

# City of Capitola

## City Council Meeting Minutes

### Thursday, August 28, 2025 – 4:00 PM



City Council Chambers  
420 Capitola Avenue, Capitola, CA 95010

**Mayor:** Joe Clarke  
**Vice Mayor:** Margaux Morgan  
**Council Members:** Gerry Jensen, Melinda Orbach, Susan Westman

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#### **Closed Session – 3 PM**

- i. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Govt. Code § 54956.8)  
Property: A portion of the easterly terminus of Escalona Drive, spanning approximately 60 feet wide, bounded by 620 El Salto Drive (APN 036-143-31) to the west and bounded by 722 Escalona Drive (APN 036-141-28) to the east.  
City Negotiator: Jamie Goldstein, City Manager  
Under Negotiation: Price and Terms of Payment
- ii. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to Gov't Code § 54956.9(d)(4)  
Three Cases
- iii. CONFERENCE WITH LEGAL COUNSEL—LIABILITY CLAIMS (Gov. Code § 54956.95)  
1) Carlos R. Lopez  
Claim against the City of Capitola

#### **Regular Meeting of the Capitola City Council – 4 PM**

##### **1. Roll Call and Pledge of Allegiance**

*The meeting was called to order at 4:00 PM. In attendance: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke.*

##### **2. Additions and Deletions to the Agenda – None**

##### **3. Presentations – None**

##### **4. Report on Closed Session –** *The City Council met and discussed three items on the Closed Session agenda. The City Council authorized staff to join other public agencies in opioid settlement agreements with Purdue/Sackler and Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus. No other reportable action was taken.*

##### **5. Additional Materials**

- A. *Item 8D – One email received after publication of the agenda packet.*
- B. *Item 9A – Seventeen emails received after publication of the agenda packet & one staff memorandum with an updated ordinance.*
- C. *Item 9B – Staff memorandum with an updated attachment and one email received after publication of the agenda packet.*
- D. *Item 9C – Four emails received after publication of the agenda packet.*

- E. *Item 9D – One email received after publication of the agenda packet.*
- B. *Item 9E – Staff memorandum with updated attachments & two emails received after publication of the agenda packet.*
- C. *Item 9F – One email received after publication of the agenda packet.*

## **6. Oral Communications by Members of the Public**

- *Debra Sheehan*
- *James Ewan Whitman*
- *Goran Klepic*
- *Linda Smith*
- *Tom Parker*
- *Allen Cable*
- *Suki Ramos, United Way*
- *Dan Haifley*
- *Dana Wagner*
- *Speaker*
- *Speaker*
- *Woodworm Party Store*

## **7. Staff / City Council Comments**

- *Council Member Westman provided an update on her attendance at a recent Area Agency on Aging Advisory Council meeting; Council Member Westman requested that the Chamber of Commerce make a presentation to the Council; requested a special meeting on a Saturday to highlight projects and current events in the City.*
- *Vice Mayor Morgan seconded Council Member Westman's request for an agenda item and reminded the public to be patient with upcoming road closures and special events.*
- *Council Member Jensen provided an update on his attendance at a recent RTC meeting; discussed the Council ad-hoc committee's efforts to communicate questions/concerns to the RTC; discussed efforts to address concerns about street closures; thanked the Community Services and Recreation Department for their programming this summer; supported Council Member Westman's request for a Saturday Special Meeting; requested an update from staff on public comments submitted on the Depot Hill Path; and requested that the BIA non-profit group and Visit Santa Cruz also attend the Council presentation that Council Member Westman requested.*
- *City Manager Goldstein provided a brief update on the Depot Hill Path and confirmed that staff is working to complete emergency repairs.*
- *Council Member Orbach provided an update on her attendance at a recent METRO meeting.*
- *Mayor Clarke acknowledged a complaint received and requested an agenda item on September 11<sup>th</sup> to discuss the Bay Avenue/Hill Street intersection.*

## **8. Consent Items**

- A. City Council Meeting Minutes  
Recommended Action: Approve minutes from the regular meeting on July 24, 2025.
- B. Liability Claim  
Recommended Action: Deny a liability claim from Carlos R. Lopez.
- C. California Highway Patrol Cannabis Tax Fund Grant

Recommended Action: Adopt a resolution accepting a California Highway Patrol Cannabis Tax Fund Grant in the amount of \$21,600 and amending the FY 2025-26 General Fund operating budget to increase revenues and expenditures by \$21,600. **(Resolution No. 4446)**

D. ADA Self-Evaluation and Transition Plan

Recommended Action: Adopt the City of Capitola's ADA Self-Evaluation and Transition Plan, dated January 6, 2025. **(Pulled from the Consent Calendar by Council Member Jensen)**

E. Coastal Development Permit Decision Appeal

Recommended Action: Set October 9, 2025, at 6:00 PM as the hearing date and time for the appeal of the Planning Commission's decision to approve Application # 25-0056.

F. Afterschool Scholarship & Equity Swim Donation

Recommended Action: Accept a donation of \$20,000 for Afterschool Rec Club scholarships and \$16,000 for the Equity Swim Program from the Soquel Union Elementary School District and authorize the City Manager, or his designee, to sign the Memorandum of Understanding.

G. Seven-Year Extension of Library Financing Authority Joint Powers Agreement

Recommended Action: Approve the fifth Amendment to the Joint Exercise of Powers Agreement establishing the Santa Cruz County Library Financing Authority, and authorize the City Manager to sign the amendment.

H. Bandstand Weathervane Public Art Project

Recommended Action: Approve the Art & Cultural Commission's recommendation to allocate \$10,000 from the Public Art Fund for the Bandstand Weathervane Project, with \$5,000 for an engineer to develop technical specifications and \$5,000 for an artist contract.

I. Establishment of Santa Cruz Mountains Wine Improvement District

Recommended Action: Adopt a resolution granting consent to the County of Santa Cruz to establish the Santa Cruz Mountains Wine Improvement District (SCMWID) and include the City of Capitola in the SCMWID. **(Resolution No. 4447)**

J. Community Center Patio Improvements Contract Award

Recommended Action: 1) Authorize the City Manager to execute the construction contract for the Community Center Patio Improvements Project with SSB Contracting, Inc. in the amount of \$1,055,000; and 2) Authorize the Public Works Department to issue notices to proceed upon final contract execution. **(Pulled from the Consent Calendar by Council Member Jensen)**

K. Managed IT Services Contract Amendment

Recommended Action: Authorize the City Manager to execute Amendment 1 to the Professional Services Agreement with Exceedio for managed information technology services in the amount of \$62,450, for a total annual contract value of \$147,000 for three years.

L. Coastal Rail Trail Segments 10 & 11

Recommended Action: No action is requested at this time.

**Council Member Jensen pulled Items 8D and 8J for discussion and requested clarification about Item 8I.**

**Motion to approve Consent Items 8A – 8C, 8E-8I, 8K-8L: Council Member Westman**

**Second: Council Member Jensen**

**Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke**

## 9. General Government / Public Hearings

- A. First Reading of an Ordinance Prohibiting the Sale of Cigarettes and Cigars with Filters  
Recommended Action: Introduce for first reading, by title only, waiving further reading of the text, an ordinance amending Capitola Municipal Code Section 5.38.030 to prohibit the sale of cigarettes and cigars with filters (i.e., “partially inconsumable” tobacco products).

***Public Works Director Kahn presented the staff report.***

**Public Comment:**

- ***James Whitman***
- ***Kirk Dechico***
- ***Neal Savage***
- ***Tyler Fox***
- ***Shelly Dang***
- ***Felix Blanco***
- ***Dan***
- ***Jimmy***
- ***Christian Shaw***
- ***Dan Haifley***
- ***Laurie Egan***
- ***Jaime Rojas***
- ***Elizabeth Graham***
- ***Alessandra Minasco***
- ***Mark Burress***
- ***Jack Ward***
- ***Florees***
- ***Tracey Weiss***
- ***Trish Panella***
- ***George Linard***
- ***Sean Burns***
- ***Taylor Lane***
- ***Katie Thompson***
- ***Tessa Sanders***
- ***Sam Ruple***
- ***Speaker***
- ***Steven Duclaw***
- ***Tara Leonard***
- ***Delores***
- ***Amber Jones***
- ***Speaker***
- ***Randy Wong***
- ***Ted Burke***

***The Council thanked the public for their comments***

***Motion to introduce Ordinance No. 1068 as amended by staff: Vice Mayor Morgan***

***Second: Council Member Orbach***

***Motion amended to include no enforcement before July 2027: Council Member Westman***

***Amendment Accepted: Council Member Orbach***

***Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke***

***The Council took a recess at 6:06 PM and reconvened at 6:21 PM.***

- B. Capitola Village and Wharf Business Improvement Area Assessments for FY 2025-26  
Recommended Action: 1) Conduct the duly noticed public hearing; 2) Adopt a resolution levying the Fiscal Year 2025-26 Capitola Village and Wharf Business Improvement Area (CVWBIA) Assessments and accepting the CVWBIA Annual Plan and budget; and 3) Authorize the City Manager to execute a contract with the CVWBIA nonprofit in an amount not to exceed \$90,000.

***Finance Director Malberg presented the staff report.***

**Public Comment:**

- ***Anthony Guajardo***
- ***Carin Hanna***

***Motion to adopt Resolution No. 4448 and authorize the City Manager to execute a contract with the CVWBIA nonprofit, subject to approval by the City Attorney: Council Member Westman***

***Second: Council Member Jensen***

***Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke***

- C. Capitola Mall Update and Amendment to Agreement with Ben Noble Planning  
Recommended Actions: 1) Receive update on the Capitola Mall and Housing Element implementation Programs 1.6 and 1.7 related to the City's zoning amendments; 2) Provide direction on the preferred approach to updating the City's zoning; 3) Adopt a resolution amending the FY 2025-26 Budget to allocate funding for Housing Element Implementation; and 4) Authorize the City Manager to execute Amendment 1 to the Professional Services Agreement with Ben Noble Planning to assist in Housing Element implementation.

***Economic and Community Development Director Herlihy presented the staff report.***

**Public Comment:**

- ***Linda Smith***
- ***Janine Roeth***
- ***Speaker***

***The City Council discussed engaging with property owners on the Capitola Mall site and requesting a project proposal.***

***Motion to continue this item to September 11, 2025; form a Council subcommittee composed of two Council Members to engage with property owners at the Capitola Mall; and return to provide an update to the Council on September 11<sup>th</sup>: Council Member Westman***

***Second: Council Member Orbach***

***Motion amended to appoint Council Members Orbach and Westman to the subcommittee: Mayor Clarke***

***Amendment Accepted: Council Member Westman***

***Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke***

- D. Sustainable Transportation Planning Grant for the Capitola Active Transportation Plan  
Recommended Action: 1) Adopt a resolution authorizing the City Manager to enter into a grant agreement with the California Department of Transportation (Caltrans) for the Capitola Active Transportation Plan; 2) Authorize the City Manager to execute a professional services

agreement with Ecology Action, the City's co-applicant for the project, in the amount of \$305,000; and, 3) Adopt a resolution amending the FY 2025-26 budget to accept the grant revenue and appropriate funds for the project.

***Public Works Director Kahn presented the staff report.***

**Public Comment:**

- ***Linda Smith***
- ***Speaker***

***The Council discussed how this project aligns with staff's workload and the City's greater transportation planning efforts.***

***Motion to adopt Resolution No. 4449, authorize the City Manager to execute the agreement, and adopt Resolution No. 4450: Council Member Orbach***

***Second: Council Member Morgan***

***Voting Yea: Council Members Orbach, Vice Mayor Morgan, and Mayor Clarke***

***Voting Nay: Council Members Jensen, Westman***

**E. Cliff Drive Resiliency Project and Local Coastal Program Update**

***Recommended Action:*** Receive an update on the Cliff Drive Resiliency Project and the associated Local Coastal Program (LCP) amendments and provide direction to staff as needed.

***Public Works Director Kahn presented the staff report.***

**Public Comment:**

- ***Speaker***
- ***Linda Smith***

***The Council discussed how the City has partnered with property owners in the vicinity of this project and expressed appreciation for the bike lanes. The Council expressed an interest in reviewing the long-term plans for the phased approach to this project.***

***The City Council took a recess from 8:16 to 8:18 PM.***

**F. Park at Rispin Mansion Project Update**

***Recommended Action:*** Provide direction to staff regarding the materials and design for the additional hardscaping approved in May 2025 and the approach to landscaping in areas of the Park at Rispin Mansion outside the current construction scope.

***Public Works Director Kahn presented the staff report.***

**Public Comment:**

- ***Gayle Ortiz***
- ***Speaker***

***Council expressed a preference for using historic pavers to complete the hardscaping; developing future opportunities for a donation-based paver program; expressed an interest in developing a partnership with private group(s) to support ongoing maintenance of the landscaping.***

***The Council provided direction to staff to proceed with a community paver program for dedication; use the existing historic bricks for the landing at the Park; requested staff reach out to community groups who have expressed interest and develop an RFP to develop/outline a community venture with fundraising opportunities.***

G. Amend Fiscal Year 2025-26 City Fee Schedule

Recommended Action: Adopt a resolution amending the fee schedule for Fiscal Year (FY) 2025-26.

***Finance Director Malberg presented the staff report.***

**Public Comment: None**

***Motion to adopt Resolution No. 4451: Vice Mayor Morgan***

***Second: Council Member Orbach***

***Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke***

**8. Consent Items – Pulled for Discussion**

D. ADA Self-Evaluation and Transition Plan

Recommended Action: Adopt the City of Capitola's ADA Self-Evaluation and Transition Plan, dated January 6, 2025. ***(Pulled from the Consent Calendar by Council Member Jensen)***

***Public Works Director Kahn provided a staff report.***

**Public Comment: None**

***Motion to adopt the City's ADA Self-Evaluation and Transition Plan, dated January 6, 2025: Council Member Westman***

***Second: Council Member Orbach***

***Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke***

J. Community Center Patio Improvements Contract Award

Recommended Action: 1) Authorize the City Manager to execute the construction contract for the Community Center Patio Improvements Project with SSB Contracting, Inc. in the amount of \$1,055,000; and 2) Authorize the Public Works Department to issue notices to proceed upon final contract execution. ***(Pulled from the Consent Calendar by Council Member Jensen)***

***Public Works Director Kahn provided a staff report.***

**Public Comment: None**

***Motion to authorize the City Manager to execute the construction contract with SSB Contracting, Inc. and authorize the Public Works Department to issue a notice to proceed:***

***Council Member Orbach***

***Second: Vice Mayor Morgan***

***Voting Yea: Council Members Jensen, Orbach, Westman, Vice Mayor Morgan, and Mayor Clarke***

**10. Adjournment** - The meeting adjourned at 9:05 PM. The next regularly scheduled City Council meeting is on September 11, 2025, at 6:00 PM.

**ATTEST:**

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Joe Clarke, Mayor

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Julia Gautho, City Clerk

