

Westly, Austin

From: Paul Estey <paul.estey1@gmail.com>
Sent: Thursday, February 22, 2024 9:48 AM
To: City Council
Subject: Proposed Resolution to Fund Additional Wharf Expenditures
Attachments: Screenshot 2024-02-22 at 8.21.56 AM.png

City Council Members:

The presentation in today's (22-Feb-24) City Council Meeting Packet relative to the issues with the Wharf reconstruction/rehabilitation project shows a projected deficit of \$1,264,000. This deficit will result from the proposed contract changes for the Wharf reconstruction effort (see below). The resolution does not direct the City to use certain funds to cover this deficit. The current year (FY 23-24) budget General Fund has a reserve of only \$500,000 (see below). Note that prior to the pandemic, City Council with the help of the Finance Department rebuilt the City's reserves that were depleted primarily due to the storm drain disaster in 2011. Those reserves were built up further during the pandemic. Now they have been reduced substantially again. The question then is how will the City account for this excess spending? The Capital Improvement Program (CIP) fund has a projected balance of \$1,655,400 by the end of this fiscal year. I assume that these funds can be reallocated to the Wharf Project. If so then there will be less than \$400,000 left in the fund balance unless other CIP projects are deferred or cancelled. I am not sure on how the accounting is done for such multi-year projects funded primarily by County, State, or Federal sources. I think that as part of the City's report there should be a report by the Finance Director on the source(s) of the extra funds to cover the proposed overspending so that the public sees how this all washes out.

Thank you for your consideration,
Paul Estey

Wharf Resiliency and Public Access Project Budget

<u>Funding</u>	
Coastal Conservancy Grant	\$1,900,000
HUD Grant	\$3,500,000
Measure F	\$2,500,000
Insurance from January 2023 Storm Damages	\$1,000,000
California Natural Resources Agency	TBD
FEMA	TBD
CWEP Fundraising	\$400,000
Total Project Funding	\$9,300,000
<u>Expenses</u>	
Initial Contract (inclusive of January 2023 Storm Damage)	\$7,740,000
Change Order 1	\$104,300
Change Order 2	\$43,000
Change Order 3	\$213,700
Change Order 4 - Storm Damage (December 2023)	\$213,000
CWEP – Cushman Construction	\$313,000
CWEP – Non-Cushman Items	\$337,000
Building Demolition	\$1,000,000
Repair Work Under Buildings	\$500,000
Head of Wharf Repair	\$100,000
Total Project Costs to Date	\$10,564,000
<u>Available Funds</u>	
Projected Deficit	\$1,264,000

this summary section.

General Fund Summary						
Major Categories	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Amended	FY 22/23 Estimated	FY 23/24 Adopted	FY 24/25 Planned
Revenues						
Taxes	\$ 12,838,748	\$ 14,514,218	\$ 14,573,969	\$ 14,607,713	\$ 14,943,971	\$ 15,225,246
Licenses and permits	657,786	718,402	642,100	600,354	651,600	654,725
Intergovernmental revenues	1,404,860	1,350,001	1,442,308	105,700	89,700	91,360
Charges for services	1,604,582	1,894,868	2,076,331	1,797,950	2,157,937	2,487,760
Fines and forfeitures	494,772	588,832	592,000	648,000	607,500	607,500
Use of money & property	79,464	31,722	89,500	123,200	198,495	198,495
Other revenues	112,881	898,648	106,344	83,850	89,300	90,450
Revenues Totals	\$17,193,093	\$19,996,692	\$19,522,552	\$17,966,767	\$18,738,503	\$19,355,536
Expenditures						
Personnel	\$9,127,386	\$10,273,758	\$11,364,691	\$11,430,752	\$11,681,919	\$12,122,364
Contract services	2,250,977	2,912,962	3,777,026	3,348,754	3,290,190	3,121,345
Training & Memberships	64,292	101,501	147,645	149,959	172,736	173,786
Supplies	495,219	672,330	516,000	581,563	603,975	573,175
Grants and Subsidies	43,650	101,650	125,000	125,000	125,000	125,000
Internal service fund charges	911,212	1,192,463	1,439,415	1,439,415	1,617,843	1,647,118
Other financing uses	809,383	3,608,343	5,231,569	3,390,366	2,288,788	1,587,909
Expenditures Totals	\$13,702,120	\$18,863,007	\$22,601,346	\$20,465,809	\$19,780,450	\$19,350,697
Impact on Fund Balance	\$ 3,490,974	\$ 1,133,684	\$ (3,078,794)	\$ (2,499,042)	(\$1,041,947)	\$ 4,839
Budgetary Fund Balance	\$ 4,346,128	\$ 5,479,812	\$ 2,016,018	\$ 2,595,770	\$ 1,553,823	\$ 1,558,662
Designations						
Employee Downpayment		\$ (385,000)	\$ (385,000)		\$ (100,000)	\$ (100,000)
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ (953,823)	\$ (953,823)
Revised Budgetary Fund Balance	\$ 4,346,128	\$ 5,094,812	\$ 1,631,018	\$ 2,595,770	\$ 500,000	\$ 504,839

The FY 2023-24 budget includes \$2.5 million of general fund with \$1.1 million coming from Measure F, \$3.5 million of federal grant funding, \$227,000 local grant funding, and \$1.0 million insurance claim proceeds. The Wharf project has approximately \$8.9 million of remaining funding which will bring the total rehabilitation project and storm damage repairs to \$10.5 million. The FY 2023-24 budget also includes \$609,500 of SB1 and Measure D revenues for the Capitola Road Rehabilitation project, and \$2,450,000 of fund balance from the General Fund programmed towards City Council goals within the CIP program.

SOURCES AND USES

Fund - 1200	FY20/21	FY21/22	FY22/23	FY22/23	FY23/24	FY24/25
Capital Improvement Program	Actual	Actual	Amended	Estimated	Adopted	Planned
Beginning Fund Balance	\$ 2,186,822	\$ 1,472,661	\$ 3,762,200	\$ 3,762,200	\$ 7,164,700	\$ 1,655,400
Revenue						
Intergovernmental revenue	\$ 300,000	\$ 812,774	\$ 1,900,000	\$ 1,900,000	\$ 3,500,000	\$ -
Other revenues	42,864	(6,834)	587,000	764,000	1,227,000	-
Other financing sources	-	2,960,066	3,966,203	2,125,000	2,450,000	972,341
Revenue Totals	\$ 342,864	\$ 3,766,066	\$ 6,453,203	\$ 4,789,000	\$ 7,177,000	\$ 972,341
Expenditures						
Contract services	\$ 3,308	\$ 14,515	\$ -	\$ 62,500	\$ -	\$ -
Construction services	\$ 1,010,716	\$ 1,455,818	\$ 6,863,140	\$ 1,250,000	\$ 12,686,300	\$ 1,190,000
Other financing uses	\$ 43,000	\$ 6,134	\$ -	\$ 74,000	\$ -	\$ -
Expenditure Totals	\$ 1,057,024	\$ 1,476,467	\$ 6,863,140	\$ 1,386,500	\$ 12,686,300	\$ 1,190,000
Fund Balance at 6/30	\$ 1,472,661	\$ 3,762,200	\$ 3,352,263	\$ 7,164,700	\$ 1,655,400	\$ 1,437,741

Westly, Austin

From: Katharine Parker <katharinep3@gmail.com>
Sent: Thursday, February 22, 2024 11:47 AM
To: City Council
Subject: Items A, B and C City Council Agenda

To the City Council,

Tonight you're discussing a number of issues important to many members of the Capitola community.

Under Item A, the Wharf has been a community icon and gathering place for many years. For that reason a dedicated group of citizens has mounted an effective campaign to raise monies for projects that will make the rebuilt wharf even more special than the original rebuild..."icing on the cake" if you will. Individuals and businesses donated monies thinking that we're supporting these special projects; we trusted that the governmental funds allotted for the wharf's rebuild would cover the original rebuild plans. Please do not allow the Wharf Resiliency Fund to be used in other ways or you'll discourage future community fundraising efforts such as this one.

Under Item B, a street design that further limits the number of lanes will only increase the type of aggressive driving that I've seen increase in the past few years. Drivers often zoom up the right hand lane (going towards Highway 1) then wedge themselves into the left turn lane to get onto Highway 1 North. Especially during the am and pm school commute, traffic often backs up from the Highway 1 off and on ramps past Gayles all the way to Park Avenue. It can take me 20 minutes to get from Park and Monterey Ave. intersection to Highway 1. Now many drivers go onto Rosedale up to Hill and around and I guarantee you many more will do so if traffic is further restricted. Another problem is the right turn lane at Monterey and Park Avenue (turning onto Park) is poorly marked; many people in the right lane go straight ...luckily we locals know to watch for that. In sum, the whole of Bay/Monterey deserves more study for traffic improvements. Perhaps flashing lights on the crosswalk like the one on Capitola Avenue near the DMV would suffice for now; they seems to work well.

Under Item C, the long term drainage study being submitted does virtually nothing to address the multiple drains from Depot Hill directly into the bay. They are shown on several maps and that's it. When the study mentions study of various drains, their capacities, their conditions, how much they typically disperse...I think they didn't even look at any of these drains (in fact they show two and there are at least three). The drain near Grand and Saxon failed within the cliff over ten years ago; its "temporary" fix is still in place. A drainage study paid for by some Depot Hill homeowners was submitted to the City over ten years ago and is probably still in City archives. These drains are ugly, they spew water like fire hoses directly onto the cliff during rainstorms, and deliver water directly from city streets into the Bay. They should at least be a part of any area drainage study.

Democracy is slow...it's a pain to have to hear from many citizens with a variety of ideas...but hopefully it helps us consider all alternatives and come up with the best outcomes.

Respectfully,

Katharine and Tom Parker
Capitola
Sent from my iPad

Westly, Austin

From: Tory Delfavero <tory.delfavero@sbcglobal.net>
Sent: Thursday, February 22, 2024 1:11 PM
To: City Council
Subject: Wharf community meeting, agenda item, & follow up

Dear Mayor and Council -

Thank you for creating a dedicated space to hear public input on the future of the wharf and share updates. The showing last night clearly conveyed the importance of the Wharf House and Boat & Bait to the citizens of Capitola and our guests.

The businesses on the wharf have been running an unsanctioned City of Capitola recreation programs since its inception. I got to experience the magic of it as a child and have had the pleasure of my kids spending hours out there fishing, eating french fries, and enjoying time with their friends.

These local businesses have been true stewards of this recreational space.

Anyone that has spent time out there has witnessed the diversity of ages, backgrounds, and financial means. From the New Brighton fishing club to patrons of live music on the deck - this space serves so many and creates joy that has a ripple effect into our entire community. What a gift!

The meeting last night was well run and thoughtful. The Mayor closed the meeting by saying "It will be okay." I would like to ask the City to demonstrate how it will be okay.

The Wharf Working Group on the City's website is a start. But currently it is empty. The Public Works page has some nice content but still requires more digging to find out the latest on "Capitola Wharf Present". It's tough to keep it current but links to agenda items and budgets would help the public follow along. As I know the public needs the context, cost, and challenges to stay informed on this project and understand the decision making process.

The staff last night highlighted the need to tear down the buildings and the community showed up to highlight the need to rebuild them. We don't need fancy - we need salty!

Thanks for reading.

Kindly -
Tory Del Favero on Riveview Dr. in Capitola



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February 21, 2024

City of Capitola Community Development Department
420 Capitola Ave
Capitola, Ca. 95010

Subject: Observation of Structures on Capitola Wharf Post 2023 Storm Event

Capitola Wharf
1400 Wharf Rd,
Capitola, Ca. 95010

To Katie Herlihy, Director Capitola Community Development.

I recently performed a site visit to observe the condition of the existing structures housing the businesses on the Capitola Wharf. The focus was to assess damage and verify structural integrity.

The buildings are of wood frame sitting on a thin reinforced concrete slab supported by the wharf decking. I would estimate that the structures are in excess of 40 years in age.

While the buildings remain standing, there is substantial evidence of damage and decay to the concrete slab supporting the structures. I observed exposed areas compromised by broken and cracked concrete as a result of rusted reinforcing and damage from recent wave action.

It is evident that the slab below the buildings is damaged beyond repair. A primary factor is the high percentage of exposed and corroded reinforcing that will continue to degrade the integrity and strength of the slab. There is no cost-effective way to repair or salvage the slab.

Any effort to salvage the wood framed structures would require an elaborate, time consuming, and costly temporary support system in order to remove and replace the slab. This effort would have to assume that the wood framing is in

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Observation of Structures on Capitola Wharf Post 2023 Storm Event

very good condition with adequate connections, very little damage or rot. This would be unlikely. At the time of my visit, I was not able to determine the complete extent of damage to the wood framing beyond multiple locations with cracks in wall finishes.

As a final and major consideration, the extent of work repairing these structures would trigger the requirement by the California Building Code to upgrade all framing, connections, and affected elements to current standards, only adding to the scope of work.

Based on the costs and effort associated with attempting to repair these structures, coupled with the fact that they inhibit access to properly repair the wharf, it is my opinion that these structures be removed.

Sincerely,

Tim Wann

Tim Wann

