Capitola City Council

Agenda Report

Meeting: September 10, 2026

From: Community and Economic Development Department

Subject: Capitola Wharf Status Update

Recommended Action: Receive an update regarding the Request for Proposals for a restaurant and commercial marketplace project on the Capitola Wharf and provide direction to staff regarding the next steps for future uses on the Wharf.

Background: In 2024, the Wharf Resiliency and Public Access Project was completed. The project addressed critical infrastructure needs, including reopening and 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 the removal of two commercial structures. 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 more than 1,000 participants, a community meeting, and engagement with local boards, commissions, and stakeholder groups.

On June 26, 2025, the City Council received public input on the concepts 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 received an update on the Wharf Master Plan and directed staff to release a request for proposals (RFP) seeking a qualified private entity to construct and operate the marketplace through a lease agreement with the City. Consistent with City Council direction, staff released an RFP seeking a private partner to design, finance, construct, operate, and maintain a marketplace incorporating restaurant and fishing concession uses on the Wharf. The RFP explained that the Wharf Master Plan is conceptual in nature.

The RFP was initially open through July 31, 2026. Staff contacted restaurants along the California coast to make them aware of the opportunity and encourage participation in the RFP process. The initial deadline generated one letter of interest with a request for more time. Staff extended the RFP deadline through August 31, 2026, and conducted additional outreach to potential restaurant operators.

At the conclusion of the extended RFP period, the City received one letter of interest. That interested party indicated that they are not prepared to move forward with the project at this time but may consider submitting a proposal in approximately one to two years if the opportunity remains available.

Accordingly, the RFP did not result in a proposal from a private partner prepared to undertake the full permanent marketplace and restaurant concept at this time.

Discussion: The lack of a proposal does not necessarily indicate a lack of interest in the Wharf as a commercial destination. Rather, the scope of the RFP requires a private partner to assume the substantial time commitment and costs associated with designing, permitting, financing, constructing, and operating a permanent commercial structure on the Wharf. While one potential developer expressed potential future interest, the City's experience with the RFP suggests that the scale and cost of the permanent

development envisioned in the Wharf Master Plan may make it difficult to attract a private operator under the current market conditions.

As previously mentioned, extensive public outreach was previously conducted on the future uses on the Wharf including community meetings, a survey, and input from boards and commissions and stakeholders. The results were presented on June 26, 2025, and are available as Attachments 1 and 2. The results consistently showed support for a food and beverage sales on the Wharf in different formats, including mobile food vendor, flexible market space, and permanent structures.

At this time, staff is seeking direction from Council regarding potential future uses on the Wharf. Amongst the options for Council to consider:

1. Maintain the existing fishing concession and no longer seek proposals for food and beverages on the Wharf.
2. Maintain the existing fishing concession and issue a new RFP to seek one or more smaller scale food and beverage concession(s) in less expensive or temporary structure(s), such as a mobile vendor or prefabricated structure(s).
3. Maintain the existing fishing concession, issue new RFP to seek one or more smaller scale food and beverage concession(s) in less expensive or temporary structure(s) for a limited lease period, and extend the current RFP for one year.
4. Provide other direction regarding the implementation of the Wharf Master Plan.

For options that do not leave open the possibility of a new permanent restaurant, staff suggests that Council direct staff to prepare a site plan for a public restroom/personal rescue watercraft storage on the head of the Wharf for potential future grant funding.

Fiscal Impact: There is no fiscal impact associated with the recommended action.

Attachments:

1. Wharf Master Plan
2. Public Outreach Results

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

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