

# Capitola City Council

## Agenda Report



**Meeting:** June 13, 2024

**From:** City Manager, Public Works, and Community Development Departments

**Subject:** Short-Term Wharf Use Agreement and Temporary Structure Plan

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**Recommended Action:** 1) Authorize the City Manager to sign a short-term use agreement between the City of Capitola and JFS Incorporated (dba Boat and Bait) for temporary structures located on the Capitola Wharf in substantially similar form, as approved by the City Attorney, as the attached agreement; and 2) approve the outlined temporary structure plan.

**Background:** Since the 1980s, Capitola Wharf has been the location of two City-owned buildings that typically hosted the Wharf House Restaurant and Boat and Bait Shop.

The City's long-term lease with JFS Incorporated (Boat and Bait) which was recently terminated, was originally signed in 2014 and had been on a month-to-month basis. The lease required JFS Incorporated to operate the boat hoist, moorings, and a water taxi, and allowed the tenant to run a bait and tackle shop, charter boat operations, and rent and repair boats. In October 2022, JFS Incorporated requested the City remove the mooring operation requirement and continue to allow the other uses outlined in the lease.

In January 2023, extreme storm damage made the Capitola Wharf inaccessible; the Boat and Bait Shop building was red-tagged and access to the building was restricted.

In early 2023, the long-planned Capitola Wharf Resiliency and Public Access Project was amended to include storm damage repairs and construction officially began in September 2023. Due to construction, the entirety of the Wharf has been closed to the public since then.

Additional storm damage in December 2023 caused further structural instability and foundation issues to the Wharf House Restaurant and Boat and Bait Shop buildings. City staff, and outside experts, analyzed both Wharf buildings and determined that remediation would be more expensive than demolishing and rebuilding the structures. In February 2024, City Council directed staff to move forward with building demolition and to formally terminate the leases with JFS Incorporated and Wharf House Restaurant.

The City Council also directed staff to conduct a community outreach and visioning project to determine long-term uses on Capitola Wharf, while preparing for short-term uses in the interim.

Since then, JFS Incorporated and the Capitola community have shown interest in Boat and Bait-like concessions being available on Capitola Wharf as soon as possible, upon the completion of the Resiliency Project and the reopening of the Wharf.

### Discussion:

#### *Short-Term Use Agreement (lease)*

Staff has worked directly with JFS Incorporated to determine options for a temporary boat and bait concessions on Capitola Wharf, as the City Council directed.

Because there are no buildings on the Wharf, staff researched different possibilities that would allow for temporary boat and bait uses on the Wharf. As outlined in the proposed lease, the City will rent and/or purchase temporary structures to accommodate concession use, an additional storage shed, and install a hazardous waste shed which JFS Incorporated will use to provide the same concessions to the public as in previous leases, for the term of the proposed short-term lease (Attachment 1). These concessions include:

- Installation and operation of 8 to 60 moorings (2025 season)

- Operate the boat hoist
- Boat rentals and repairs
- Operate the water taxi (2025 season)
- Operate a bait and tackle shop (includes selling bottled beverages and packaged snacks)

### Temporary Structures

To accommodate the services outlined in the lease with JFS Incorporated, temporary structures will be placed on the wharf in a configuration similar to the figure below (Attachment 2). The City will physically indicate and enforce the lease area, to ensure JFS Incorporated functions within the agreed-upon square footage on Capitola Wharf.



**Figure 1. Temporary Facility Configuration**

The temporary buildings consist of two 8'H x 20'W x 10'D steel structures. Both buildings feature a 6' x 6' roll-up door on the short end. As negotiated with JFS Incorporated, one building will have a standard walk-in door and window, while the other will include an additional roll-up door on the long side.

These temporary buildings will include required Americans with Disabilities Act (ADA) access. The City will install flooring to keep water out. Electrical hook-ups are not included and will be completed on-site after the buildings are installed by the manufacturer. The structures are designed to withstand the environment and have an appropriate wind rating. JFS Incorporated have requested a blue color to match prior buildings, although other colors are available.

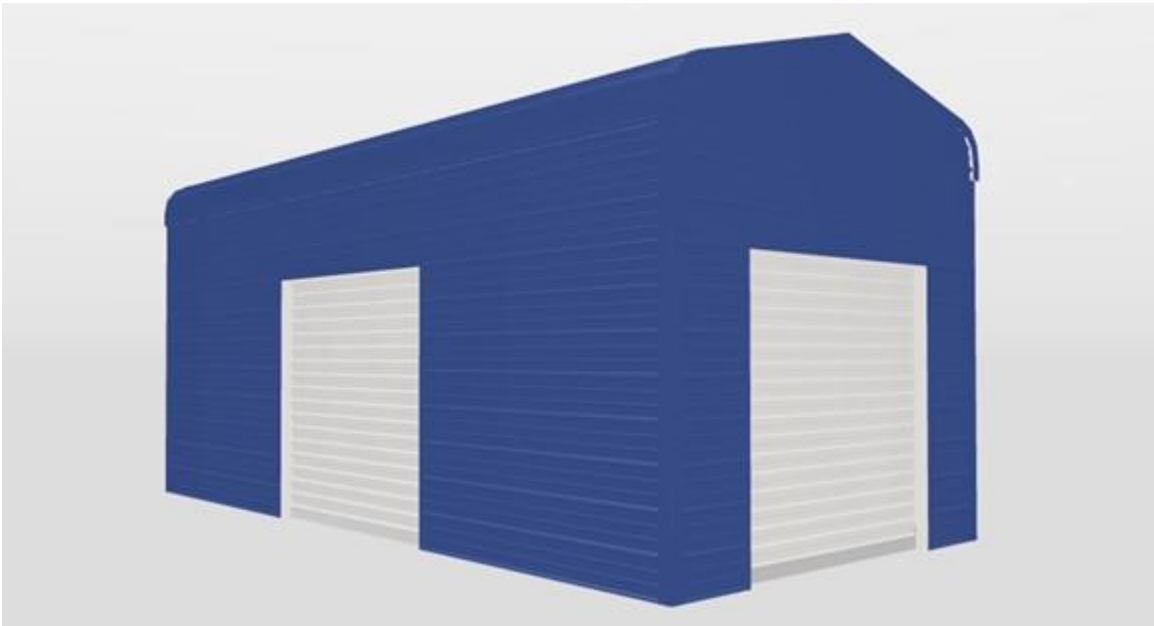
These temporary buildings do not have a foundation or permanent floor. At the end of their use, they may be repurposed for City storage or operation needs.

Upon lease approval, the manufacture indicates it will take six to eight weeks to acquire all components. Following this, the buildings will be outfitted for tenant use, including flooring installation and utility hook-ups.

Images of the temporary structures are included on the following pages.



**Figure 2. Temporary Building with walk-in door (above)**



**Figure 3. Temporary Building with roll-up door (above)**

The additional 8'H x 12'W x 8'D shed matches the dimensions and color of the existing JFS Incorporated-owned shed structure.



**Figure 4. Existing Storage Shed (above)**

The 7'H x 5'42W x 3.5'D fuel storage cabinet (pictured below) will house two 55-gallon drums of gasoline for rental boats. Per the terms of the lease, the City will procure the fuel cabinet and JFS Incorporated is responsible for obtaining permits for fuel storage and use.



**Figure 5. Fuel Storage Cabinet (above)**

*Next Steps:*

Following City Council authorization of the lease agreement, City staff will submit a minor modification request to the Coastal Commission to authorize Boat and Bait to operate a commercial retail and recreational facility on the Wharf. The minor modification will be reviewed administratively by Coastal Commission staff and is not anticipated to impact the timing of reopening.

Fiscal Impact: The lease sets monthly rent at \$2,000, beginning in 2025. Over the term, the City will receive \$24,000 in rent. The City is investing approximately \$25,000 to purchase temporary structures for JFS Incorporated's use under the agreement.

Attachments:

1. Proposed Use Agreement
2. Temporary Structures Layout

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Approved By: Jamie Goldstein, City Manager