

AGREEMENT NUMBER G25-062	AM. NO.
TAXPAYERS FEDERAL EMPLOYER IDENTIFICATION NO. 94-6002834	



THIS AGREEMENT is entered into this _____ day of _____, 2026 in the State of California, by and between:

AGENCY State Coastal Conservancy	and
GRANTEE'S NAME City of Capitola	

Pursuant to Chapter 3 of Division 21 of the California Public Resources Code, the State Coastal Conservancy (“the Conservancy”) hereby grants to City of Capitola (the “grantee”) a sum not to exceed \$275,000.00 (two hundred seventy-five thousand dollars) subject to this agreement.

Continued on the following pages.

The provisions on the following pages constitute a part of this agreement.
 This agreement has been executed by the parties as shown below.

STATE OF CALIFORNIA	GRANTEE
AGENCY State Coastal Conservancy	GRANTEE (If other than an individual, state whether a corporation, partnership, etc.) City of Capitola
BY (Authorized Signature) 	BY (Authorized Signature) 
PRINTED NAME AND TITLE OF PERSON SIGNING Amy Hutzel, Executive Officer	PRINTED NAME AND TITLE OF PERSON SIGNING Jamie Goldstein, City Manager
ADDRESS & PHONE NUMBER 1515 Clay Street, 10 th Floor Oakland, CA 94612 Phone: (510) 286-1015	ADDRESS & PHONE NUMBER 420 Capitola Ave. Capitola, CA 95010 Phone: (831) 475-7300

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 275,000.00	PROGRAM/CATEGORY Local Assistance	FUND TITLE/PROP NO. Prop 4 – Coastal & Flood Management		
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$ -0-	FUND ITEM 3760-101-6093-0001(C) (B1111PJ)	CHAPTER 104/25	STATUTE 2025	FISCAL YEAR 25/26
TOTAL AMOUNT ENCUMBERED TO DATE \$ 275,000.00	PROJECT NAME Esplanade Park Coastal Access Enhancement and Adaptation Plan			
NAME AND SIGNATURE OF <u>ACCOUNTING</u> OFFICER				
DATE				

I certify that this agreement is exempt from Department of General Services' approval.

Erika Gomez
 Procurement and
 Contracts Manager

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

I. SCOPE OF AGREEMENT

The grantee shall use the funds granted under this agreement to complete the following project (the “project”) for the Capitola Waterfront area of Capitola, Santa Cruz County, as shown on the attached Exhibit A.

The project consists of preparing the Esplanade Park Coastal Access Enhancement and Adaptation Plan for the 0.53-acre Esplanade Park, including planning and conceptual design for climate-resilient improvements that enhance public coastal access and adapt the park for long-term resilience to sea-level rise and storm hazards. The project will conduct technical studies to evaluate coastal vulnerabilities, model future sea-level rise, stormwater, and drainage conditions, and develop multiple adaptation alternatives, including nature-based, hybrid, structural, and potential retreat strategies. A preferred adaptation and access plan will be refined to a preliminary design level to support future environmental review, permitting, and implementation. The project will engage the community through public workshops, surveys, and outreach at local events to ensure the plan reflects the priorities and perspectives of residents, visitors, and Capitola Village businesses. The plan will include preparation of a regulatory and California Environmental Quality Act (CEQA) pathway analysis.

The grantee shall carry out the project in accordance with this agreement. The grantee shall provide any funds beyond those granted under this agreement that are needed to complete the project.

II. CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT

The grantee shall not commence the project and the Conservancy will not be obligated to disburse any funds under this agreement until the following conditions precedent have been met:

1. The City Council of the grantee has adopted a resolution designating positions whose incumbents are authorized to negotiate and execute this agreement and amendments to it on behalf of the grantee.
2. The Executive Officer of the Conservancy (“Executive Officer”) has approved in writing:
 - a. The work program for the project as provided in section V. WORK PROGRAM.
 - b. All contractors that the grantee intends to retain in connection with the project.

3. The grantee has provided to the Conservancy:
 - a. Evidence that the grantee has provided for required insurance coverage as described in section XIII. INSURANCE.
 - b. A complete project budget that identifies the estimated costs to complete the project and all sources of funding for the project.

III. TERM OF AGREEMENT

This agreement will take effect when signed by both parties and received in the office of the Conservancy together with the resolution described in section II. CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT. This agreement may be signed electronically using a process specified by the Conservancy.

The grantee shall complete all work by June 30, 2027 (the “completion date”).

The grantee shall deliver a final Request for Disbursement to the Conservancy no later than July 31, 2027.

This agreement terminates on September 30, 2027 (the “termination date”).

IV. AUTHORIZATION

The signature of the Executive Officer of the Conservancy on this agreement certifies that at its February 19, 2026 meeting, the Conservancy adopted the resolution included in the staff recommendation attached as Exhibit B. This agreement is executed under that authorization.

Standard Provisions

V. WORK PROGRAM

Before beginning the project, the grantee shall submit a detailed work program to the Executive Officer for review and written approval of its consistency with this grant agreement. The work program must include:

1. The specific tasks to be performed.
2. A schedule of completion for the project, specifically listing the date for completing each project component and showing that the project will be completed by the completion date.
3. A budget that identifies how the grantee will use the funds granted under this agreement, including the labor, materials, contractor and indirect costs to be paid for with the funds granted under this agreement (“work program budget”).

If all or any part of the project to be funded under this agreement will be performed by third parties (“contractors”) under contract with the grantee, the grantee shall submit to the Executive Officer for review and approval the names and qualifications of the contractors.

The work program will have the same effect as if included in the text of this agreement. However, the work program may be modified without amendment of this agreement upon the grantee’s submission of a modified work program and the Executive Officer’s written approval of it. If this agreement and the work program are inconsistent, this agreement will control.

The grantee shall carry out the project in accordance with the approved work program.

VI. COORDINATION AND MEETINGS

The grantee shall coordinate closely with Conservancy staff and other involved entities, including local, state and federal agencies, and shall participate in meetings and other communications as necessary to ensure coordination.

VII. WORK PRODUCTS AND ACKNOWLEDGMENT OF CONSERVANCY SUPPORT

All material, data, information, and written, graphic or other work produced, developed or acquired under this agreement is subject to the unqualified and unconditional right of the Conservancy to use, reproduce, publish, display, and make derivative use of all such work, or any part of it, free of charge and in any manner and for any purpose; and to authorize others to do so. If any of the work is subject to copyright, trademark, service mark, or patent, the

Conservancy is granted and shall have a perpetual, royalty-free, nonexclusive and irrevocable license to use, reproduce, publish, use in the creation of derivative works, and display and perform the work, or any part of it, and to grant to any third party a comparable and coextensive sublicense.

The grantee shall include in any contract with a third party for work under this agreement terms that preserve the rights, interests, and obligations created by this section, and that identify the Conservancy as a third-party beneficiary of those provisions.

The grantee shall not utilize the work produced under this agreement for any profit-making venture, nor sell or grant rights to a third party for that purpose.

In order to acknowledge the Conservancy's support of the project, the grantee shall display the Conservancy's name and logo in the final report in a prominent location. The grantee shall also acknowledge funding from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4). The grantee shall mention the Conservancy's support in its project-related press releases, contacts with the media, and social media postings, and on its website.

VIII. COSTS AND DISBURSEMENTS

When the Conservancy determines that all conditions in section II. CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT have been fully met, the Conservancy shall disburse to the grantee a total amount not to exceed the amount granted under this agreement, in accordance with work program and this section.

A. Timing of Disbursement

The Conservancy will disburse funds after the grantee has incurred costs and expenses, upon the grantee's satisfactory progress under the approved work program and upon grantee's submission of a "Request for Disbursement" form. The Conservancy will not disburse the final five percent or \$100,000 of the funds granted under this agreement, whichever is lower, until the grantee has complied with section X. PROJECT COMPLETION and the Conservancy has accepted the project.

B. Payable Costs and Expenses

The Conservancy will only disburse funds for these costs and expenses incurred to carry out the project:

1. Grantee's staff time, provided that hourly rates for grantee's staff time billed to the Conservancy may not exceed the actual compensation paid by grantee to employees, which may include employee benefits. The grantee shall require its employees to keep records of

their time spent on the project for purposes of documenting the employee time billed to the Conservancy.

2. Grantee's travel and related expenses in accordance with the rates set forth in "SCC Travel Reimbursement Rates for Grants and Contracts," as posted on the Conservancy's website at scc.ca.gov.
3. Costs charged to the grantee by its contractors.
4. Other necessary direct costs that are reasonable in nature and amount, taking into account the nature of the project, its location, and other relevant factors.
5. Grantee's indirect costs as identified in the work program budget.

Notwithstanding any other provision, after the grantee has satisfied the conditions precedent to commencement of the project set forth in section II. CONDITIONS PRECEDENT TO COMMENCEMENT OF PROJECT AND DISBURSEMENT, the grantee may request reimbursement, and the Conservancy may reimburse grantee, for grantee's costs to satisfy the conditions precedent.

C. Requesting Disbursement

The grantee shall request disbursements by filing with the Conservancy a fully executed "Request for Disbursement" form (available from the Conservancy). The grantee shall include in the form its name and address, the number of this agreement, the date of the submission, the amount of the invoice, the period during which the work was actually done, and an itemized description, including time, materials, and expenses incurred, of all work done for which disbursement is requested. The form must be limited to work done, including work by contractors, in one Conservancy fiscal year, which is July 1 through June 30 of the following year. Work that spans two Conservancy fiscal years must be separated into two Requests for Disbursement, one for each fiscal year. The form must also indicate cumulative expenditures to date, expenditures during the reporting period, and the unexpended balance of funds under the grant agreement.

An authorized representative of the grantee must sign the form. Each form must be accompanied by:

1. All receipts and any other source documents for direct expenditures and costs that the grantee has incurred.
2. Invoices from contractors (showing work done in only one Conservancy fiscal year) and any receipts and any other source documents for costs incurred and expenditures by any such contractor, unless the Executive Officer makes a specific exemption in writing.

3. A progress report summarizing the current status of the project and the work for which the grantee is requesting disbursement.

The grantee shall submit requests for disbursement no more frequently than monthly and no less frequently than quarterly. The grantee's failure to fully execute and submit one or more Requests for Disbursement with all supporting documents in accordance with this section, will relieve the Conservancy of its obligation to disburse funds to the grantee until the grantee corrects all deficiencies.

IX. EXPENDITURE OF FUNDS AND ALLOCATION OF FUNDING AMONG BUDGET ITEMS

No increase in the total amount of funds granted under this agreement will be valid unless set forth in a written amendment to this agreement. The grantee shall expend funds granted under this agreement consistent with the work program budget. Expenditure on items contained in the work program budget, other than indirect costs, may vary by as much as ten percent per item without prior approval of the Executive Officer. Any deviation that is greater than ten percent for a budget item or that affects indirect costs, requires written approval of the Executive Officer and a revised work program budget. The Conservancy may withhold payment for items that have not received the required approval. Any increase in the funding for a budget item will mean a decrease in the funding for one or more other budget items unless there is a written amendment to this agreement.

X. PROJECT COMPLETION

The grantee shall complete the project by the completion date provided in section III. TERM OF AGREEMENT. Upon completion of the project, the grantee shall supply the Conservancy with evidence of completion by submitting the following by the final Request for Disbursement date set forth in section III. TERM OF AGREEMENT:

1. The plan and any other work products specified in the work program for the project, each in a format or formats (for example, paper, digital, photographic) approved by the Executive Officer.
2. A fully executed final "Request for Disbursement." A "final Request for Disbursement" means a Request for Disbursement that includes all remaining amounts for which grantee is entitled to seek payment pursuant to this agreement, including the final five percent or \$100,000 of the funds granted under this agreement, whichever is lower.

The Conservancy shall determine whether the grantee has satisfactorily completed the project. If so, the Conservancy shall issue to the grantee a letter of acceptance of the project and disburse the remaining amounts for which grantee is entitled under this agreement. The project will be deemed complete as of the date of the letter.

XI. EARLY TERMINATION, SUSPENSION AND FAILURE TO PERFORM

Before the project has commenced, either party may terminate this agreement for any reason by giving the other party seven days' prior written notice.

Before the project is complete, the Conservancy may terminate this agreement for any reason by giving the grantee thirty days' prior written notice. Before the project is complete, the Conservancy may suspend this agreement for any reason by giving the grantee seven days' prior written notice. In either case, the grantee shall immediately stop work under the agreement and take all reasonable measures to prevent further costs to the Conservancy. The Conservancy shall be responsible for any reasonable and non-cancelable obligations incurred by the grantee in the performance of this agreement prior to the date of the notice to terminate or suspend, but only up to the undisbursed balance of funding authorized in this agreement. Any notice suspending work under this agreement will remain in effect until further written notice from the Conservancy authorizes work to resume.

If the grantee fails to complete the project as required, or fails to fulfill any other obligations of this agreement prior to the termination date, the grantee will be liable for immediate repayment to the Conservancy of all amounts disbursed by the Conservancy under this agreement. The Conservancy may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed. This paragraph does not limit any other remedies the Conservancy may have for breach of this agreement.

Before the project is complete, the grantee may terminate this agreement for any reason by giving the Conservancy seven days' prior written notice and repaying to the Conservancy all amounts disbursed by the Conservancy under this agreement. The Conservancy may, at its sole discretion, consider extenuating circumstances and allow early termination without repayment for work partially completed.

On or before the date of termination of the agreement under this section, whether terminated by the grantee or the Conservancy, the grantee shall provide the Conservancy with all work, material, data, information, and written, graphic or other work produced, developed or acquired under this agreement (whether completed or partial), in appropriate, readily useable form.

The parties expressly agree to waive, release and relinquish the recovery of any consequential damages that may arise out of the termination or suspension of this agreement under this section.

The grantee shall include in any agreement with any contractor retained for work under this agreement a provision that entitles the grantee to suspend or terminate the agreement with the contractor for any reason on written notice and on the same terms and conditions specified in this section.

XII. INDEMNIFICATION AND HOLD HARMLESS

The grantee shall be responsible for, indemnify and hold harmless the Conservancy, its officers, agents and employees from any and all liabilities, claims, demands, damages, or costs, including without limitation litigation costs and attorneys fees, resulting from or arising out of the willful or negligent acts or omissions of the grantee, its officers, agents, contractors, subcontractors and employees, or in any way connected with or incident to this agreement, except for the active negligence of the Conservancy, its officers, agents or employees. The duty of the grantee to indemnify and hold harmless includes the duty to defend as provided in Civil Code Section 2778. This agreement supersedes any right the grantee may have as a public entity to indemnify and contribution as provided in Gov. Code Sections 895 et seq.

The grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the State, its officers, agents or employees, for any liability resulting from, growing out of, or in any way connected with or incident to this agreement.

Nothing in this agreement is intended to create in the public or in any member of it rights as a third-party beneficiary under this agreement.

XIII. INSURANCE

Throughout the term of this agreement, the grantee shall procure and maintain insurance, as specified in this section, against claims for injuries to persons or damage to property that may arise from or in connection with any activities by the grantee or its agents, representatives, employees, or contractors associated with the project undertaken pursuant to this agreement.

As an alternative, with the written approval of the Executive Officer, the grantee may satisfy the coverage required by this section in whole or in part through: (a) its contractors' procurement and maintenance of insurance for work under this agreement, if the coverage otherwise fully satisfies the requirements of this section; or (b) the grantee's participation in a "risk management" plan, self-insurance program or insurance pooling arrangement, or any combination of these, if consistent with the coverage required by this section.

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:
 - a. Insurance Services Office ("ISO") Commercial General Liability coverage, occurrence basis (Form CG 00 01) or comparable.
 - b. Automobile Liability coverage - ISO Form Number CA 0001, Code 1 (any auto).
 - c. Workers' Compensation insurance as required by the Labor Code of the State of California.

2. Minimum Limits of Insurance. Grantee shall maintain coverage limits no less than:
 - a. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage.
(Including operations, products and completed operations, as applicable)
 - b. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
 - c. Worker's Compensation: Worker's compensation as required by law.
3. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Officer.
4. Waiver of Subrogation. The grantee hereby grants to the State of California, its officers, agents, employees, and volunteers, a waiver of any right to subrogation which any insurer of the grantee may acquire against the State of California, its officers, agents, employees, and volunteers, by virtue of the payment of any loss under such insurance. Grantee agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the grantee has received a waiver of subrogation endorsement from the insurer.
5. Acceptability of Insurers. Insurance must be placed with insurers admitted to transact business in the State of California and having a current Best's rating of "B+:VII" or better or, in the alternative, acceptable to the Conservancy and approved in writing by the Executive Officer.
6. Verification of Coverage. The grantee shall furnish the Conservancy with original certificates and amendatory endorsements, or copies of the applicable policy language, effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Executive Officer before work commences. The Conservancy reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage, at any time.
7. Contractors. The grantee shall require each contractor to provide and maintain coverage consistent with the requirements of this section. To the extent generally available, grantee shall also require each professional contractor to provide and maintain errors and omissions liability insurance appropriate to the contractor's profession and in a reasonable amount in light of the nature of the project.
8. Premiums and Assessments. The Conservancy is not responsible for premiums and assessments on any insurance policy.

XIV. AUDITS/ACCOUNTING/RECORDS

The grantee shall maintain financial accounts, documents, and records (collectively, “required records”) relating to this agreement, in accordance with the guidelines of “Generally Accepted Accounting Principles” (“GAAP”) published by the American Institute of Certified Public Accountants. The required records include, without limitation, evidence sufficient to reflect properly the amount, receipt, deposit, disbursement of all funds related to work under the agreement, and time and effort reports that permit tracing from the request for disbursement forms to the accounting records and to the supporting documentation.

Additionally, the Conservancy or its agents may review, obtain, and copy all required records. The grantee shall provide the Conservancy, California State Auditor, Department of Finance, their officers, employees and agents with any relevant information requested and with access to the grantee’s premises upon reasonable notice, during normal business hours, to interview employees and inspect and copy books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this agreement and any applicable laws and regulations.

The grantee shall retain the required records for a minimum of three years following final disbursement by the Conservancy. The records will be subject to examination and audit by the Conservancy and the California State Auditor during the retention period.

If the grantee retains any contractors to accomplish any of the work of this agreement, the grantee shall first enter into an agreement with each contractor requiring the contractor to meet the terms of this section and to make the terms applicable to all subcontractors.

The Conservancy may disallow all or part of the cost of any activity or action that it determines to be not in compliance with the requirements of this agreement.

XV. NONDISCRIMINATION

During the performance of this agreement, the grantee and its contractors shall not deny the agreement’s benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The grantee shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. The grantee and contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part

1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the Conservancy to implement such article. The grantee shall permit access by representatives of the Civil Rights Department and the Conservancy upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or the Conservancy shall require to ascertain compliance with this clause. The grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

The grantee shall include the nondiscrimination and compliance provisions of this clause in all contracts to perform work under this agreement.

XVI. AMERICANS WITH DISABILITIES ACT

By signing this agreement, grantee certifies that it is in compliance with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

XVII. PREVAILING WAGE

Work done under this grant agreement may be subject to the prevailing wage and other related requirements of the California Labor Code, Division 2, Part 7, Chapter 1, Sections 1720-1861. If required by law to do so, the grantee shall pay prevailing wage to all persons employed in the performance of any part of the project and otherwise comply with all associated requirements and obligations.

The grantee is responsible for determining whether the project is subject to prevailing wage laws, and for complying with all labor laws applicable to the project. The grantee may also review the Conservancy publication, "Information on Prevailing Wage Laws for State Coastal Conservancy Grantees" (2023), available from the Conservancy on request, which provides general information and is not legal advice to the grantee on whether the grantee's project is subject to prevailing wage laws.

XVIII. DRUG-FREE WORKPLACE

The grantee's signature on this agreement constitutes the certification required by Government Code Section 8355 (Drug-Free Workplace Act of 1990), which requires that all state grantees provide a drug-free workplace by doing all of the following:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying actions that will be taken against employees for violations of the prohibition.
2. Establishing a drug-free awareness program to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace.
 - b. The person's or organization's policy of maintaining a drug-free workplace.
 - c. Any available drug counseling, rehabilitation, and employee assistance programs.
 - d. The penalties that may be imposed upon employees for drug abuse violations.
3. Requiring that each employee engaged in the performance of the grant be given a copy of the drug-free workplace statement and that, as a condition of employment on the grant, the employee agrees to abide by the terms of the statement.

XIX. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the Conservancy determine the grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The Conservancy shall provide the grantee advance written notice of such termination, allowing the grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the Conservancy.

XX. INDEPENDENT CAPACITY

The grantee, and the agents and employees of the grantee, in the performance of this agreement, are acting in an independent capacity and not as officers or employees or agents of the State of California.

XXI. ASSIGNMENT

Without the written consent of the Executive Officer, the grantee shall not assign this agreement in whole or in part.

XXII. TIMELINESS

Time is of the essence in this agreement.

XXIII. AMENDMENT

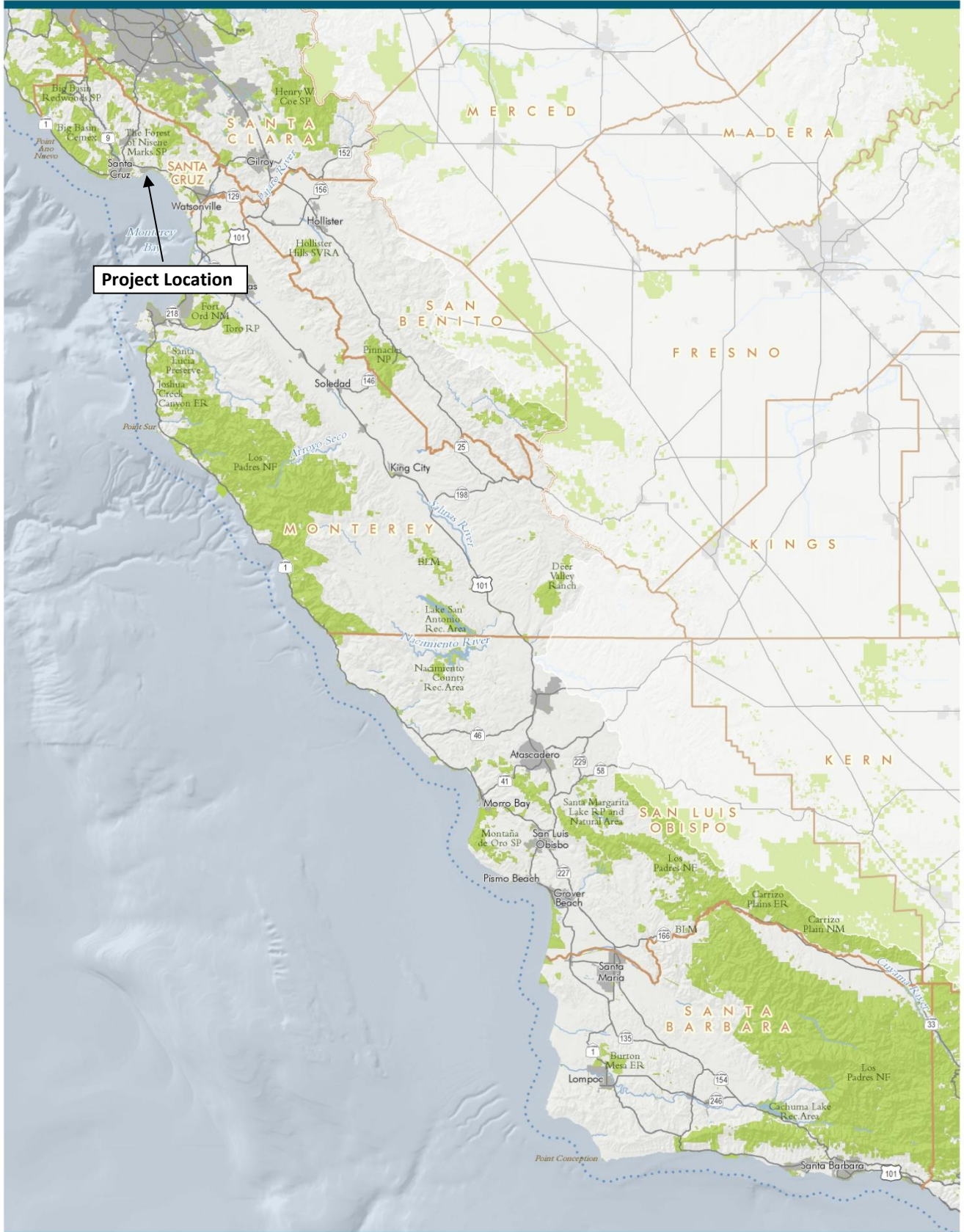
Except as expressly provided in this agreement, no change in this agreement will be valid unless made in writing and signed by the parties to the agreement. No oral understanding or agreement not incorporated in this agreement will be binding on any of the parties.

XXIV. SURVIVAL

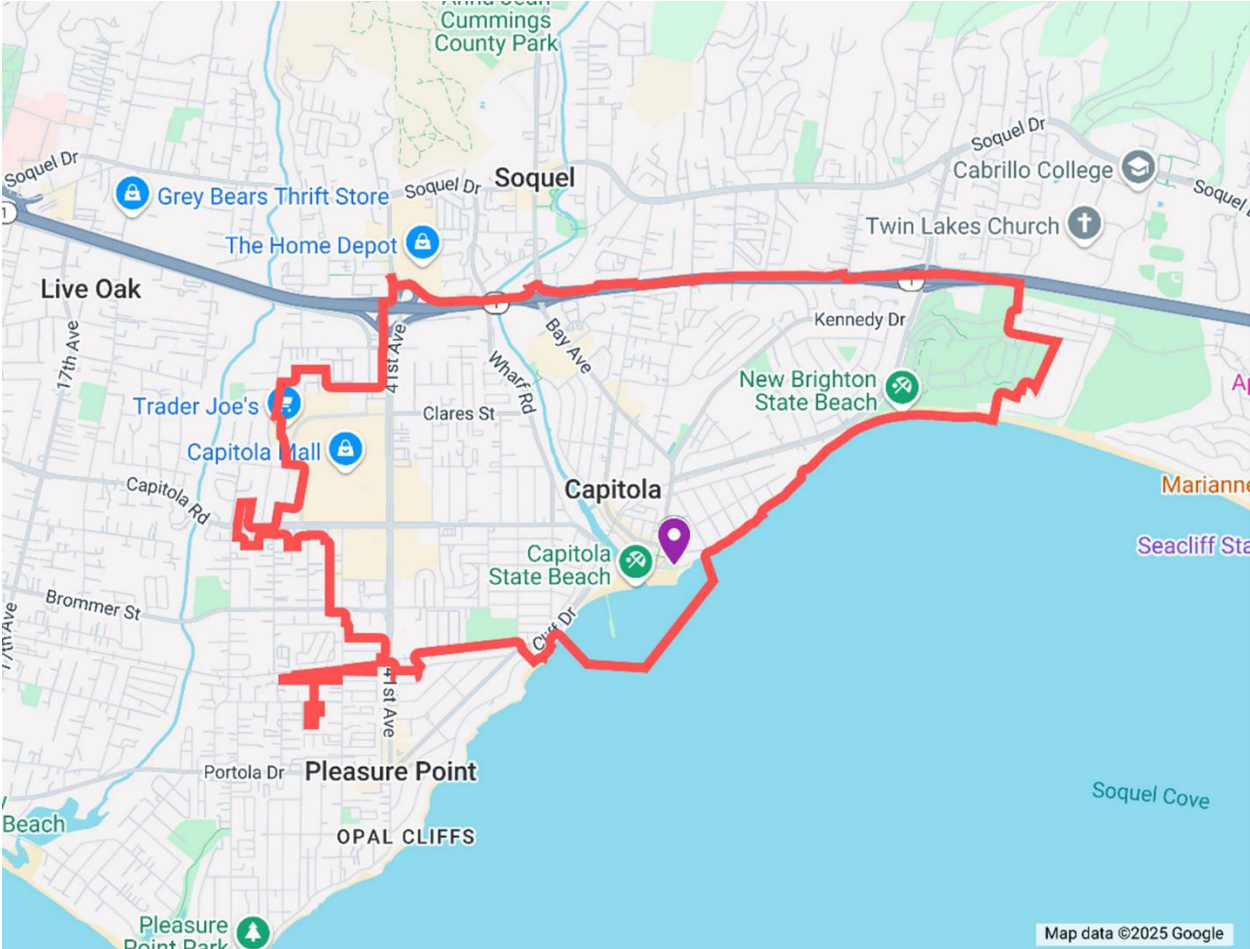
The obligations in sections VII. WORK PRODUCTS AND ACKNOWLEDGMENT OF CONSERVANCY SUPPORT and XII. INDEMNIFICATION AND HOLD HARMLESS survive the termination of this agreement.

EXHIBIT A

Project Location Map



Project Location Map



The purple pin is Esplanade Park in relation to the City of Capitola (red outline)

EXHIBIT B

COASTAL CONSERVANCY

Staff Recommendation
February 19, 2026

ESPLANADE PARK COASTAL ACCESS ENHANCEMENT AND ADAPTATION PLAN

Project No. 25-052-01
Project Manager: Lexi Morrison

RECOMMENDED ACTION: Authorization to disburse up to \$275,000 to the City of Capitola to undertake the Esplanade Park Coastal Access Enhancement and Adaptation Plan, consisting of planning and conceptual design for climate-resilient improvements at Esplanade Park in Santa Cruz County.

LOCATION: Esplanade Park, Capitola, Santa Cruz County

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Project Photos](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed two hundred seventy-five thousand dollars (\$275,000) to the City of Capitola (the “grantee”) to undertake the Esplanade Park Coastal Access Enhancement and Adaptation Plan, consisting of planning and conceptual design for climate-resilient improvements at Esplanade Park in Santa Cruz County (the “project”).

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.

Notwithstanding the foregoing, this Conservancy resolution is effective only if legislation is enacted that exempts program guidelines and selection criteria for the disbursement of funds from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (“Proposition 4”), Public Resources Code Sections 90000-95015, from the requirements of the Administrative Procedure Act at Government Code sections 11340-11361.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 3 of Division 21 of the Public Resources Code, regarding the Climate Ready Program.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$275,000 grant to the City of Capitola (the City) to prepare the Esplanade Park Coastal Access Enhancement and Adaptation Plan, consisting of planning and conceptual design for climate-resilient improvements at Esplanade Park (the park) in Santa Cruz County (the project). The project will include evaluation of sea-level-rise related vulnerabilities and development of a climate-resilient coastal access and adaptation plan for the park, located along the Capitola waterfront in Santa Cruz County, as shown in Exhibit 1.

The park is a heavily used 0.53-acre waterfront park that serves as Capitola Village’s primary coastal access point and community gathering space. The park has experienced repeated flooding, wave overtopping, and storm damage, including significant debris deposition during the January 2023 atmospheric river events, and is increasingly at risk from sea level rise and storm surge. Without proactive planning, these hazards threaten the park’s recreational use, public access infrastructure, and the economic vitality of the surrounding village.

The project is the appropriate next step to address these vulnerabilities. The project will assess coastal hazards; model future sea level rise, drainage, and stormwater conditions; and develop multiple adaptation alternatives, including nature-based, hybrid, structural, and potential retreat strategies. Through this process, the City will refine one preferred adaptation and access plan to a preliminary design level, positioning the City to advance to environmental review, permitting, and future implementation. The project will provide the technical, design, and community input foundation necessary for a long-term, climate-resilient approach to maintaining coastal access at the park.

The project will include community engagement, including public workshops, surveys, and outreach at local events to reach residents, visitors, and Capitola Village businesses who rely on the park for recreation, coastal access, and community events. This engagement will ensure that adaptation strategies reflect community priorities and perspectives.

The project will fund planning tasks, including technical studies, development, and evaluation of conceptual design alternatives; refinement of a preferred adaptation plan; and preparation of a regulatory and California Environmental Quality Act (CEQA) pathway analysis. These tasks represent the first phase of a broader effort by the City to implement long-term shoreline resilience improvements along the Esplanade and Capitola waterfront.

Site Description: The park is a 0.53-acre waterfront park owned by the City and located in the heart of Capitola Village along the Monterey Bay shoreline. The park serves as a central public gathering space and coastal access point, featuring open lawn areas, benches, a bandstand used for concerts and community events, and pedestrian walkways that connect directly to Capitola Beach. The site also includes shoreline-adjacent hardscape used for seating, circulation, and beach access, and provides views and recreation opportunities that draw both local residents and regional visitors.

The park sits immediately landward of the beach and is directly exposed to coastal hazards, including wave overtopping, tidal flooding, and storm surge. These hazards were most recently demonstrated during the January 2023 atmospheric river events, when the park experienced extensive flooding and deposition of large woody debris. While the park provides limited natural habitat due to its developed condition, its shoreline position offers opportunities to integrate nature-based coastal resilience strategies as part of future improvements.

Surrounding land uses include commercial businesses, restaurants, and shops that comprise Capitola Village, as well as public parking areas that provide regional access to the waterfront. The location's popularity for tourism, recreation, and community events creates high demand for safe and reliable coastal access, while the dense urban setting constrains shoreline adaptation options and heightens the importance of long-term planning. The project area includes four contiguous City-owned parcels, and the City has full site control for all proposed planning activities.

Grant Applicant Qualifications: The City is well qualified to carry out the project and to manage the resulting long-term adaptation and coastal access improvements at the park. The City has demonstrated capacity to successfully administer state-funded coastal resilience projects, including the Conservancy-supported Wharf Resiliency Project, which advanced from technical studies through design, permitting, and construction.

The City has qualified staff within its Public Works Department responsible for project oversight, grant administration, and coordination with consultants, as well as established procedures for financial management and reporting for state grants. The City will retain experienced coastal engineering, planning, and engagement consultants to prepare the technical studies, conceptual designs, and adaptation plan.

As the owner of the park, the City is responsible for its ongoing operation and maintenance and has committed to incorporating the plan's recommendations into its Capital Improvement Program. Routine park upkeep will remain funded through the municipal budget, and the City will pursue additional state and federal grants to advance implementation and long-term maintenance of adaptation measures. Collectively, these factors demonstrate the City's

readiness and capacity to manage both the proposed planning effort and the future stewardship of the site.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.

See the "Consistency with Conservancy's Strategic Plan" section below.

2. Project is a good investment of state resources.

The project is a good investment of state resources because it provides important public benefits and advances statewide coastal resilience goals. The park is one of Capitola's most heavily used coastal access points, supporting recreation, tourism, community events, and shoreline connectivity for residents and visitors. The park has been repeatedly impacted by flooding and storm surge, and developing a comprehensive adaptation plan is a necessary and cost-effective step toward protecting this valued public resource and ensuring continued safe coastal access.

The project is feasible, based on a clearly defined scope, an experienced applicant, and a reasonable budget that reflects recent comparable coastal resilience planning efforts. The City is contributing in-kind staff time and has a strong track record managing state-funded coastal projects. The work will advance statewide climate adaptation and sea level rise planning goals, consistent with the Ocean Protection Council's Sea-Level Rise Guidance and regional resilience priorities. By evaluating a range of nature-based, hybrid, and structural adaptation approaches, the project will also develop strategies that may inform adaptation planning for other small urban waterfront parks along the California coast.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

The City has experience engaging tribes on prior coastal resilience projects and will apply the same approach for the park. Representatives of tribes that are traditionally and culturally affiliated with the area will be contacted early in the planning process and invited to participate in workshops and focused discussions. Engagement will center on incorporating tribal perspectives into the conceptual design process, including cultural resource protection, shoreline stewardship, and opportunities for culturally-informed interpretation or land acknowledgment within the park.

4. Project benefits will be sustainable or resilient over the project lifespan.

The project will produce long-lasting benefits by addressing the park's increasing exposure to sea level rise, storm surge, and tidal flooding. By developing adaptation strategies consistent

with state guidance and based on site-specific hazard modeling, the project will plan for improvements that increase the park's functionality and protective capacity as climate conditions change. The project's evaluation of nature-based, hybrid, structural, and potential retreat options will provide flexible pathways that can be adapted over time, ensuring that the City can respond to evolving coastal hazards without constraining future adaptation choices.

Because the plan will include preliminary design for a preferred alternative, cost estimates, and a permitting and CEQA pathway analysis, it will position the City to pursue implementation funding and advance the most resilient strategies into construction. This forward-planning approach ensures the project's benefits extend well beyond the duration of the grant by laying the groundwork for durable coastal access, safer public spaces, and long-term resilience for one of Capitola's most-used waterfront parks.

5. Project delivers multiple benefits and significant positive impact.

The project will deliver multiple community and environmental benefits by developing a long-term plan to protect one of Capitola's most heavily used coastal access points from flooding and sea level rise. The park serves residents, visitors, and regional beach users, providing open space, recreational amenities, and community gathering areas. By planning for climate-resilient improvements, the project supports public health, recreation, and continued access to Monterey Bay while reducing future disruptions from coastal hazards.

The project will also increase community preparedness for climate change by engaging residents, local businesses, and park visitors in understanding site vulnerabilities and evaluating adaptation options. This inclusive process helps build local resilience and ensures that adaptation strategies reflect community priorities. In exploring nature-based shoreline elements, the project also has the potential to enhance ecological functions along an urban shoreline, providing environmental co-benefits while improving the park's long-term sustainability.

6. Project planned with meaningful community engagement and broad community support.

The project has been structured to include meaningful community engagement that reflects the priorities of residents, visitors, and Capitola Village businesses who rely on the park for recreation, coastal access, and community events. The City will conduct a series of public workshops at key milestones, hold pop-up outreach at park events, and offer an online bilingual survey to reach community members who may be unable to attend in person. Materials will be accessible through the City's website and shared through multiple communication channels to ensure broad participation.

The City has a demonstrated track record of incorporating community input into recent coastal adaptation efforts, and the project will continue that model by ensuring that the preferred adaptation and access plan reflects local knowledge, community priorities, and concerns about long-term shoreline resilience.

PROJECT FINANCING

Coastal Conservancy	\$275,000
Project Total	\$275,000

The anticipated source of Conservancy funding for this project is an appropriation of the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, also known as the 2024 Climate Bond or Proposition 4 (Public Resources Code, Sections 90000 to 95015). These funds are available as described in Section 92015 of the Public Resource Code. The funds are available for “the purpose of coastal and combined flood management projects and activities for developed shoreline areas, including areas with critical community infrastructure, including, but not limited to, transportation and port infrastructure at risk of current flooding and flooding due to sea level rise.” The project is consistent with this funding source because it will develop a comprehensive plan to address sea level rise, coastal flooding, and storm surge impacts at the park, a heavily used public waterfront park that provides coastal access and a community gathering space.

The City of Capitola will provide \$50,000 in in-kind staff support to assist with project management, coordination, and oversight.

Unless specifically identified as “Required Match,” the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The project is consistent with the Conservancy’s enabling legislation, Division 21 of the Public Resources Code, specifically Chapter 3 (Sections 31111 and 31113).

Section 31111 authorizes the Conservancy to award grants to public agencies to prepare plans and feasibility studies that implement Division 21. The recommended authorization will enable the City to prepare a coastal access enhancement and adaptation plan for the park, including technical studies and conceptual designs necessary to guide future shoreline resilience improvements.

The project will be undertaken pursuant to Section 31113, which authorizes the Conservancy to undertake projects and award grants that address the impacts and potential impacts of climate change on resources within the Conservancy’s jurisdiction. Pursuant to Section 31113(b) and (c), the Conservancy may award grants to public agencies to undertake projects within its jurisdiction that address sea level rise, extreme weather events, flooding, storm surge, saltwater intrusion, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. Consistent with this authority, the project will assess vulnerability to sea level rise, storm surge, and tidal flooding and develop adaptation alternatives to protect the park and adjacent coastal access.

Pursuant to Section 31113(c) and (d), the Conservancy must prioritize projects that maximize public benefits, reduce flood risk, and utilize natural infrastructure where feasible while offering multiple benefits. The project meets these requirements by evaluating nature-based shoreline adaptation approaches, hybrid and structural strategies, and opportunities to enhance ecological functions along the urban waterfront while protecting a heavily used community park. The project will also incorporate community input to ensure that proposed solutions provide broad public benefits and support long-term coastal resilience.

Accordingly, the recommended authorization is consistent with Sections 31111 and 31113 of Division 21 of the Public Resources Code.

CONSISTENCY WITH CONSERVANCY'S [2023-2027 STRATEGIC PLAN](#):

Consistent with **Goal 4.1, Sea Level Rise Adaptation Projects**, the project will prepare a comprehensive sea level rise and coastal hazard assessment for the park and evaluate a range of adaptation strategies that address increasing flooding, wave overtopping, and storm surge risks.

Consistent with **Goal 4.3, Multi-Benefit Nature-Based Climate Adaptation**, the project will develop and assess nature-based shoreline adaptation alternatives, such as dune enhancement, vegetated berms, and shoreline plantings, to mitigate climate impacts on park infrastructure while improving ecological functions along this urban waterfront.

CEQA COMPLIANCE:

The project is statutorily exempt from review under the California Environmental Quality Act (CEQA), pursuant to Title 14 of the California Code of Regulations (CCR), Section 15262 (Feasibility and Planning Studies), which exempts planning and feasibility studies for possible future actions that have not yet been approved, adopted, or funded and that consider environmental factors. The project is consistent with this Section because the project includes planning and conceptual designs for possible, future climate-resilient improvements to the park that have not yet been approved, adopted, or funded and that consider environmental factors.

The project is also categorically exempt from review under CEQA, pursuant to Title 14 of the CCR, Section 15306 (Information Collection), which exempts basic data collection, research, and resource evaluation activities that will not result in disturbance to an environmental resource. The project is consistent with this Section because the project includes information collection to evaluate sea-level-rise related vulnerabilities to the park that do not result in serious or major disturbance to environmental resources.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.