent pump assembly if SCWD decides not to use a temporary test pump assembly for the ASR pilot test (assumed provided by others);
- Water-level transducers/data loggers for offsite project monitoring wells (assumed data collected by existing data loggers will be provided to PWR by SCWD);
- Monitoring well sampling pump (assumed provided by SCWD utilizing same pump used for Beltz 8 ASR pilot test);
- Water-Quality laboratory services per the SAP (assumed provided by SCWD);
- Cost of SCWD staff labor and equipment to operate the facility during ASR Cycle 3 recovery period;
- Cost of water, electricity, or other utilities, and;
- Any other items not specifically included in PWR's scope of services.



Estimated Fees and Schedule

Based on the scope of services presented herein, we estimate the fees for our services will be **\$216,424**, which will be billed on a time-plus-expenses basis in accordance with our current Fee Schedule (attached). A summary breakdown of costs per task is presented in **Table 2** below, and an estimated fee worksheet is also attached detailing the estimated staff-hours and costs per task/work item.

Table 2. Estimated Costs Summary

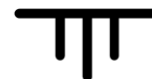
Task	Estimated Costs
1 - ASR Permitting Assistance	\$9,050
2 - Plans, Specs and Bidding Assistance	\$12,650
3 - Field Oversight of Contractor Activities	\$54,300
4 - ASR Pilot Test Implementation	\$89,750
5 - Data Analysis and Reporting	\$32,275
6 - Project Management and Meetings	\$18,400
Subtotal	\$216,425
Contingency (0%)	\$ -
Total Estimated Cost	\$216,425

In developing our estimate of staff hours for the monitoring well drilling and site preparation phase of the project (Task 3), we have assumed that the work will be performed on a 12-hour per day / 5-day per week schedule, and that observation will be provided on a variable basis, with particular focus on the critical stages of drilling and construction. It is noted that the level of effort associated with well construction supervision can be difficult to estimate, as the time involved is often a function of Contractor competence and diligence, factors over which we have limited control under low-bid procurement procedures. Presented in **Table 3** below is a summary of our assumptions for estimating our costs associated with construction and inspection based on our extensive experience with similar projects:

**Table 3. Estimated Staff-hours During Construction Summary**

Task No.	Task Description	Estimated Duration (days)	Required Staffing Coverage (%)	Estimated Hours
MW Drilling				
1	Mobilization	2	25%	6
2	Conductor Installation	2	75%	18
3	Pilot Hole Drilling	2	50%	12
4	Geophysical Logging	0.5	100%	6
5	Well Construction	2	100%	24
6	Well Development	2	50%	12
7	Well Enclosure	1	25%	3
Well Rehabilitation				0
1	Remove Existing Pump	1	50%	6
2	Pre-Rehab Video Survey	0.5	100%	6
3	Nylon Brushing	1	75%	9
4	Set Up Temp. Tanks, Piping, etc.	2	25%	6
5	Dual-Swab Airlifting	2	75%	18
6	Open-Ended Airlifting	0.5	100%	6
7	Post-Rehab Video Survey	0.5	100%	6
Temporary ASR Testing Setup				
1	Install Test Pump & Injection Tubes	1	75%	9
2	Disinfection	1	50%	6
3	Chlorine Flushing	1	75%	9
4	Set Up Temp. Tanks, Piping, etc.	5	25%	15
5	Remove Temp. Tanks, Piping, etc.	2	25%	6
6	Remove Test Pump	1	50%	6
7	Reinstall Existing Pump	1	75%	9
8	Disinfection	1	50%	6
9	Chlorine Flushing	1	50%	6
Totals		33		210

We understand that in order to authorize this work, your City Council must first approve a formal contract. Based on our current workload, we believe that we can commence work within two weeks of your authorization and an estimated project schedule is presented in **Table 4** below:

**Table 4. Estimated Project Schedule**

Task / Activity	Time Period	Duration (months)
RWQCB NOI Technical Report	Apr 2023	1
Plans and Specifications	May 2023	1
Bidding and Contracting	Jun 2023 - Jul 2023	2
Monitoring Well Drilling	Aug 2023	1
Well Rehabilitation/Cleaning	Sep 2023	1
Site Preparation	Oct 2023	1
ASR Cycles	Nov 2023 - Apr 2024	6
Data Analysis and Reporting	May 2024 - Jun 2024	2
Total:		15

As shown, the field activities portion program is planned for an approximate 9-month duration, with an estimated total project duration of approximately 15 months.

We appreciate the opportunity to provide continued assistance to the City on this important community water-supply project. If you require additional information regarding this or other matters, please contact us.

Sincerely,

PUEBLO WATER RESOURCES, INC.

Robert C. Marks, P.G., C.Hg.
 Principal Hydrogeologist

RCM

Attachments: Cost Estimation Spreadsheet
 2023 Fee Schedule

Santa Cruz Water Department

Phase 2 ASR Investigation - Beltz 9 ASR Pilot Test Program

PWR Project No.: 15-0119

ESTIMATED FEE SUMMARY



LABOR		Principal Prof.	Senior Prof.	Illustrator	WP	Hours by Task	Estimated Task Cost
Hourly Fee		\$230	\$215	\$145	\$125		
Task	Task Description						
1	ASR Permitting Assistance	30	10			40	\$9,050
2	Plans, Specs and Bidding Assistance	55				55	\$12,650
3	Field Coordination and Contractor Oversight	60	150			210	\$46,050
4	ASR Pilot Test Program Implementation	100	200			300	\$66,000
5	Data Analysis and Reporting	80	60	5	2	147	\$32,275
6	Project Management and Meetings	80				80	\$18,400
Hours by Labor Category		405	420	5	2		
Costs by Labor Category		\$93,150	\$90,300	\$725	\$250		
Total Labor Hours						832	
Total Labor Costs						\$184,425	

EQUIPMENT AND OTHER DIRECT COSTS	Units	Unit Price	No. of Units	Fee
Water-Level Transducer/Datalogger	Weekly	\$300	0	\$0
Field Water Quality Instruments	Weekly	\$330	0	\$0
Water-Quality Sampling Pump	Weekly	\$530	0	\$0
Ultrasonic Flowmeter	Weekly	\$750	2	\$1,500
Vehicle	Daily	\$75	90	\$6,750
Per Diem	Daily	\$150	120	\$18,000
Total Equipment and ODCs				\$26,250

OUTSIDE PRODUCTS AND SERVICES	Units	Unit Price	No. of Units	Fee
Field Office Trailer	Monthly	\$500	6	\$3,000
Water-Level Transducer/Datalogger	Lump Sum	\$1,000	2	\$2,000
Subtotal				\$5,000
Total Outside Products and Services w/ Markup (15%)				\$5,750

COST SUMMARY	
Labor	\$184,425
Equipment and Other Direct Costs	\$26,250
Outside Products and Services	\$5,750
Subtotal	\$216,425
0 % Contingency	\$0
TOTAL ESTIMATED PROJECT COST	\$216,425



PUEBLO WATER RESOURCES, INC
2023 FEE SCHEDULE – CITY OF SANTA CRUZ

Professional Services

Principal Professional.....	\$230/hr
Senior Professional.....	\$215/hr
Project Professional.....	\$200/hr
Staff Professional.....	\$170/hr
Technician.....	\$150/hr
Illustrator.....	\$145/hr
Word Processing.....	\$125/hr

Other Direct Charges

Subcontracted Services.....	Cost Plus 15%
Outside Reproduction.....	Cost Plus 15%
Meals.....	State of California Meal and Incidental Rates
Lodging.....	State of California Lodging Reimbursement Rates
Vehicle	State of California Vehicle Mileage Reimbursement Rates

Equipment Charges

Drilling Fluid Test Kit.....	\$100/day, \$400/week
Field Water Quality Meter (Hach DR890)	\$75/day, \$275/week
Orion ORP/pH/Temp Probe.....	\$75/day, \$275/week
Water Level Probes (In-Situ Mini-Troll/Level Troll)	\$100/day, \$300/week
Fuji Ultrasonic Flowmeter.....	\$200/day, \$750/week



City Council AGENDA REPORT

DATE: 05/11/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Planning and Community Development

SUBJECT: Technology Surcharge (PL)

RECOMMENDATION: This item is continued to the meeting of June 13, 2023, and will not be discussed on May 23, 2023.

This item, involving a proposal to expand application of the Technology Surcharge to various permits and programs was noticed for the May 23, 2023 meeting in accordance with State Law. Staff is still finalizing the analysis of the fees and is, therefore, requesting a continuance to the next regularly scheduled City Council meeting on June 13, 2023.



City Council AGENDA REPORT

DATE: 05/11/2023

AGENDA OF: 05/23/2023

DEPARTMENT: Public Works/City Manager

SUBJECT: West Cliff Update, including Infrastructure, Transportation, and Roadmap Development (PW/CM)

RECOMMENDATION: Motion to:

- 1) Receive an update on citywide West Cliff work, including infrastructure, transportation, and the development of a roadmap for a resilient and accessible West Cliff; and
- 2) Kick-off community review of the in-process roadmap and provide feedback to staff.

BACKGROUND: West Cliff Drive between Columbia Road and David Way was severely damaged by large swells during the January 2023 storms, causing portions of the roadway and path to fail, along with impacts to public access points, utility infrastructure, and the surrounding neighborhood. Initial work was focused on emergency protective measures geared toward safety and access. Additionally, community interest in support of accelerated decision-making regarding management of the West Cliff area was activated.

Post-disaster, the City assembled an integrated, citywide team to holistically address the damage, including existing Public Works projects in process, and develop adjusted next steps as West Cliff is a cherished public amenity that should be accessible to all for a variety of uses.¹ The extended citywide team also included consulting and engineering partners, regulatory agencies, funders, the community, and community groups.

Work to date encompassed:

- At Council's February 28, 2023 meeting, ratification of emergency work, authorization of next steps, and budget appropriation for funding various West Cliff components;
- Emergency protective measures for temporary traffic control;
- Transition of the above measures to support implementation of a one-way pilot as defined by Council on February 28th, bounded by Columbia Street, Almar Avenue, and Delaware Avenue;
- Follow-up on traffic impacts of the storm damage and one-way pilot, including design, outreach, and start of implementation for traffic calming installation on Oxford Way;

¹ Project related information, related sites to link to, and community outreach information can be found at: <https://www.cityofsantacruz.com/government/city-departments/city-manager/west-cliff>

- Issuing and awarding a request for proposal for a transportation engineering consulting partner;
- Infrastructure project work including furthering funding steps with the Federal Highway Administration (FHWA) and the Federal Emergency Management Agency (FEMA), and specific Bethany Curve engineering consulting regarding assessment and design of repairs;
- Partial draft of a West Cliff resiliency and accessibility roadmap that weaves historical City work with updated realities of a very dynamic coast and an imperative to adapt to ever changing circumstances; and
- Community outreach across all of the above topics (detailed below).

Community Conversations (Outreach):

- Webinar: West Cliff Update (02/13/23 - ~250 in attendance)
- Webinar: Post February 28th Council Meeting Update + Traffic Calming Measures (03/30/23 - ~70 in attendance)
- In Person Open House: Traffic Calming, Revetment Projects; Roadmap Project Update; Save West Cliff Maps (04/27/23 - ~100 in attendance)
- Neighborhood / “garage” meetings:
 - o 2 on Oxford - ~30 people each
 - o 1 on Pelton - ~30 people
 - o 1 on Delaware (coming on 05/22/23)
- Other community outreach:
 - o Paradise in Peril at London Nelson Center (03/02/23)
 - o Museum of Natural History What's up with the Weather Storm Resource Fair (03/04/23)
 - o Democratic Women's Club's Community Climate Conversation at Cabrillo (03/16/23)
 - o Numerous media interviews

DISCUSSION:

Infrastructure

Public Works has retained a transportation engineering consultant team to assess failures along the bluff and the Bethany Curve culvert and develop repairs in order to restore the path and roadway to pre-storm conditions. At this time, instead of replacing rip-rap, construction of infill walls along 920, 932, 1016, and 1030 West Cliff (see attached “West Cliff Drive Erosion Volume Estimates”) is the preferred method of construction because they are estimated to be more cost-effective and a more robust solution that maximizes flexibility in future decision-making for additional coastal infrastructure.

Without extensive demolition, the full extent of the damage at Bethany Curve culvert is still unclear. But the 100-year-old structure is expected to be demolished and replaced in-kind or with a slightly elevated path and roadway to build a more resilient structure for vehicular and pedestrian access to West Cliff. The City team continues to work with FHWA and FEMA to secure emergency relief funding (see attached “West Cliff Drive Erosion Volume Estimates”). The estimated cost of the repairs is expected to be around \$17 million. Should relief funding be approved, construction could occur as early as this summer.

Transportation

West Cliff Drive between Columbia Drive and Woodrow Avenue continues to provide one-way westbound (towards Natural Bridges) vehicular traffic and a temporary on-street multi-use path outside the failed bluff sections. At Bethany Curve, the bridge is closed to vehicle traffic but allows pedestrian and bicycle access. The roadway between Almar Avenue and east of David Way is open for “local access only” as the roadway is closed at the culvert. A detour route is posted via Delaware Avenue to circumvent the culvert.

To study the conditions, identify neighborhood traffic calming treatments, and develop recommendations for the pilot, staff have retained a transportation engineering consultant and conducted neighborhood “garage” meetings to solicit public input.

An initial traffic calming installation has been identified for Oxford Way at the request of the neighborhood and as supported by collected traffic data. Vehicular volume counts conducted in February showed that approximately 2,100 cars per day were using Oxford Way, instead of the signed detour route for Delaware Ave. The adjacent parallel streets, Plateau Avenue and Alta Avenue, in contrast, experienced approximately 300 cars per day. The Public Works Transportation division identified and shared volume reduction strategies. The neighborhood selected a cul-de-sac treatment at the Bethany Curve crosswalk with a vote. The cul-de-sac will be implemented at the end of May and remain in-place for the duration of the one-way pilot.

Public engagement within the pilot area has largely focused on the diverted traffic from the one-way configuration. To date, there have been two meetings on Oxford and one meeting on Pelton, with attendance in the range of about 30 residents each. Transportation staff has an upcoming meeting scheduled with Delaware neighbors. The meetings have been organized with the neighborhood residents and have been very helpful in identifying improvements for the pilot and refining the City’s approach to neighborhood traffic calming. For future installations, staff will recommend a menu of treatments and a process for neighborhoods to request them. Staff anticipate evaluating future requests with both traffic data, and by neighborhood petition or support, and will bring needed actions to Council in a timely manner.

The transportation engineering consultant team (selected from the RFP process) is beginning their effort by evaluating travel patterns surrounding the pilot area. The effort includes reviewing historic traffic counts, collecting new traffic counts, and sourcing location-based travel data - all to provide an insight into how people traveled along West Cliff before the pilot, and what’s changed with the pilot. The data will be used to help quantify how people travel around West Cliff and in turn quantify how the one-way pilot changed travel patterns and provide better insights into how to mitigate its impact. Traffic counts are going to be collected on a peak weekend, like Memorial Day, and a “typical” day to gain more understanding of the seasonal variations of travel patterns. The results of the travel analysis will be presented at a future date, and staff will provide a timeframe during the May 23rd Council meeting.

Roadmap

The purpose of “A Resilient West Cliff Accessible to All” (Roadmap) is to develop a shared narrative about West Cliff, specifically the area between Natural Bridges State Beach and Lighthouse Point, by assessing the City’s historical body of work with the Council and the community. This includes numerous draft and final documents that support specific pathways for projects and infrastructure on West Cliff. City staff and Farallon Strategies (Project Team) are extracting the actions, policies, triggers and thresholds from this prior work.

The pending nature of funding, policy, and public works initiatives, combined with the urgency of storm repairs and recovery, have placed the City in a challenging position. The City must manage complicated timelines across regulatory agencies, funding decisions and reimbursement protocols, necessary repairs, and community interest, all while through the lens of long-range decision making tied to the projected impacts of climate change and ongoing erosion along the coast.

The Project Team prepared a partial draft² of the Roadmap including:

- Draft aligning vision language describing the purpose of the Roadmap and the City's previous planning activities;
- A history of the dynamic coast; and
- Sections on adaptation triggers and thresholds and post-disaster projects (0-3 years).

While the Roadmap is in partial draft form, the Project Team, in the spirit of collaboration and co-development, staff seeks the Council's and community's feedback on the following items contained in the draft Roadmap:

- High-level vision for West Cliff as compiled from existing City documents;
- Narrative regarding the dynamic coast reflecting the existing coastal management policy direction of the City; and
- Opportunities to support emergency recovery actions and post-disaster recovery priorities, given regulatory constraints and available funding and financing abilities..

Following initial discussions at the May 23rd City Council meeting, the Project Team will organize additional community conversations on the Roadmap in the late May-June timeframe. Additional outreach will be done for the subsequent releases of the rest of the Roadmap.

FISCAL IMPACT: None.

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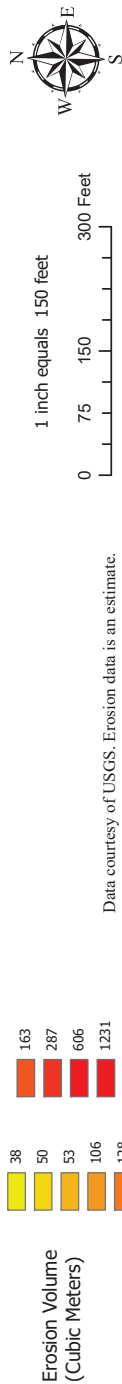
Laura Schmidt
Assistant City Manager

ATTACHMENTS:

1. West Cliff Drive Erosion Volume Estimates
2. A Resilient West Cliff Accessible to All Roadmap (DRAFT)

² The Executive Summary and final section for projects beyond three years will be delivered at the next Council update.

West Cliff Drive Erosion Volume Estimates



Note: Anticipated funding coverage by FHWA are in blue note boxes; FEMA in white note boxes.

DRAFT

A Resilient West Cliff, Accessible to All Roadmap

May 17, 2023

Table of Contents

Table of Contents.....	1
Executive Summary	2
Aligning Vision	2
A Dynamic Coast	4
West Cliff Adaptation Triggers and Thresholds	6
Introduction	6
Post-disaster Projects (0-3 years)	8
Introduction	8
Projects	8
Beyond Three Years: Projects by Triggers and Thresholds.....	12
Appendices	12

Executive Summary

To be developed.

Aligning Vision

The purpose of the *Resilient West Cliff, Accessible for All* ("Roadmap") is to develop a shared narrative about West Cliff, defined here as the area between Natural Bridges State Beach and Lighthouse Point (see Figure 1-0 in the West Cliff Drive Adaptation and Management Plan). The Roadmap contains projects and policies related to West Cliff to generate a usable, useful resource to inform City decision-making and prioritization of projects and policies in the post-disaster time period (0-3 years). City staff accomplished this by leveraging existing city resources (plans and staff expertise) and mapping those assets against available resources (state, federal and philanthropic) to put, and keep, the City on a path away from the storm damage and disasters of January 2023 and toward a resilient West Cliff, accessible for all. The Roadmap also contains information about potential triggers and thresholds, and projects the City could pursue to build and maintain long-term resilience beyond the post-disaster period. The storms of January 2023 were a stark harbinger of the constant change our coastline experiences and a reminder of the potential for increased risks faced by communities. These storms also created a window of opportunity for the City to activate staff, resources, and community assets to advance projects and develop a coordinated vision for a *Resilient West Cliff, Accessible for All*.

On November 27, 2018 City Council passed an emergency resolution stating "an existential climate emergency threatens our cities, towns, region, state, nation, civilization, humanity and the natural world". In the resolution the City committed to "consider revising its existing policy, priorities, processes, and distribution of resources to enable emergency climate action measures in the City". Every recent report from the Intergovernmental Panel on Climate Change ("IPCC") to California's Climate Change Assessment tells us we are now at a point when climate mitigation action is insufficient. As reiterated in the City's Climate Adaptation Plan (2018), to address the impacts of climate change, the City must be prepared to implement challenging climate adaptation and resilience strategies, which include new ways of building, maintaining, funding, and engaging with the built and natural environment.

Over the past decade departments from across the City including Parks and Recreation, Water, City Manager, Public Works, Planning and Community Development, and Economic Development and Housing have adopted plans and developed projects related to West Cliff. The number of plans and level of attention this area receives is a testament to its centrality to the City's identity and the complex interactions between economic, environmental, and social values. City staff and Farallon Strategies reviewed these plans (see Appendix A) to develop the Roadmap. These plans represent hundreds of hours of public engagement meetings and skilled

Commented [LS1]: Attachments to come in future version of Roadmap.

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

evaluation and assessment by City staff and a variety of consultants using scientifically sound data, deep community knowledge, and lived expertise.

Weaving the West Cliff Plans Together

Achieving an aligned vision for West Cliff will require building on the environmental and social dynamism of the coast and City itself. Current City plans, including the City Parks Master Plan 2030, West Cliff Drive Adaptation and Management Plan, City Climate Action Plan 2030, City Active Transportation Plan, and the City's Local Hazard Mitigation Plan 2018-2023 Update highlight the need for:

- increased accessibility along the coastal bluffs of West Cliff (City Parks Master Plan 2030);
- integration of the parks and green spaces along West Cliff adding to benefits for people and nature (City Parks Master Plan 2030);
- recognizing coastal erosion as a natural process and one in which the City will need to balance its response between accommodating through community relocation and armoring against to preserve access and community safety (West Cliff Adaptation and Management Plan);
- recognizing that ongoing coastal erosion is a significant problem along West Cliff Drive and this will continue as sea levels continue to rise (City's Local Hazard Mitigation Plan 2018-2023 Update);
- creation of active transportation networks to facilitate residents and visitors traveling safely through the West Cliff area using non-motorized transportation methods (City Climate Action Plan 2030, City Active Transportation Plan);
- recognizing seawalls and jetties have finite life spans and may have adverse effects on other parts of the coast (City's Local Hazard Mitigation Plan 2018-2023 Update);
- recognizing climate change is accelerating impacts on the natural and built environment and establishing an adaptive management approach to all City planning and programming is necessary to respond quickly and nimbly to a dynamic and changing environment (City Climate Action Plan 2030, West Cliff Adaptation and Management Plan).

Planning By The People

The City has consistently approached its planning processes focused on community voices, expertise and experience. Specifically, the City has led robust community engagement to identify preferred options for adaptive management of the coast, including one-on-one interviews with community members, virtual meetings, in-person meetings, surveys, and focus groups. During the Resilient Coast Santa Cruz Initiative, the City hosted or participated in over 50 meetings and engaged in over 1,500 conversations with the community (City's "Synthesis Summary of Outreach and Engagement"). For example, the City engaged with focus groups of department heads, technical advisory committee members, and the community to identify preferred short- and longer-term transportation management strategies for West Cliff.

A Dynamic Coast

Recovery is no longer about assuming things should be the way they were.

Federal programs from the Federal Emergency Management Agency (FEMA), Housing and Urban Development (HUD), and Federal Highway Administration (FHWA) have created mechanisms to leverage disaster declarations and emergency events to advance more resilient solutions. For example projects like "X, Y, Z" are eligible through "ABC programs". Whereas in the past disaster recovery mandated 'putting things back the way they were,' new FEMA guidelines allow for changes to the physical design of infrastructure. Furthermore, areas that have suffered disaster declarations now have access to funding that allow for strategic future planning including the Building Resilient Communities (BRIC) program.

"Cliff erosion occurs frequently and there is a long history of coastal erosion along this corridor. Erosion responses have been to either relocate or to armor the eroded areas. Currently, almost 50% of West Cliff is protected by seawalls and rip-rap, of varying age and in varying condition, which currently mitigates some of the existing erosion hazards but may not be sufficient to mitigate future sea level rise hazards" (West Cliff Adaptation and Management Plan, page 13)

Coastal management is prioritizing working with nature.

Coastal management and integrated planning that incorporates, and values, natural assets and access rather than limit and control them are a growing trend, in coastal zones and beyond. FEMA recently developed a guideline report entitled [Building Community Resilience With Nature-Based Solutions](#) that highlights where NBS fit into FEMA's existing programs, such as hazard mitigation, source water protection, and risk management. Public-private funding opportunities like the National Fish and Wildlife Foundation and [National Oceanographic and Atmospheric Administration National Coastal Resilience Fund \(NCRF\)](#) demonstrates the willingness of federal agencies and foundations to pay for planning, design, and implementation of complex NBS projects. Databases, such as the [National Wildlife Foundation's Natural Based Solutions Database](#), show the breadth of funding opportunities for projects that couple the prioritization of nature with human social dimensions.

"The coastal bluffs along West Cliff Drive are an additional feature, attracting visitors with coastal views and providing opportunities to walk, run, bicycle, watch wildlife, as well as access to beaches and surf breaks. (City of Santa Cruz Parks Master Plan 2030 page 2.2-1)

Economic resilience is not about serving a single bottom line.

Creating spaces and opportunities that are accessible for people of all income levels and providing a sense of belonging for people from all backgrounds are necessary to achieve positive economic outcomes while building climate resilience. Creative finance solutions, like environmental impact bonds valuing stormwater management (Milwaukee, WI) or restored coastal wetlands (coastal Louisiana) can create opportunities to build economic resilience through adaptive actions. Other innovations like competitions (Oceanside, CA) can bring in new

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

opportunities and investors eager to help address community challenges. California is allowing for more creative economic finance mechanisms to address climate change through the establishment of Climate Resilience Districts (released in 2023) and Resilience Bonds (forthcoming) which can serve to connect resilience goals across the City by linking economic opportunities to the social and environmental values of communities.

Transportation and mobility are about moving people not about moving cars.

Embracing multimodal forms of transportation, not as alternatives, but as the primary mechanism of movement is a growing trend and one which the City is well positioned to lead. Recovery dollars available from FHWA, including formula funds like the PROTECT Program, are increasingly designed to support pedestrians, cyclist, and other non-motorized transportation methods. Expanding safe spaces for pedestrians, cyclists, and others with limited mobility along West Cliff is an important priority in the short-term recovery period and for long term resilience and accessibility of the coastal zone. Proceeding through the disaster recovery process with an intention to study any impacts and assess benefits of limiting motorized vehicles from Lighthouse Point to Natural Bridges.

"The need to create a seamless and safe active transportation network; create a robust, decarbonized reliable public transportation system; establish more affordable, denser housing; promote food recovery and composting; and enhance regenerative landscapes while prioritizing measures with co-benefits." (City Climate Action Plan 2030, page 3)

Parks space is about community.

Embracing park space and nature as venues for active engagement and recreation is integral to the City. Residents and visitors have close relationships with the water and coastline. Ensuring park accessibility for all and minimizing built infrastructure and intervention in park space is a way to preserve the natural coastline.

"Policy A - Continue to integrate, expand and improve the connective and accessible network of parks, open spaces, and trails. ACTION 3. Help develop and implement an integrated design, land-use, recreation, cliff stabilization, and landscape plan for West Cliff and East Cliff Drives to enhance public safety, access, connectivity, preservation, and recreational enjoyment along the coastline." (City of Santa Cruz Parks Master Plan 2030)

Planning processes are not just about reaching a permanent solution.

Just as City planning on the coast must be aligned with dynamic coastal conditions, which are exacerbated by climate change-fueled storms, sea level rise, and in-land flooding, City planning must also align with social and political shifts which recognize community resources such as West Cliff must be accessible to all as a public amenity. It is necessary for the City and its residents to recognize planning processes, especially in the coastal zone, will require iteration, with ongoing engagement and updates.

"Land use and development along West Cliff are unique. The City owns most of the land along the seaward side of West Cliff Drive except for a few private parcels, including but not limited to a private residence and two hotels. California State Parks owns and operates

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

Lighthouse Field State Beach, on the landward side of West Cliff Drive lies Lighthouse Field, an open space with various habitat and recreational values, as well as portions of West Cliff Drive near the Lighthouse and Natural Bridges State Beach, with both sites having seabird roosting sites as well as monarch butterfly groves. The zoning along the ocean side of West Cliff Drive is Ocean Front Recreation, which limits most development potential. Along the shoreline are a variety of beaches, rocky intertidal, and cliff roosting habitat for a variety of sensitive bird and intertidal species. Just offshore are kelp beds and offshore rocks, which provide habitat for sea otters and a host of other marine mammals. During fall and spring, it is common to observe migratory whales moving between Alaska and Mexico.” (West Cliff Adaptation and Management Plan, page 15)

West Cliff Adaptation Triggers and Thresholds

Introduction

To prepare for current and future impacts of climate change and to stay abreast of dynamic social, economic, and ecological changes, the adoption of ‘triggers’ and ‘thresholds’ to guide the prioritization and implementation of projects and plans is needed. Climate adaptation triggers and thresholds play a prominent role in recent planning and community engagement activities in the city, including the Resilient Coast Santa Cruz Initiative, the West Cliff Drive Adaptation Management Plan, coastal monitoring network, and recent student engagements and NSF research collaborations between the City and University of California, Santa Cruz (UCSC).

The use of triggers and thresholds can support planning processes which happen under uncertain future conditions. By adopting triggers and thresholds as the decision-making framework for project planning and implementation, the City will be more able to respond to changing conditions as they come. The use of triggers can help to identify when planning and permitting processes should be initiated and when adaptation action should be implemented. This condition-based action is critical when dealing with the dynamic coast.

Triggers and thresholds can derive from a range of disciplines and factors. The West Cliff Drive Adaptation and Management Plan Adaptation Alternatives Analysis, includes a framework of triggers and thresholds that include temporal, environmental, structural, and fiscal conditions:

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

TEMPORAL	ENVIRONMENTAL	STRUCTURAL	FISCAL
DURATION OF TEMPORARY LOSS	SEA LEVEL RISE ELEVATION	REPETITIVE LOSS	COST/BENEFIT EXCEEDANCES
FUTURE TIME HORIZON	RATE OF SEA LEVEL RISE	BLUFF FAILURE	WILLINGNESS TO PAY
INFRASTRUCTURE RESILIENCY	SALT WATER INTRUSION	LOSS OR CONDITION OF PROTECTIVE STRUCTURES	
PAST PERMITTED USE	HABITAT IMPACTS OR RESPONSE	LOSS OF SERVICE OR USES	
CUMULATIVE LOSS OF USE OR ACCESS	BEACH WIDTH	PREScriptive SETBACKS	
	HAZARDOUS CONDITIONS		
	LOSS OF PUBLIC USE OR ACCESS		

Figure 11-1. Example Triggers

During the Resilient Coast Santa Cruz Initiative community members, leaders, staff and experts provided feedback on the tipping points and thresholds they felt were most important or pressing, as decisions would be made along West Cliff using these thresholds (see page 11-4 Adaptation Alternatives Analysis).

Today, new triggers and thresholds are being considered by the City's sustainability staff to expand the type of change or hazards to include social and ecological triggers. Examples of social triggers include:

- sense of preparedness to address a coastal hazard;
- decline in use of recreational areas; and
- rising costs of property insurance due to flood risks.

As with any triggers, these too will require a robust monitoring plan and committed administrative buy-in by multiple departments and stakeholders in the community, to translate from theory to planning to implemented practice.

Through effective revenue development via grants and strong partnerships with local universities and experts, the City is establishing a robust monitoring network that enables the use of adaptation triggers and thresholds. This monitoring network includes direct observation of the physical conditions of the West Cliff area via field observations, drone surveys and cameras and administrative management and monitoring tools including budget analysis to evaluate repeated loss, storm damage, infrastructure repair and management, and asset use and access including days public facilities closed due to storms and number of rescues performed by

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

emergency response crews. Furthermore, the City couples these efforts by making an annual inspection of the coastline that informs annual budgeting.

Connecting triggers and thresholds to additional planning and regulatory documents

The use of adaptation triggers and thresholds is relatively new in public planning and regulatory approaches. However, a growing recognition of the need to address climate impacts with flexibility and iteration is leading state and federal agencies to embrace the approach. By adopting an approach to coastal management based on triggers and thresholds the City presents a long-term vision for West Cliff. This long-term vision is needed to get approval from California Coastal Commission (CCC) for the City's Local Coastal Plan (LCP). The City's current list of proposed triggers from the adaptation and Management Plan for West Cliff would allow for the presentation of a LCP that articulates the City's vision for safe, accessible, resilient West Cliff and also has specific guidelines for areas of interest across the coast. Those areas would include areas where greater attention is needed because of physical conditions, like erosion and bluff failure and also social considerations like beach access and park use.

While the LCP serves as a guiding document for where the City is heading, another regulatory document, the Local Hazard Mitigation Plan (LMHP), exists as a document that is most often referenced in weeks and months following an acute hazard event. A City equipped with a strong monitoring program and administrative and community buy-in to its triggers and thresholds based LMHP is exceptionally well equipped to respond in a rapid and forward-looking manner to acute (and chronic) hazard events.

Post-disaster Projects (0-3 years)

Introduction

As outlined in the Dynamic Coast section, West Cliff has a long history of coastal erosion. Attempts to manage this erosion through hard armoring or other interventions have proven to be temporary and costly. Disasters regularly cause interruptions in access to West Cliff and limit the ability to allow for the important discussions needed to address long-term resilience and accessibility of West Cliff. Post-disaster recovery projects should address near term access while also positioning the City and infrastructure for projects that, using the language of California Governor's Office of Emergency Services (CalOES) and FEMA, "enhance the level of protection to disaster damaged facilities from similar damages in the future." Leveraging post disaster recovery efforts to implement mitigation measures to harden, modify, or relocate the damaged facility rather than repairing it to its pre-disaster design.

Projects

Geotechnical Study of Sea Cave on the West Side of Lighthouse Point

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

Zone 3 - Its Beach, Point Santa Cruz, and Steamer Lane: Conduct a geotechnical study of sea cave on west side of Lighthouse Point (AEC #37). Previous studies were conducted in 2006 and 2016 with little change in sea cave. Next scheduled study is in 2026. Although not anticipated, should the study reveal an imminent risk, the City will prioritize evaluation and design of an alternative or the feasibility of relocating the Lighthouse (retreat) in the medium to longer term.

West Cliff Drive Sea Cave Stabilization

Adopted in the West Cliff Drive Public Works Plan, this project includes the design and fill of a sea cave at Stockton Ave. The project will likely be funded through a combination of grant funding to be pursued, e.g., State grants, FEMA BRIC, State Shoreline Erosion Control Grant Program for Funding in Fiscal Year 2022-23, and pre/post mitigation funding (currently unfunded).

West Cliff Drive One Way Pilot and Neighborhood Traffic Calming and Emergency Preventative Work

West Cliff Drive between Columbia Drive and Woodrow Avenue continues to provide one-way westbound (towards Natural Bridges) vehicular traffic and a temporary on-street multi-use path outside the failed bluff sections. At Bethany Curve, the bridge is closed to vehicle traffic but allows pedestrian and bicycle access. The roadway between Almar Avenue and David Way is open for "local access only" as the roadway is closed at the culvert. A detour route is posted via Delaware Avenue to circumvent the culvert.

To study the conditions, identify neighborhood traffic calming treatments, and develop recommendations for the pilot, staff have retained a transportation engineering consultant and conducted neighborhood "garage" meetings to solicit public input. An initial traffic calming installation has been identified for Oxford Way at the request of the neighborhood and as supported by collected traffic data. Vehicular volume counts conducted in February showed that approximately 2100 cars per day were using Oxford Way, instead of the signed detour route for Delaware Ave. The adjacent parallel streets, Plateau Avenue and Alta Avenue, in contrast, experienced approximately 300 cars per day. The Public Works Transportation division identified volume reduction strategies and the neighborhood selected a cul-de-sac treatment at the Bethany Curve crosswalk with a vote. The cul-de-sac will be implemented at the end of May and remain in-place for the duration of the one-way pilot. Additionally, the City will place approximately 200 tons of rip-rap to prevent further erosion due to wave action at the failure opposite of 1016 West Cliff Drive.

West Cliff Stair Repair

The repair of two stairways along West Cliff Drive was completed in FY 2022, however the City anticipates additional stair repairs. Construction was contingent on favorable tide and weather conditions. Likely stair improvements include handrail improvements, replacement of degraded concrete treads and construction of new landings.

West Cliff Drive Stabilization

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

To prevent damage to the West Cliff path, roadway, and utilities, this project proposes to place additional engineered rock protection and infill walls in areas that have been damaged by King tides and atmospheric rivers in recent years, as needed. In FY 2016, funding was used to repair two locations near Woodrow and a sinkhole at a retaining wall near Woodrow.

With significant damages sustained from bomb cyclone events in Winter 2023, FY 2024 priority locations for stabilization include the 900 and 1000 block of West Cliff Drive. Infill walls instead of rock protection are being considered along the areas opposite of 920, 932, 1016, and 1030 West Cliff Drive as they may be a more cost-effective and robust solution, while making it easier for a potential future connection to a larger seawall. Infill wall design is also less likely to have fugitive material displaced over time on the beach or surf. These and other areas are identified in the West Cliff Drive Adaptation and Management Plan (2021). Bethany Curve Culvert repairs is a separate stand-alone project. In addition to General Fund requests, the City continues to seek grant funds from several sources to support this project, including but not limited to FHWA, FEMA, CalOES, and the Division of Boating and Waterways.

West Cliff Bethany Curve Culvert

The culvert retaining walls, roadway, and storm drain system sustained significant damages from the Winter 2023 storm events. This project includes developing plans to replace the Bethany Curve culvert in order to maintain storm water drainage system and restore vehicle access to West Cliff Drive. Work is anticipated to include removal of damaged walls and catch basins, rehabilitation or structural reinforcement around existing culvert pipe, and replacement of roadway, pathway, and inward and seaward walls. Given the existing culvert was in place for over 100 years it is anticipated the culvert structure replacement would be in place for many decades to come. In addition to General Fund requests as a local match, the City is seeking grant funding from FHWA.

West Cliff Resiliency and Accessibility

Created in response to the atmospheric river storms events in late December 2022 – January 2023, the West Cliff Resiliency and Accessibility project seeded reserve funds for repair and post-disaster projects, along with long range planning and alignment efforts for West Cliff. Initial project work focused on transportation and infrastructure engineering. Further use of funding will be detailed in West Cliff updates to Council.

West Cliff Intersection Improvements

The Beach/SOLA Plan, and subsequently the General Plan identified traffic circulation improvements at Bay/West Cliff to reduce congestion and improve safety. This is a Traffic Impact Fee intersection and mitigation for the General Plan buildout. A mini-roundabout was approved with the Dream Inn's 190 West Cliff Drive project, and development of the 190 West Cliff Drive project will pay its fair share of the intersection improvements and dedicated right-of-way.

West Cliff Drive Multi-Use Path Pavement Rehabilitation

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

This project will address some of the deferred maintenance of the path surface with patching, edge repair and slurry paving of the multi-use path. The first phase from Bay to Lighthouse Field was completed in FY 2012 and the second phase from Lighthouse to John Street was completed in FY 2015. The third phase is being developed for construction in FY 2024 following the storm damage repair near Chico Ave.

Corrugated Metal Pipe (CMP) Storm Drain Pipe Replacement

Corrugated Metal Pipe (CMP) storm drain pipe has a useful life of approximately 50 years. There are several of these storm drains citywide where the pipe has corroded and collapsed, necessitating replacement with plastic pipe which has a longer useful life. Engineering and Operations staff identified the highest priority locations for replacement, which includes West Cliff Drive CMPs.

Coastal Living Shoreline, Nature Based Solutions and Sand Management Feasibility Study

The City has identified potential sites for living shorelines and nature based coastal adaptation solutions through its Resilient Coast Santa Cruz coastal climate adaptation planning initiative (2019-2022). However, this assessment is not comprehensive and a full feasibility study to understand the technical, ecological, legal, regulatory and social feasibility of these solution options needs to be conducted to integrate into the City's ongoing coastal adaptation work.

The City is seeking funding from the California Coastal Conservancy to:

- (1) conduct a feasibility study of nature based solutions (NBS) and living shorelines (LS);
- (2) evaluate the potential for using sand management techniques to replenish sand on down coast beaches;
- (3) develop conceptual designs of feasible LS, NBS and sand management techniques;
- (4) prepare virtual reality visualizations of feasible concepts in the City's Sea Level Rise Explorer application for use in equitable engagement during the project; and
- (5) identify ecological triggers and thresholds to monitor coastal ecological change and potential LS and NBS performance as well as transition to solutions which enhance and protect ecosystems.

The City has requested \$500,000 to fund this work which it anticipates to complete by the end of 2024.

West Cliff Post Storm Recovery Resiliency

The bomb cyclone event in January 2023 caused substantial damage along West Cliff Drive. Protective riprap, portions of the bike pedestrian path and road failed during the storm, forcing the City to close a section to all vehicle traffic and install a one-way vehicle road. The City has developed a Post Storm Recovery Resiliency Strategy that involves addressing near term damage repair and transitioning to a durable, longer-term solution. However, federal emergency funding will only cover a portion of the recovery. Recovery includes repairing all failed damages to riprap, path and road as well as conducting community engagement and piloting one-way concepts along the corridor. While extensive planning and engagement has been conducted to

A Resilient West Cliff, Accessible to All Roadmap (*DRAFT*)

understand regulatory paths, community preferences, and costs for feasible medium to longer term adaptation solutions, the City requires project support, additional studies and engineering to advance community supported coastal resiliency beyond status quo recovery repairs. This work includes evaluation and design of grey-green and nature-based solutions, sand management and living shorelines, ongoing engagement and integrating betterment activities into post recovery resiliency, e.g., recreational amenities and ecosystem restoration. Funding will advance West Cliff resiliency beyond the recovery phase to ensure an accessible and free coastline for residents, visitors and wildlife.

West Cliff's Mitchell's Cove Seawall Design

The purpose of the Mitchell's Cove Seawall design project is to complete all portions of design, permitting and environmental review to deliver a shovel ready seawall construction project. The proposed seawall would protect 1,600 linear feet of cliff and bluff face, adjacent bike and pedestrian path, roadway, utilities and homes on the landward side of the bluff face and bolster access, recreation, ecosystem and education function. The objectives of the seawall design project are to (1) provide durable structural stability and protection to the Mitchell's Cove area, (2) ensure and enhance recreation and access opportunities, (3) increase ecological function, (4) sustain economic activity related to recreation and tourism, and (5) offer education opportunities for residents and visitors on the coast line, its indigenous history, unique natural features and wildlife and history.

Santa Cruz Coastal Adaptation Monitoring Program

The City is developing a smart coastal change monitoring program for incorporation into its Local Coastal Plan through a targeted amendment. The coastal change monitoring program will explore and integrate social and geophysical triggers for guiding the City's implementation of priority coastal adaptation pathways. The program will be developed with a cross disciplinary team through scientific assessment of existing and potential environmental and social data and methods; community engagement and communication focused on social vulnerability and equity; and integration of science and community concerns with the City's LCP policy and implementation framework related to coastal adaptation. The goal of the project is to develop, codify and initiate deployment of a coastal change monitoring program in order to implement the City's adaptation pathways approach to coastal management in the face of climate change. The City received a \$180,000 grant from the California Coastal Commission to advance this work.

Beyond Three Years: Projects by Triggers and Thresholds

To be developed.

Appendices

To be developed.

Brittany Inclan

From: Norm Hayes <norm.hayes@gmail.com>
Sent: Sunday, May 21, 2023 6:15 PM
To: City Council
Subject: Oxford Way/West Cliff Drive

My street Oxford Way has become the "go via" route around the West cliff closure. There was a plan to put a barrier on Oxford at Bethany Curve. Is this still in the plan and when is implementation scheduled?
It is getting hazardous to back out of my driveway onto Oxford because of speeding cars.

Brittany Inclan

From: r ortiz <lisa.allen.ortiz@me.com>
Sent: Monday, May 22, 2023 7:15 AM
To: City Council
Subject: Support two way protected bike path

Esteemed SC City Council!

What an opportunity to make our city better: more sustainable, safer, modern and accessible— please support the two-way protected bike path as you re-imagine West Cliff into the climate change future. We need your leadership on this. I live in the lower west side and even though my street will be impacted by an increase in car traffic, I support this progressive, family friendly vision for a healthy and beautiful Santa Cruz.

Thank you!

Lisa Ortiz
110 Laguna st

Sent from my iPhone

Brittany Inclan

From: jfbergs <jfbergs@sbcglobal.net>
Sent: Monday, May 22, 2023 7:42 AM
To: City Council
Subject: West cliff bicycle travel

Dear City Council,

Please support/ approve a , separate from pedestrians, two way bicycle trail on West Cliff Drive. The demand for nonauto space to travel on West Cliff drive is growing yearly. It is time to be courageous and provide more space on West Cliff for a healthy and environmentally beneficial mode of transportation.

Thank You,

Joel Steinberg

Sent via the Samsung Galaxy S21 5G, an AT&T 5G smartphone

Brittany Inclan

From: Curt Simmons <curtsimmons@hotmail.com>
Sent: Monday, May 22, 2023 8:03 AM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

I ride West Cliff multiple times per week. It has been so much better for riding since the winter storms forced redirection of much of the car traffic to other roads.

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds*
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway*
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars*
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic*

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,

Curt

Brittany Inclan

From: Michele Jaeger <michele.a.jaeger@gmail.com>
Sent: Monday, May 22, 2023 8:10 AM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. I live near the intersection of Delaware and Woodrow, and I bike or walk on West Cliff most days, and feel strongly that this change would improve the lives of most people in the area (and those who come to visit).

Sincerely,
Michele Jaeger

Brittany Inclan

From: paul dionne <pauldionnephotos@gmail.com>
Sent: Monday, May 22, 2023 8:29 AM
To: City Council
Subject: west cliff biking

Please allow West Cliff Drive to have a dedicated bike lane. I've been riding West Cliff for 40 years and 20 years ago pedestrians and bikes could co-exist on one bike path, but not today! It's too crowded for both on most days and outright dangerous on the weekends. Thanks for considering this issue.

Paul Dionne

Brittany Inclan

From: Kevin Lockwood <kevin.lockwood@gmail.com>
Sent: Monday, May 22, 2023 8:37 AM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,
Kevin Lockwood

Brittany Inclan

From: Paul Cheatham <paul@noenemy.org>
Sent: Monday, May 22, 2023 8:51 AM
To: City Council
Subject: Please prioritize space for pedestrians and non motorized bicycles on West Cliff drive.

Dear Mayor Keeley and Councilmembers,

West Cliff can be a place for all people to appreciate. As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds*
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway*
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars*
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic*

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. West Cliff Drive is a sanctuary for people to enjoy one of the most beautiful parts of Santa Cruz. Creating separate spaces for walkers and bikers makes it even more enjoyable and safer for everyone. The last few years it has become so crowded bicycles are regularly bumping into walkers. I even saw someone in a wheelchair get knocked over in a collision on the walkway because there was not enough space.

*Sincerely,
Paul Cheatham*

Sent from my iPhone

Brittany Inclan

From: Jonathan Kaufman Scher <thejks@gmail.com>
Sent: Monday, May 22, 2023 9:15 AM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

People walking would no longer be surprised by people on bikes who are moving at higher speeds

People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway

People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars

A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,

Jonathan Scher
220 Swift St
Santa Cruz CA 95060

(sent from my phone)

Brittany Inclan

From: Mari Lynch <marilynych93942@gmail.com>
Sent: Monday, May 22, 2023 9:17 AM
To: City Council
Cc: Bike Santa Cruz County
Subject: I support 2-way bike travel on West Cliff Dr - see attached
Attachments: Santa Cruz Council re West Cliff.pdf

Mari Lynch, Bicycling Monterey
Post Office Box 3041
Monterey, CA 93942-3041
<https://bikemonterey.org>
mari@bikemonterey.org - 831.375.6278

May 22, 2023

Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

Biking West Cliff Drive when I was a resident of Santa Cruz (1976-81) was a common after-work activity for me much of the year, to enjoy the sunsets. I also biked West Cliff as part of my bike-to-work route the year that I worked for Well-Being magazine, whose editorial offices were on Woodrow; see photo of another Well-Being employee, Gerri Dayharsh, and me biking West Cliff:
<https://bikemonterey.org/biking-west-cliff.html>.

Since moving to Monterey County in 1981, I still bike West Cliff occasionally. Unfortunately, it is far less enjoyable, especially on weekends, due to the far larger numbers of people sharing that route.

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Thank you!

Sincerely,



Mari Lynch
Founder, Bicycling Monterey

Brittany Inclan

From: Marisa Gomez <marisabethgomez@gmail.com>
Sent: Monday, May 22, 2023 9:32 AM
To: City Council
Subject: May 23 agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

I'm so glad to hear that there is a possibility of making West Cliff Drive more bike friendly. So many people — both cyclists and pedestrians, and beyond — would benefit from creating a two-way bike lane that is separate from the vehicle lane and from the pedestrian path.

Let's try a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic
- A bike-friendly Santa Cruz will set us up for success as we navigate the changing landscape of housing and climate resilience in the years to come

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. West Cliff Drive is where I go to feel pride in my town and to feel connected to nature. We have a great opportunity to make it the best version of itself, and soon!

Sincerely,

Marisa Gomez

Community Education and Collaboration Manager | Santa Cruz Museum of Natural History
Vice President | UC Santa Cruz Arboretum & Botanic Garden Friends Board
Secretary | California Native Plant Society, Santa Cruz Chapter Board of Directors
Certified California Naturalist | UC Division of Agriculture and Natural Resources

Brittany Inclan

From: Pauline Seales <paulineseales120@gmail.com>
Sent: Monday, May 22, 2023 9:38 AM
To: City Council
Subject: Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As a resident of lower West Side, I'm a bike rider, grandmother and dog walker. The current one-way emergency system is more pleasant for all of these activities. As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,
Pauline Seales

Brittany Inclan

From: Abi Jones <jonesabi@gmail.com>
Sent: Monday, May 22, 2023 9:49 AM
To: City Council
Subject: Item 21 on May 23rd agenda : Increasing access for all on West Cliff

Dear Mayor Keeley and Councilmembers,

As you determine a new road map for West Cliff, please consider separating bicycle traffic from pedestrian traffic.

As a frequent walker on West Cliff, I find it tough to dodge bikes ridden by people who feel unsafe on the road (especially little kids!). And when I do get a chance to ride my bike on West Cliff, I have to make sure I go on weekdays to avoid tourist vehicles, especially if I'm with my own kid.

One way traffic, plus separate bike and walking lanes would improve the space for everyone, creating safer zones for families.

Thanks for your consideration in developing an accessible pilot.

Abi Jones

Brittany Inclan

From: David Zweig <david.j.zweig@gmail.com>
Sent: Monday, May 22, 2023 10:03 AM
To: City Council
Subject: West Cliff Drive

Santa Cruz City Council,

Please extend the one-way traffic pilot project. The traffic on West Cliff is too heavy to allow for walkers, bike riders, dog enthusiasts, skate boarders and now the new bike share program being installed in Santa Cruz. Please make West Cliff one way only for automobile traffic from Bay to Swanton.

Thank you,

Dave Zweig
148 Walk Circle
Santa Cruz

Brittany Inclan

From: Garrett <garrettphilipp@aol.com>
Sent: Monday, May 22, 2023 10:33 AM
To: City Council
Subject: 5.23.23. Agenda Item # 21 West Cliff

5.23.23. Agenda Item # 21 West Cliff

Dear Council,

I see a lot of letters coming in wanting a 2 way bike path and less cars.

I seriously doubt the car drivers, especially tourists, are being polled to see how they feel about that. Cars are freedom. No cars, less freedom. Those impacted by more traffic in neighborhoods will be impacted by more traffic in neighborhoods. Don't BS it any other way. IF one groups of people get something they never had, it is at the expense of others. Don't BS it any other way.

Bikes can safely travel next to car lanes in both directions now , but the reality is THEY DON'T. They use the trail because of the VIEW. It is considerably more difficult to navigate the trail for bikes as well as peds than the street safely, but they do it anyway, again because of the better VIEW.. I cannot say they are always courteous to other users, or even obey traffic laws very well. They are notorious bad drivers all over the city.

I think the focus on bikes is taking the focus from the real issue. Protecting West cliff and especially vulnerable sections of West Cliff assets such as West Cliff Dr, and tax payers homes. I can't say, but suspect a lot of fair weather recreational uses don't pay taxes here.

As long as the #1 focus of adapting to climate change with something other than "run for your lives" and more so "hold the erosion line", I don't care as much about traffic, but if there is to become a 2 way bike lane,

HAND OUT LOTS AND LOTS OF TICKETS IF THE BIKES USE THE PED PATH.

Making left turns onto Woodrow from Plateau with its many blind spots (parked cars/high dividers/line of sight corner homeowner violations) is now more difficult/risky because of extra and I think faster traffic taking the detour. It will be more so when Oxford bypass becomes unavailable. What makes you think they won't then take Alta or Plateau?

Garrett Philipp Lower West Side impacted by traffic.

Brittany Inclan

From: Renee Wall <reneebwall@gmail.com>
Sent: Monday, May 22, 2023 11:19 AM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

I urge you to consider prioritizing space for people on bikes as you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all.

I've heard time and time again how Santa Cruz is not bike-friendly, which is heart-breaking to hear considering we are a town that strives towards being environmentally sustainable, promoting equal access, and is widely considered a Mecca for outdoor activities.

I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

Sincerely,
Renee Wall

Brittany Inclan

From: chloe ortiz <chloe.sky.ortiz@gmail.com>
Sent: Monday, May 22, 2023 11:24 AM
To: City Council
Subject: I support a two way bike path!

Hello beloved city council!

Having a bike path separate from the pedestrian path on westcliff would make things more enjoyable for all types of commuters and ocean enjoyers.

More space for non-motor westcliff users!

Thank you for your work.
Chloe Ortiz

Brittany Inclan

From: Ryan Meckel <ryantmeckel@gmail.com>
Sent: Monday, May 22, 2023 11:37 AM
To: City Council
Subject: May 23, Item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

Sincerely,
Ryan Meckel

Brittany Inclan

From: Chloe Bradburn <chloeabradburn@gmail.com>
Sent: Monday, May 22, 2023 11:42 AM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds*
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway*
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars*
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic*

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,

Chloe Bradburn

Community member & bike commuter

Brittany Inclan

From: Baymoon <maku@baymoon.com>
Sent: Monday, May 22, 2023 12:13 PM
To: City Council
Subject: West Cliff Reimagined

Dear City Council Members,

We need a 2-way bike lane, separate from pedestrians, as well as 1-way car traffic on Westcliff. This will ensure that everyone can safely enjoy the beauty of this amazing visual natural resource! Currently, pedestrians and bikes use the small path along the road, making for potential collisions and injury. And there is no real benefit to having 2-way car traffic along this path since there are ample streets in both directions in the neighborhood.

Thank you,
Mary Anne Kramer-Urner (she/her/hers)
242 Dufour Street
Santa Cruz CA 95060
831-234-1909

Brittany Inclan

From: Lee White <leewhite128@gmail.com>
Sent: Monday, May 22, 2023 1:02 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. I love biking and running along the water, but without a dedicated bike space it is stressful and crowded. As a biker, I default to biking on the road with cars, but it is scary because the lanes are narrow and drivers get frustrated if I am not going their speed. It has been great having 1 way traffic on a small section of West Cliff because I can not worry about the space I take up as a biker and it would be amazing if that were extended to the whole length.

Sincerely,
Lee White

Brittany Inclan

From: k.mueller@yahoo.com
Sent: Monday, May 22, 2023 1:07 PM
To: City Council
Subject: West Cliff Drive

Dear Mayor Keeley and Councilmembers,

Regarding the draft roadmap for a resilient West Cliff Drive, I urge you to prioritize creating space bikes separate from the motor vehicle lane and the pedestrian path. This could be accomplished through a pilot one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds*
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway*
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars*
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic*

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

Sincerely,

Karsten Mueller MS, PhD

Brittany Inclan

From: sanjiv garg <sanjivgarg@yahoo.com>
Sent: Monday, May 22, 2023 1:17 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone.

Brittany Inclan

From: Elliott Campbell <elliott.campbell@ucsc.edu>
Sent: Monday, May 22, 2023 2:08 PM
To: City Council
Subject: Biking West Cliff

Mayor Keeley and Santa Cruz Councilmembers,

Thank you for your work to preserve our beautiful coastal access on West Cliff!

I am writing to ask you to consider making space for a 2-way bike lane that is separate from pedestrians and protected from vehicles.

A protected bike path on West Cliff, similar to in front of Boardwalk, would create arguably one of the most scenic bike paths in the world. What a legacy this would be your council!

I appreciate your consideration of the one-way pilot that could provide room for bicycles to be separated from pedestrians and separated from vehicles. This design is the key for safety, comfort, and enjoyment and will encourage people to travel to West Cliff by bike.

Thank you again for your service and vision for a sustainable West Cliff.

Best regards,

Elliott

Brittany Inclan

From: Bruce Dau <cruzbruce@gmail.com>
Sent: Monday, May 22, 2023 2:39 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds*
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway*
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars*
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic*

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

*Sincerely,
Bruce Dau*

Sent from Bruce's iPad

Brittany Inclan

From: whatisron@gmail.com
Sent: Monday, May 22, 2023 2:40 PM
To: City Council
Subject: null

Dear Mayor Keeley and Councilmembers,

Regarding West Cliff Drive, please consider creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,
You!

Brittany Inclan

From: Iwalani Faulkner <equitytransitsantacruz@gmail.com>
Sent: Monday, May 22, 2023 3:49 PM
To: City Council
Subject: [CAUTION: Verify Sender Before Opening!] 1-Support for Two-Way Bike Travel on West Cliff Drive and 2-Support Broadway Ave Complete Streets Improvements!
Attachments: 2023-05-22_Support2wayBikeWestCliff_SafeStreetsonBroadway.docx

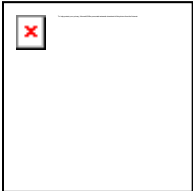
Dear Honorable Mayor Keeley and Santa Cruz City Council Members:

Please see the attached letter on behalf of Equity Transit writing in support of infrastructure for safer streets, specifically, Two-Way Bike Travel on **West Cliff Drive** and support for including **Broadway Avenue** in the Complete Streets Improvement Plan

--

Best regards,

Lani Faulkner, Director
Equity Transit - Tránsito de Equidad
www.EquityTransit.org
831-278-1007





1840 41st Ave, Ste 102, #227
Capitola, CA 95010
831-278-1007

Santa Cruz City Council Members
809 Center Street, Room 10
Santa Cruz, CA 95060
May 22, 2023

RE: 1-Support for Two-Way Bike Travel on West Cliff Drive and 2-Support Broadway Ave Complete Streets Improvements!

Dear Honorable Mayor Keeley and Santa Cruz City Council Members:

As a mom and youth mountain biking coach, I spent over 7 years taking groups of kids out onto our City Streets several times a week. My son and I ride on the city streets regularly. I can attest to the fact that our roads are designed for the SPEED of cars, not for the SAFETY of everyone.

Providing two-way bike and single one-way auto traffic on **West Cliff** and ensuring **Broadway Ave** is included in a 'Complete Streets' plan and design are critical projects moving our community towards safer street infrastructure and calms traffic speeds that lead directly to fewer injuries and deaths. We have an epidemic of traffic aggression, violence, and hence deaths and serious injuries in our community. **Santa Cruz has some of the deadliest surface streets in the State of California!** There are 3 main ways in which we can address our traffic violence issue; education, enforcement, and **infrastructure**. We also know that the high percentage of oversized vehicles now popular as status symbols in many communities also contributes to a higher death rate in a crash, especially to our pedestrians and cyclists.

Every 2-3 days someone is killed or seriously injured by a vehicle! This problem worsened as we moved through Covid. The rate of traffic violence has increased 30% during Covid years after a stunning 65% increase in traffic violence in the 10 years leading up to 2019! **Speed kills!** Typical surface road infrastructure in the United States and in Santa Cruz allows for cars to travel at speeds far beyond what is posted or safe, and **our most vulnerable**, our children biking to school, our elderly crossing the streets, and people with disabilities, wheelchair users and people who are blind, **are at greatest risk**. Our pedestrians and people riding bikes face a serious threat every time they cross or bike along the road. This has resulted in our community being a place where people who want to walk and bike do not do so because they **do not feel safe**. The more we can make our roads safer for **all** community members, not just those roaring down the road in 6,000-pound vehicles, the more people will feel safe getting out and biking and walking in our community.

We absolutely see prioritizing traffic calming and two-way bike lanes and one way auto traffic on **West Cliff Drive** as a way to improve safety. We also know that Complete Streets infrastructure on **Broadway** would provide safer passage for people coming to and from the West Side to the East Side. My family and friends ride from Live Oak to Natural Bridges and back regularly and Broadway and West Cliff are key routes from the Eastside to the Westside. We can prevent serious loss of life and make walking and biking more enjoyable with these proposed changes.

Thank you for your consideration.

Sincerely,

Lani Faulkner, Director

Brittany Inclan

From: Andrew Hall <freestyle89@gmail.com>
Sent: Monday, May 22, 2023 3:59 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

People walking would no longer be surprised by people on bikes who are moving at higher speeds

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- There would be less air pollution impacting those recreating on west cliff.
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

Sincerely,
Andrew Hall
115 lighthouse Ave.

Brittany Inclan

From: Justin Tucker <jrtucker@gmail.com>
Sent: Monday, May 22, 2023 4:06 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

People walking would no longer be surprised by people on bikes who are moving at higher speeds.

People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway.

People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars.

A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic.

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

Sincerely,

Justin Tucker

Brittany Inclan

From: Allison Steitz <allison@steitz.com>
Sent: Monday, May 22, 2023 4:10 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds*
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway*
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars*
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic*

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

*Sincerely,
Allison*

Brittany Inclan

From: JRE <jessevansfiddler@gmail.com>
Sent: Monday, May 22, 2023 4:12 PM
To: City Council
Subject: Please support a protected two-way bike route on Westcliff

Dear Mayor Keeley and Councilmembers,

I live on the Lower Westside and I am writing to you about Westcliff Drive. Westcliff is a true gem and deserves to be cherished and designed thoughtfully in a way that maximizes beauty, safety, and access for all residents and visitors.

I am writing to ask you to **create a space for people on bikes that is separate from the vehicle lane and from the multi-use path**. This could be accomplished through a pilot of one-way car traffic for the full length of Westcliff.

Although the current multi-use bike and pedestrian path on Westcliff is a wonderful piece of infrastructure, it is overcrowded with an uneasy combination of slow-moving pedestrians and dogs, slow-moving bicycle cruisers, and faster-traveling bicyclists. If the faster-moving bicyclists were protected from traffic and thus felt safe using the road, I believe they would switch, even if they continued to have access to the multi-use path. This would reduce conflicts and increase enjoyment for all users.

A motor-vehicle one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic.

Thank you for considering the best design of Westcliff to serve the needs of residents and visitors. -Jessica

Jessica Evans
Seaside Street, Santa Cruz, 95060

Brittany Inlan

From: Christy Fairbairn <justumbo@gmail.com>
Sent: Monday, May 22, 2023 4:30 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking would no longer be surprised by people on bikes who are moving at higher speeds
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic

As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving. Add some info on why West Cliff is important to you!

Sincerely,
Christy Fairbairn - avid cyclist

Brittany Inclan

From: Ann Zweig <ann.zweig@gmail.com>
Sent: Monday, May 22, 2023 4:51 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive

Dear Mayor Keeley and Councilmembers,

As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, **I urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path.** This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive. This design would increase the safety, comfort, and enjoyment of West Cliff for everyone to enjoy the beautiful scenery at their own pace.

As you consider the next steps, please prioritize a design allowing everyone to enjoy West Cliff Drive, whether walking, riding a bike, or driving.

I live five blocks from West Cliff and walk or ride it daily!

Thanks for your consideration.
Ann Zweig.

Brittany Inclan

From: Amelia Conlen <advocacy@bikesantacruzcounty.org>
Sent: Monday, May 22, 2023 4:58 PM
To: City Council
Subject: May 23rd agenda, item 21: Support increased access for all on West Cliff Drive
Attachments: 5.22 BikeSantaCruzCounty_West Cliff.pdf

Hello Mayor Keeley and Council members,

Please see attached for a letter from Bike Santa Cruz County regarding next steps on West Cliff Drive.

Sincerely,
Bike Santa Cruz County Board of Directors



May 22nd, 2023

Dear Mayor Keeley and Council members,

We appreciate the work of staff to adapt to the storm damage on West Cliff Drive and to lead a community process around next steps. As you consider the draft roadmap for a resilient West Cliff Drive that is accessible to all, we urge you to prioritize creating space for people on bikes that is separate from the vehicle lane and from the pedestrian path. This could be accomplished through a pilot of one-way car traffic for the length of West Cliff Drive.

This design would increase safety, comfort, and enjoyment of West Cliff for everyone:

- People walking on the path would no longer be surprised by people on bikes who are moving at higher speeds.
- People driving would no longer need to share the road with people who are avoiding crowded conditions on the path by biking in the roadway.
- People biking would have dedicated space, eliminating the need to navigate the crowded path or share the road with cars.
- A one-way pilot for the length of West Cliff would direct drivers to Natural Bridges Drive and Mission Street, reducing neighborhood cut-through traffic.

Transportation is the #1 source of emissions in the City of Santa Cruz, the county, and the state. Building bike facilities that make more people feel safe riding bikes is a critical step towards reducing our emissions and building a livable, safe, and welcoming community. As you consider next steps, please prioritize a design that allows everyone to enjoy West Cliff Drive, whether they are walking, riding a bike, or driving.

Sincerely,

A handwritten signature in blue ink, appearing to read "AC", with a long, sweeping horizontal line extending to the right.

Amelia Conlen
Bike Santa Cruz County Board Chair

West Cliff

Public Works Update

Matt Starkey/Nathan Nguyen
Transportation Manager/Director of Public Works



Agenda

- 1 Public Works Approach
- 2 Infrastructure Update
- 3 Transportation Update



Public Works Approach

Restore the Bluff and Damages

- Erosion and Bethany Curve Culvert

Engage Partners: Permits and Funding

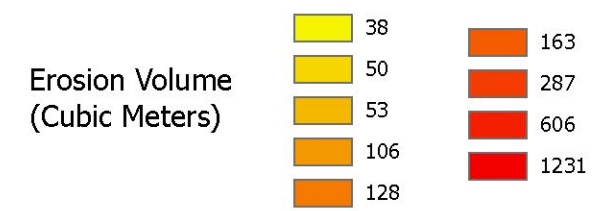
- Caltrans, FEMA, FHWA, Coastal Commission, and the Public.

Inform Coastal Adaptation

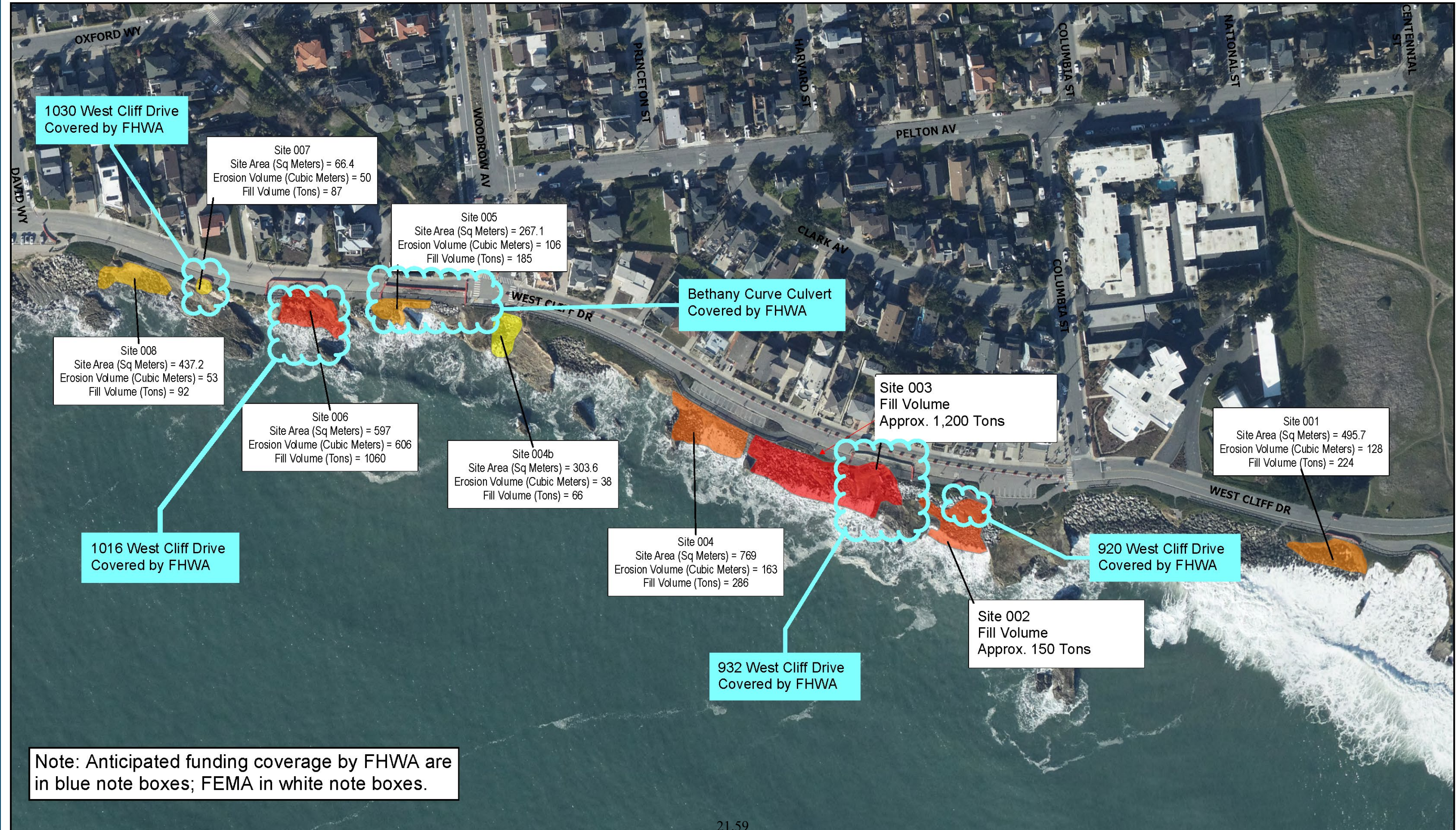
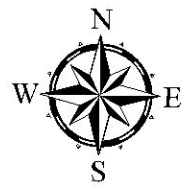
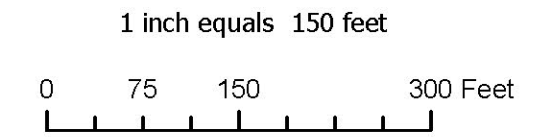
- Pilot one-way
- Traffic Evaluation



West Cliff Drive Erosion Volume Estimates

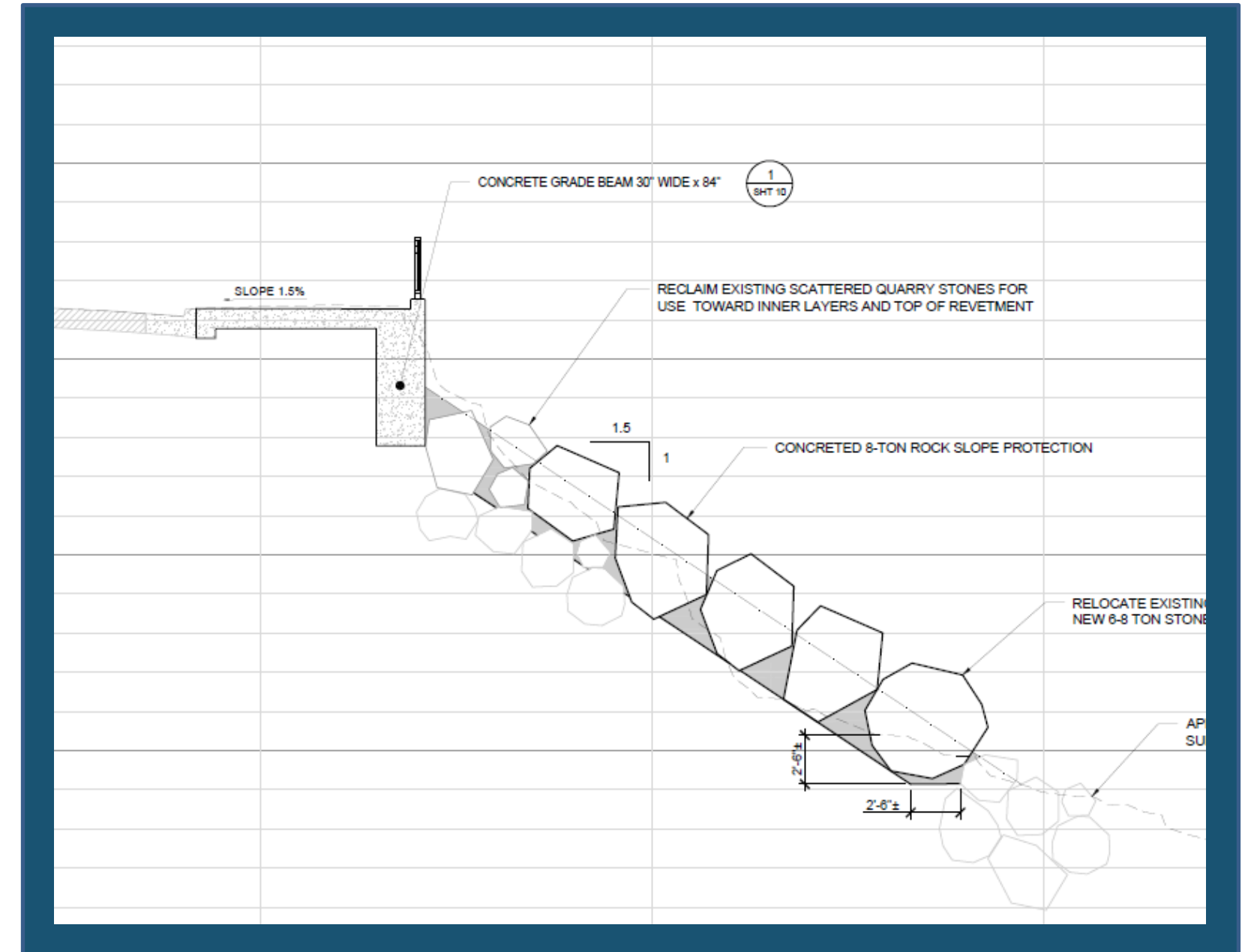
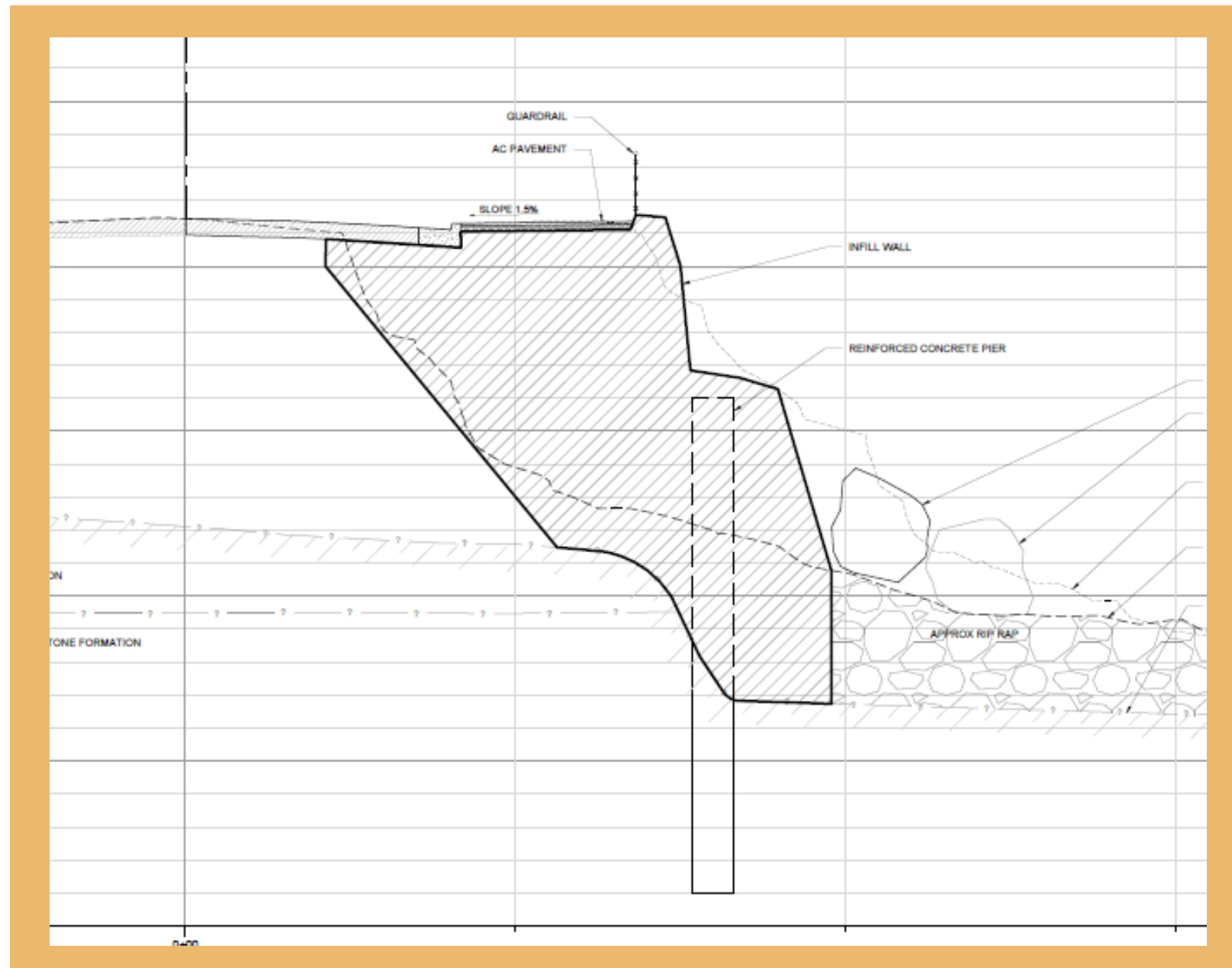


Data courtesy of USGS. Erosion data is an estimate.



Erosion Repairs

- Located at: 920, 932, 1016, & 1030 West Cliff
- Funding: FHWA, Local Match
- Timeline: Summer/Fall
- Infill Wall vs Rip Rap



Bethany Curve Culvert Repairs

- Assessment requires demolition
- 100-yr old structure (past its service life)
- Culvert and Seawall
- Resiliency/Betterments
 - Extend walls
 - Raise low point
- Timeline: Fall or Spring



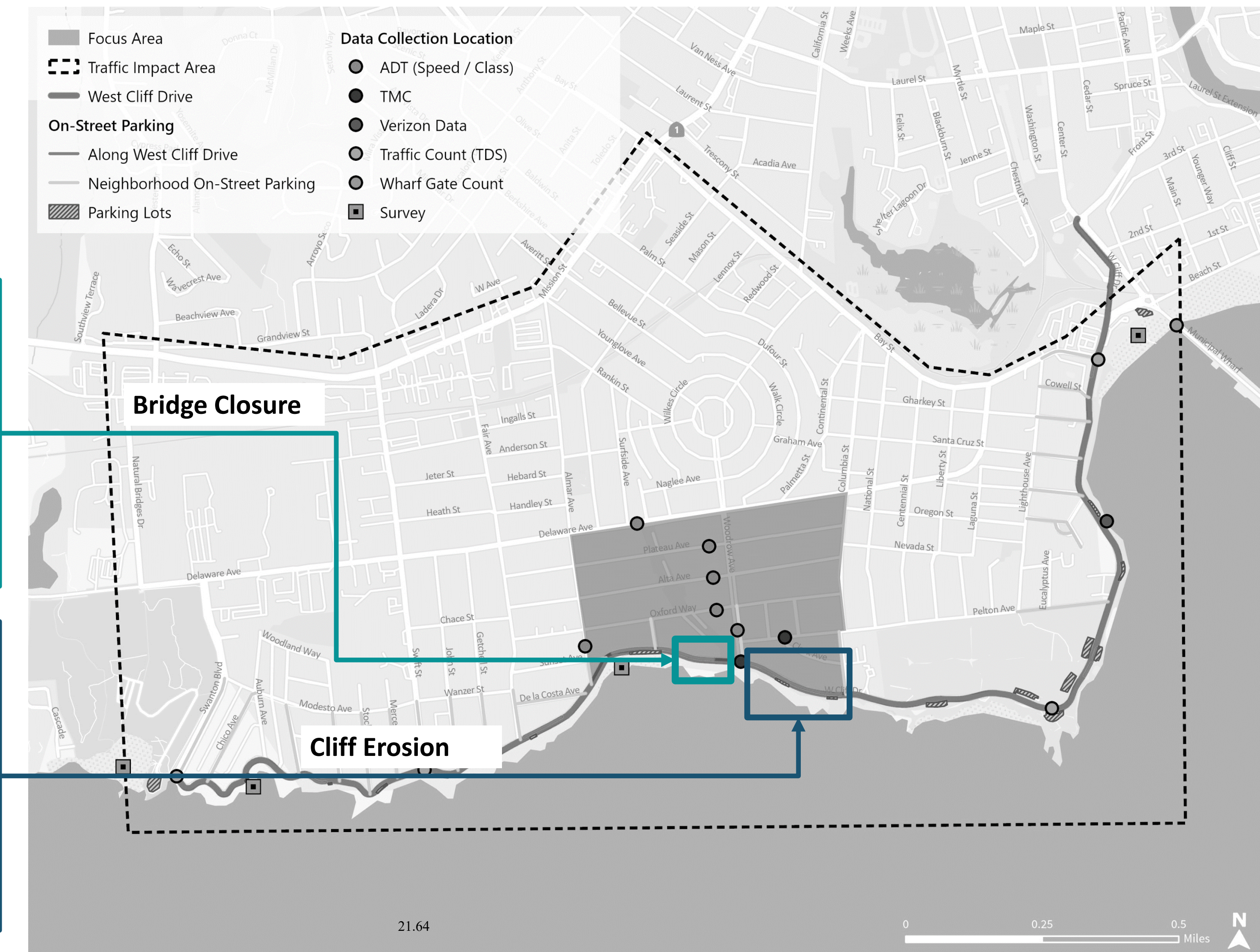


Transportation Update

Pilot

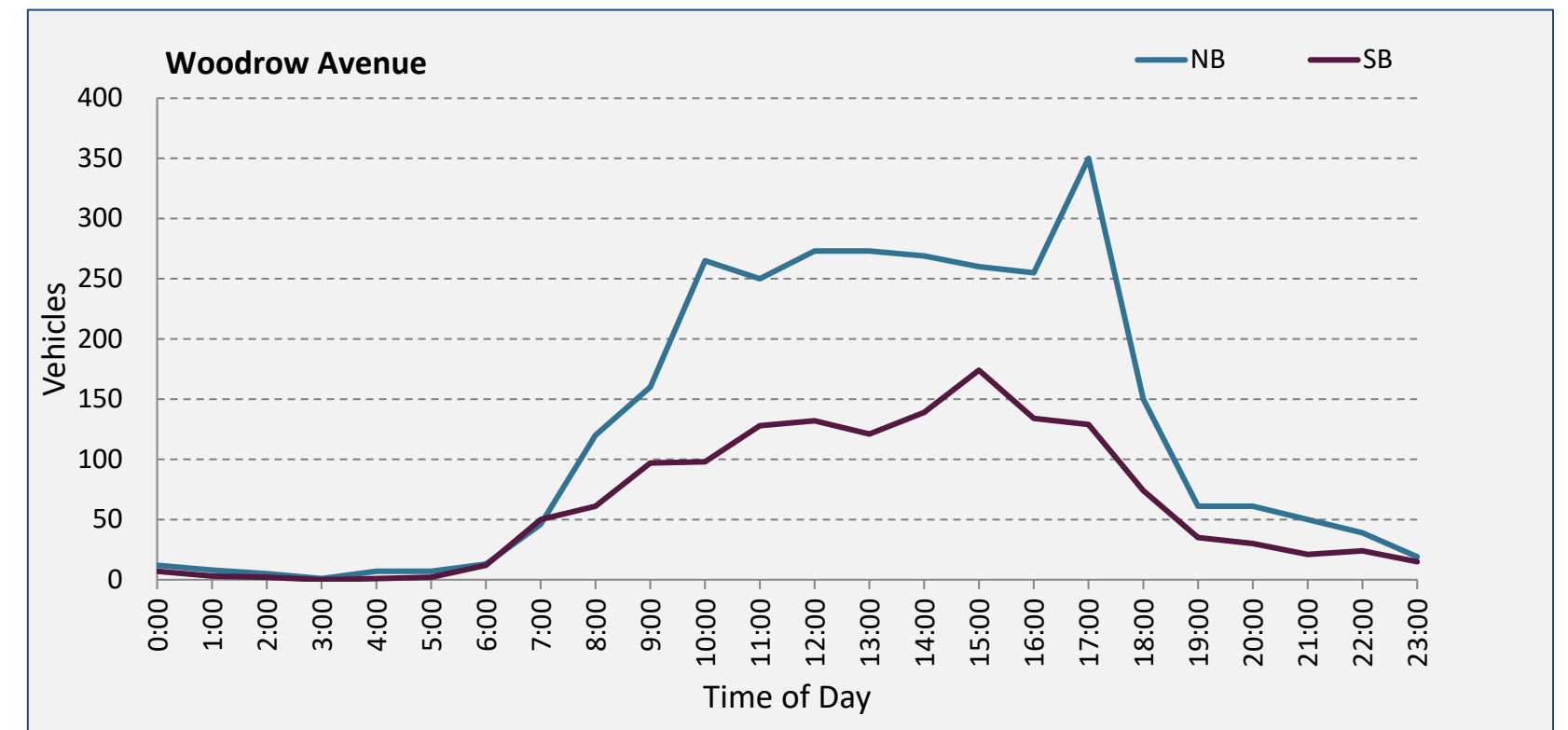
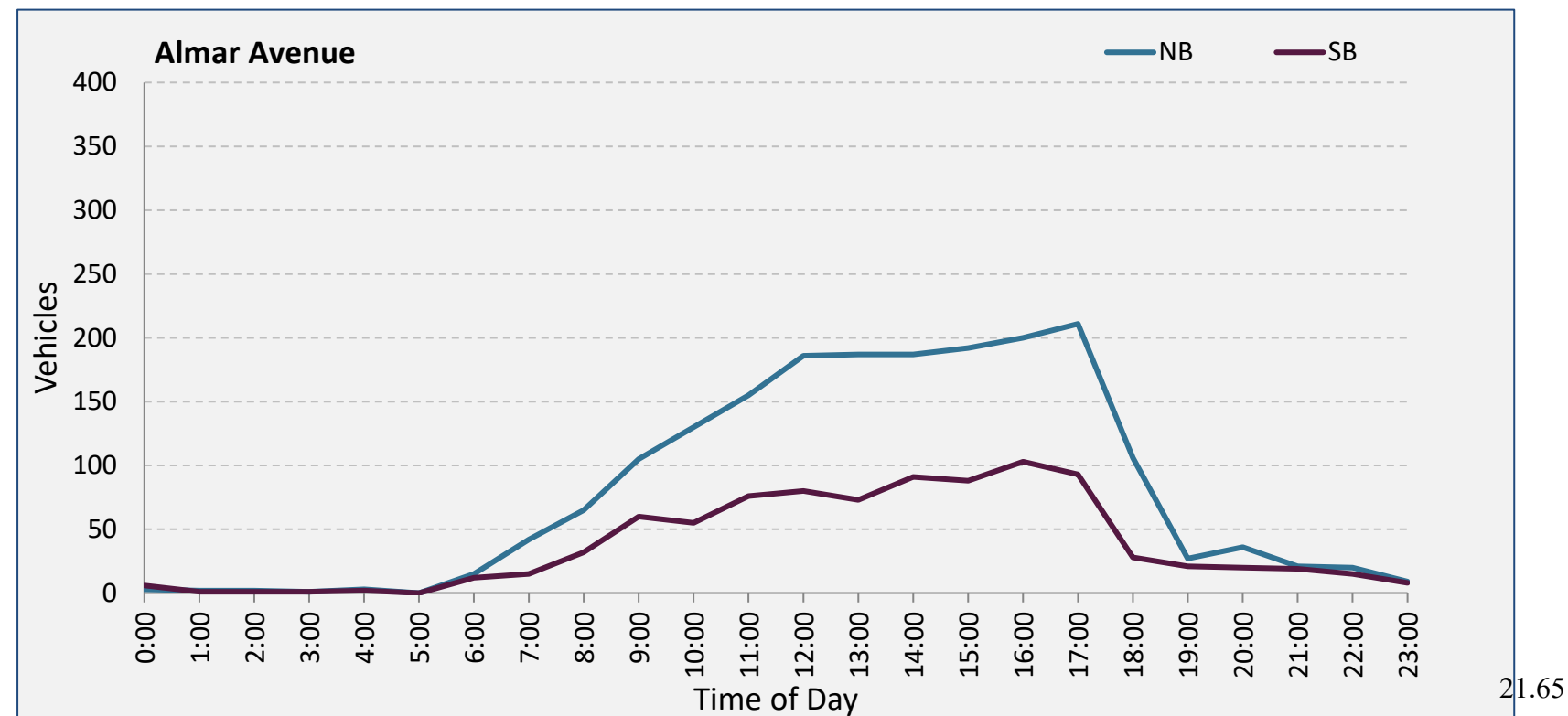
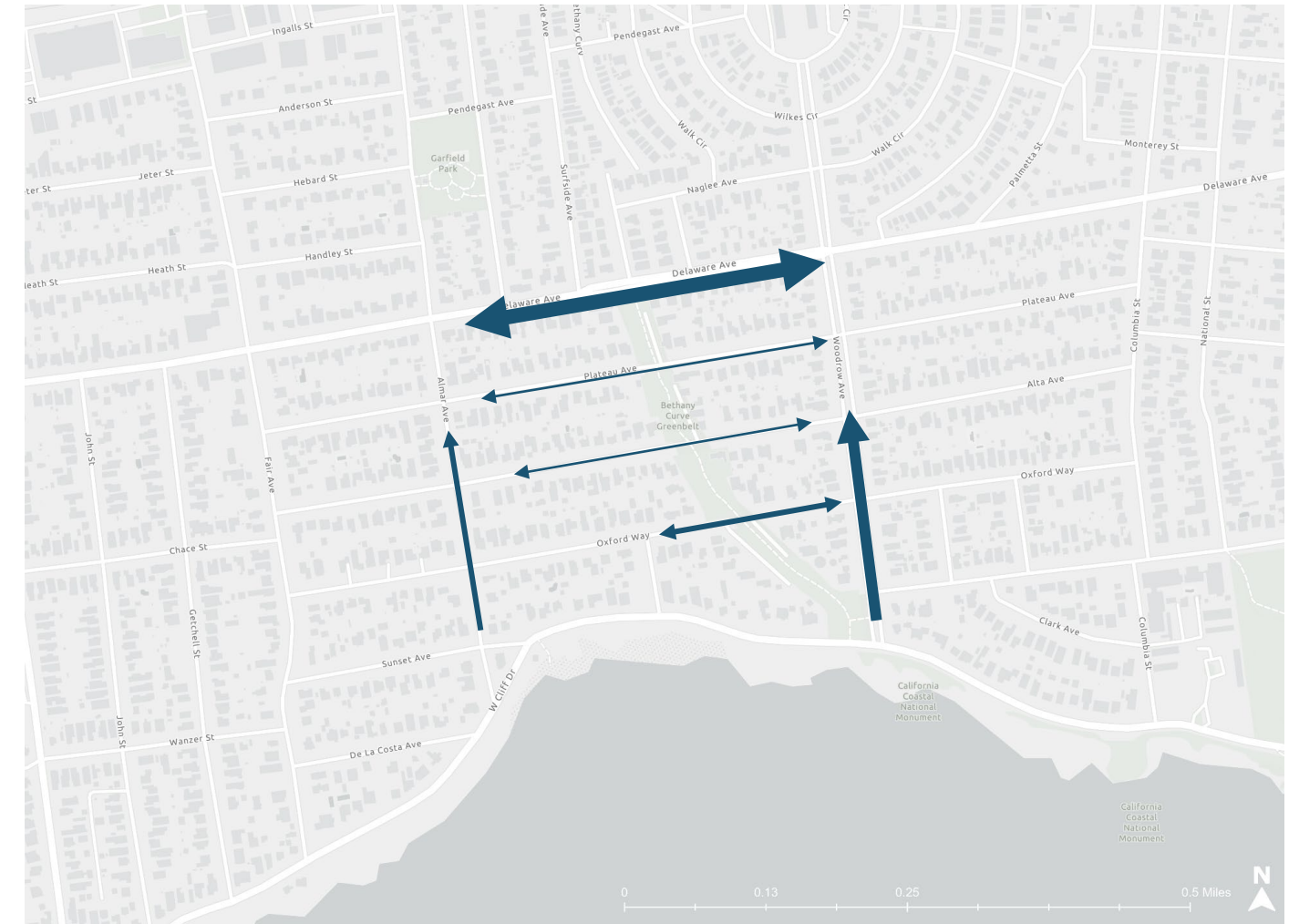


Pilot



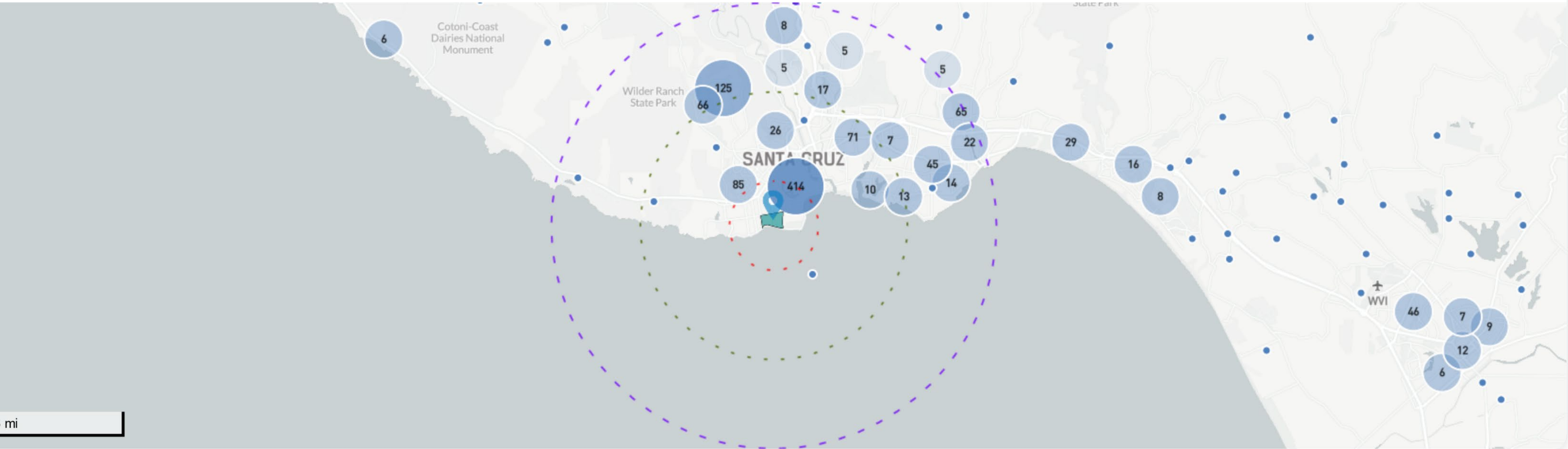
Traffic Counts and Analysis

- Data Collection Underway
 - Traffic counts collected in February
 - Traffic counts May 17th and Memorial Day Weekend
 - Travel pattern analysis underway (next slide)
- Analysis Examples
 - Disproportionate number of northbound vehicles on Almar and Woodrow



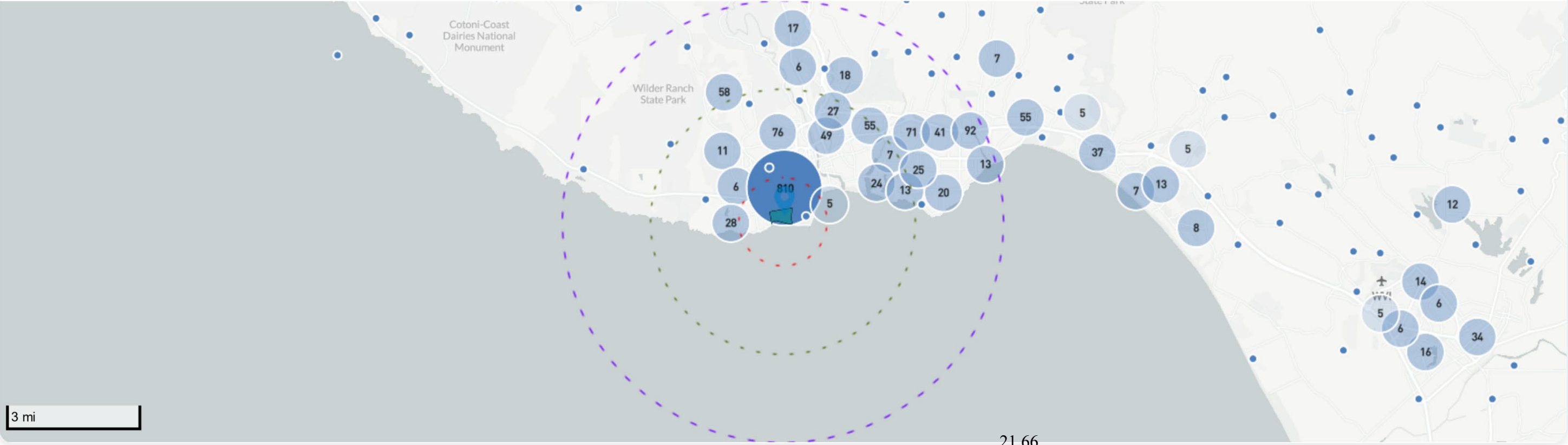
Location Based Data – Points of Origin - Daytime

Visitor Origin Points - Common Daytime Location
Visitors' most frequented location on weekdays



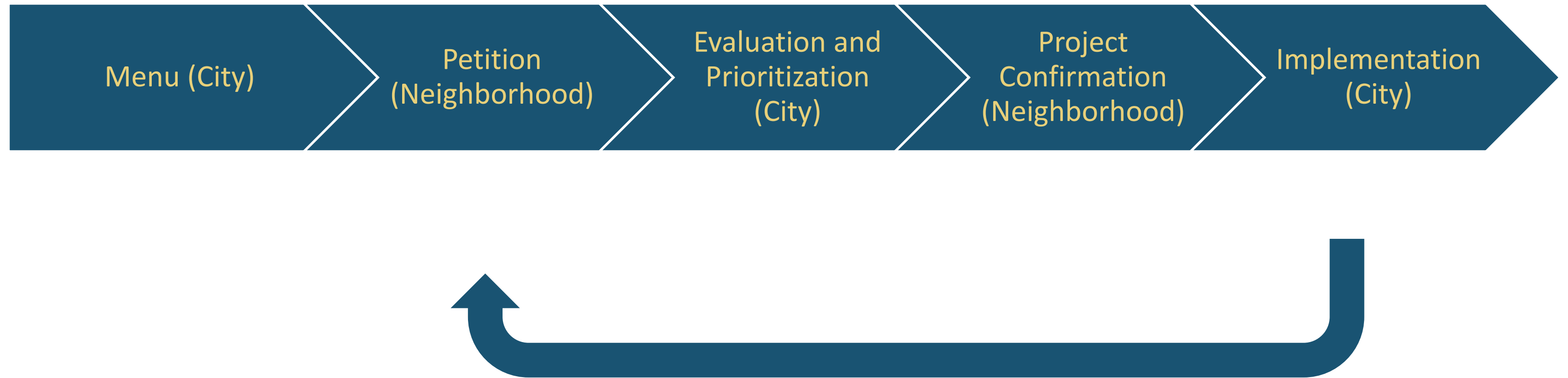
April 2022

Visitor Origin Points - Common Daytime Location
Visitors' most frequented location on weekdays



April 2023

Example Traffic Calming Process

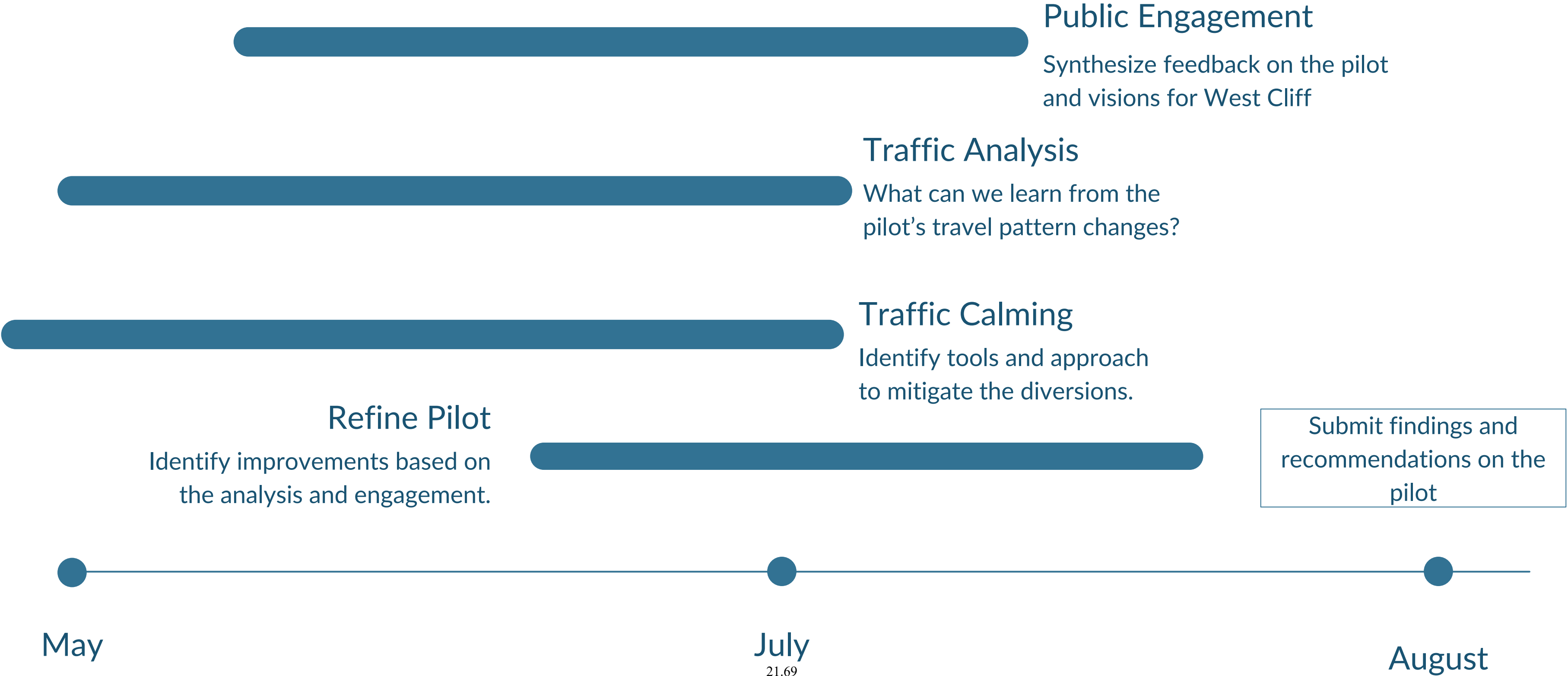


Outreach events

- Completed Events:
 - “Garage” Meetings in Neighborhood
 - Webinar on Traffic Calming Measures
 - Open House
- Planned Opportunities:
 - More “Garage” Meetings
 - June 1st – On West Cliff
 - June 4th – On West Cliff
 - June 13th – Wharf Summer Concert Series
 - Additional opportunities at other summer events on WCD



Timeline and Next Steps



West Cliff Roadmap

Farallon Consulting

A Resilient West Cliff, Accessible for All Roadmap



Support Functions

*City Engagement &
Recovery Program
Scoping*

*Regulatory, Funder,
and Interagency
support*

*West Cliff Alignment
Roadmap*

Purpose of Roadmap



West Cliff Roadmap



1. Aligning Vision
2. The Dynamic Coast
3. Adaptation Triggers and Thresholds
4. Post-disaster Projects (3 years)
5. Beyond Three Years: Projects By Triggers and Thresholds

Roadmap Status



30+



Documents
reviewed

200+



Potential
projects

100+



Policies
identified

95+



Potential
triggers/thresholds

Organizing Aligned Vision



Prioritizing
WC Policies
and Projects

Public Outreach
and Vision
Refinement

City of Santa Cruz Departments

Parks and Recreation, Water, City Manager, Public Works, Planning and
Community Development, and Economic Development and Housing

Dynamic Coast



Coastal Management



Recovery



Economic Resilience

Transportation and Mobility

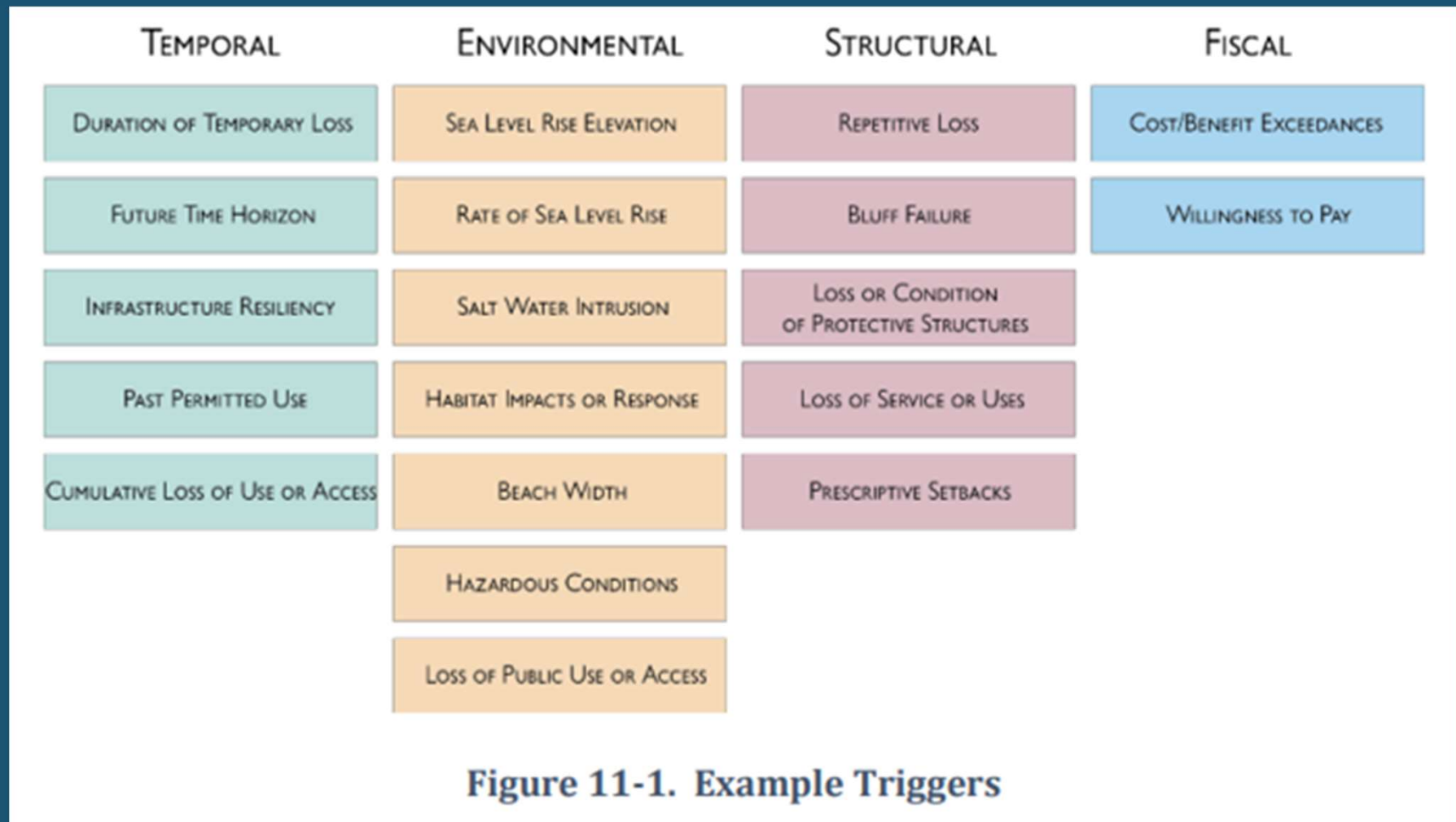


Park Space

Planning Processes



Triggers and Thresholds



Post-disaster Projects (0-3 years)



- Coastal Living Shoreline, Nature Based Solutions, Sand Management Feasibility Study
- Geotechnical Study of Sea Cave on the West Side of Lighthouse Point
- West Cliff Drive Sea Cave Stabilization
- West Cliff Stair Repair
- West Cliff Drive Stabilization
- West Cliff Bethany Curve Culvert
- West Cliff Resiliency and Accessibility
- West Cliff Drive One Way Pilot and Neighborhood Traffic Calming and Emergency Preventative Work
- West Cliff Intersection Improvements
- West Cliff Drive Multi-Use Path Pavement Rehabilitation
- Corrugated Metal Pipe (CMP) Storm Drain Replacement
- West Cliff Post Storm Recovery Resiliency (Community CA Senate Request)
- West Cliff's Mitchell's Cove Seawall Design (Community US Senate Request)
- Santa Cruz Coastal Adaptation Monitoring Network

Methods for Prioritizing Projects



- Projects following 3 years will be prioritized on balance with regulation, funding, adopted policy
- Whether policies and projects contribute to the long-term vision of West Cliff
- Emergency (0-3 years), short (<15 years), medium (15-30 years), and long-term (30+ years) priorities
- Some long-term projects may require prioritization now to move them forward
- Leveraging triggers to ensure policy implementation priorities are responding to current environmental conditions

Concurrent Document Updates



Capital
Investment
Program
(CIP) update

Local
Hazard
Mitigation
Plan (LHMP)
update

Emergency
Coastal
Development
Permit

Local Coastal
Program
Amendment
(LCPA)

How does the City Coordinate?



- Ongoing community conversations
- 16 person interdepartmental working group led by the City Manager's Office
- Pending grant application to the Silver Jackets for a State and federal interagency support program, particularly focused on nature-based solutions
- Technical assistance for federal and State Resource Marketplace to match needs to resources
- Exploring possible interagency partnerships across land-side and bay-side jurisdictions

Next Steps



- May/June: Incorporate feedback from 5/23 Council meeting
 - Continue assessing policy prioritization and funding options
 - Ongoing federal and State Interagency coordination
- June 6: Webinar Outreach meeting
- June 7: In Person Outreach meeting
- June/July: Incorporate feedback from Outreach and City Council meetings
- August: Return to Council with updated Roadmap in coordination with other West Cliff relevant documents/projects



City Council AGENDA REPORT

DATE: 05/09/2023

AGENDA OF: 05/23/2023

DEPARTMENT: City Manager

SUBJECT: FY 2024 Proposed Budget

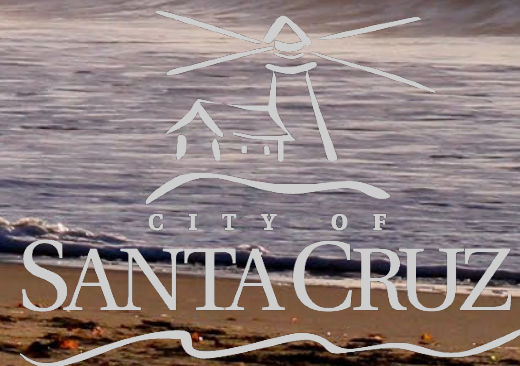
RECOMMENDATION: Conduct the Fiscal Year (FY) 2024 Budget Hearings, receive presentations from the following departments, and provide feedback to staff for preparation of the FY 2024 Adopted Budget.

Schedule of presentations (subject to change):

- 1) City Fiscal Overview
- 2) Public Comment
- 3) Economic Development and Housing
- 4) Planning and Community Development
- 5) City Attorney's Office
- 6) Homelessness Response

City of Santa Cruz FY 2024 Budget Hearings

May 23, 2023
Matt Huffaker, City Manager



The City That Can

Atmospheric Rivers
COVID-19 Recovery
Inflation
Uncertainty

Resilient

Strong

Together

Photo by Carlin Schelstraete

A lighthouse with a green light stands on a rocky shore at night. The lighthouse is white with a green band around the top. The light is a bright green. The background is a dark blue sea and a dark sky. The text is white and centered on the right side of the image.

What We Did

Organizational Capacity
Storm Response and Recovery
Housing – Regional Housing Needs Allocation
Downtown Projects
Homelessness Response
OVO & Safe Parking Programs
Climate Action 2030
+ Many More!

Photo by Carlin Schelstraete



Fiscal Year 2024 and Beyond

Inform

- Residents
- Council
- Businesses
- Staff

Invest

- People
- Services
- Infrastructure

Innovate

- Delivery of Services
- Investments
- Revenue Streams



Fiscal Year 2024 Proposed Budget

Elizabeth Cabell, Finance Director
May 23, 2023

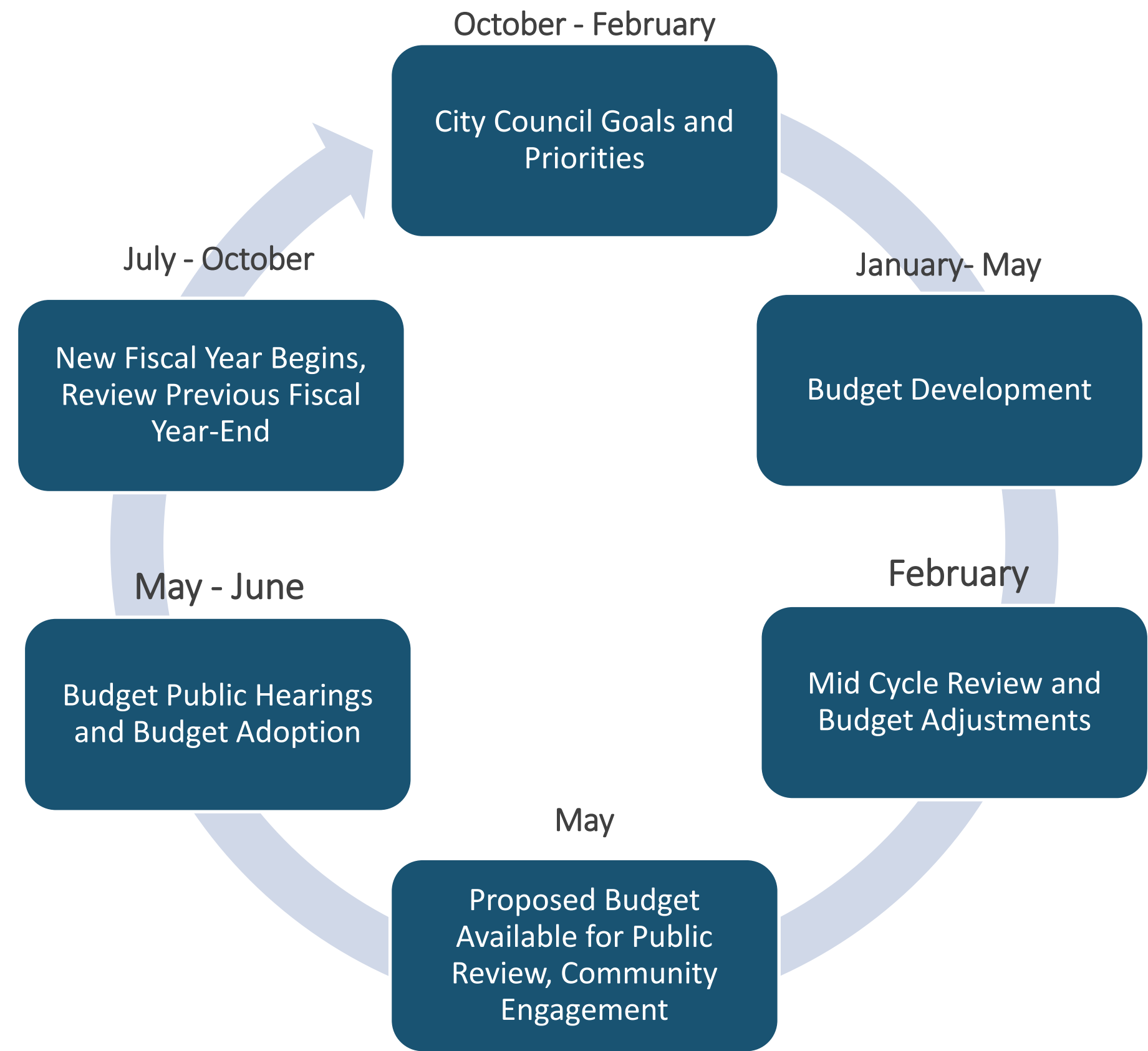


Agenda

- 1 Process, Focus, Theme
- 2 General Fund
- 3 Capital Investment Program
- 4 Other Funds
- 5 After 2024
- 6 Comments, Questions



FY 2024 Budget Process



Focus Areas

Fiscal
Sustainability

Efficient Service Delivery
New and Improved Funding Sources

Downtown and
Business
Revitalization

Downtown Reinvestment
Economic Recovery and Resiliency
Increase Affordable & Market Rate Housing

Infrastructure

Green Economy and Workforce
Parks, Recreation & Open Spaces
Resiliency & Improvements

FY 2024 Budget Themes

Inform

Transparency
Information
Resources

Invest

People
Infrastructure
Service

Innovate

Creative Solutions
Long Range
Financial Plan



New in the FY 2024 Budget

Cost Allocation Plan

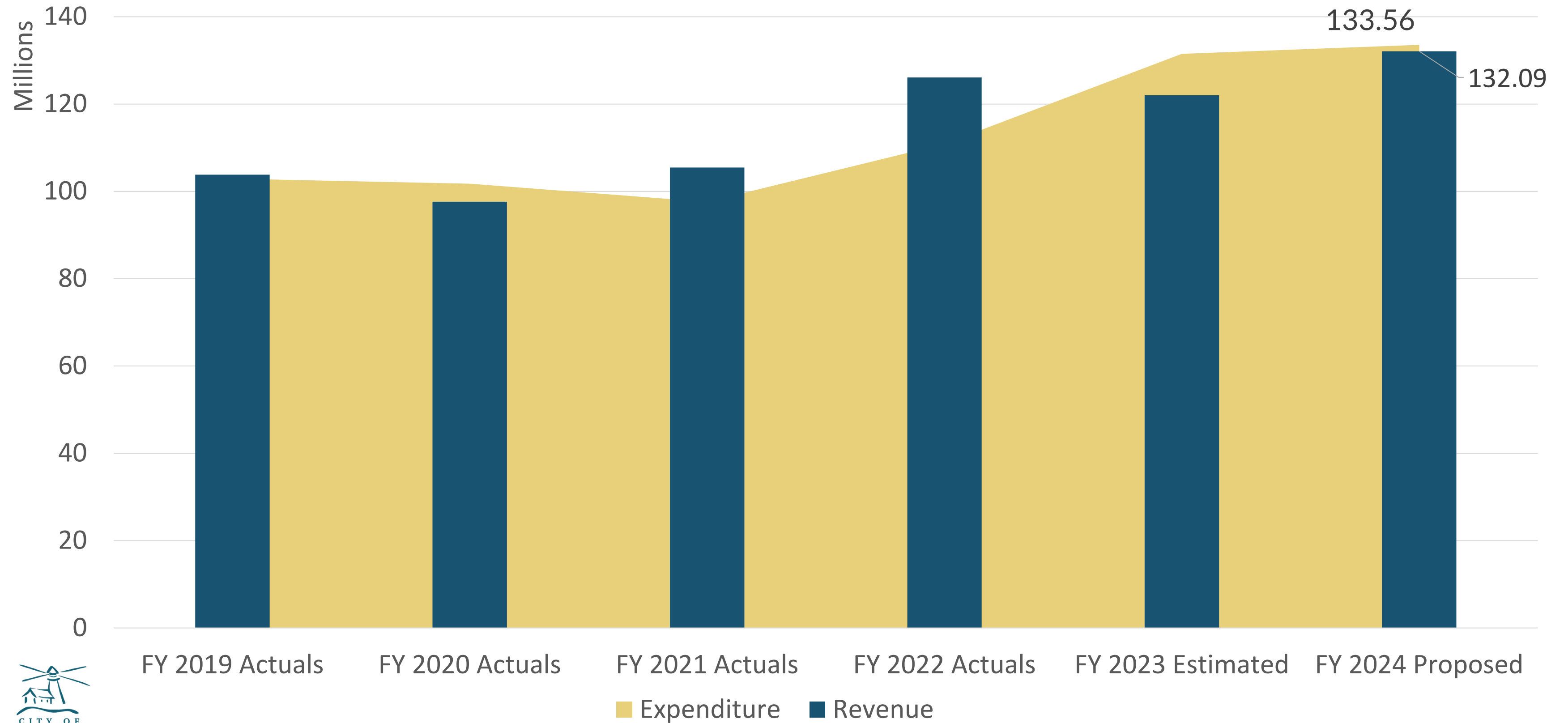
Salary Vacancy Rates

Updated Insurance Allocation

Reduction of CIP Transfer



General Fund Revenues and Expenditures



General Fund Revenue Trends

FY 24 Proposed FY23 Estimated FY22 Actual FY2021 Actual FY20 Actual FY19 Actual

Sales Tax

Property Tax

Transient Occupancy Tax

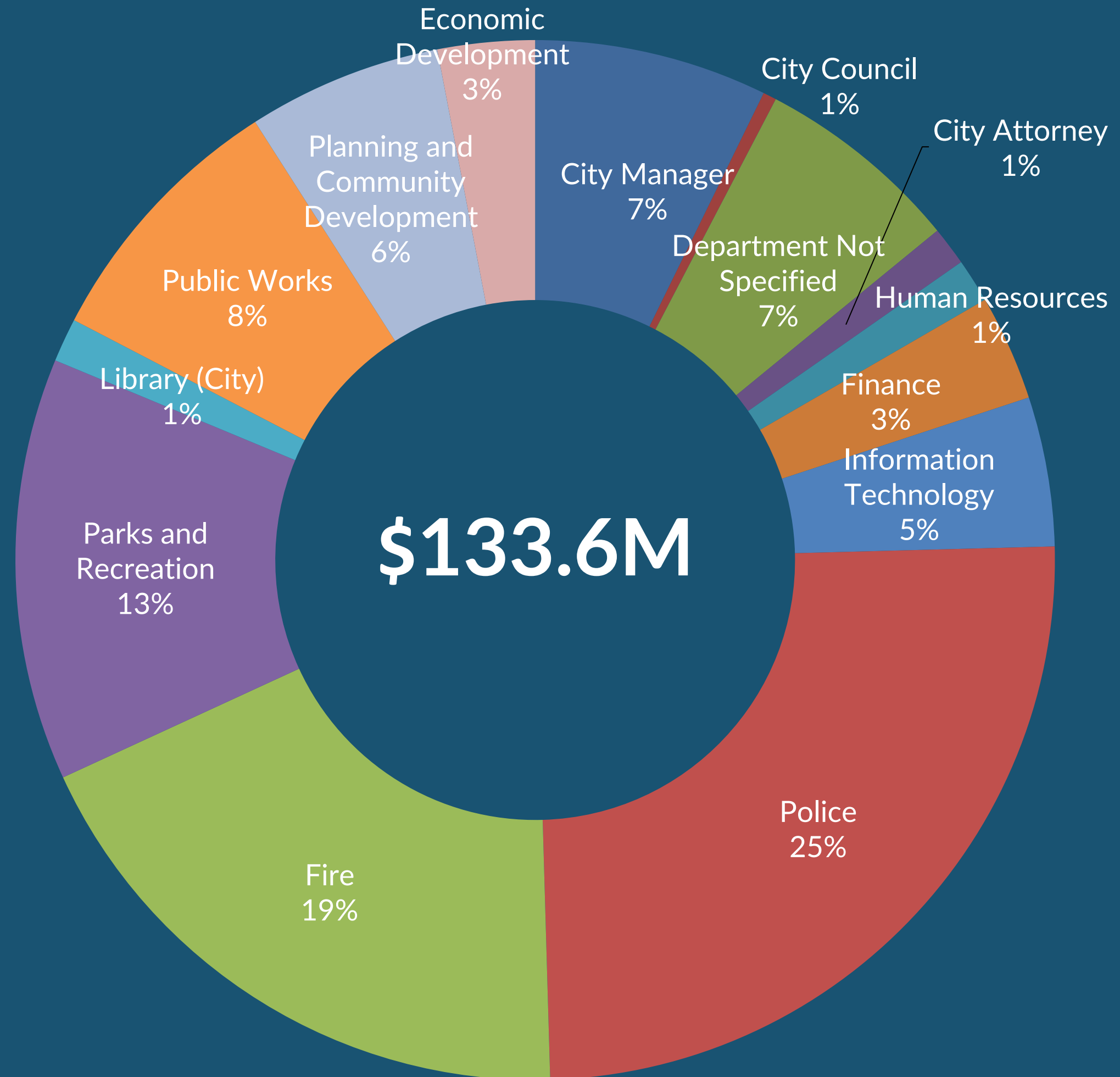
Fees and Charges

\$.M \$5.M \$10.M \$15.M \$20.M \$25.M \$30.M

General Fund Expenditures

Expenditure Categories	FY 2023 Estimated Actuals	FY 2024 Proposed Budget	Comments
Personnel Services	72,476,041	80,518,479	11% increase over FY 2023 YEE, 9% increase over FY 2023 Adopted
Services, Supplies & Other Charges	33,199,683	43,075,704	FY 2024 Includes \$10M in cost allocation
Capital Outlay	4,101,417	250,000	FY 2023 unspent capital outlay will be carried forward into FY 2024
Debt Service	2,260,209	2,414,317	
Transfers:			
To General CIP & Streets	10,399,405	2,000,000	\$1M to General CIP, \$1M to Streets for Measure H CIP project transfers will be carried forward into FY 2024
To Other General Funds	3,262,575	2,864,844	Carbon Reduction, ED Trust, Children's
To Liability Fund	2,316,906		One time, now distributed to departments
To IT Fund	3,467,832	2,440,000	\$2M for ERP + on-going projects
To Refuse	10,000		
TOTAL	131,494,068	133,563,344	

FY 2024 Expenditures

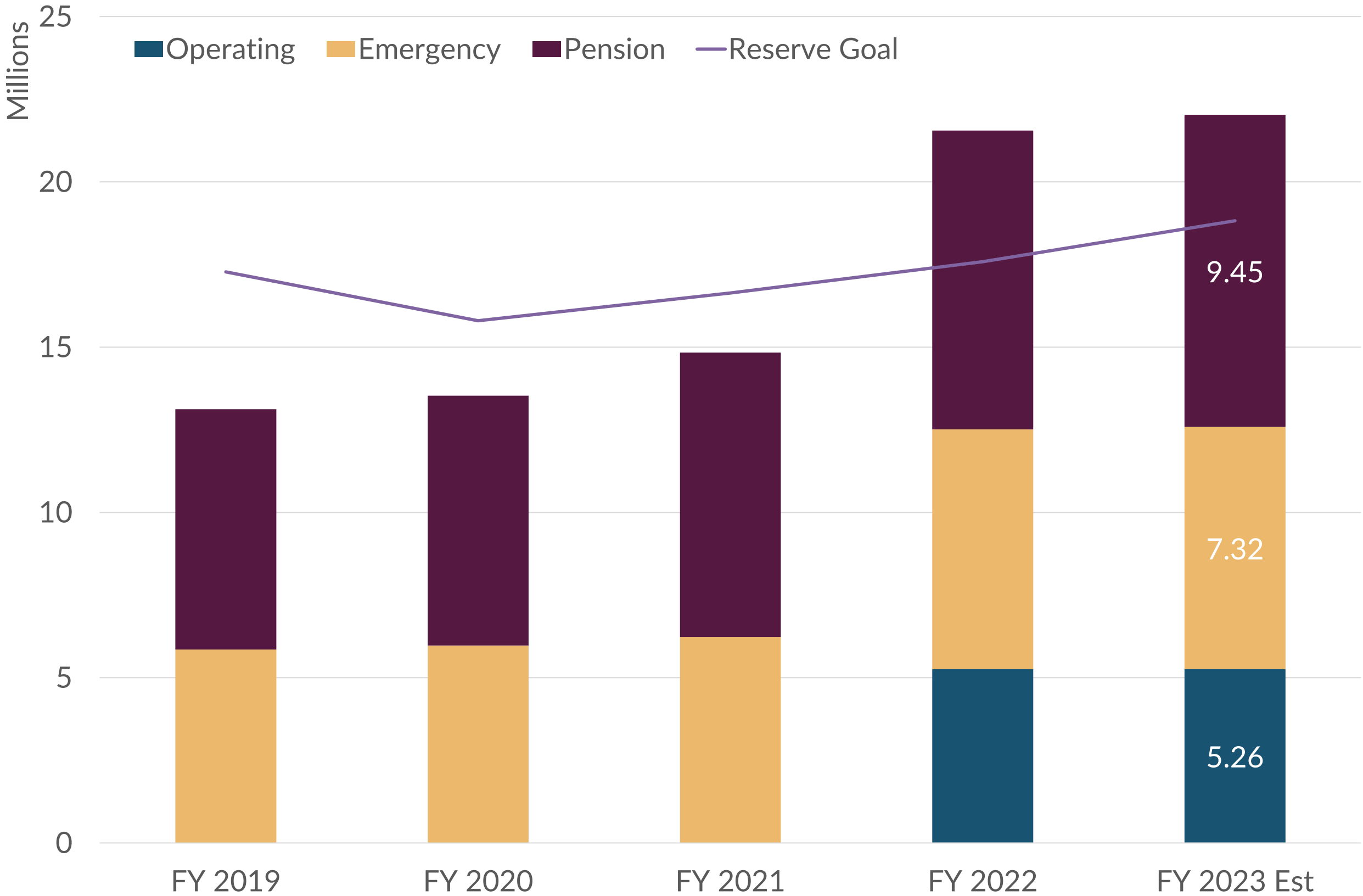


General Fund Reserves

Operating
Fund 101
5% of operating XP
For unexpected
operational needs

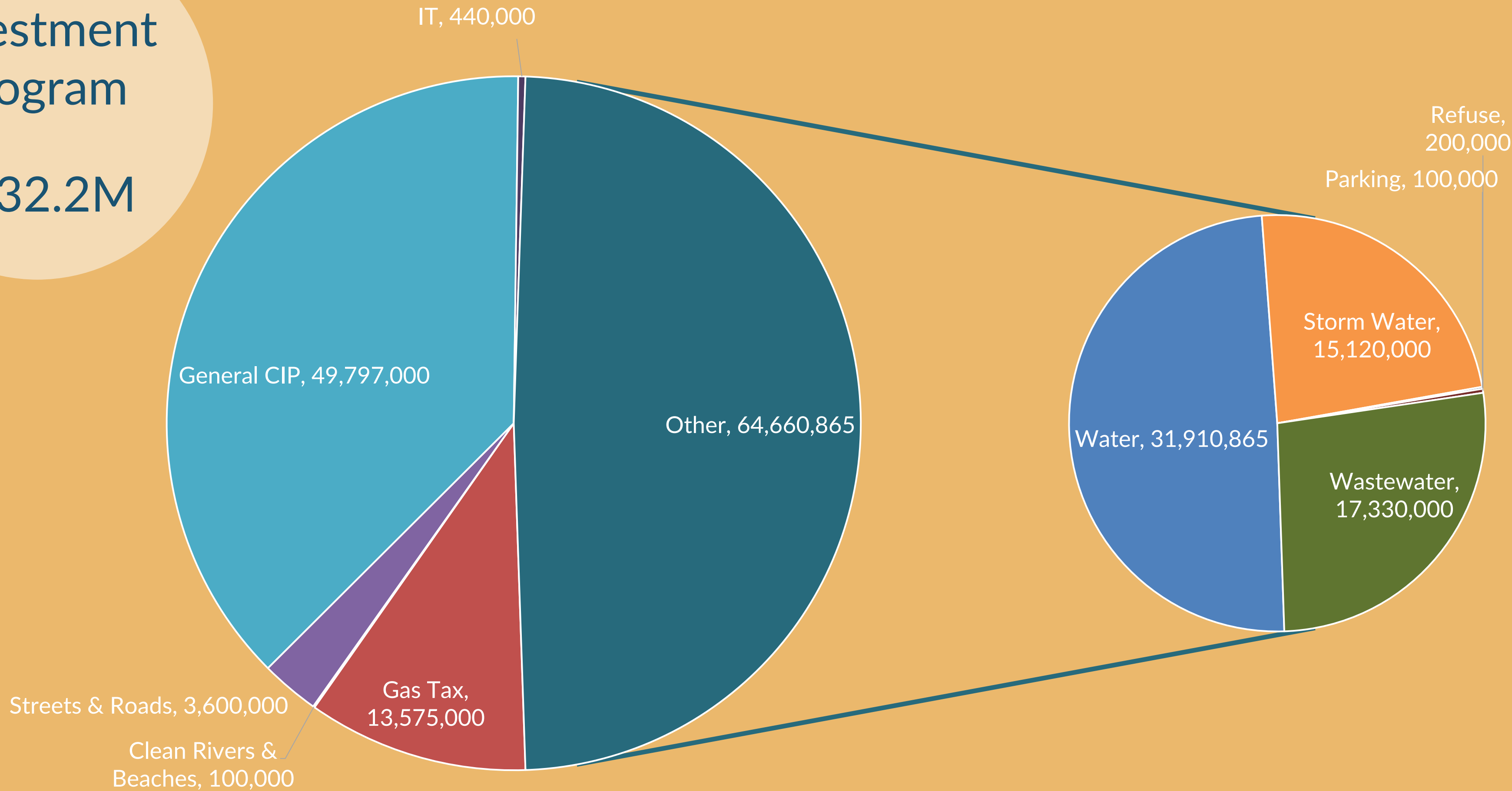
Emergency
Fund 132
Declared Emergency
Requires Council
Resolution

Pension
Fund 132
Restricted for
pension costs
Requires Council
Resolution



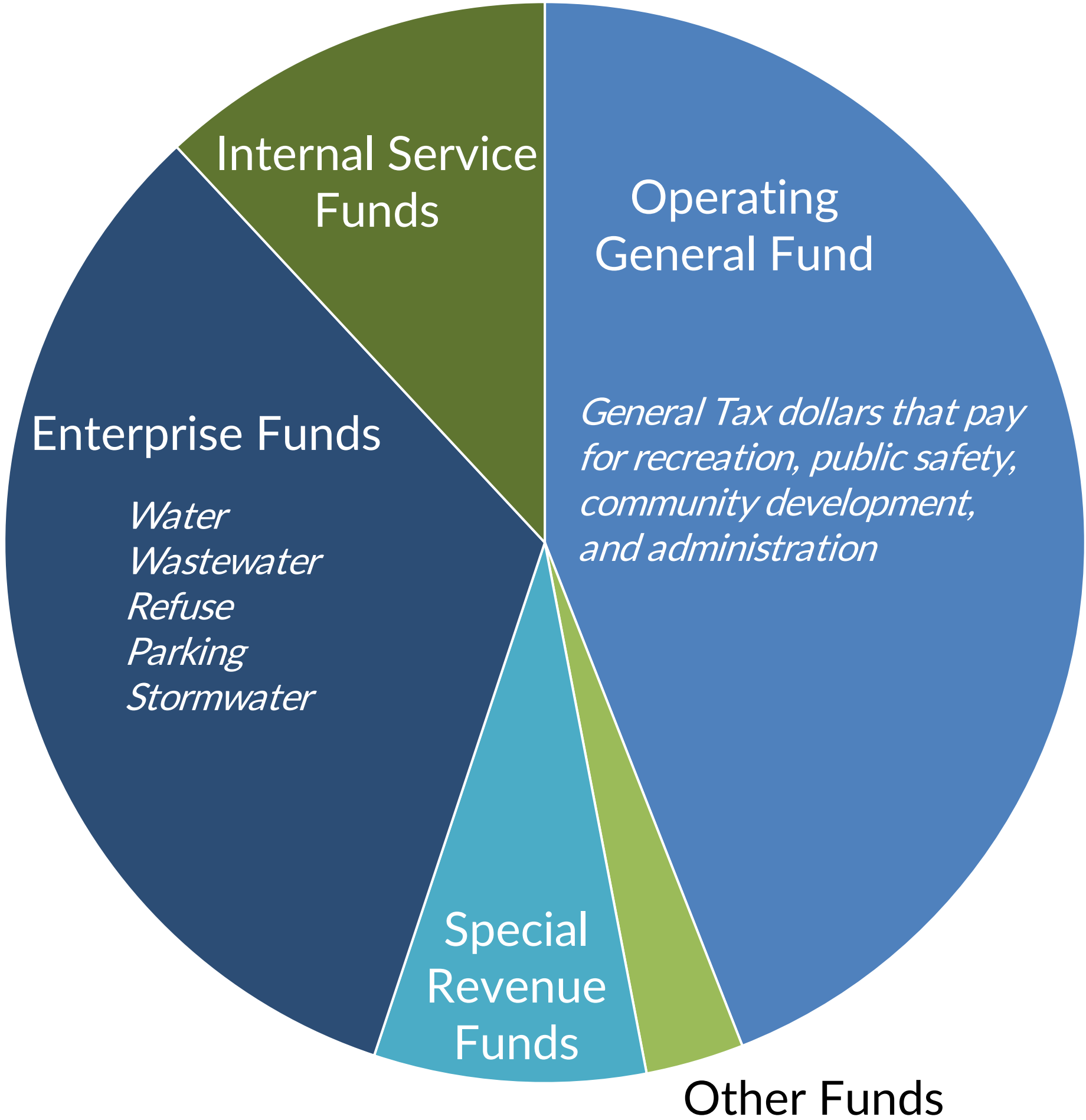
Capital Investment Program

\$132.2M

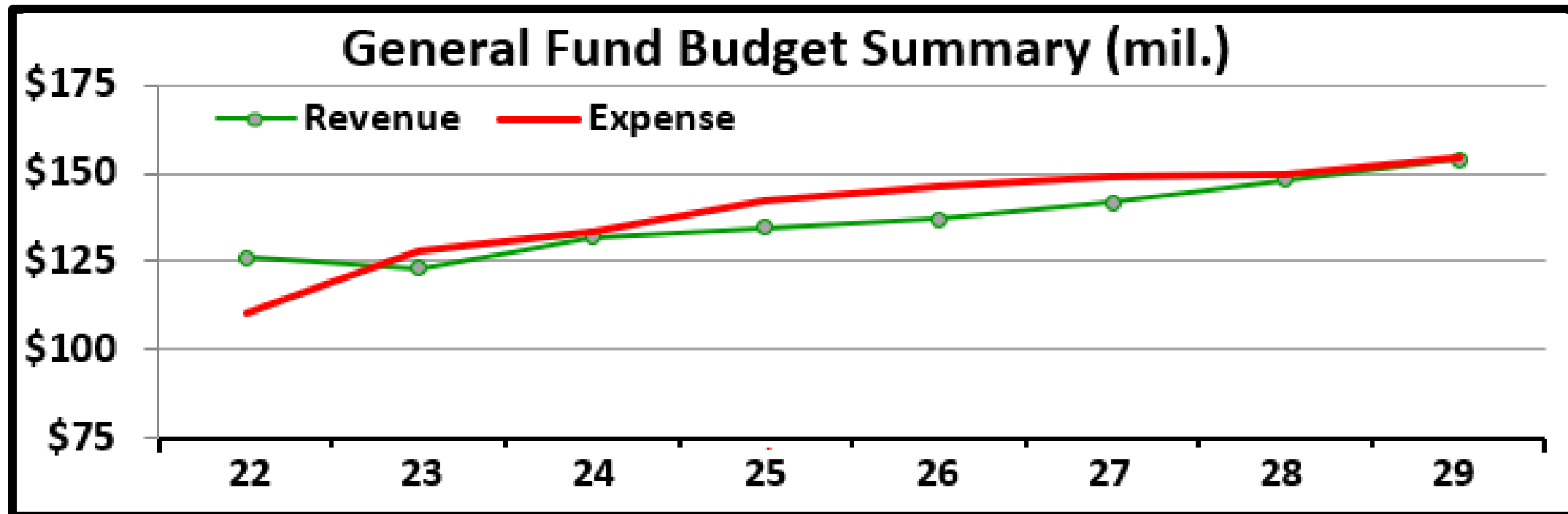


Citywide Operating Expenditures

Fund Type	FY 2024 Proposed Budget
Operating General Fund	133,563,344
Other Funds	8,910,179
Special Revenue Funds	24,659,602
Enterprise Funds	99,941,247
Internal Service Funds	36,177,788
TOTAL	303,252,160



2024 and Beyond



Revenue Strategies

Budget & Rev Ad Hoc

2024 Ballot Measures

Cost Recovery Fee Study

Pursue State & Fed Funding

New hotels in FY 2025 and FY 2028

Expense Trends

Resume \$5M transfer to CIP in FY 2025

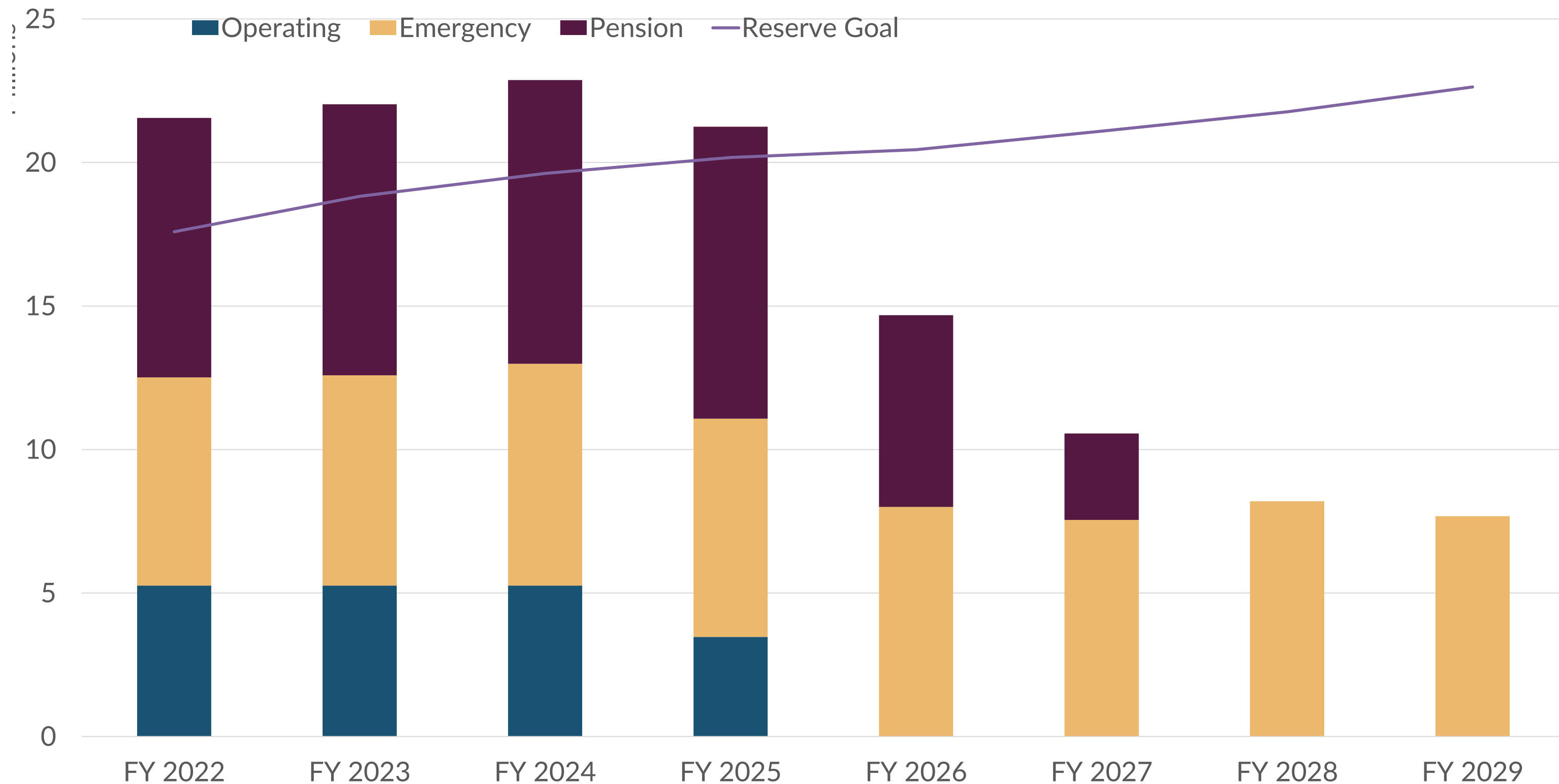
\$2M ERP set aside through 2027

Growth in employee benefits

Increases in Insurance costs



2024 and Beyond



Thank you

Questions/Comments/Direction

Elizabeth Cabell, Finance Director
May 23, 2023



FY 2024 Budget Hearings Economic Development and Housing May 23, 2023



Agenda

- Core services
- Organizational Chart
- FY 2023 Achievements
- FY 2024 Budget



Core Services

- Business Services
- Housing Development & Preservation
- Infrastructure Development & Asset Management
- Arts & Culture



Business Services

SUPPORT BUSINESS CREATION

- Permitting and technical assistance
 - Promotion of small and local businesses
-

CONVENE BUSINESS LEADERS

- Collaboration for citywide and regional economic development initiatives
 - Connecting businesses with local talent
-

PROMOTE BUSINESSES GROWTH AND RETENTION

- Financing and incentives
- Beautification and site selection



Housing Development & Preservation



AFFORDABLE HOUSING CREATION AND ASSISTANCE

- Partnering on the development of new affordable housing projects
 - Providing key funding and assistance to affordable housing projects in community
 - Housing Agreements for all housing projects in community
-

AFFORDABLE HOUSING PRESERVATION

- Monitoring and administration of affordable housing programs and regulations
 - Connecting residents with housing resources
-

HOUSING & COMMUNITY DEVELOPMENT

- State, federal, and local funding for affordable housing and programs serving low-income residents including administering CDBG and HOME funds

Infrastructure Development



PROJECT PLANNING FOR CITY SPONSORED PROJECTS

- Public outreach, planning, property assemblage and developing funding streams
-

PROJECT MANAGEMENT FOR CITY SPONSORED PROJECTS

- Project management from inception to project occupancy, interdepartmental coordination and community meetings
 - Grant seeking and funding support
-

PROJECT REVIEW & CONCEPT CONSULTING FOR PRIVATE PROJECTS

- Negotiation of agreements for activation of public spaces and viability of commercial spaces
- Leveraging public-private investment to maximize public benefits

Asset Management



MASTER PLANNING FOR CITY PROPERTIES

- Promoting vitality of economic engines
 - Maintaining City assets
-

ACQUISITIONS AND DISPOSITIONS

- Purchase of opportunity sites sales of surplus property (e.g. Skypark, Caltrans, etc.)
-

LEASING AND ASSETS

- Attraction of tenant leasing for City use
- Maintenance and repair improvements

Arts & Culture

PUBLIC ARTS PROGRAMS

- Mural Matching Grant and SculpTour
 - Graphic traffic signal boxes
 - Santa Cruz Recycled Art
-

SPONSORSHIPS AND PROJECTS

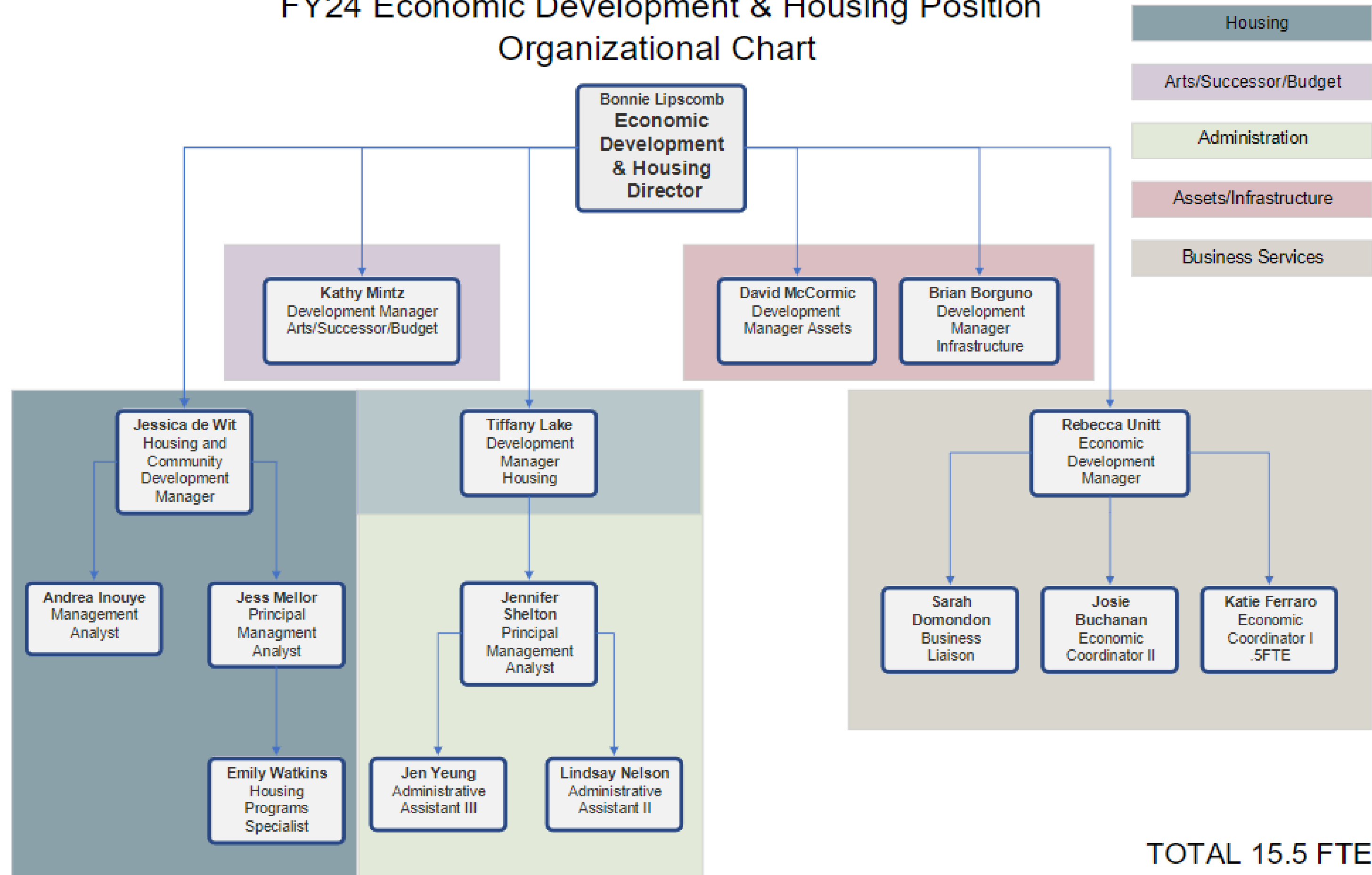
- Support of community groups and initiatives to activate public places
-

ENERGIZING THE CREATIVE ECONOMY

- Promoting the art of business, networking, and cohesion



FY24 Economic Development & Housing Position Organizational Chart



FY 2023 Achievements

- Business Services
- Housing Development & Preservation
- Infrastructure Development & Asset Management
- Arts & Culture



Business Services



PERMANENT PARKLET PROGRAM

- Developed and implemented Ordinance
 - Developed Parklet Incentive Program
-

MIDTOWN FRIDAYS

- Expanded weekly summer block party
 - Made permanent improvements to the City-owned midtown parking lot to support future events
-

DOWNTON POPS! VACANT STOREFRONT ACTIVATION

- Supported 4 businesses through short term leases
- Graduated two businesses into permanent long term leases

Housing Development & Preservation



ANNUAL ACTION PLAN (AAP)

- Completed HUD AAP resulting in more than \$1M of new CDBG and HOME funding for housing and community benefit programs and projects
-

PROHOUSING DESIGNATION

- Submitted for designation to access grant funding for affordable housing development that can be leveraged to access transit and infrastructure grant funding
-

GRANTS

- Administered and coordinated state LHTF grants of \$10M, AHSC funding of \$29.6M, and IIG funding of \$20.9M (\$65.5M) and secured \$4M earmarks
- Submitted applications for additional IIG and AHSC funding for Downtown Library Mixed Use Project

Infrastructure Development & Asset Management



DOWNTOWN LIBRARY MIXED USE PROJECT

- Secured entitlements for 125 units of affordable housing, daycare and a 35,000 sq ft library with sustainable features
-

DEL MAR THEATRE

- Completed renovation of Del Mar retail space and leased it as part of Downtown Pops!
-

THE WHARF

- Launched 1st Wharf pop-up Humble Sea Brewing Company
- Revised and recirculated Wharf Master Plan EIR

Arts & Culture

CARD PILOT PROGRAM

- Approved 15 applications, completed three projects, and executed nine sponsorship agreements
-

ARTS COMMISSION

- Launched 3 initiatives to activate public spaces and promote the creative economy
-

BUILDING PARTNERSHIPS

- Connected disparate groups such as UCSC performers & non-profit service providers; housed & unhoused residents with artists through projects to promote communication and new collaborations.

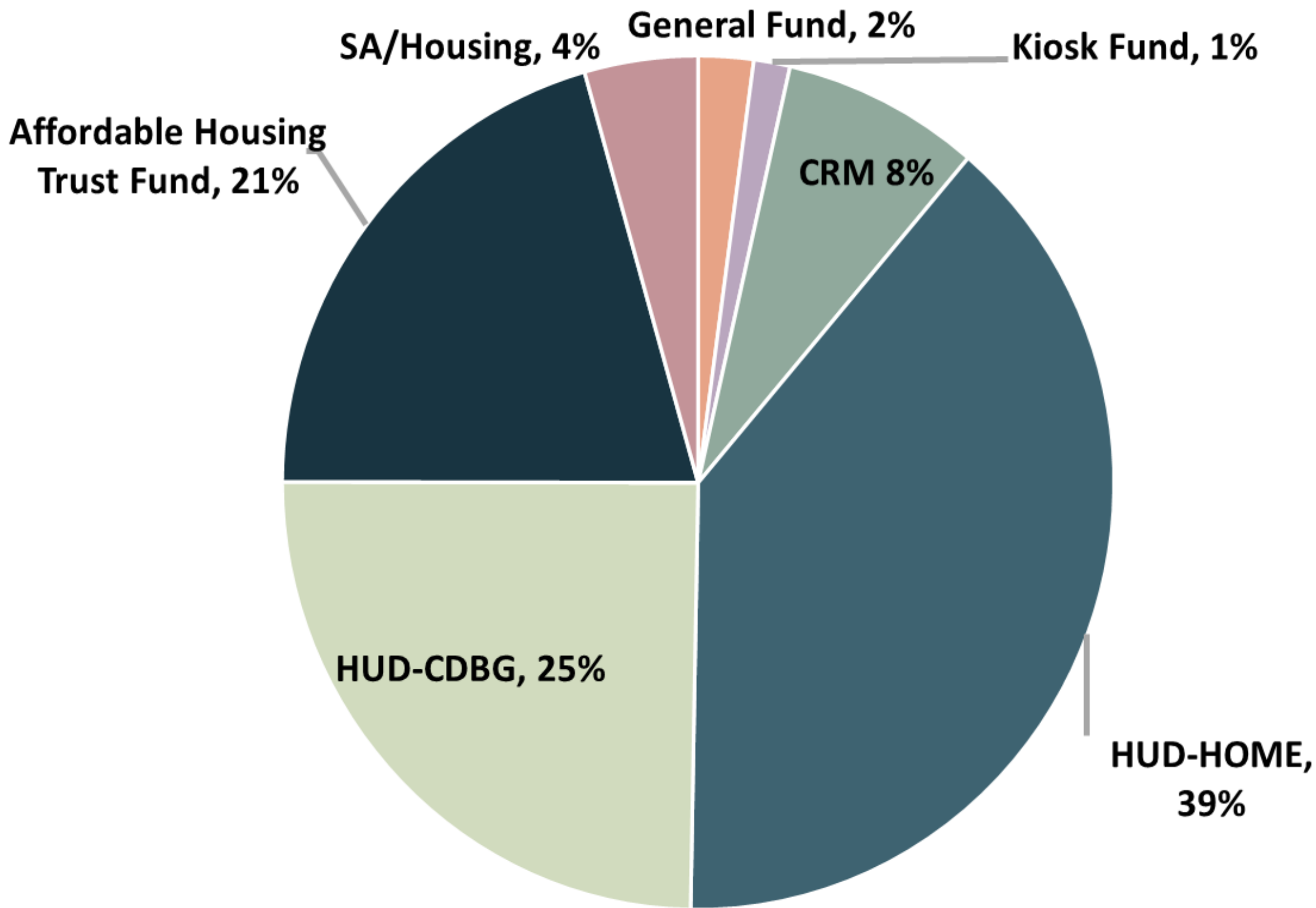


FY 2024 Budget

- Overview
- Impact on Services
- Notables

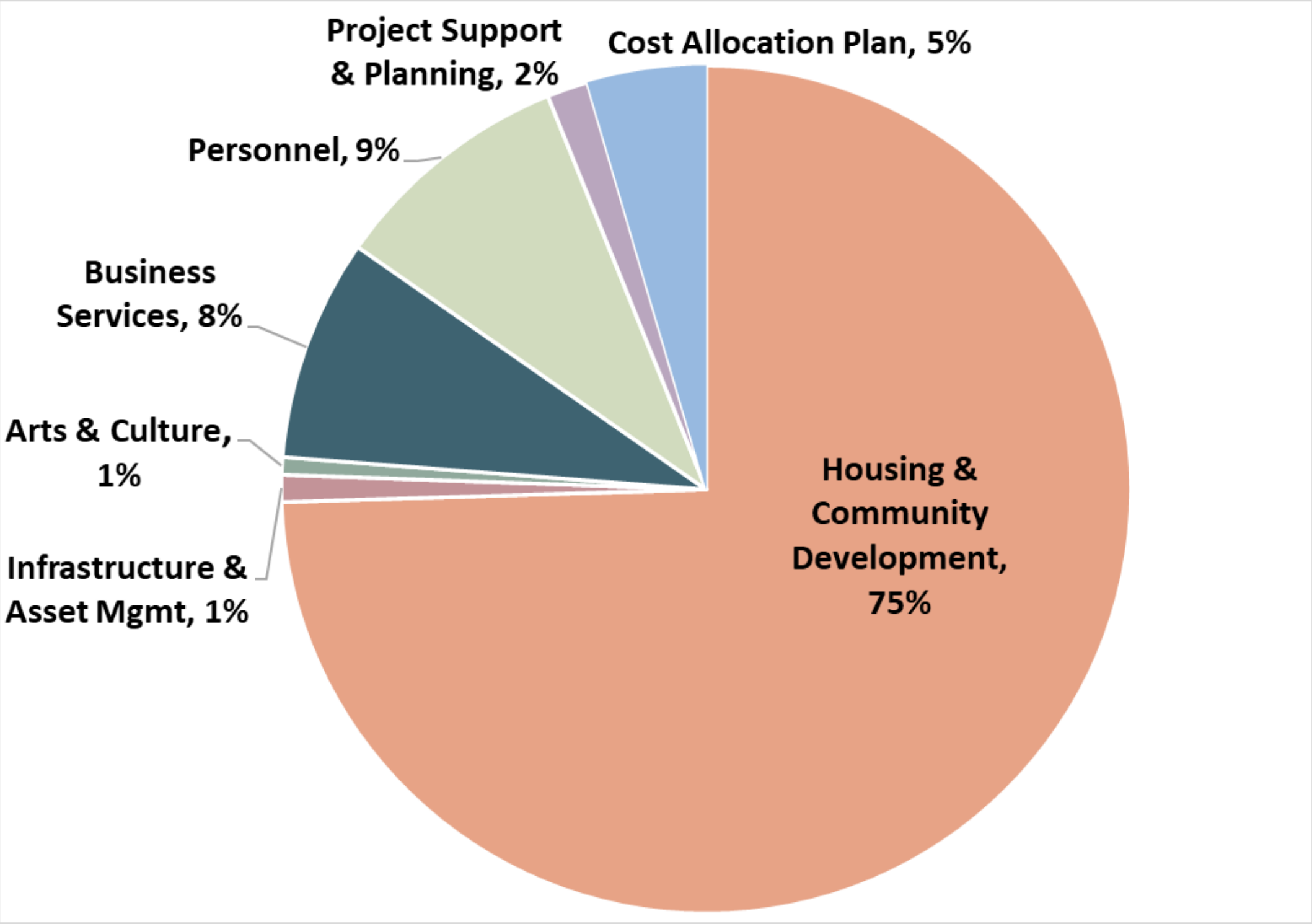


FY 2024 Budget Overview: Operating Revenues



Resources By Fund	
General Fund	\$61,300
Kiosk Fund	\$40,200
Co-op Retail Mgmt (CRM)	\$220,000
HUD-HOME	\$1,116,390
HUD-CDBG	\$707,493
Affordable Housing Trust Fund	\$587,837
SA/Housing	\$126,000
TOTAL	\$2,859,220

FY 2024 Budget Overview: Operating Expenditures



Expenditures By Function	
Housing & Community Development	15,732,601
Infrastructure & Asset Mgmt	217,000
Arts & Culture	140,875
Business Services	1,788,000
Personnel	1,947,710
Project Support & Planning	329,400
Cost Allocation Plan	954,621
TOTAL	21,110,207

FY 2024 Housing Projects (Non-CIP)

Funding Source	Project	Amount
HOME	Pacific Station North Metro	\$2,776,396
HOME-ARP	Pacific Station North Metro	\$1,219,201
LHTF	Pacific Station North Metro	\$4,750,000
AHTF	Pacific Station North Metro	\$250,000
LHTF	Downtown Library Affordable Housing	\$3,845,000
AHTF	Downtown Library Affordable Housing	\$1,813,737
	TOTAL	\$14,654,334

FY 2024 CIP Portfolio (Non-Housing)

Current Projects	
Downtown Alley Improvements	\$500,000
Lower Pacific Ave Improvements	\$3,185,000
Pacific Ave Beautification	\$1,000,000
Ocean Street Beautification	\$1,010,000
Farmers Market Structure	\$1,775,000
Downtown Library Affordable Hsing Project	\$3,119,760
Pacific Station North	\$2,089,000
Wharf Rehabilitation Projects	\$2,096,080
Tannery Dance & Performance Building	\$5,030,000
Broadband Infrastructure	\$150,717
Citywide Sign Program Phase II	\$577,606
TOTAL	\$20,533,162

Funding Efforts

GRANTS IN THE PIPELINE	
State Library submittal 05/18/2023	\$10,000,000
AHSC Round 2 submittal 04/04/2023	\$33,000,000
Coastal Conservancy submittal 05/31/2023	\$5,000,000
TOTAL	\$48,000,000

GRANTS NOT YET BUDGETED	
Fed Earmark-Pac Station North	\$2,000,000
Fed Earmark-Library	\$2,000,000
IIG	\$20,900,000
AHSC	\$29,600,000
TOTAL	\$54,500,000



FY 2024 Impact on Services



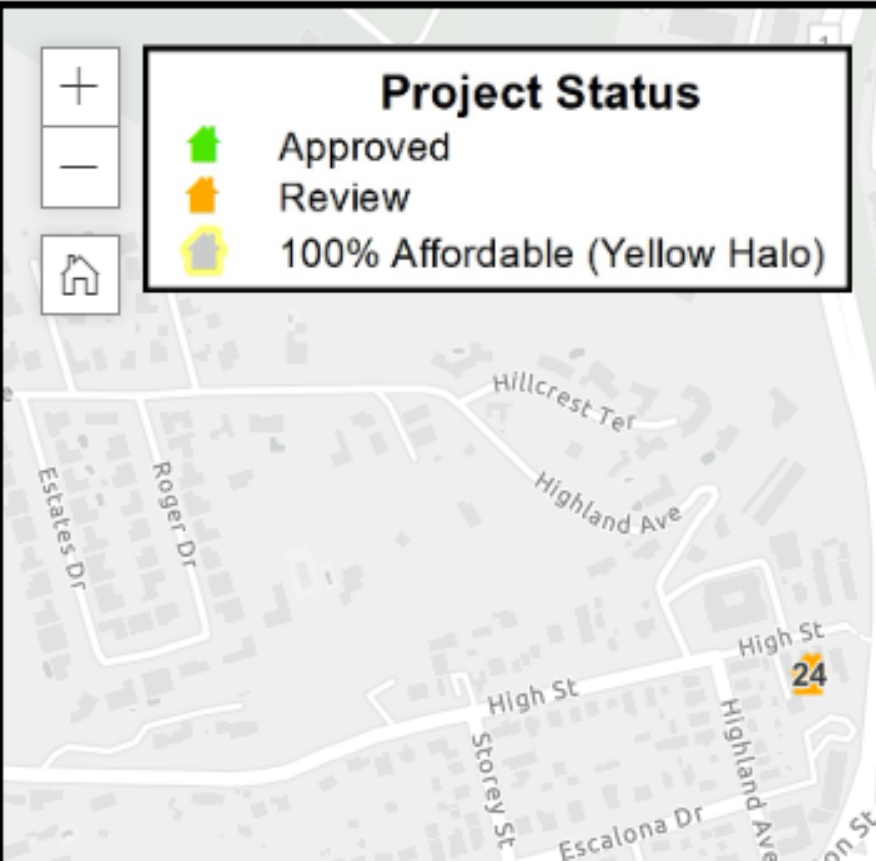
Citywide Housing Projects-5 or More Units



(1) 314 Jessie St. *Approved*
Affordable Units: 48 / Total Units: 50
Under Construction: No Time to Occupancy: 2-5 years
Located in the Lower Ocean district, this four story project will remove an existing 14 unit apartment building and two accessory buildings in order to build a 4 story apartment building to house 50 units at 100%



(2) Center/Cedar Project *Approved*
Affordable Units: 64 / Total Units: 65
Under Construction: Yes Time to Occupancy: 0-1 years
This downtown Santa Cruz development is located at Cedar and Center street next to Calvary Church. Bringing 2,210 square feet of retail space, a public paseo and 64 affordable units (with one manager unit), this

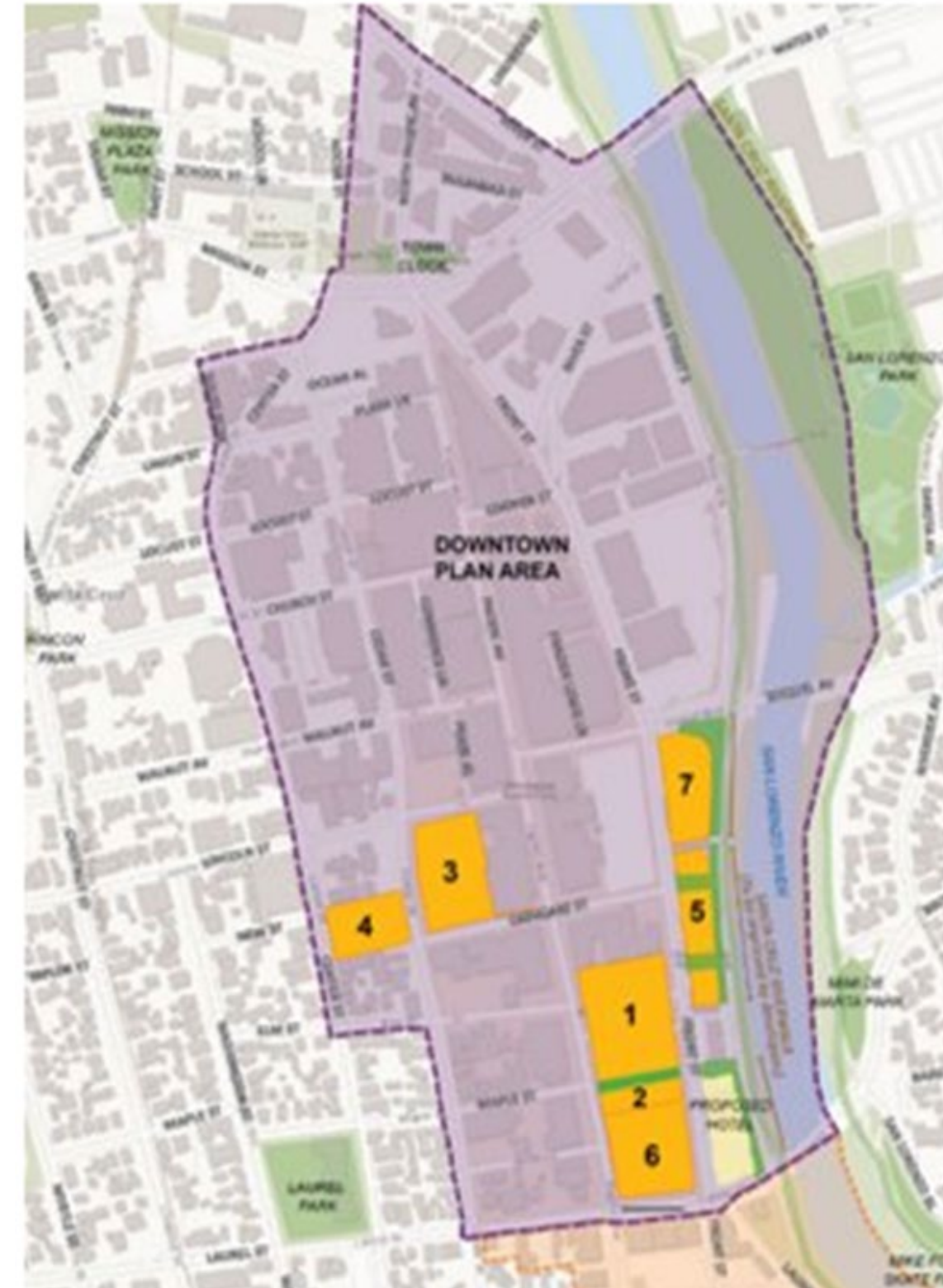


Core Services in Context – Business Services



Core Services in Context - Housing Development & Preservation

1. Pacific Station North
2. Pacific Station South
3. Downtown Library Mixed Use Project
4. Cedar Street Family Apartments
5. Riverfront Apartments
6. Anton Pacific
7. 530 Front Street



Core Services in Context – Infrastructure Development



Core Services in Context – Arts & Culture



SANTA CRUZ ECONOMIC DEVELOPMENT

City Arts Recovery Design PILOT GRANT PROGRAM



Community Arts & Empowerment is a combination of creative place making, public art, and social practice.

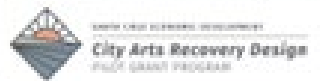


for more information email
watsonvillebrillante@gmail.com



'AWAKENING
NOURISHING
FIRES'

SANTA CRUZ RAIL TRAIL *Arts Master Plan*



Economic Development and Housing Questions and Answers



FY 2024 Budget Hearings

Planning and Community Development Department

May 23, 2023



Agenda

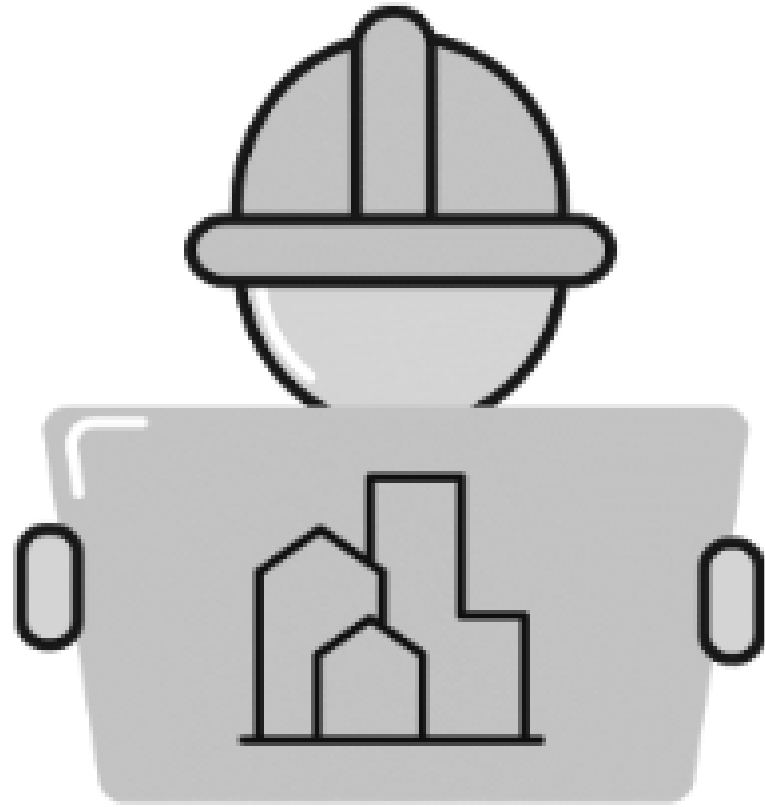
- Core Services
- Organization Chart
- FY 23 Achievements
- FY 24 Goals
- FY 24 Budget

MISSION

Enhance quality of life, safety, and civic pride for our community by providing land use and development guidance through responsive, respectful, and efficient public service.



Core Services



**Land Use, Development, &
Community Engagement**



**Public Health &
Safety**

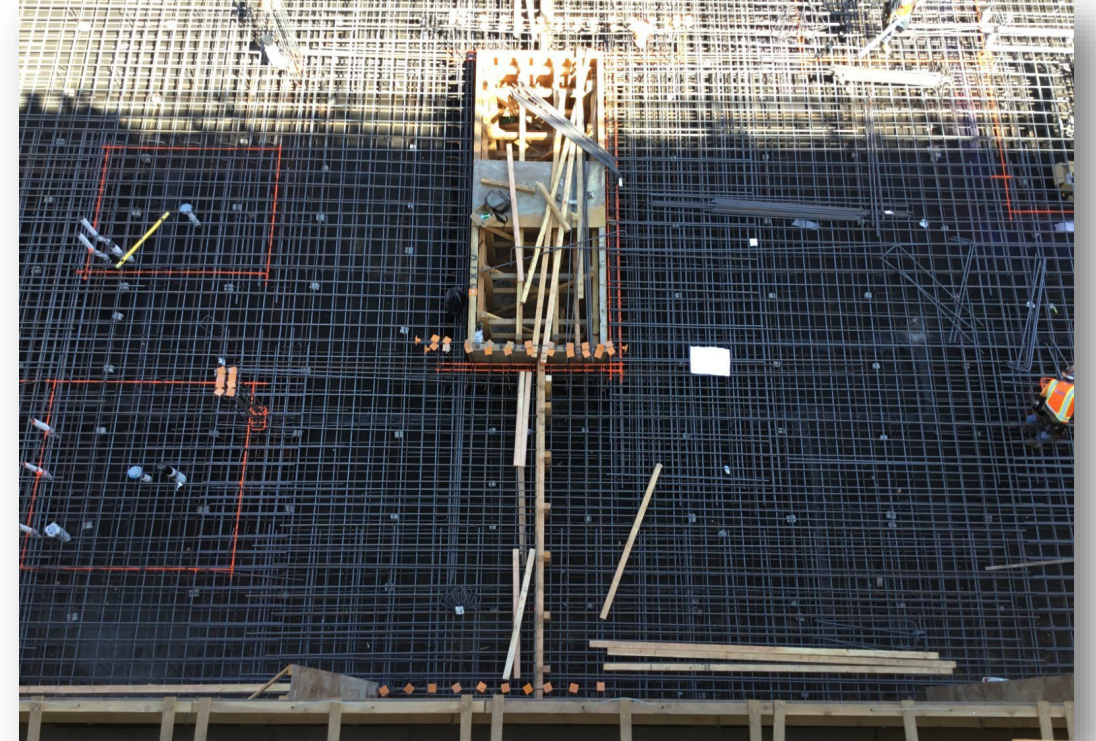


**Efficient Service Delivery
& Quality Customer
Service**



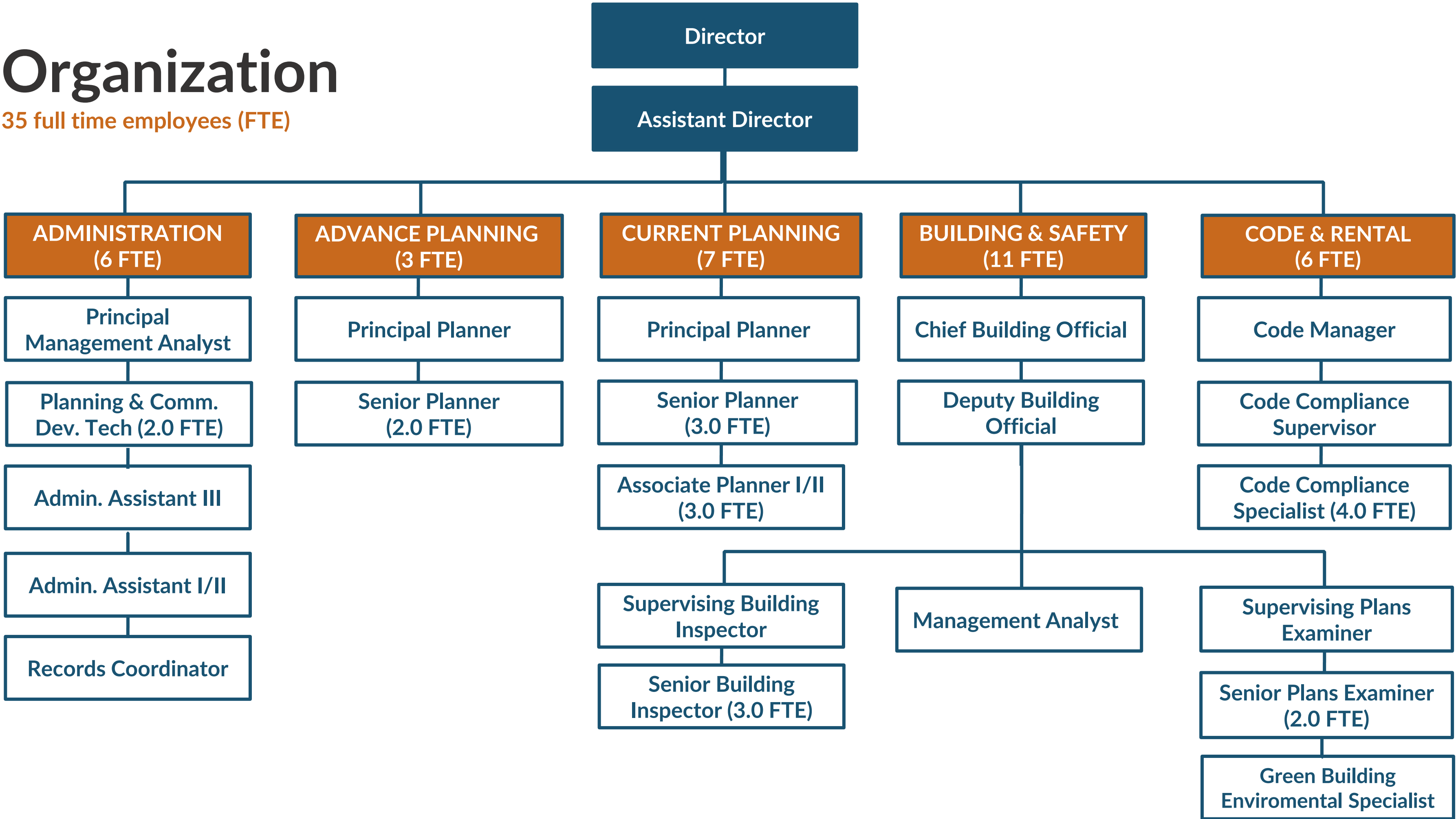


Above Photo Credit: Samuel Thayer, SC Sentinel



Organization

35 full time employees (FTE)





Lee
DIRECTOR



Eric
ASSISTANT DIRECTOR

ADMINISTRATION



Viviane

PLANNING TECHS



Ann



Allison

ADMIN ASSISTANTS



Tess



Mariana



Colleen*



Leticia*

RECORDS



Nydia



Brianna*

ADVANCE PLANNING



Matt

PLANNERS



Clara



Sarah



Susan*

CURRENT PLANNING



Samantha

PLANNERS



Ryan



Tim



Nancy



Rina



John



Mike*

BUILDING & SAFETY



John

INSPECTORS



Larry



Dean



Joe



Michael*

PLAN REVIEW



John M.



Megan



Phen*



Dom*



Tawana*

CODE & RENTAL



Laura



Kim

RENTAL



Jake



Oscar

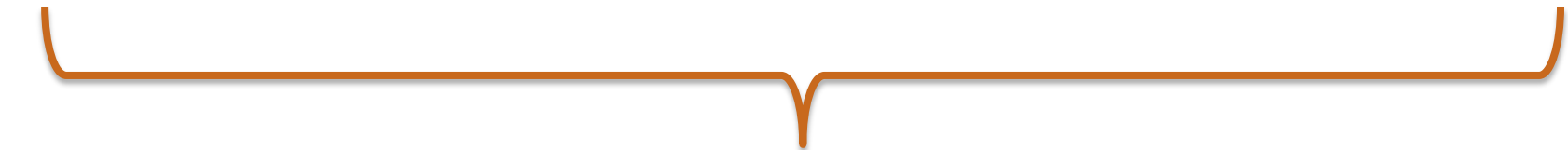
CODE



Jenna

FY 2023 Achievements: 5th Cycle RHNA Met

Income Category:	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA	180	118	136	313	747
Approximate Totals through May 15, 2023	216	461	233	805	1,715



910 affordable units (53%)

RHNA Cycle Comparisons

Income Category:	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA	180	118	136	313	747
Approximate 5 th Cycle Total through May 15, 2023	216	461	233	805	1,715
6 th Cycle RHNA	859	562	709	1,606	3,736

FY 2023 Achievements: Pipeline Housing Statistics

>2,600

Total Units

>880

Affordable
Housing Units

~224

Permanent Supportive
Housing Units

FY 2023 & FY 2024: Projects



Calvary Church



Pacific Front Laurel



La Bahia



Pacific Station South



Coral Street



Jessie Street



Front St/Riverfront



130 Center



530 Front



Library Project



900 High Street



Pacific Station North



Delaware Addition



Cruz Hotel



Food Bin

FY 2023 Achievements: Statistics



Over **1,650**
Building Permits
Issued



Over **11,500**
phone calls &
individuals served



Over **9,800**
inspections
completed



Building Permit
Valuation
>\$120M*

*Actual valuation is 2-3x this amount.

FY 2023 Achievement: Policy & Implementation



**Objective
Standards**



**Downtown
Expansion Plan**



**Housing
Element**



**Sidewalk Vending
Ordinance
Implementation**

FY 2024 Goals



Housing Element
Certification



Land Management
System Update



Downtown Plan
Expansion



Continue customer
service
improvements

FY 2024 Proposed Budget of \$9M



66%

Personnel Services
\$5,960,482



34%

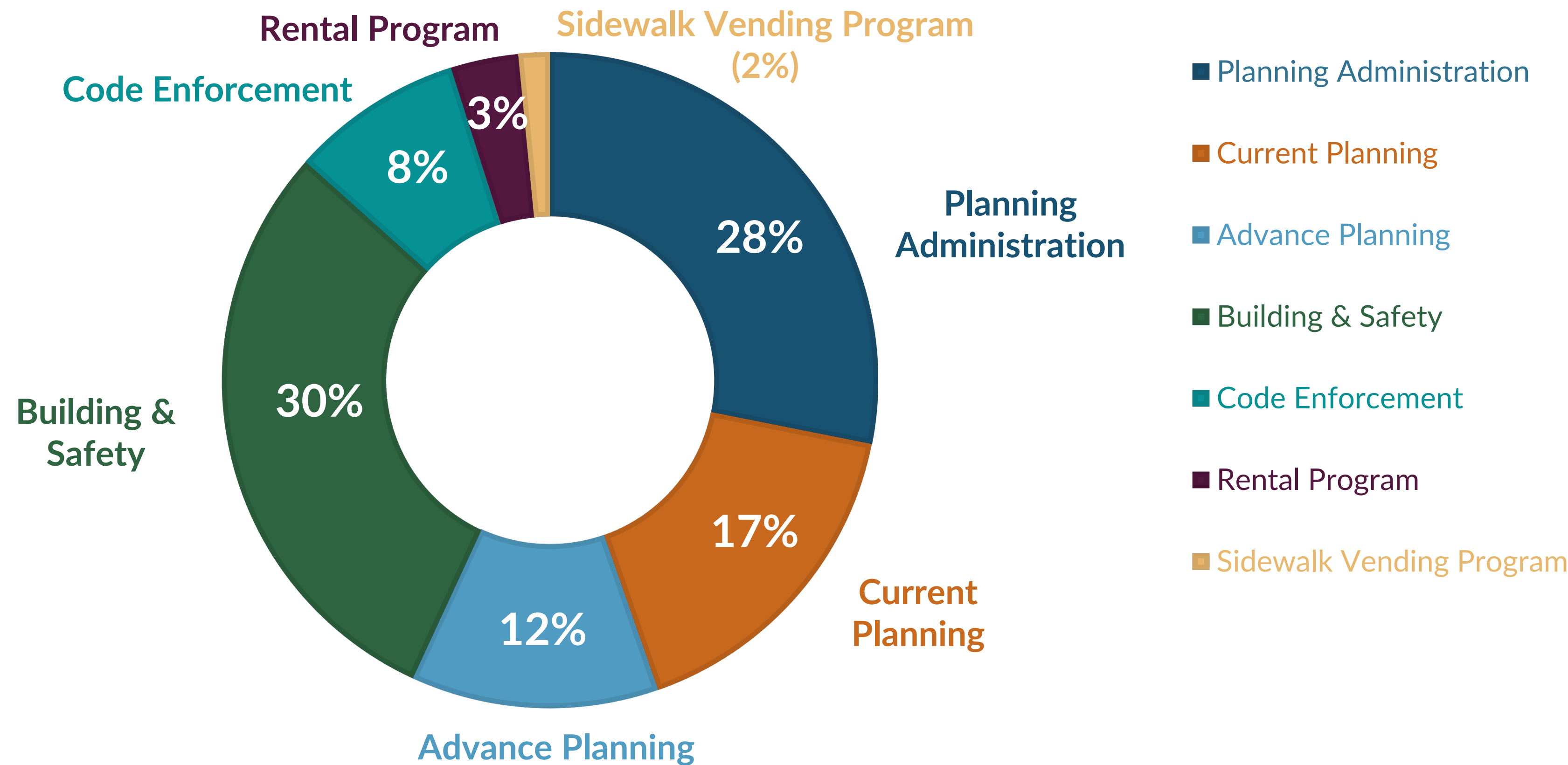
Services & Supplies
\$3,103,158



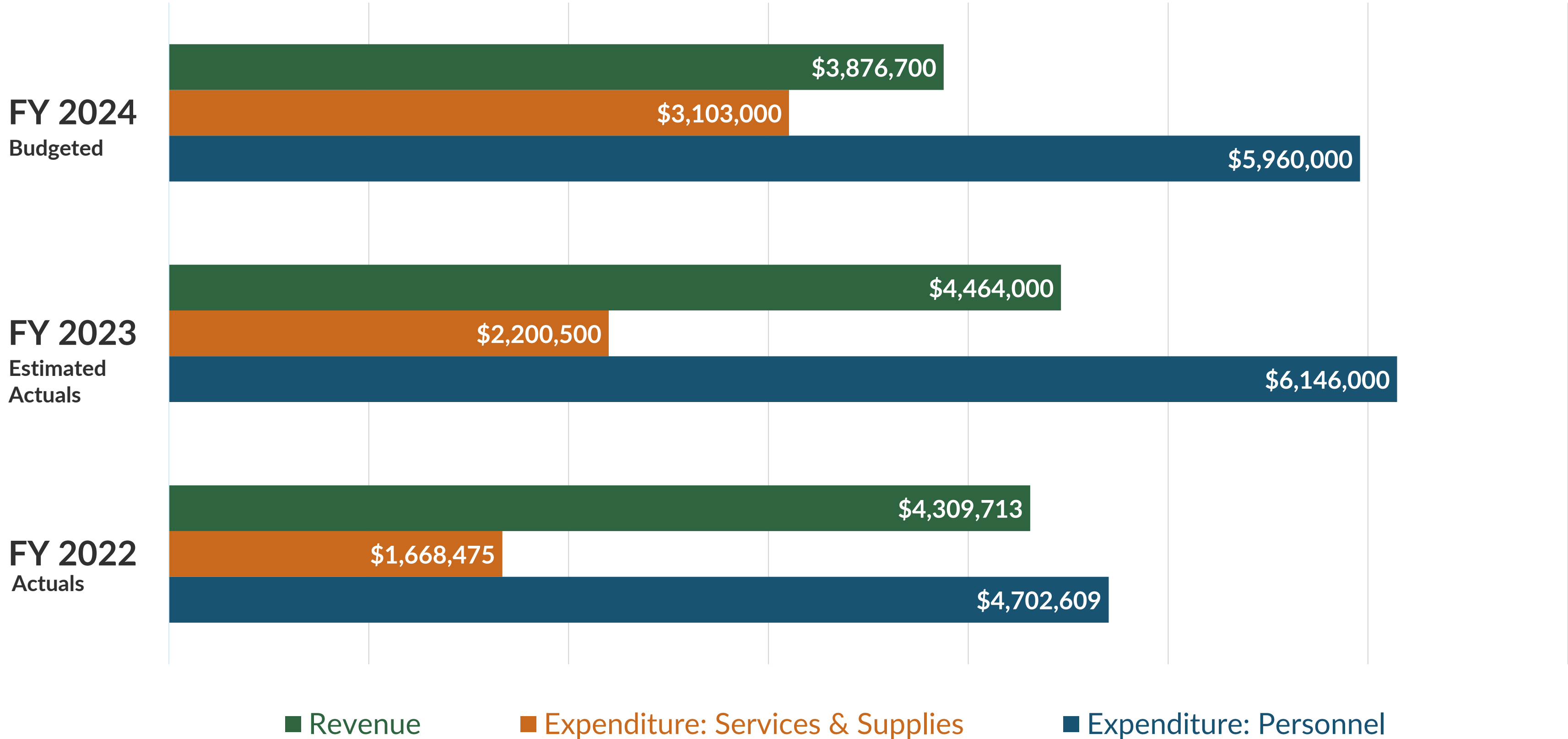
<1%

Capital Outlay
\$5,000

FY 2024 Proposed \$9M Budget: Expenditures by Activity



FY 2024 Proposed Budget: Revenues v. Expenditures



FY 2024 Budget Hearings

Planning and Community Development Department



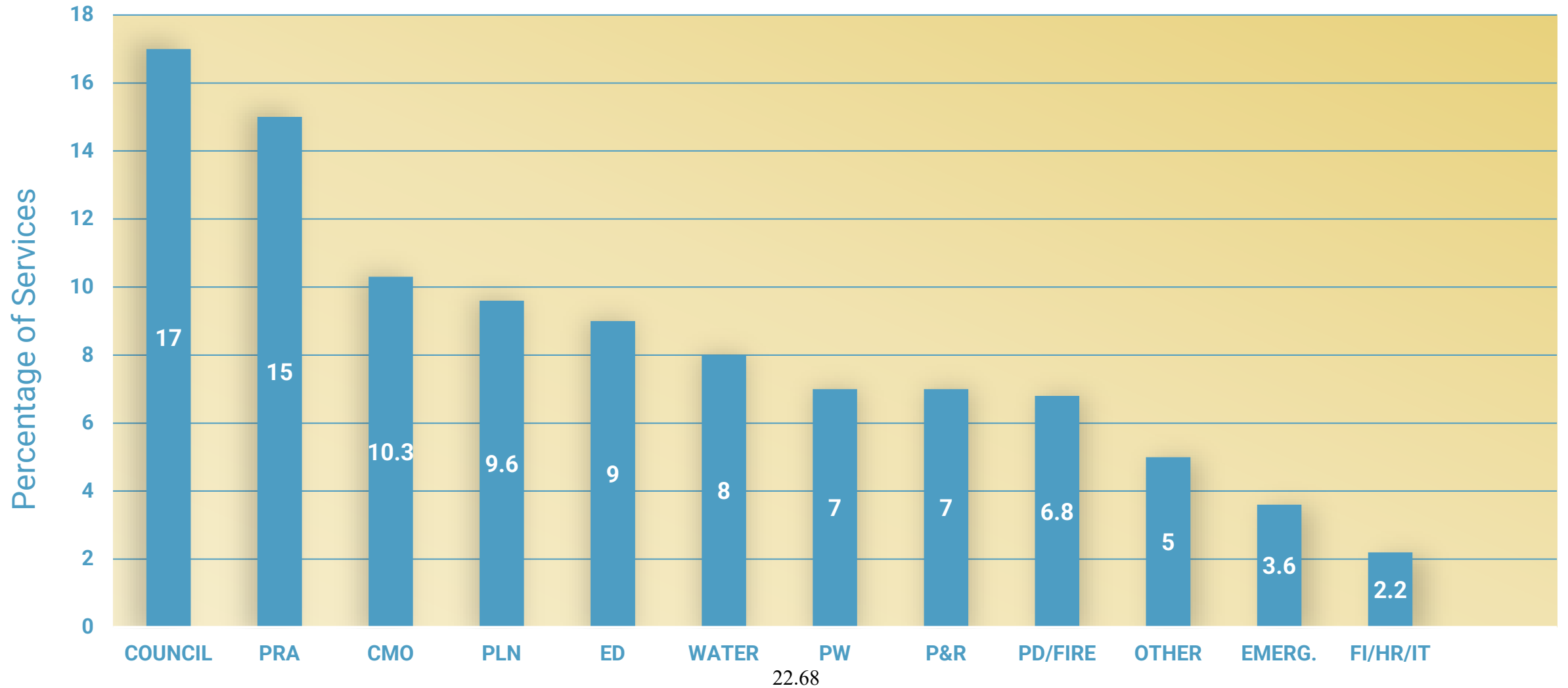


City Attorney's Office (CAO)
Budget Hearings
May 23, 2023

Budget Summary - City Attorney

		Fiscal Year*	Fiscal Year 2023			Fiscal Year
		2022	Adopted	Amended*	Year-End	2024
		Actuals	Budget	Budget	Estimate	Proposed
EXPENDITURES BY CHARACTER:						
Personnel Services		-	22,123	22,123	-	22,123
Services, Supplies, and Other Charges		1,841,674	1,549,331	1,551,321	1,551,321	1,591,987
Total Expenditures		<u>1,841,674</u>	<u>1,571,454</u>	<u>1,573,444</u>	<u>1,551,321</u>	<u>1,614,110</u>
EXPENDITURES BY ACTIVITY:						
City Attorney	1220	<u>1,841,674</u>	<u>1,571,454</u>	<u>1,573,444</u>	<u>1,551,321</u>	<u>1,614,110</u>
Subtotal General Fund		<u>1,841,674</u>	<u>1,571,454</u>	<u>1,573,444</u>	<u>1,551,321</u>	<u>1,614,110</u>
Total Expenditures		<u>1,841,674</u>	<u>1,571,454</u>	<u>1,573,444</u>	<u>1,551,321</u>	<u>1,614,110</u>
RESOURCES BY FUND :						
General Fund	101	<u>119,989</u>	<u>124,551</u>	<u>124,551</u>	<u>124,551</u>	<u>1,559,891</u>
Total Resources		<u>119,989</u>	<u>124,551</u>	<u>124,551</u>	<u>124,551</u>	<u>1,559,891</u>
Net General Fund Cost		<u>(1,721,685)</u>	<u>(1,446,903)</u>	<u>(1,448,893)</u>	<u>(1,426,770)</u>	<u>(54,219)</u>

CAO General Services – Category Breakdown by Percentage



Budget Comparison – Berkeley Study (2021)

City	Total Population	General Fund Budget	Total Budget – All Funds	City Attorney Budget
Alameda	79,316	\$101,910,809	\$269,937,446	\$8,761,551
Berkeley	123,328	\$201,681,763	\$514,616,483	\$4,676,381
Burbank	105,952	\$199,000,904	\$670,103,816	\$4,165,511
Palo Alto	69,397	\$196,973,000	\$796,759,000	\$3,485,154
Richmond	110,436	\$160,198,985	\$339,741,062	\$2,042,238
Santa Clara	128,717	\$247,403,251	\$1,184,263,623	\$2,604,084
Santa Cruz	65,807	\$101,521,961	\$323,190,566	\$1,608,654
Santa Monica	93,593	\$358,882,909	\$613,588,819	\$11,063,176
Santa Rosa	175,625	\$178,627,854	\$436,535,928	\$3,631,343

CAO – Who Are We?

- Mission:
- Summary of Functions:
 - Advisory
 - Litigation
 - Prosecution
 - Risk Management
- Staffing:
 - 14 Attorneys (11 FTEs)
 - 3 Paralegals
 - 3 Admin. Staff

Workplan Highlights

- **Legal Support**
- **Maintain systems to provide timely and practical information**
- **Community Development/Economic Development**
- **Code Enforcement**
- **Public Works/Water**
- **Police Department/City Clerk**
- **Litigation**



QUESTIONS?



FY 2024 Budget Hearings Homelessness Response May 23, 2023



Agenda

- Homelessness Response Action Plan
- CA\$14 & ARPA Funding
- Citywide Homeless Response Budget & Expenditures
- FY23 Achievements
- Grant Funds Carry Over FY24
- Goals for FY24



City of Santa Cruz Strategic Plan:

April 2023

Focus Area: Homelessness Response

Goal Statement: Working with the County, move toward positive outcomes in homelessness response, safety and health, balancing the interests of persons who are unhoused, and the business community

Proposed Strategies

- Reduce the presence and social and environmental impacts of encampments in the City
- Create opportunities for youth activities to prevent future homelessness
- Seek funding for capital investment for homelessness response
- Contribute to the development of temporary shelter and interim housing in a manner that supports rehousing people
- Collaborate with our community partners to create a regional approach to homelessness
- Identify and leverage existing county resources and funding to connect individuals with resources
- Provide services for people at risk of eviction to prevent homelessness
- Maintain and update the Homelessness Response Action Plan, with specific focus on developing service delivery and accountability metrics
- Provide outreach services for people living outdoors and in vehicles so they can be connected to housing and support services
- Advocate with the state and federal government for improved mental health and substance use disorder support

Homeless Response 3 Year Action Plan



March 2022 The HRAP was adopted by the City Council to help guide and focus the City's efforts on homelessness over three years. The plan implemented 2 major council initiatives:

- ✓ June 2021 CSSO was adopted – 150 Emergency Shelter beds
- ✓ November 2021 OVO was adopted – Safe Parking Program
- ✓ The Plan was funded by a one-time California State Grant of \$14 Million & \$4.7 ARPA Funds

CA \$14 & ARPA

Homelessness Response 3 Year Action Plan	BUDGET	EXPENDITURES	Carry Over
ARPA	\$ 4,746,654	\$ (4,045,714)	\$ 700,940
California \$14 Million	\$ 14,001,543	\$ (8,641,685)	\$5,359,858
TOTAL CA \$14 & ARPA	\$ 18,748,197	\$ (12,687,399)	\$6,060,798

- Grant funding crosses several fiscal years
- Not all Grant funds budgeted in have been spent
- Staff capacity to undertake all projects
- Bid-Process, Locating facilities, obtaining service providers
- As a result – Carry Forward of \$6.0 One-Time Funds

Homeless Response City Wide

	FY22 Act	FY23 Adj Budget	FY23 Est Act	FY24 Budget
City Managers Office	\$1,269,206	\$10,048,223	\$4,807,168	\$1,458,245
Public Works Dept	\$0	\$669,930	\$480,370	\$845,510
Police Dept	\$0	\$234,416	\$211,373	\$341,028
Econ Dev	\$0	\$365,153	\$340,000	\$0
Total	\$1,269,206	\$11,317,722	\$5,838,911	\$2,644,783
CIP (CA \$14 & ARPA)		\$8,560,345	\$5,515,246	

- **FY22: ARPA Funds**

- Benchlands Sanctioned Camp, HRT Staffing

- **FY23: Primarily ARPA & CA \$14 Funds**

- City Managers Office:

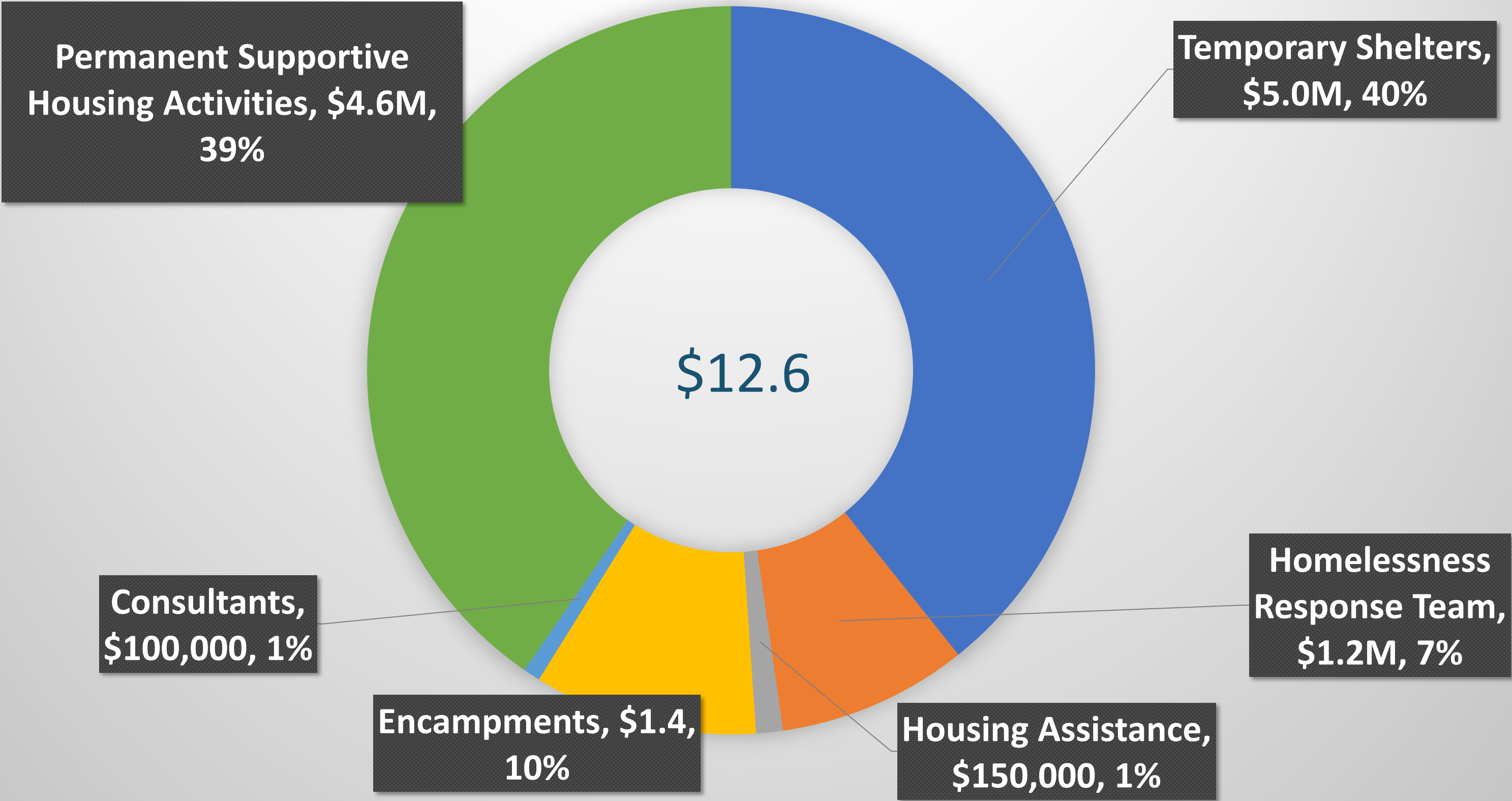
- Homeless Response Action Plan Projects: Safe Sleeping Programs (Armory/Safe Parking/1220), Staffing, & Encampment Clean-up/Support & Partnership

- Public Works & Police Dept: Staffing Costs

- **FY24: General Fund only**

- Costs are primarily staffing, CoC, Homeward Bound & Internal Service Charges

CA \$14 & ARPA Expenditures

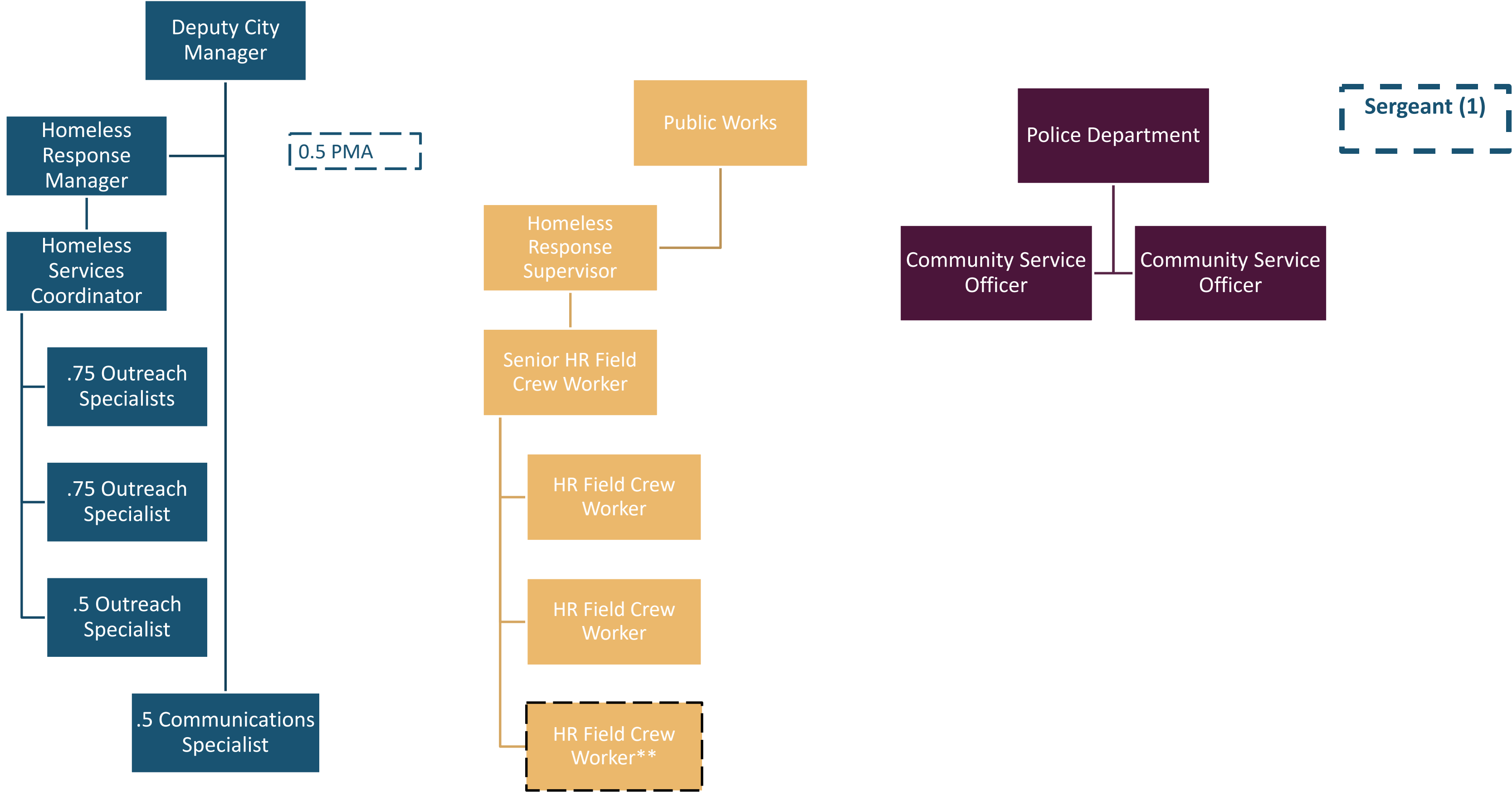


Additional Homelessness Related Response- Contracts

- ❖ Downtown Streets Team: \$375,000 (various dept)
- ❖ HOPES: Homeless Outreach, Proactive Engagement and Services Team: \$180,000
- ❖ DOW: Downtown Outreach Workers: \$100,000
- ❖ Mental Health Liaisons: \$150,000

- Does not include CORE Funding
- Fund 6103

Accomplishments: Dedicated Homeless Response Staff



Action Plan Accomplishments

Implemented the City's 3-year Homelessness Response Action Plan

Provided Shelter to over 400 individuals

Supported the Re-housing of 62 formerly unhoused individuals

Open the City Overlook (Armory) shelter program (135 capacity)

Established the 1220 River St Transitional Community Camp (30 capacity)

Established the City's Safe Parking Program (27 vehicles)

Safely and humanely closed the Benchlands Encampment

Action Plan Accomplishments

Opened a Severe Weather Shelter: open 19 nights

Purchased property on Coral Street for potential Navigation Center

Began the Coral Street Visioning Project

Retained a Legislative Advocate to form regional partnerships

Provided \$150,000 in Tennant Based Rental Assistance serving families

Pre-Development Grant RFP issued

Integrated Health Response Team: retained a consultant to analyze the potential for a new City program (Mobile Crisis Response)

Not Yet
Implemented
from the CA
\$14 & ARPA

Shelter Infrastructure (funding for pallet shelters)

RV Dump Station

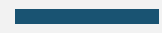
Storage facility/program

Additional transitional camp

Navigation Center Pre-design

Additional indoor shelter facility

Use of Remaining \$6 M in One-Time Funds FY24



All Programs supported by the CA \$14 & ARPA were One-Time Sources

Staff is recommending reallocating the remaining funds (\$6 Million) to support several important programs and not fund other planned initiatives.

Re-evaluate funding availability at Mid-Year for remaining programs.

Recommended Use of One-Time Funds FY24

	Reallocation of current remaining CA \$14 & ARPA(\$6M)	UNFUNDED
Program Costs		
Shelter Infrastructure - Pallet shelters		\$1,076,000
City Overlook - Armory -Full capacity (135 spots)	\$4,800,000	
Safe Parking - General -RV dump station maintenance		\$200,000
Storage Program -Rental and operation costs	\$230,000	
1220 River St. Transitional Community Camp	\$80,000	
Safe Parking (all 3 Tiers)	\$529,575	
Encampment Response and Clean-up	\$230,000	
Additional Transitional Community Camp		\$106,000
Nav. Center Phase 1&2 -Pre-development work		\$610,500
Severe Weather Shelter (New)	\$142,000	
Alternative/Additional shelter (New)		\$600,000
Mobile Crisis Response (New)		\$1,500,000
Total Costs	\$6,011,575	\$4,092,500



GOALS FOR FY24 AND BEYOND

- Reduce the impacts of Encampments
- Continue to Support Temporary Shelter Programs
- Continue to provide outreach services
- Create a Severe Weather Shelter Program
- Create a Storage Program
- Continue a Safe Parking Program
- Implement an Integrated Health Response Team
- Obtain Sustainable Funding Sources



Questions or Comments

OPERATIONS	Budget	Expenses
<i>Staffing: Homeless Response Team</i>	\$ 1,258,482	\$ (1,070,482)
<i>Basic Services:</i>	\$ 7,877,370	\$ (5,505,672)
Armory	\$ 3,876,622	\$ (4,458,508)
Safe Parking Programs	\$ 788,560	\$ (431,425)
Safe Parking General: RV Pump Service	\$ 564,900	
1220 River Transisitional Camp	\$ 293,716	\$ (83,199)
Storage	\$ 60,000	\$ -
Rental Assistance	\$ 150,000	\$ (150,000)
2nd Transitional Camp	\$ 106,858	
Shelter Expansion	\$ 1,300,000	\$ (5,500)
Homeless Response Cleanup	\$ 520,000	\$ (200,000)
Benchlands Injunction Camp	\$ 199,719	\$ (160,045)
Storm Water Fencing	\$ 16,995	\$ (16,995)
Partnerships	\$ 1,052,000	\$ (596,000)
Administration & Mangement	\$ 552,000	\$ (96,000)
Predevelopment for Permanent Supportive Housing	\$ 500,000	\$ (500,000)
CAPITAL	\$ 8,560,345	\$ (5,515,246)
Safe Parking General: RV Pump Station (CIP)	\$ 155,000	
Purchase 125 Coral Street	\$ 3,011,543	\$ (3,011,543)
Design/predesign for Navigation Center	\$ 710,000	\$ (99,500)
Hygiene Bay Repairs Housing Matters	\$ 2,607,802	\$ (1,504,202)
Benchlands Closure/Restoration	\$ 1,000,000	\$ (900,000)
Shelter Infrastructure	\$ 1,076,000	\$ -
TOTAL CA \$14 & ARPA	\$ 18,748,197	\$ (12,687,399)



INFORMATION REPORT

COUNCIL MEETING

5/23, 2023

DATE: May 10, 2023

TO: City Manager
DEPARTMENT: Finance
SUBJECT: Sales Tax

APPROVED:

DATE:

05.16.23

This report provides information about the Sales Tax collection and audit process for the City with a focus on the Sidewalk Vending Program. Sales Tax is the second highest revenue source for the City. In FY 2022, we collected \$22.9M in sales taxes or 21.6% of total General Fund revenue. In the first six months of FY 2023, we collected \$15.7M.

We are currently in the second season of our Sidewalk Vending Program as defined by Ordinance 2022-03. To receive a Sidewalk Vending Permit, a business must have both a sellers permit issued by the California Department of Tax and Fee Administration (CDTFA) and a City of Santa Cruz business license. The ordinance requires that the Sidewalk Vending Permit be in plain sight while vending. Our Code Compliance team operating out of the Planning and Community Development Department is responsible for enforcement of the ordinance and will issue either a warning or administrative citation to any vendors found to be out of compliance.

All businesses operating in the City are required to be registered with the CDTFA and are responsible for collecting the state's sales tax on all retail sales of goods and merchandise except those sales specifically exempted by law. Sales tax in California has three parts: the state tax rate (7.25%), of which the City receives 1%, the County tax rate (1.25%), and the district tax rate (.75%). The City of Santa Cruz receives 1% from the state's rate plus another .75% from district taxes for a total of 1.75%.

The City uses the firm, HdL, to assist in the analysis, tracking and reporting of sales tax data. They also perform discovery work focused on finding misallocations of local sales tax, either due to registration errors or incorrect completion of the various schedules that may be included with a quarterly sales tax return. They do not do compliance audits of individual businesses in the traditional accounting sense, but they do perform physical field canvasses, in-house comparisons of CDTFA data to other business databases such as phone directories, Yelp listings, etc. to discover anomalies or misallocations.

When the Sidewalk Vending Ordinance was approved in April 2022, we created a vendor sub-type of sidewalk vendor in our business licensing system to facilitate the tracking of sales tax for this group of vendors. According to HdL, in calendar year 2022, the City received \$1,333 in tax revenue from vendors assigned a subtype of sidewalk vendor. This represents total sales of \$76K as reported by 5 of the 73 registered sidewalk vendors. To estimate potential lost revenue due to under reporting by sidewalk vendors, we estimated gross annual revenue from all sidewalk vendors of \$1M. Based on our sales tax allocation of 1.75% as defined above, this represents lost revenue of \$17,500.

If vendors are found to be doing business and not collecting sales tax, we can report the tax evasion to the CDTFA. A Sidewalk Vending Permit must be renewed each year and can only be done with a valid business license from the City of Santa Cruz and a valid sellers permit from the CDTFA.

Approved by:
Elizabeth Cabell
Finance Director

FNF 23.1367



INFORMATION REPORT

COUNCIL MEETING

5/23, 2023

DATE: 5/17/23

TO: City Manager
DEPARTMENT: Library
SUBJECT: Incident Report – Santa Cruz Public Library
3rd Quarter Fiscal Year 2022-2023

APPROVED:

DATE:

05-18-23

The 3rd Quarter incident report shows the number of incidents and suspensions occurred system wide by branch through 3rd Quarter 2022-2023.

Submitted by:

Yolande Wilburn
Director of Libraries

Attachments: Santa Cruz Public Library 3rd Quarter 2022-2023 (1 pg.)

LBFYI 014

LBFYI 014

SCPL Incident Report by Branch - FY 22/23															
	QTR 1			QTR 2			QTR 3			QTR 4			YTD Totals		
	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change
Aptos	4	0	-100%	2	Closed	0%	0	0	0%	0			6	0	0.0%
Boulder Creek	Closed	4		Closed	3	0%	Closed	3	0%	1			1	0	-100.0%
Branciforte	Closed	0		Closed	Closed	0%	Closed	2	0%	Closed			0	0	0.0%
Capitola	9	5	-44%	8	1	-88%	3	2	-33%	4			24	0	-100.0%
Downtown	17	41	141%	12	30	150%	42	52	24%	23			94	0	-100.0%
Felton	4	6	50%	2	10	400%	4	13	225%	3			13	0	-100.0%
Garfield Park	2	1	-50%	Closed	5	0%	Closed	1	0%	0			2	0	-100.0%
La Selva Beach	0	0		0	0	0%	1	0	0%	1			2	0	-100.0%
Live Oak	2	4	100%	7	1	-86%	1	5	400%	2			12	0	-100.0%
Scotts Valley	Closed	0		Closed	0	0%	Closed	2	0%	Closed			0	0	0.0%
TOTAL	38	61	61%	31	50	61%	51	80	57%	34			154	0	-100.0%

Suspensions by Branch															
	QTR 1			QTR 2			QTR 3			QTR 4			YTD Totals		
	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change	FY 21/22	FY 22/23	% Change
Aptos	Closed	0		0	Closed	0%	0	0	0%	0			0	0	0.0%
Boulder Creek	Closed	1		Closed	0	0%	0	1	0%	0			0	0	0.0%
Branciforte	Closed	0		Closed	Closed	0%	0	0	0%	0			0	0	0.0%
Capitola	0	1		0	0	0%	2	1	0%	1			3	0	0.0%
Downtown	10	17	70%	5	18	260%	33	34	3%	15			63	0	-100.0%
Felton	3	1	-67%	1	4	300%	1	2	100%	1			6	0	0.0%
Garfield Park	0	0		Closed	1	0%	0	1	0%	0			0	0	0.0%
La Selva Beach	0	0		0	0	0%	0	0	0%	0			0	0	0.0%
Live Oak	0	0		Closed	1	0%	0	0	0%	0			0	0	0.0%
Scotts Valley	Closed	0		Closed	0	0%	Closed	0	0%	Closed			0	0	0.0%
TOTAL	13	20	54%	6	24	300%	36	39	8%	17			72	0	-100.0%

* Reopenings - Capitola 6/12/21, Felton 2/22/20, La Selva Beach 3/20/21, Boulder Creek 5/7/22, Garfield Park 6/11/22, Scotts Valley 8/6/22, Live Oak 10/1/22