

City of Capitola



Request for Proposal Capitola Wharf Marketplace Project

Issue Date: April 27, 2026
Proposal Deadline: June 30, 2026

City of Capitola
Community and Economic Development Department
420 Capitola Ave.
Capitola, CA 95010

Table of Contents

INTRODUCTION AND INVITATION	3
BACKGROUND	3
SCOPE OF PROJECT	5
PROPOSAL REQUIREMENTS.....	6
EVALUATION OF PROPOSALS AND NEGOTIATIONS	7
CONDITIONS AND STIPULATIONS.....	7
CONTACTS	8
SUBMISSION INFORMATION	8

INTRODUCTION AND INVITATION

The City of Capitola (“City”) invites qualified development teams (“Proposers”) to submit proposals to design, finance, construct, operate, and maintain a marketplace development on the Capitola Wharf consistent with the adopted Capitola Wharf Master Plan.

This project will be delivered through a public/private partnership, under which the selected Proposer will enter into a long-term lease with the City and assume primary responsibility for project implementation.

All proposals must be submitted to the Community and Economic Development Department at 420 Capitola Ave, Capitola, CA 95010 by 5:00 P.M. on Tuesday, June 30, 2026.

Questions concerning this RFP must be made via email per the schedule outlined below.

Responses to all submitted questions will be posted at <https://www.cityofcapitola.org/rfps>.

Issue date: Monday, April 27, 2026
Questions due: Monday, June 15, 2026
Submittals due: Tuesday, June 30, 2026 at 5 pm

Inquiries/submissions to: Katie Herlihy
Community and Economic Development Director
City of Capitola
420 Capitola Avenue, Capitola, CA 95010
kherlihy@ci.capitola.ca.us
(831) 475-7300

All proposals must be delivered to the address provided above on or before the submission deadline. Proposals submitted late, or via oral, telephonic, telegraphic, or facsimile methods will not be considered or accepted.

The City will administer the proposal process in accordance with the terms and dates outlined in this RFP; however, the City reserves the right to modify the activities, timeline, or any other aspect of the process at any time, as deemed necessary. By requesting proposals, the City is in no way obligated to award a contract or pay the expenses of proposing firms in association with the preparation or submission of a proposal. The award of any contract shall be contingent on the requisite staff and City Council approvals.

BACKGROUND

The City of Capitola is a small coastal community located in Santa Cruz County that occupies approximately two square miles and serves a population of about 10,000. Located on the northern edge of Monterey Bay, approximately 35 miles north of Monterey and 75 miles south of San Francisco, Capitola enjoys a rich history and offers residents diverse recreational opportunities. Capitola Village is located along a sandy beach with expansive views of Monterey Bay and is home to numerous craft

galleries, boutiques, and restaurants.

Stretching into the Monterey Bay, the Capitola Wharf serves as a vibrant destination that draws both residents and visitors with its unique blend of coastal charm and activity. The Wharf offers opportunities for fishing, boating, and strolling, all set against panoramic ocean views and the colorful backdrop of Capitola Village. For locals, it functions as a familiar gathering place and everyday amenity, while for tourists, it provides an iconic seaside experience that captures the character of the Central Coast. Its accessibility, scenic setting, and mix of uses make the Wharf a central hub of community life and a key contributor to Capitola's identity as a welcoming coastal destination.

Capitola's Coastal Land Use Plan Policy II-8 calls for the Wharf to remain as a free access public fishing pier with low intensity facilities that provide complementing public services including food service facilities, fishing and boating accessory shop, maintenance and repair operations, water taxi service, and public restrooms.

Prior to 2023 storms, the Wharf was home to the Wharf House restaurant situated at the end of the Wharf and had long been a staple dining destination for the community and visitors. Known for its casual, family-friendly atmosphere, the restaurant offered classic seafood dishes alongside sweeping ocean views from nearly every table and entertainment and dancing throughout the summer.

Severe storms in December 2023 caused substantial damage to Wharf structures, resulting in their removal. In February 2024, the City Council authorized demolition of the damaged buildings and directed staff to initiate a long-term planning effort for the Wharf (Wharf Master Plan).

In 2024, the Wharf Resiliency and Public Access Project was completed. The Project addressed critical infrastructure needs, including widening the Wharf, replacing failing pilings and decking, and constructing new restroom facilities. Thanks to the generous community contributions, visitors can also enjoy new seating areas, picnic tables, ADA-compliant viewing stations, bike racks, fish-cleaning station, water fountain, and public art installations. The upgraded gate and entryway greet guests with an inviting atmosphere, while the new lighting down the wharf provides opportunities for evening strolls.

The City retained Fuse Architecture to assist with outreach, planning, and conceptual design. In spring 2024, seven concepts for the Wharf were developed and presented to the public, stakeholders, and City Council. Public outreach included a survey with over 1,000 participants, a community meeting, and engagement with local boards, commissions, and stakeholder groups.

At its meeting on June 26, 2024, the City Council reviewed public input and directed staff to proceed with a hybrid approach, combining elements of Option 6 (Fishing Concession and Flexible Market Space) and Option 7 (Permanent Structures including a Restaurant and Fishing Concession).

On April 23, 2026, the City Council adopted the Wharf Master Plan, which is a conceptual design intended to balance public access, economic vitality, and long-term resilience of the Wharf, while remaining responsive to the strong community preference for permanent, year-round uses (Attachment 1).

The Wharf Masterplan concept includes:

- A single two-story marketplace design that allows for the integration of restaurant, market, bar,

and fishing concession within a single structure.

- New public amenities include a detached building with two public bathrooms and a lifeguard station with a marine rescue watercraft storage area and lookout area.
- Retains existing benches (40), picnic tables (4), viewing stations (4), fish cleaning station (1), bathrooms near entrance (3 stall), bike racks (10), boat hoist (1), and buoys.

The Wharf Masterplan is a conceptual design intended to:

- Illustrate the scale, layout, and mix of uses within the marketplace
- Establish a baseline program for potential operators and investors

SCOPE OF PROJECT

Implementation of this single marketplace concept will require a public/private partnership. The City is seeking a private entity who would be responsible for financing, constructing, and operating the Capitola Wharf Marketplace, while leasing the area on the Wharf from the City.

The core project is development of a single integrated marketplace on the Capitola Wharf which includes a restaurant use as the anchor tenant and a fishing concession.

Restaurant. The wharf masterplan envisions a 4,800 sf full-service restaurant with dining area, commercial kitchen, bar, and entertainment area. The restaurant will operate year-round. Required hours of operation shall be negotiated with the City at time lease. The City anticipates minimum summer hours (Memorial Day through Labor Day) of 10:00 am – 8:00 pm daily. Winter hours may be reduced.

Fishing concession. The Wharf Master Plan envisions a 1,200 sf fishing concession within the marketplace which includes a bait and tackle shop, boat rentals, sales and repairs, boat hoist operations, water taxi service to and from moored boats. Up to 50 moorings will be managed by the fishing concession located within the 1,000 foot by 1,000 foot area adjacent to the wharf from May 1 through September 30 of each calendar year. This project will follow a Design–Finance–Build–Operate–Maintain–Lease (DFBOM-L) structure. The selected Proposer will:

1. Design: Advance project design beyond conceptual level
2. Finance: Fully fund all commercial improvements
3. Build: Construct improvements at Proposer’s sole cost
4. Operate: Manage all commercial uses
5. Maintain: Maintain leased premises and improvements
6. Lease: Enter into long-term lease with the City

The Capitola Wharf Master Plan establishes a conceptual framework only. The Master Plan does not approve a final architectural design. All proposed development is subject to:

- City Council approval
- Planning Commission review and approval of Design Permit, Coastal Development Permit, and Conditional Use Permit

As part of the implementation of the Capitola Wharf Master Plan, the City plans to develop a new lifeguard station and two public bathrooms at the head of the wharf. Proposals to integrate these facilities into the marketplace structure will be considered.

PROPOSAL REQUIREMENTS

In your proposal please provide the following:

- A. Coverletter. Shall be signed by an official authorized to bind the proposer and shall contain a statement indicating that the proposal is valid for ninety days.
- B. Project Understanding. Present your understanding of the project and the general approach to be used. Proposers shall provide description of a comprehensive development concept that clearly articulates the overall vision for the project. Proposers shall describe all proposed uses, which at a minimum include a restaurant, fishing concession, and any ancillary retail or visitor-serving components. Submittals must also demonstrate how the required program elements are fully integrated into a cohesive and functional design that supports public access, coastal conditions, and operational efficiency. Proposer is encouraged to include examples of other projects representative of their vision.
- C. Financial Proposal. Proposers shall submit a detailed financial proposal outlining the feasibility of the project. This shall include a complete development budget identifying all hard and soft costs, as well as a sources and uses table identifying all anticipated funding sources. Proposers must clearly state the proposed Minimum Annual Guarantee (MAG) and percentage rent structure, including any tiered rent approach. A 10-year pro forma shall be provided, detailing projected revenues, operating expenses, and net operating income, along with key assumptions.
- D. Team Qualifications. Proposers shall identify all key members of the development team and describe their relevant experience. This shall include the developer, operator, and design team, with an emphasis on prior experience with similar commercial, waterfront, or complex projects. Submittals should highlight qualifications in restaurant and retail operations, fishing concessions, coastal development, and public/private partnership delivery. Roles and responsibilities of each team member shall be clearly defined.
- E. Operations Plan. Proposers shall provide a detailed operations plan describing how the project will function on a day-to-day basis. This shall include proposed hours of operation, staffing approach, and management structure. Proposers must describe how public access will be maintained and enhanced, including coordination with public amenities on the wharf. A maintenance plan shall be included that addresses ongoing upkeep of the facility, cleanliness, safety, and responsiveness to coastal conditions.
- F. Project Schedule. Proposers shall include a realistic project schedule identifying key milestones from project initiation through completion. This shall include an entitlement timeline outlining anticipated permitting and approval processes, including Coastal Development Permit and CEQA review. The schedule shall also include a construction timeline with major phases, duration estimates, and anticipated project completion.
- G. Coastal and Community Compatibility. Proposals shall demonstrate consistency with Coastal Act visitor-serving policies by prioritizing public access and coastal-dependent or coastal-related uses. Proposers shall also describe how the project design and operations are compatible with the character of Capitola Village, including scale, aesthetics, and integration with the surrounding

waterfront environment. Consideration of views, public use, and the overall visitor experience should be clearly addressed.

EVALUATION OF PROPOSALS AND NEGOTIATIONS

A selection panel will be convened of City staff, which will include Community and Economic Development, Public Works, and possibly other departments. The evaluation will consider the submitted proposal requirements. At the completion of the proposal review, the panel may elect to invite the top scoring proposers to make a presentation at no cost to the City. Based on the presentation and proposal, the panel will select the proposal that best aligns with the City's vision for the long-term success of the Wharf.

Minimum Qualifications. Proposers must demonstrate:

1. Development Experience. At least one comparable project involving:
 - a. Commercial development
 - b. Coastal, waterfront, or structurally complex site (preferred)
 - c. Operational Experience
2. Minimum 5 years experience operating:
 - a. Restaurant and/or food service
 - b. Retail or marketplace environments
 - c. Marine fishing concessions
3. Financial Capacity
 - a. Demonstrated ability to finance the project
 - b. Access to equity and/or committed financing

CONDITIONS AND STIPULATIONS

The City reserves the right to reject any and all proposals, cancel all or part of this RFP, and waive any non-material irregularities or informalities and to request additional information and clarification.

The City reserves the right to reject any proposal for any reason. The proposal should be the best effort possible, since the City reserves the right to award the contract with no further negotiations. Conversely, the City reserves the right to negotiate with the successful proposer any additional terms and conditions not contained in their proposal, which are in the best interest of the City or to otherwise revise the scope of this RFP. All proposals, whether accepted or rejected, shall become the property of the City of Capitola. All proposals received become public records. The City's decision to award a contract will be based on many factors including, but not limited, to service, cost, experience, and ability to deliver, or for any other reason deemed by the selection committee to be in the best interest of the City. No single factor, such as cost, will determine the final decision to award a contract.

ESTIMATED TIMELINE (Dates are subject to change)

- Distribution of RFP: Monday, April 27, 2026
- Questions due: Monday, June 15, 2026
- Submittals due: Tuesday, June 30, 2026 at 5 pm
- Initial Selection: Week of July 13, 2026
- Follow up interviews: Week of July 20, 2026
- Present Recommendations to City Council: Thursday, August 27, 2026

CONTACTS

For questions regarding the scope of proposal or the proposal process, please submit questions through email only to:

Katie Herlihy
Community and Economic Development Director
City of Capitola
420 Capitola Avenue, Capitola, CA 95010
kherlihy@ci.capitola.ca.us
(831) 475-7300

SUBMISSION INFORMATION

Proposals must be submitted to:

**City of Capitola
Community and Economic Development
Attention: Katie Herlihy
420 Capitola Ave
Capitola, CA 95010**

All proposals must be delivered no later than **5:00 p.m. on June 30, 2026.**

ATTACHMENTS

- Attachment A: Capitola Wharf Masterplan
- Attachment B: Standard City Professional Services Agreement – Insurance and Indemnifications

Thank you for your interest in working with the City of Capitola for this service. We look forward to receiving your proposal.