

# Capitola City Council

## Agenda Report



**Meeting:** April 23, 2026

**From:** Community and Economic Development Department

**Subject:** Wharf Master Plan

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**Recommended Action:** Receive a presentation on the conceptual design for a Wharf Master Plan; adopt a resolution adopting the Wharf Master Plan; and direct staff to release a Request for Proposals (RFP) for a qualified private entity to construct and operate the marketplace through a lease agreement with the City.

**Background:** In 2024, the Wharf Resiliency and Public Access Project (Project) was completed. The Project addressed critical infrastructure needs, including widening the Wharf, replacing failing pilings and decking, and constructing new restroom facilities.

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).

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).

**Discussion:** Consistent with Council direction, Fuse Architecture has advanced a conceptual design intended to balance public access, economic vitality, and long-term resilience of the Wharf, while remaining responsive to strong community preference for permanent, year-round uses (Attachment 1).

The Wharf Masterplan concept includes:

- A single marketplace design that allows for the integration of restaurant use and a 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.

Given the estimated cost of constructing permanent commercial structures and the operational complexity of a restaurant and marketplace, implementation of this concept will require a public/private partnership. Under this model, a private entity would be responsible for financing, constructing, and operating the commercial components, while leasing the space from the City.

The conceptual design presented at this meeting is intended to:

- Illustrate the scale, layout, and mix of uses within the marketplace
- Establish a baseline program for potential operators and investors
- Circulate an RFP to solicit qualified development partners

Key components of the RFP include:

1. Public/private partnership to design, build, finance, operate, and lease marketplace on the Wharf.
2. Long-term ground lease.
3. Integrated marketplace with restaurant and fishing concession.
4. Master Plan is conceptual only. Project subject to City approvals and permits,
5. Developer Responsibilities:
  - a. Full project funding, construction, operations, and maintenance.
  - b. Secure all permits and approvals.
  - c. Assume all development and entitlement risk.
6. Financial Terms:
  - a. Base rent (MAG) + percentage rent required.
  - b. Preference for tiered and triple-net (NNN) lease structures.
7. Qualifications:
  - a. Experience in commercial/waterfront development and operations.
  - b. Ability to finance project.

Fiscal Impact: The Capitola Wharf project requires a comprehensive public/private partnership model involving design, financing, construction, and operation of new structures. An RFP is included as Attachment 3. The RFP is structured to attract a qualified private partner capable of financing and delivering a visitor-serving marketplace consistent with the Wharf Master Plan, while preserving City control over final design and approvals. There is no cost associated with publishing the RFP at this time.

Attachments:

1. Wharf Master Plan
2. Resolution
3. Request for Proposals

Alignment with 2025-2029 Strategic Plan Priority: Economic Opportunity; Healthy Families, Community, and Environment; and Sustainable Infrastructure

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