



AGENDA

Meeting of the
Scotts Valley City Council
In-Person and Remote Access
Date: March 4, 2026
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	Agenda posted on 2-27-2026 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at: www.scottsvally.gov
ELECTED OFFICIALS		CITY STAFF MEMBERS
Derek Timm, Mayor Donna Lind, Vice Mayor Steve Clark, Council Member Krista Jett, Council Member Greg Wimp, Council Member		Mali LaGoe, City Manager Kirsten Powell, City Attorney Cathie Simonovich, City Clerk

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding City Council Meetings:

The City Council meets regularly on the 1st and 3rd Wednesday of each month at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066, and via Zoom Webinar remote access.

Agenda and Agenda Packet Materials:

The City Council agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website:

www.scottsvally.gov and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA.

Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvally.gov.

Public Participation:

The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: <https://www.youtube.com/@cityofscottsvally>

For those wishing to participate via Zoom you can join the following ways:

Zoom Webinar meeting link: <https://us02web.zoom.us/j/83295730901>

Or dial one of these numbers: (669) 900-9128 or (669) 444-9171

Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

How to comment via in-person attendance:

Please proceed to the public comment podium when the Mayor opens the item for public comment.

How to comment via Zoom Webinar:

Use the webinar attendee option to “raise hand” when the Mayor opens the item for public comment. The Clerk will unmute you when it is your turn. If you have joined via Zoom phone call, dial *9 or your phone to “raise your hand”, and the Clerk will unmute you when it is your turn.

CALL TO ORDER 6:00 PM

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

COMMITTEE REPORTS

Council members are appointed to committees which are either City committees or committees dealing with other jurisdictions. This portion of the agenda allows the committee member to present oral or written reports to the Council regarding their committee assignments. It also allows the Council to make comments and give the committee member direction, as required.

CITY MANAGER REPORT

PUBLIC COMMENT TIME

This is the opportunity for individuals attending in person to make oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda. Written public comment may be emailed to the City Clerk by 5:00 PM on the day of the meeting at csimonovich@scottsvally.gov.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve City Council minutes of 02-18-2026
2. Approve Rental Use Agreements with Scotts Valley and San Lorenzo Valley Soccer Club
3. Consideration of Sanitary Sewer Connection Request: APN 067-281-02, La Cuesta Drive
4. Adoption of a Resolution Committing 2021 Permanent Local Housing Allocation (PLHA) Funds For Town Center Land Acquisition and Certifying Compliance with HCD Requirements
5. Approval of Rental Agreement with the Vineyard Church

ALTERATIONS TO REGULAR AGENDA

Council can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Mayor.

1. Consider Community Project Funding application items
2. Future Council Agenda Items

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5608 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability,

please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



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MINUTES

Meeting of the
Scotts Valley City Council
Date: February 18, 2026
Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
City of Scotts Valley 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR Zoom Video Conference https://us02web.zoom.us/j/83295730901	The agenda was posted on 2-13-2026 at City Hall, SV Senior Center, SV Public Works Building, and on the Internet at www.scottsvally.gov .
CALL TO ORDER 6:00 PM		

The City Council meeting was called to order at 6:00 PM.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE

ROLL CALL

ELECTED OFFICIALS PRESENT:

Donna Lind, Mayor
Steve Clark, Vice Mayor
Krista Jett, Council Member
Derek Timm, Council Member
Greg Wimp, Council Member

CITY STAFF MEMBERS PRESENT:

Mali LaGoe, City Manager
Kirsten Powell, City Attorney (virtual attendance)
Jayson Rutherford, Police Chief
Rodolfo Onchi, Public Works Director
Stephanie Hill, Administrative Services Director
Taylor Bateman, Community Development
Director
Cathie Simonovich, City Clerk

SPECIAL SET MATTER

None.

COMMITTEE REPORTS

CM Timm noted that the Association of Bay Area Governments (AMBAG) meeting was cancelled.

CM Timm attended the Town Center Subcommittee meeting where they discussed the Request for Proposals (RFP) for developers. He thanked staff for all their hard work.

CM Jett attended the Town Center Subcommittee meeting and noted that she is excited about the next step and also very proud of the staff for all of their hard work in putting together the RFP.

CM Jett attended the Pathways to Possibilities meeting at Scotts Valley High School where they discussed community outreach and the students' desire to be present in the community. The students wrote letters to the Brookdale residents and drew pictures for them. They also prepared for an upcoming meeting that the students have with Senator Laird.

CM Jett attended the Fallen Officers Ball and enjoyed the fact that everyone was there to support our first responders at this fun event.

CM Wimp went through the orientation process for AMBAG.

CM Wimp attended the Scotts Valley Chamber of Commerce Economic Development Committee meeting where the success of the Holiday Shop Local campaign was recognized, and they discussed the Art, Wine, and Beer Festival.

CM Wimp enjoyed the Fallen Officers Ball, and he recognized Mayor Lind for her extensive work organizing the event.

VM Clark attended the Regional Transportation Commission (RTC) meeting where he was appointed to the Budget, Administration, and Personnel Committee. At the meeting, they voted to terminate the contract with Progressive Rail, which means that the RTC will now seek to become the common carrier for the Santa Cruz Branch Rail Line. To accomplish this, they will explore establishing their own separate rail agency. On February 26, the RTC will hold a ribbon cutting ceremony for the Capitola Road-Highway 1 bridge.

VM Clark, as the representative to the Seniors Council, attended the Master Plan for Aging work group, where they received an update.

VM Clark attended the Area Agency on Aging Advisory Commission meeting and noted that the Foster Grandparent program and the Senior Companion program have both been funded through the federal budget. They discussed potential changes in the funding structure due to new legislation.

Mayor Lind and VM Clark attended the Budget Subcommittee meeting where they reviewed the budget policies and technology updates for developing the budget.

Mayor Lind attended the City Selection Committee meeting and was appointed to the position of Chair. At the meeting, they reviewed and approved the recent appointments.

Mayor Lind attended the 50th anniversary celebration of Meals on Wheels, where they also celebrated the ten millionth meal served. Bay Federal Credit Union received the Community Champion award.

CITY MANAGER REPORT

Public Works, Maintenance, and Wastewater are coordinating staffing coverage and response plans in advance of recent and upcoming storm systems. Crews have inspected and cleared drainage inlets, monitored known flooding locations, and confirmed on-call coverage to respond quickly to localized issues.

The Wastewater Treatment Plant is actively monitoring flows and wet-weather conditions and has confirmed staffing coverage to maintain compliance and system reliability during peak storm events.

Repair work on the Glenwood Road slide is nearly complete, the road is expected to re-open by the end of the week. Some minor follow-up work will need to occur under dry weather conditions, but the majority of the work is complete.

Repair work on the Scotts Valley Drive sinkhole continues. Permanent power has been restored to the traffic signals by Caltrans.

Three new staff members started in the Police Department this week. Officer Kris Koenig, a lateral officer, was sworn in yesterday and has started his field training program. He is projected to be out on his own in 6–8 weeks. Senior Analyst Wayne Bellville started yesterday and has already begun working on projects. Trainee Jarrett Darden started yesterday and began the police academy today.

City Manager LaGoe attended the Library Joint Powers Association (JPA) and Library Facility Financing Authority (LFFA) meetings where they revised the budget assumptions for the upcoming budget years as well as approved an agreement with the City of Santa Cruz for ongoing administrative support (such as Finance and HR support).

City Manager LaGoe attended the California League of Cities annual City Managers Conference last week. This was a great networking opportunity and forum to discuss challenges that City Managers across California are facing. AI continues to be a common theme. However, the highlight for City Manager LaGoe was the keynote speaker, Simon Sinek, who spoke about his work with Police Departments throughout California teaching the Curve program.

City Manager LaGoe met with a Nor Cal Carpenters Union representative regarding their interest in preferring local labor in public works and development projects.

The Santa Cruz County Board of Supervisors approved their Enhanced Infrastructure Financing District (EIFD) policy, a countywide policy that will guide how the County will participate in any locally formed EIFDs. This is important for Scotts Valley in order to be able to submit a proposal requesting that the County join the City and the Fire District's EIFD.

Administrative Services Director Hill held three training sessions for department staff on submitting their budget proposals directly to our financial system, OpenGov.

The next round of Federal Community Program funding applications are now open and are due in mid-March. The City is evaluating options for potential projects to submit, as well as coordinating countywide for a submission that will support the RING project.

We are on track to release the Town Center Request for Proposals on Friday, February 20. This will be posted to the City's new procurement portal and to the City's website. We will also send it to a list of interested developers collected by the Department of Housing and Community Development (HCD).

The deadline for submitting an application for the Citizens Academy is this Friday, February 20. There has been a great response with 24 applications already received.

The deadline for submitting a proposal for the Community Grant Program is this Friday, February 20.

Jayson Rutherford was promoted from Interim Police Chief to the permanent position of Police Chief. Congratulations, Chief Rutherford!

Reminders: follow the City on social media and sign up to receive the City's newsletter.

PUBLIC COMMENT TIME

Sue Draper, a resident of Scotts Valley, inquired about the Town Center grading that has been happening, and the timeline for notifying applicants for the Citizens Academy.

ALTERATIONS TO CONSENT AGENDA

M/S: Timm/Wimp
To approve the Consent Agenda with no alterations.
Carried 5/0 (AYES: Lind, Clark, Jett, Timm, Wimp)

CONSENT AGENDA

1. Approve City Council minutes of 02-04-2026
2. Adoption of a Resolution Approving an Application for Funding and Authorizing Execution of a Grant Agreement under the 2025 State Community Development Block Grant (CDBG) Program
3. Approve Salary Schedule Adjustment: Emergency Dispatch Clerk (EDC) Classification Series
4. Guiding Budget Principles for Fiscal Year 2026-2027
5. Approve contract between Scotts Valley Girls Softball League and the City of Scotts Valley for the use of the Siltanen Snack Shack

ALTERATIONS TO REGULAR AGENDA

M/S: Timm/Clark

To approve the Regular Agenda with no alterations.

Carried 5/0 (AYES: Lind, Clark, Jett, Timm, Wimp)

REGULAR AGENDA

1. 2026 Legislative Platform

City Manager LaGoe presented this item and reviewed the proposed legislative platform. The Council proposed minor wording changes to two of the items. These changes are reflected in the motion.

A community member asked for clarification on the definition of a "local resident."

M/S: Timm/Cark

To approve the 2026 Legislative Platform with two edits: 1) the broadband item would be amended to say, "Support legislation for affordable, reliable, broadband access to all *local* residents...", and 2) the climate resiliency & natural resource protection item would be amended to say, "Oppose legislation that would re-open California Coastal areas of the US Federal waters to offshore oil and gas development."

Carried 5/0 (AYES: Lind, Clark, Jett, Timm, Wimp)

2. Future Council Agenda Items

Mayor Lind requested a future Council item regarding Recreational Vehicles parking on streets. City Manager LaGoe indicated this issue is on the City's watchlist.

ADJOURNMENT

The meeting adjourned at 6:36 PM.

Approved: _____
Derek Timm, Mayor

Attest: _____
Cathie Simonovich, City Clerk

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/4/2026
TO: Honorable Mayor and City Council
FROM: Allison Pfefferkorn, Recreation Division Manager
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approve Rental Use Agreements with Scotts Valley and San Lorenzo Valley Soccer Club**

SUMMARY OF ISSUE

The SV/SLV Soccer Club has a long history of providing positive, enriching recreational and competitive soccer opportunities for youth in Scotts Valley at Skypark and Siltanen Park. The City entered into a contract with the league on March 1, 2022. This contract expired on November 30, 2024. Since the expiration of that contract, the City has issued seasonal contracts. The most recent contract expired November 30, 2025.

Now that the City is fully staffed and its maintenance team has the capacity to perform ongoing work to maintain sports fields at a higher standard than general recreational areas within City parks, it is appropriate for the City to implement sports field rental fees that help recover these additional operational costs.

Following direction from the City Council, the Recreation Division has evaluated fees and expenses and developed a cost recovery policy emphasizing a beneficiary-of-service philosophy. In January 2025, the City Council approved an updated Recreation Fee Schedule stating that sports league and club rental fees are to be established through separate agreements.

Over the past several months, City staff and representatives from the SV/SLV Soccer Club have worked to collaboratively develop a field use agreement and update rental fees that are equitable and sustainable for both the City and the Club. A five-year agreement has been negotiated to establish a predictable fee structure, document communication expectations for scheduling, reservations, and field closures, and clarify facility maintenance responsibilities and volunteer project opportunities. This approach provides clear guidelines and helps define when City facilities are available for public use or other sports organizations.

The fee structure gradually aligns overall rental fees with the City's long-term cost recovery goals while avoiding sudden or burdensome impacts on the Club and participating families. Through a phased implementation approach, the Club and its members can plan and budget for changes in advance, making the transition more manageable. This framework reflects a

balance between the City’s financial sustainability objectives and the importance of maintaining accessible recreational and competitive soccer opportunities for the community.

These agreements establish a foundation for continued collaboration between the City and the SV/SLV Soccer Club, supporting a strong, ongoing partnership with the shared goal of providing high-quality youth soccer programming for the residents of Scotts Valley.

FISCAL IMPACT

The following charts depict the 5-year fees for each league. These fees reflect the number of fields used, the length of the season (number of hours used) and the approximate number of participants in each program. These fees collectively begin to approach 50% cost recovery for sports-related field maintenance on Skypark and Siltanen Fields by the fifth year.

Rental Fee Schedule	2026	2027	2028	2029	2030
SV/SLV Soccer Club	\$22,500	\$23,500	\$25,000	\$26,250	\$27,750

STAFF RECOMMENDATION

It is recommended that Council authorize the City Manager to execute Rental Use Agreements with the SV/SLV Soccer Club in a form acceptable to the City Attorney

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1. 2026.2030 Valley United Soccer rental agreement

RENTAL USE AGREEMENT FOR THE SKYPARK & SILTANEN FIELDS

THIS RENTAL USE AGREEMENT, hereinafter referred to as "Agreement," is made and entered into by and between the CITY OF SCOTTS VALLEY, a California municipal corporation, hereinafter referred to as "Facility Owner," and SCOTTS VALLEY/SAN LORENZO VALLEY YOUTH SOCCER CLUB, hereinafter referred to as "Site User."

RECITALS

- A. The Facility Owner owns Skypark located at 361 Kings Village Rd. Scotts Valley, California, 95066 and Siltanen Park located at 127 Vine Hill School Road, Scotts Valley 95066 (the "Property").
- B. Skypark Fields #1, #2, #3 and Outpost building and Siltanen Fields #1, #2, #3, #4 are known as (the "Premises")
- C. The Site User desires to use the Premise for the purpose of youth soccer.
- D. The Site User desires to use the Outpost Building Premise for the purpose of a snack shack to sell prepackaged food, drink, and merchandise items for fundraising and scholarships for low-income families purposes.
- E. Facility Owner and the Site User desire to enter into an agreement to formalize Site User's use of the Premises.

NOW, THEREFORE, as full and complete consideration of the covenants and agreements hereinafter set forth, Facility Owner and Site User agree as follows:

AGREEMENT

- A. PREMISES: Facility Owner hereby rents to Site User and Site User hereby rents from Facility Owner the Premises, as shown on Exhibit A attached hereto.
- B. **USE OF PREMISES:**
 - 1. **Permitted Uses.** Facility Owner hereby grants permission to Site User to occupy the Premises for youth soccer for the time periods agreed upon as set in Section B.5.a-c. Site User shall have the right to use the Premises at other times, provided it requests such right to use the Premises no later than two (2) weeks prior to the requested time and the Premises are not already committed to another party by Facility Owner. Additional rental fees will apply based on the City's current Fee Schedule.
 - 2. **Conditions of Use of Premises.** Site User shall comply with all conditions listed in Exhibit B attached hereto.
 - 3. **Storage Sheds.** Site User may keep their existing shed at Skypark. Facility Owner assumes no responsibility for lost, stolen or damaged property within a storage unit or any damage to the storage unit.

4. **Soccer Goals.** Site User is permitted to store soccer goals at the Premises. Site User is required to have all goals locked and stored only in locations specified in Exhibit A. Site User will be notified by email of goals left on the fields. Failure to store and lock goals within 2 business days of email notice may result in an \$85 fine per goal relocation. Facility Owner may remove any goals that are determined to be unsafe due to damage or defective parts.

5. **Season Schedule.**

- a. **Blackout Dates**

1. Facility Owner shall have the right to designate blackout dates for city programming, special events and scheduled field maintenance.
 2. Facility Owner shall notify Site User of any blackout dates no later than one (1) month prior to the season schedule deadline for that season.

- b. **Schedule Submission**

Site User shall submit the season schedule to the Facility Owner no later than first week of December for the Spring/Summer Season and the first week of June for the Fall season.

1. The season schedule submission shall include the following information:
Split between Rec or Comp, days, times, event, field use.
 2. Submission of dates and times shall not constitute a guarantee of availability until confirmed in writing by the Facility Owner. Facility Owner will provide confirmation within 15 days of receiving the final submission each season.

- c. **Tournaments, Camps, Trainings and Clinics.**

1. Any activity that occurs outside of the approved regular season dates/times for which additional participation fees are charged, shall require a separate facility reservation. Reservations must be submitted no less than two (2) weeks in advance and are subject to facility availability and applicable rental fees per the city's fees schedule.
 2. Tournaments may be subject to a Special Event reservation and must be requested using the City's standard special event form, comply with all special event rules and be reserved a minimum of 60 days in advance.

6. **Field Closures and Rescheduled Activities:** The Facility Owner has sole authority to close the Premises or portion thereof for safety or field preservation concerns including, but not limited to, unsafe field conditions or field preservation required for any reason that may require facility closure. Facility Owner shall provide advance written notice when reasonably possible, and prompt notice for weather or safety emergencies, once an emergency circumstance is determined by Facility Owner. Site User acknowledges that the Premise may be used for medical emergencies by Emergency Response Teams which may require immediate vacancy of the Premise or portion of Premise.

Any rescheduled activities due to field closures or inclement weather, if moved to a date not included in the confirmed season schedule, must receive approval from the Facility Owner at least one week in advance of the requested date.

7. Outpost Building. The Outpost Building shall be used for the purposes of a 'snack shack' for fundraising endeavors. Site User shall comply with all state, federal and local rules and regulations regarding the operation of a snack shack. In accordance with regulations set by the Santa Cruz County Health Department, only 100% pre-packaged or shelf-stable food items (not requiring refrigeration, freezing, or heating) are permitted for sale. Failure to comply with such rules and regulations may result in loss of use of Outpost Building. Site User may sell club merchandise from the Outpost Building. No items may be stored in the Outpost Building between uses.

C. Compliance with Governmental Regulations. Site User shall, at Site User's expense, faithfully observe and comply with all Municipal, State and Federal statutes, rules, regulations, ordinances, requirements, and orders (collectively referred to as "Rules"), now in force or which may hereafter be in force pertaining to the Premises or Site User's use thereof. The judgment of any court of competent jurisdiction, or the admission of Site User in any action or proceeding against Site User, whether Facility Owner be a party thereto or not, that Site User has violated any Rules shall be conclusive proof of that fact as between Facility Owner and Site User.

D. TERM: The Term ("Term") of this Agreement shall commence on February 1, 2026, and shall terminate on Dec 31, 2030, unless sooner terminated as provided herein.

E. RENT: Site User agrees to pay Facility Owner, as Rent for the Premises the amounts below. Such payments shall be made by January 15 of each year to the City address designated in Section H. The annual field use base field schedule is as follows:

	2026	2027	2028	2029	2030
Soccer	\$22,500	\$23,500	\$25,000	\$26,250	\$27,750

Included in Rent: Use of Skypark and Siltanen Fields for season league activities; tryouts, season scheduled games, and season team practices. Season activities that are rescheduled due to inclement weather or field closure are also included in Rent.

a) **Additional Permits:** Use of any facility, other than the approved fields, shall require a separate facility reservation. Any activity, as listed in section 5.c, involving additional participation fees shall require a separate facility reservation.
All Reservation requests must be submitted no less than two (2) weeks in advance and are subject to facility availability and rentals fees based on the city's fee schedule.

F. TEAM ROSTER. In compliance with insurance requirements in relation to open ended statutes of limitations for SAM claims, Site User shall electronically submit the season rosters to Facility Owner, by December 1 of each year. Roster shall include season dates of participation, team name, coaches' names, player name, birthdate, and address. Rosters must be provided for all rec/comp season teams, camps, clinics, and tryouts. Once received by Facility Owner, all documents will only be accessed in the event of an actual SAM Claim.

G. UTILITIES: Facility Owner shall maintain and pay all utilities on the Site including water and electricity.

- H. NOTICE:** Any notice, request, demand, instruction or other communication to be given to either party hereunder shall be in writing and shall either be (a) hand-delivered, (b) sent by Federal Express or a comparable overnight mail service, (c) mailed by U.S. registered or certified mail, return receipt requested, postage prepaid, or (d) sent by electronic mail provided that an original copy of the transmission shall be mailed by regular mail, to Facility Owner and Site User at their respective addresses set forth below. Notice shall be deemed to have been given upon receipt or refusal of delivery of said notice. The addresses for the purpose of this section may be changed by giving notice. Unless and until such written notice is received, the last addressee and address stated shall be considered in effect for all purposes hereunder.

Facility Owner:	Site User:
CITY OF SCOTTS VALLEY	VALLEY UNITED SOCCER CLUB
One Civic Center Drive Scotts Valley, CA 95066	PO BOX 67038
Attn: Finance Department	Scotts Valley, CA 95067-7038
Tel: (831) 440-5600	

I. LIABILITY AND INDEMNITY:

1. Of Facility Owner. Site User shall indemnify and hold harmless Facility Owner, and its employees, elected officials, consultants, agents, invitees, and independent contractors (collectively "Agents") of Facility Owner against and from any and all claims, liabilities, judgments, costs, demands, causes of action and expenses (including, without limitation, reasonable attorneys' fees) arising out of or related to Site User's use and the use of Site User's players, families, guests, invitees, agents or customers of the Premises or from any activity done, permitted or suffered by Site User or its players, families, guests, invitees, agents or customers in or about the Premises. If any action or proceeding is brought against Facility Owner or any of its Agents by reason of any such claim, upon notice from Facility Owner, Site User shall defend the same at Site User's expense by counsel reasonably satisfactory to Facility Owner.
2. Of Site User. Facility Owner shall indemnify and hold harmless Site User, and its players, families, guests, invitees, agents or customers (collectively "Agents") of Site User against and from any and all claims, liabilities, judgments, costs, demands, causes of action and expenses (including, without limitation, reasonable attorneys' fees) arising out of or related to Facility Owner's use of the Premises or the use or occupancy of any third party authorized, scheduled or permitted by Facility Owner in or about the Premises. If any action or proceeding is brought against Site User by reason of any such claim, upon notice from Site User, Facility Owner shall defend the same at Facility Owner's expense by counsel reasonably satisfactory to both Site User

and Facility Owner. Facility Owner acknowledges that Site User has no responsibility, nor duty, to monitor, supervise or control, the activities of other users of the Site. ,

The obligations of Site User and Facility Owner under this Section I shall survive any termination of this Agreement.

J. SURRENDER: Site User agrees that on the last day of the Term, Site User shall surrender and vacate the Premises in good condition and repair (damage by Acts of God, fire, and normal wear and tear excepted). The obligations herein shall survive the termination of the Agreement.

K. MAINTENANCE AND REPAIR OF PREMISES: Tenant shall not do anything to cause any damage to the Site. In the event damage is caused by Tenant or any of its customers, Tenant shall promptly repair the damage at its sole cost and expense. Maintenance of the Site is the responsibility of the Facility Owner as described in Exhibit B. Any maintenance the club desires to perform is subject to items outlines in Exhibit B.

L. TERMINATION: Either party has the right to terminate this Agreement at any time upon providing the other party thirty (30) days' written notice for any reason or no reason. Should either party terminate pursuant to this provision, the termination shall be subject to the surrender provisions set out above, as if it were the last day of the Term.

M. SITE USER'S DEFAULT: The occurrence of any one of the following events shall constitute an event of Default on the part of Site User ("Default"):

1. The complete abandonment of the Premises by Site User;
2. Failure to pay Rent by date listed in section E, said failure continuing for a period of ten (10) days after written notice thereof from Facility Owner to Site User;
3. A general assignment by Site User for the benefit of creditors, without the prior written approval of Facility Owner, which approval shall not be unreasonably withheld;
4. The filing of a voluntary petition in bankruptcy by Site User, the filing of a voluntary petition for an arrangement, the filing of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by Site User's creditors, said involuntary petition remaining undischarged for a period of sixty (60) days; notwithstanding the foregoing, this paragraph shall not apply if Site User continues to make timely rental payments to Facility Owner;
5. Failure in the performance of any of Site User's covenants, agreements or obligations hereunder which failure continues for ten (10) days after written notice thereof from Facility Owner to Site User, provided that, if Site User has exercised reasonable diligence to cure such failure and such failure cannot be cured within such ten (10) business day period despite reasonable diligence, Site User shall not be in Default under this subsection unless Site User fails thereafter diligently and continuously to cure such failures; or
6. Unauthorized repairs or maintenance of the Premises.

Site User agrees that any notice given by Facility Owner pursuant to the above shall satisfy the requirements for notice under California Code of Civil Procedure section 1161, and Facility

Owner shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

N. FACILITY OWNER'S REMEDIES:

1. **Termination for Breach.** In the event of any Default by Site User, then in addition to any other remedies available to Facility Owner at law or in equity and under this Agreement, Facility -Owner shall have the immediate option to terminate this Agreement and all rights of Site User hereunder by giving written notice of such intention to terminate. In the event that Facility Owner shall elect to terminate this Agreement then Facility Owner may recover from Site User:
 - a. the worth at the time of award of any unpaid Rent and any other sums due and payable which have been earned at the time of such termination; and
 - b. such reasonable attorneys' fees incurred by Facility Owner as a result of Default, and costs in the event suit is filed by Facility Owner to enforce such remedy; and
2. **Re-entry.** In the event of any Default by Site User, Facility Owner shall also have the right, and if Facility Owner terminates this Agreement in compliance with applicable law, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Site User.
3. **Re-letting.** In the event of the abandonment of the Premises by Site User or in the event that Facility Owner shall elect to re-enter as provided above or shall take possession of the Premises pursuant to legal proceedings or pursuant to any notice provided by law, Facility Owner may re-let the Premises.
4. **Cumulative Remedies.** The remedies provided herein are not exclusive and Facility Owner shall have any and all other remedies provided herein or by law or inequity.
5. **No Surrender.** No act or conduct of Facility Owner shall be deemed to be or constitute an acceptance of the surrender of the Premises by Site User prior to the expiration of the Term, or as specifically provided for above, and such acceptance by Facility Owner of surrender by Site User shall only flow from and must be evidenced by a written acknowledgment of acceptance of surrender signed by Facility Owner.

- O. FACILITY OWNER'S DEFAULT:** Facility Owner shall not be considered to be in Default under this Agreement unless: (a) Facility Owner is given notice specifying the Default, and (b) Facility Owner has failed for thirty (30) days to cure the Default, if it is curable, or to institute and diligently pursue reasonable corrective acts for Defaults that cannot be reasonably cured within thirty (30) days.

- P. LIABILITY INSURANCE:** During the Term of this Agreement, Site User shall, at Site User's expense, obtain and keep in force a policy of comprehensive public liability insurance with policy limits in the amount required by the Monterey Bay Area Insurance Fund for the Facility Owner and subject to the requirements as more specifically provided in Exhibit C attached hereto.

- Q. ASSIGNMENT BY SITE USER:** Site User shall not voluntarily or by operation of law assign all or any part of Site User's interest in the Agreement or in the Premises, without Facility Owner's prior written consent, which consent may be withheld in the sole and absolute discretion of Facility Owner or conditioned.
- R. ATTORNEY'S FEES:** In the event any legal action or proceeding, including arbitration and declaratory relief, is commenced for the purpose of enforcing any rights or remedies pursuant to this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees, as well as costs of suit, in said action or proceeding, whether or not such action is prosecuted to judgment.
- S. WAIVER:** The waiver of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent by Facility Owner shall not be deemed to be a waiver of any preceding breach by Site User, other than the failure of Site User to pay the particular rental so accepted, regardless of Facility Owner's knowledge of such preceding breach at the time of acceptance of such Rent. No delay or omission in the exercise of any right or remedy of Facility Owner on any Default by Site User or in the exercise of any right or remedy of Site User shall impair such a right or remedy or be construed as a waiver. Any waiver by Facility Owner of any Default must be in writing and shall not be a waiver of another Default concerning the same or any other provisions of this Agreement.
- T. INTEREST:** Any installment of Rent and any other sum due from Site User under this Agreement which is not received by Facility Owner within ten (10) days from when the same is due shall bear interest from such tenth (10th) day until paid at an annual rate equal to the maximum rate of interest permitted by law. Payment of such interest shall not excuse or cure any Default by Site User.
- U. SUBORDINATION:** Facility Owner shall have the right to cause this Agreement to be and remain subject and subordinate to any and all mortgages and deeds of trust, if any ("Encumbrances") that are now or may hereafter be executed covering the Premises, or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof; provided only, that upon the foreclosure of any such mortgage or deed of trust, so long as Site User is not in Default, the holder thereof ("Holder") shall agree in writing to recognize Site User's rights under this Agreement as long as Site User shall pay the Rent and observe and perform all the provisions of this Agreement to be observed and performed by Site User. Within twenty (20) days after Facility Owner's written request, Site User shall execute, acknowledge, and deliver any and all reasonable documents required by Facility Owner or the Holder to effectuate such subordination. If Site User fails to do so, such failure shall constitute a Default by Site User under this Agreement. Pursuant to the terms of this paragraph, Site User hereby attorns and agrees to attorn any person or entity purchasing or

otherwise acquiring the Premises at any sale or other proceeding or pursuant to the exercise of any other rights, powers, or remedies under such Encumbrance.

- V. CONSTRUCTION:** This Agreement shall be construed and interpreted in accordance with the laws of the State of California. If any provision of this Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.
- W. MISCELLANEOUS:** This Agreement and any attached exhibits and addenda, as signed by the parties hereto, constitute the entire agreement between Facility Owner and Site User; no prior written promises, nor prior, contemporaneous, or subsequent oral promises or representations, shall be binding. This Agreement shall not be amended or changed except by written instrument signed by the parties hereto. Section captions herein are for convenience only and neither limit or amplify the provisions of this instrument. The provisions of this instrument shall be binding upon and insure to the benefit of the heirs, executors, administrators, successors, and assigns of said Facility Owner and Site User.

IN WITNESS WHEREOF, Facility Owner and Site User have executed this Agreement as of the 1st day of February 2026.

FACILITY OWNER:

SITE USER:

CITY OF SCOTTS VALLEY

SCOTTS VALLEY / SAN LORENZO VALLEY SOCCER CLUB

By:

Its: Kirsten Powell, City Attorney

By:

Signed by:

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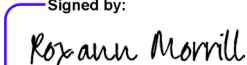
Its: Travis Huntington, President of SVSLV Soccer Club

2/27/2026 | 06:55 PST

By:

Its: Mali LaGoe, City Manager

By:

Signed by:

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Its: Roxann Morrill, Vice-President of SVSLV Soccer Club

2/26/2026 | 16:49 PST

EXHIBIT A PREMISIS

Skypark



Siltanen Park

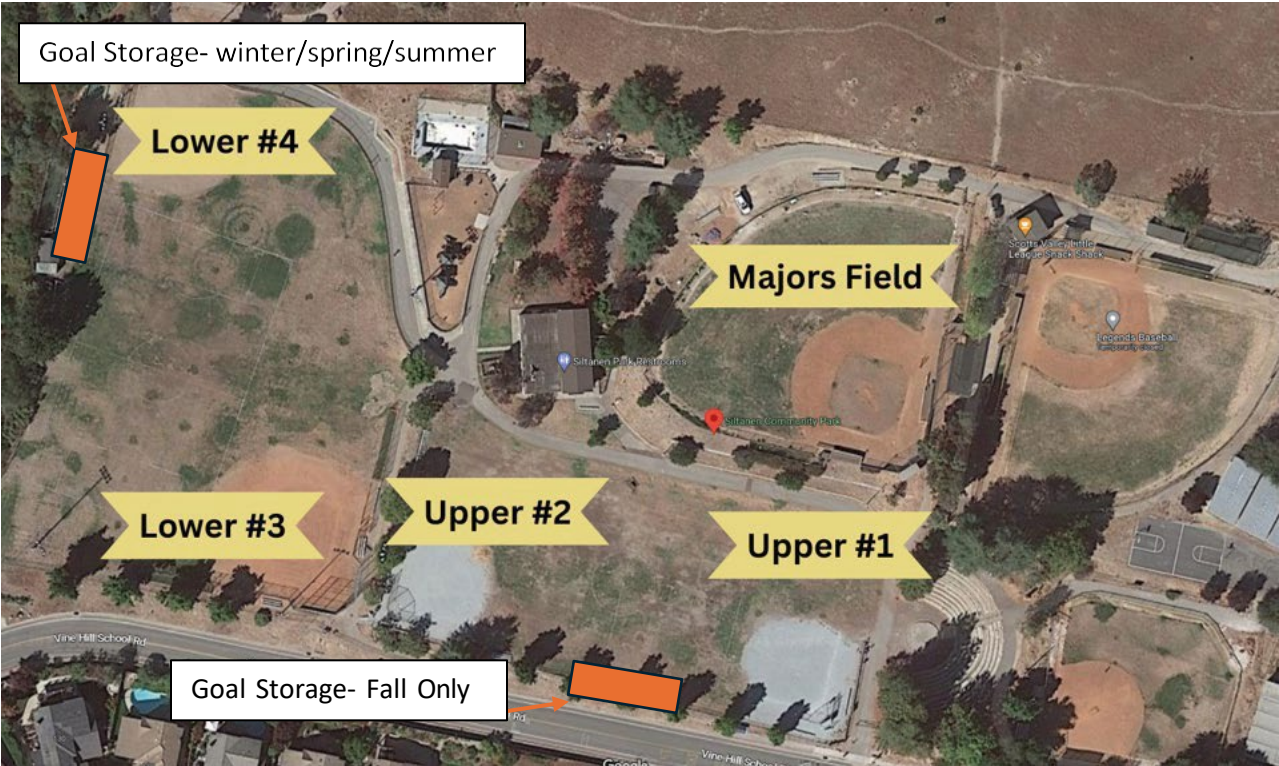


EXHIBIT B

Sports League Field Conditions of Use of Premises Field Preparation Responsibilities

The Site User shall be responsible for all routine field preparation, including, but not limited to, line marking, flags and goals.

Field preparation activities may occur during approved daylight hours to minimize the impact to public users of the Site.

Field Maintenance Responsibilities

The Public Work Department Maintenance team shall maintain the Premises AS IS including mowing, irrigation, fertilizing, and pest control. The Maintenance Division Manager ("MDM") may provide Site User with the schedule of planned maintenance activities at the Site Users request. Site User may request additional maintenance. Facility Owner shall determine, in its sole discretion, if the maintenance requests will be performed, the priority of such maintenance and whether or not the Site User will be required to pay for such maintenance.

Permitted Assistance By Site User

The Site User may request to assist with any of these activities from time to time. Requests should be directed to the MDM. The MDM may approve or deny requests, in their sole discretion, as determined to be in the best interest of the City.

If the event the MDM approves the request of Site User to assist with maintenance, all persons performing field prep work, operating special equipment or field maintenance must have a completed volunteer waiver on file with the Recreation Division Manager (RDM).

Fertilizing and pest control activities may require special licensure or certification. Only individuals with required licenses or certifications will be allowed to participate in activities requiring such licensure or certification. Licenses and/or certifications must be submitted to the MDM for verification. A written request must be made to the MDM to conduct any fertilization or pest control. Such activities may commence only when given approval from MDM. All activities shall comply with state and local regulations that apply, including maintenance of application logs.

Only the MDM has the authority to close the Premises for maintenance activities and public safety.

General Park Maintenance

The Public Works Department Maintenance team shall maintain in good order the surrounding structures and grounds of the Property, including, but not limited to, landscaped areas, dumpsters service, parking lots, restrooms, access, pathways, and other public areas. The Site User is responsible for reporting issues or concerns related to park maintenance for emergencies and non-emergencies:

Non-emergency contact: pwmaint@scottsvally.gov

Emergency contact: 831-440-5670

Any additional maintenance requested may be subject to a fee.

Damage to Site

During the Term, Site User shall not do anything to cause any damage to the Site. In the event damage is caused by Site User or any of its players, families, guests, invitees, agents or customers, Site User shall be responsible, at its sole cost and expense, to repair the damage. Site User shall inform the MDM of any damage to the Site. Repair work must be approved in advance by the MDM.

Volunteer Labor

In the event the MDM approves work to be performed by the Site User, the Site User shall not hire professional contractors, vendor or service providers to perform work on the Premises. Under no circumstances shall the Site User pay any individual or company to work on the Premises. The Site User may utilize volunteers to perform any approved work to the Premises approved by the MDM provided all volunteers complete the City's volunteer form and return it to the City prior to any work.

Approvals

Special Equipment: Any machinery or equipment (vehicles, implements, power tools, accessories, etc) intended for use outside of routine field preparation must receive prior approval from the MDM. The Site User shall submit a request for approval detailing the specifications and intended use of such equipment, person(s) operating the special equipment and volunteer waivers at least 5 days in advance of the use of the special equipment.

Field Marking: Lining, use of signs, driving of stakes, or other activity that will alter existing field conditions must be approved by the MDM in advance.

Landscaping: If Site User desires to add landscaping or modify the existing landscaping on the Premises, Site User shall submit a prior written request to the MDM which includes drawings of the proposed landscaping or modifications. MDM shall approve or deny the request at their sole discretion, based on the best interest of the Facility Owner. If the request to add to or modify the landscaping is granted, Site User shall only utilize volunteers to perform the work.

Signs: Any sponsorship or promotional signs to be hung on a backstop, fencing or facility structure must be approved by the RDM and comply with the City's municipal code. Approved signs shall be removed at the end of the Term.

Storage

Site User can make a request to the MDM and RDM to store items on the Premises. No items shall be stored on the Premises without the prior written consent of the MDM and the RDM. Any items stored on the Premises without the prior written consent of the MDM and RDM may be removed by the MDM. MDM may request Site User to remove stored items if they become unsafe at any time.

The City assumes no responsibility for lost, stolen or damaged property storage on the premises.

New storage: A request for a new storage unit may be made to the RDM. The RDM will determine if the installation of a new storage unit is in the best interest of the City and may approve or deny the request in their sole discretion. If approved, new installation or construction of any kind must be performed solely by volunteers and comply with applicable state, federal and local laws and obtain any required permits.

Access to Fields

Use of vehicles, including golf carts, ATVs, UTVs, etc. within the Property or the Premises must be approved in advance by the MDM.

Environmental Health and Safety

Any Site User activities must be managed in a way that is compliant with any applicable environmental health and safety code(s). The Facility Owner is not responsible for any regulatory violations or penalties that may result from Site User's activities.

Exhibit C

Insurance Requirements for Rental of Facilities

Site User shall procure and maintain for the duration of the Term or any Extended Term insurance against claims for injuries to persons or damages to property which may arise from or in connection with the rental of the Premises and the activities of the Site User, his guests, agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

Commercial General Liability (CGL): Insurance Services Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

Sexual Abuse or Molestation (SAM) Liability: If the work will include contact with minors, and the CGL policy referenced above is not endorsed to include affirmative coverage for sexual abuse or molestation, Contractor shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than \$1,000,000 per occurrence or claim.

Workers’ Compensation: Insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease. (This applies to lessees with employees).

Property insurance: Against all risks of loss to any Site User improvements or betterments, at full replacement cost with no coinsurance penalty provision.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Landlord, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the rental of the facility, work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Tenant’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the Tenant’s insurance coverage shall be primary insurance and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the Landlord, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the

Landlord, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

Waiver of Subrogation

Tenant hereby grants to Landlord a waiver of any right to subrogation which any insurer of said Tenant may acquire against the Landlord by virtue of the payment of any loss under such insurance. Tenant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Landlord has received a waiver of subrogation endorsement from the insurer.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Landlord.

Verification of Coverage

Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord before the Term commences. All certificates and endorsements are to be received and approved by the Landlord *at least five days* before Tenant commences activities.

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/4/2026
TO: Honorable Mayor and City Council
FROM: Rodolfo Onchi, Public Works Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Consideration of Sanitary Sewer Connection Request: APN 067-281-02, La Cuesta Drive**

SUMMARY OF ISSUE

On February 19, 2014, the City Council adopted Resolution No. 1660.3 (attached), a policy for the consideration of sewer hookups for properties located outside the City limits. The policy provides that requests for sewer hookups will be reviewed and approved by the City Council on a case-by-case basis for connection to the sewer system through an extraterritorial service agreement.

The property owner La Cuesta Drive (APN 067-281-02) is requesting to connect to the City's sanitary sewer system. Pursuant to the policy, the following criteria must be met to allow a sewer hookup outside of the City limits:

- There must be adequate capacity in the sewer treatment system to accommodate the additional hook up.
- Property must be located within the City's sphere of influence.
- If hook ups are allowed, the applicable fair share assessment for sewer capacity and hook up fee shall be paid.
- Prior to sewer connection, written approval from the Santa Cruz County Local Agency Formation Commission (LAFCO) is received in accordance with Government Code Section 56133.

There is adequate capacity in the sewer treatment system to accommodate this hook up. The property is located within the City's sphere of influence. The applicant has agreed to pay his fair share assessment. Upon approval by the City of Scotts Valley, the LAFCO Commission will consider a Resolution approving the extraterritorial service agreement involving the City of Scotts Valley.

FISCAL IMPACT

The City will receive \$7,130 in wastewater connection fees to be deposited into the

Wastewater Fund. There is no General Fund impact.

STAFF RECOMMENDATION

Staff recommends City Council approve Resolution No. 1660.9 authorizing the connection of APN 067-281-02 to the City's sanitary sewer system.

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1. Resolution 1660.9 La Cuesta Sewer Connection
2. Resolution No. 1660.3 Approving Sewer Connections

RESOLUTION NO. 1660.9

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY AUTHORIZING THE CONNECTION OF APN 067-281-02 TO THE CITY'S SANITARY SEWER SYSTEM

WHEREAS, on February 19, 2014, the City Council adopted Resolution No. 1660.3, allowing for the consideration of sewer hooks for properties located outside the City limits; and

WHEREAS, the adopted policy sets criteria to be reviewed on a case-by-case basis for approval by the City Council including:

- There must be adequate capacity in the sewer treatment system to accommodate the additional hook up.
- Property must be located within the City's sphere of influence.
- If hook ups are allowed, the applicable fair share assessment for sewer capacity and hook up fee shall be paid.
- Prior to sewer connection, written approval from the Santa Cruz County Local Agency Formation Commission (LAFCO) is received in accordance with Government Code Section 56133; and

WHEREAS, the property owner of APN 067-281-02 has requested to connect to the City's sanitary sewer system; and

WHEREAS, staff have reviewed the request and find it to meet the criteria established; and

WHEREAS, upon City Council approval, the LAFCO Commission will adopt a Resolution approving the extraterritorial service agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scotts Valley that the connection of APN 067-281-02 to the City's sanitary sewer system is hereby authorized through an extraterritorial service agreement

The above and foregoing Resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of March 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Donna Lind, Mayor

Attest: _____
Cathie Simonovich, City Clerk

RESOLUTION NO. 1660.3

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SCOTTS VALLEY AMENDING THE POLICY
FOR THE CONSIDERATION OF SEWER HOOK UPS FOR
PROPERTIES LOCATED OUTSIDE OF THE CITY LIMITS**

WHEREAS, on August 4, 1999, the City Council adopted a policy for the consideration of sewer hook ups for properties outside of the City limits; and

WHEREAS, the policy provides that certain criteria must be met in order for properties outside the City limits to hook up to the City's sewer system; and

WHEREAS, it has been determined that it is appropriate to consider allowing vacant parcels outside the City limits to hook up to the City's sewer system if the other criteria can be met; and

WHEREAS, the City Council desires to amend the policy to eliminate the prohibition of hook ups for vacant parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY OF THE CITY OF SCOTTS VALLEY AS FOLLOWS:

SECTION 1: All requests for hook ups outside the City limits shall be reviewed and approved by the City Council on a case by case basis. The Council shall consider the following criteria in reaching its decision. Unless all of the following criteria are met a hook up shall not be allowed:

- A. There must be adequate capacity in the sewer treatment system to accommodate the additional hook up.
- B. Property must be located within the City's sphere of influence.
- C. If hook ups are allowed, the applicable fair share assessment for sewer capacity and hook up fee shall be paid.
- D. Prior to sewer connection, written approval from LAFCO is received in accord with Government Code Section 56133.

The foregoing resolution was passed and adopted at a regular City Council meeting held on the 19th day of February, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Approved: _____

Jim Reed, Mayor

Attest: _____

Tracy A. Ferrara, City Clerk

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/4/2026
TO: Honorable Mayor and City Council
FROM: Mali LaGoe, City Manager, Jordan Taylor, Administrative Analyst II
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Adoption of a Resolution Committing 2021 Permanent Local Housing Allocation (PLHA) Funds For Town Center Land Acquisition and Certifying Compliance with HCD Requirements**

SUMMARY OF ISSUE

The Permanent Local Housing Allocation (PLHA) Program provides funding to local governments in California for housing-related projects and programs that address unmet housing needs within their communities. The program provides formula grants to entitlement and non-entitlement jurisdictions and competitive grants to non-entitlement jurisdictions and is administered by the California Department of Housing and Community Development (HCD).

The City of Scotts Valley has received a 2021 PLHA allocation in the amount of \$171,995. The City proposes to commit these funds toward payments associated with the 2025 acquisition of land from the City of Santa Cruz to support development of the City's Town Center.

The Town Center is the largest affordable housing site identified in the City's adopted Housing Element and accounts for more than 25% of the City's Regional Housing Needs Allocation (RHNA) requirement for the current cycle. The parcel being acquired represents the core area of the Town Center and is adjacent to other City-owned properties. Prior to acquisition, the City's lack of ownership of this core parcel presented a significant barrier to implementation of the Housing Element and the development of affordable housing at the scale required to meet RHNA obligations.

Pursuant to PLHA Guidelines Section 301(a)(1), land acquisition is an eligible use of funds, which allows for:

"The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely Low-, Very Low-, Low-, or Moderate-income households, including necessary operating subsidies."

The adopted five-year PLHA Plan identifies acquisition activities as an eligible use under Activity 1. The proposed resolution clarifies that the City will use the 2021 PLHA funds expressly for completion of the Town Center land acquisition for the purpose of developing the Town Center project.

The Town Center project is being developed pursuant to the Surplus Land Act (Government

Code Section 54221(f)(1)(H)), which provides an alternative approach to the sale of land for qualifying mixed-use developments. The Surplus Land Act imposes similar housing affordability requirements to the PLHA program.

The Town Center project will include:

- 300 or more residential units,
- At least 25% deed-restricted affordable housing,
- Affordability levels at or below 80% of Area Median Income (AMI), and
- A minimum 55-year deed restriction for the affordable rental units.

While Activity 1 permits the use of PLHA funds for acquisition of parcels intended for development of affordable rental units, acquisition and predevelopment activities do not constitute completed projects on their own. Under PLHA requirements, the affordable rental units must be developed by the end of the PLHA contract term, June 30, 2030. Once funds are disbursed, the City will be required to annually track and report project progress from acquisition through issuance of certificates of occupancy.

The City has completed substantial predevelopment work for the Town Center project, including:

- Environmental remediation at the site;
- Adoption and certification of the Housing Element;
- Council approval of the “Preferred Vision”;
- Circulation and certification of an Environmental Impact Report;
- Completion and adoption of the Final Town Center Specific Plan; and
- Release of a Request for Proposals (RFP) to development partners on February 20, 2026, closing April 24, 2026.

Given the extensive groundwork already completed, the City anticipates timely advancement of the project and is confident it can meet the PLHA expenditure and completion deadline of June 30, 2030.

FISCAL IMPACT

Approval of the proposed resolution will commit the City’s 2021 PLHA allocation of \$171,995 toward the acquisition of land for the purpose of developing the Town Center, including a significant number of affordable housing units.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 2087 committing \$171,995 in 2021 PLHA funds toward the acquisition of land from the City of Santa Cruz to support development of the affordable housing component of the City of Scotts Valley’s Town Center project.

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1. Resolution No. 2087 Committing Permanent Local Housing Allocation Funds

RESOLUTION NO. 2087

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY COMMITTING 2021 PERMANENT LOCAL HOUSING ALLOCATION (PLHA) FUNDS FOR TOWN CENTER LAND ACQUISITION AND CERTIFYING COMPLIANCE WITH HCD REQUIREMENTS

WHEREAS, the Permanent Local Housing Allocation (PLHA) Program was established pursuant to Senate Bill 2 (2017) and is administered by the California Department of Housing and Community Development (“HCD”) to provide funding to local governments for eligible housing-related activities that address unmet housing needs; and

WHEREAS, the City of Scotts Valley (“City”) received a 2021 PLHA allocation from HCD in the amount of \$171,995; and

WHEREAS, pursuant to PLHA Guidelines Section 301(a)(1), eligible uses of PLHA funds include the predevelopment, development, acquisition, rehabilitation, and preservation of multifamily rental housing that is affordable to Extremely Low-, Very Low-, Low-, or Moderate-income households, including necessary operating subsidies; and

WHEREAS, the City Council previously adopted a five-year PLHA Plan identifying Activity 1 (Acquisition and Predevelopment of Affordable Rental Housing) as an eligible activity and brought forward Resolution No. 2044 in February 2024 related to PLHA implementation; and

WHEREAS, The Town Center project is identified in the City’s adopted Housing Element as the largest affordable housing opportunity site and accounting for more than 25 percent of the City’s Regional Housing Needs Allocation (RHNA) requirement for the current planning cycle; and

WHEREAS, the City acquired land from the City of Santa Cruz in 2025 representing the core of the Town Center site and the City’s lack of ownership of these parcels previously presented a significant barrier to Housing Element implementation; and

WHEREAS, acquisition of the property was critical to facilitating development of affordable rental housing; and

WHEREAS, the Town Center project is anticipated to include 300 or more residential units, with at least 25 percent of the units deed-restricted as affordable to households earning at or below 80 percent of Area Median Income (AMI), with affordability restrictions for a minimum term of 55 years; and

WHEREAS, acquisition and predevelopment activities funded under Activity 1 do not constitute a completed project on their own, and the affordable rental housing supported by this acquisition must be completed no later than June 30, 2030, consistent with the PLHA contract expenditure and completion deadline; and

WHEREAS, the project is being developed pursuant to the Surplus Land Act, Government Code Section 54221(f)(1)(H), which includes similar affordable housing requirements to the PLHA regulations; and

WHEREAS, the City has completed substantial predevelopment efforts for the Town Center project, including environmental remediation, adoption and certification of a Housing Element, adoption of a Preferred Vision, certification of an Environmental Impact Report, adoption of the Final Town Center Specific Plan, and issuance of a Request for Proposals to development partners on February 20, 2026; and

WHEREAS, the City intends to use its 2021 PLHA allocation in the amount of \$171,995 toward payments associated with the acquisition of the Town Center land and to leverage General Fund dollars in support of this effort.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED as follows:

1. The City Council hereby commits the City's 2021 PLHA allocation in the amount of \$171,995 to Activity 1 (Acquisition and Predevelopment of Affordable Rental Housing) for the express purpose of completing the acquisition of the Town Center parcel to facilitate development of affordable rental housing.
2. The City certifies that the Town Center project will include a minimum of 300 residential units, of which at least 25 percent will be deed-restricted affordable rental units at or below 80 percent of Area Median Income for a minimum term of 55 years.
3. The City acknowledges and certifies that acquisition and predevelopment activities alone do not constitute a completed project under PLHA and that the affordable rental housing units supported by this funding shall be completed, as evidenced by issuance of certificates of occupancy, no later than June 30, 2030.
4. The City agrees to comply with all PLHA Program requirements, including but not limited to reporting, expenditure deadlines, affordability requirements, monitoring, recordkeeping, and annual progress reporting to HCD from acquisition through completion of the affordable rental housing development.
5. The City Manager, or designee, is hereby authorized to execute any and all documents required by HCD to effectuate the purposes of this Resolution and to implement and administer the PLHA-funded activity in compliance with applicable laws and program guidelines.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 4th day of March, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Donna Lind, Mayor

Attest: _____
Cathie Simonovich, City Clerk

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/4/2026
TO: Honorable Mayor and City Council
FROM: Allison Pfefferkorn, Recreation Division Manager
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approval of Rental Agreement with the Vineyard Church**

SUMMARY OF ISSUE

The previous site rental agreement between the City of Scotts Valley and the Vineyard Church was from November 1, 2021 through November 24, 2024. Following the expiration of that agreement, the church moved to a month to month agreement. This agreement included use of the Community Center on Sundays and exclusive use of the Annex Office Building.

One of the City Council's strategic goals is to improve City facilities to meet the needs of a modern workforce and community services. Currently, the Recreation Division and the Public Works Department share the office space at Skypark due to the demolition of the Public Works building in 2023. The City has determined that additional staff offices are needed to accommodate the full Public Works Staff. The Annex Building was identified as a space that could accommodate city offices. To help meet the City Council's strategic goal, Church leaders and City staff met and came to a mutually beneficial agreement to accommodate both the City's needs and the Church's needs.

The new lease agreement rents the facility to the Church the days and times outlined below:

Sundays: 8am-10pm and Good Friday, Christmas Eve.

Community Center, including the main hall, kitchen, patio, backyard.
Annex Building Classroom #2

Wednesdays & Thursdays: 6-9pm

Community Center, including the main hall, kitchen, patio, and backyard.

Exclusive Use

Annex Building Classroom #1
AV/Storage closet, shower closet in main hall
Outdoor storage sheds

The three year lease begins March 1, 2026 and includes an option to renew starting March 1, 2029, for an additional three (3) year term on terms mutually agreeable to both parties.

This new agreement will allow City staff to occupy 4 rooms in the Annex office building.

FISCAL IMPACT

Monthly rent of \$6,117.00 will be collected. The lease will generate \$73,404.00 in the first year with an annual adjustment of 3%.

STAFF RECOMMENDATION

Approve the site rental agreement between the City of Scotts Valley and the Vineyard Church and authorize the City Manager to execute the agreement.

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LEASE AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY AND VINEYARD CHURCH

This Lease Agreement (the "Agreement") is made this 1st day of March 2026, by and between the City of Scotts Valley ("Landlord") and Vineyard Church ("Tenant")

RECITALS

- A. The Landlord owns Scotts Valley Community Center located at 360 Kings Village Road, Scotts Valley, California, 95066 (the "Property").
- B. Tenant and Landlord previously entered into that certain lease agreement for a portion of the property dated November 1 2021, which expired on November 1, 2024.
- C. Tenant desires execute a new lease to occupy the main Community Center Hall, kitchen, patio, backyard, storage closet, outdoor storage sheds, AV storage closet and shower closet on Sundays, Wednesdays and Thursdays, to exclusively use the Annex Building Classroom #1 at all times during the Term and to use Annex Building Classroom #2 on Sundays. (collectively referred to as the "Premises")
- D. Tenant desires to use the Premises for the purpose of conducting church meetings, classes and functions.
- E. Landlord desires to lease the Premises to Tenant and Tenant desires to lease the Premises from Landlord subject to the terms of this Agreement.

NOW, THEREFORE, Landlord and Tenant agree to all the terms and conditions of this Agreement as follows:

ARTICLE 1 - BASIC LEASE PROVISIONS

The following basic terms are applicable to this Agreement. The Sections and Exhibits referenced below in parenthesis explain and define the basic terms specified below and are to be read in conjunction with basic terms herein:

1.01 Commencement of Term. March 1, 2026 (Section 3.01).

1.02 Term. Three (3) years term which expires March 1, 2029, with the option to renew for an additional three (3) year term on terms mutually agreeable to Landlord and Tenant.

1.05 Premises. The Landlord hereby rents to Tenant and Tenant hereby rents from the Landlord the Premise on the days and times outlined below:

- Sundays 8am-10pm and Good Friday, Christmas Eve.
 - Community Center, including the main hall, kitchen, patio, backyard.
 - Annex Building Classroom #2
- Wednesdays & Thursdays: 6-9pm
 - Community Center, including the main hall, kitchen, patio, and backyard.
- Exclusive Use
 - Annex Building Classroom #1

- AV/Storage closet, shower closet
- Outdoor storage sheds

1.06 Storage Sheds Tenant may retain the existing 4 sheds located on the Annex building patio. The City assumes no responsibility for lost, stolen or damaged property within a storage unit or any damage to the storage unit. The Maintenance Division Manager may request Tenant to remove any of the storage sheds if they become unsafe or they interfere with an work needed on the Property at any time. Items must be contained within the sheds and no items may be left around the sheds.

1.07 Rent. Tenant shall pay \$6,117.00 per month beginning on March 1, 2026. An annual adjustment to the Rent of 3% shall begin each year of the Term on January 1. In the event Tenant and Landlord extend the lease for the additional term, the rent charged for the additional term shall be the rent charged in the last year of the initial term plus a 3% increase. For each year thereafter of the additional term, the rent shall be increased 3% on January 1 each year.

1.08 Use of Premises. Premises shall be utilized for church meetings, classes and functions for youth and adults.

1.09 Landlord's Use of the Premises: Landlord shall be entitled to use the Premises in the event of an emergency during which time the Site is used as an emergency response center. In addition, Landlord shall have the right to use the Community Center and the Annex Building at any times not authorized for use by Tenant under this Agreement. Specifically, Tenant acknowledges and agrees that the City will be using the Annex Building (with the exception of the Classroom #1) for City business, including offices for City staff and public use of Classroom #2. Tenant will not interfere with the City's use of the Annex Building and will only use Classroom #1 and the restroom in the Annex Building. Tenant shall have no right to use any other portions of the Annex Building.

ARTICLE 2 - LEASE OF PREMISES

2.01 City of Scotts Valley as Landlord. Tenant acknowledges and understands that Landlord is a public agency consisting of numerous offices and departments. Whenever a provision contained in this Agreement, or any extension, modification or amendment, requires the written consent of Landlord, such consent must be obtained from the then acting City Manager of the City of Scotts Valley. Tenant may not rely on any statement or representation by any other employee, agent or representative of Landlord in obtaining such consent and any such statement or representation other than the express written consent of the City Manager shall be null and void and have no effect. Nothing contained in this Section shall limit in any way the authority of any office, department, or agent of the Landlord from approving or withholding consent to any event or activity regulated by local law.

2.02 Premises. Landlord leases to Tenant and Tenant leases from Landlord the Premises under the conditions listed in Article 1.1.05

2.03 Reservations. Landlord reserves the right at any time with 24 hours notice to Tenant to make alterations or additions to the exterior of the Premises, the remainder of the building, the parking lot and the landscaping on the property. Landlord also reserves the right to construct other buildings or improvements on the property and to make alterations or additions thereto. Easements for light and air are not granted in this Agreement. Landlord further reserves the right to enter and access the roof of the Premises or to repair and

maintain the roof and to use any space within walls or above the ceiling finish and beneath the floor surface for utility lines and conduits.

2.04 Condition of Premises. Tenant acknowledges that it recognizes the uniqueness of the Premises and accepts them in their current and disclosed condition existing on the effective date of this Agreement, subject to all applicable zoning, municipal, county or state laws, ordinances and regulations affecting the use of the Premises. Tenant acknowledges that it has satisfied itself, by its own independent investigation that the Premises are suitable for its intended use and neither Landlord, nor its agents or representatives have made any representation or warranty as to the present or future suitability of the Premises for the conduct of Tenant's business.

2.05 Staffing.

Tenant will comply with all county, state and federal staffing laws.

ARTICLE 3 - TERM

3.01 Commencement of Term. The term (the "Term") of this Agreement shall commence on the date specified in Section 1.01 (the "Commencement Date") and shall continue until the date of termination specified in Section 1.02, unless terminated sooner in accordance with the terms and provisions of this Agreement.

3.02 Option to Extend Term. At the end of the initial Term, Tenant shall, provided the Agreement is in full force and effect, and Tenant is not in default under any of the terms and conditions of the Agreement, have the right to extend this Agreement for an additional three (3) year term beginning March 1, 2029 ("Extended Term"), on terms mutually agreeable to the Landlord and Tenant. In the event the parties fail to agree on the terms, Tenant shall vacate the Premises by February 28, 2029.

3.03 Termination. Landlord shall have the right to terminate the Agreement during the Term or the Extended Term upon 60 days written notice. If Landlord so terminates the Lease, Tenant shall vacate the Premises and Tenant shall not have any remaining obligations, including rent, from the date of Termination except for its obligations on leaving the Premises in the condition described in this Lease and any indemnification obligations accruing during the time of occupancy. In addition, the Landlord may terminate the Lease in the event of a Default as defined in Article 11 below.

ARTICLE 4 - RENT

The Rent for the Premises shall be paid as follows:

4.01. Monthly rent shall be payable on the 1st day of each month to the City of Scotts Valley and can be delivered or mailed to 1 Civic Center Drive, Scotts Valley, CA 95066, Attn. Finance Department.

ARTICLE 5 - TAXES AND ASSESSMENTS

5.01 Personal Property Taxes. Tenant shall pay, before delinquency, all federal, state or local taxes, assessments, license fees, and other charges that are levied and assessed against Tenant's personal property installed or located in or on the building, and that become payable during the term. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

5.02 Possessory Interest Taxes. Tenant shall pay before delinquency all possessory interest taxes, assessments, license fees, and other charges that are levied and assessed against the leasehold interest. "Possessory Interest Tax" means that tax imposed pursuant

to laws of the State of California on leaseholds of tax exempt property and does not include taxes on Tenant's inventory, personal, or any other tax or assessment that is presently or may, in the future be levied. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

ARTICLE 6 - USE

6.01 Use of Premises. Tenant shall use the Premises solely for the use specified in Section 1.08 herein. No other uses shall be permitted.

6.02 Hours of Operation. All uses on the Premises shall take place between the hours of 8:00am and 10:00pm. Tenant shall not operate nor allow someone to use the Premises in such a way as to cause a nuisance or violate any provisions of local, state or federal law.

6.03 Existing Storage Sheds. Tenant may continue to have the existing storage sheds located next to the Annex building. The City assumes no responsibility for lost, stolen or damaged property within a storage unit or any damage to the storage unit.

- (a) **New storage.** A request for a new storage unit may be made to the Recreation Division Manager (the "RDM"). The RDM will determine if the installation of a new storage unit is in the best interest of the City and may approve or deny the request in their sole discretion. If approved, new installation or construction of any kind must be performed solely by volunteers and comply with applicable state, federal and local laws and obtain any required permits.

6.04 Signs and Advertising Matter.

(a) Tenant has the right to display a sign at its sole expense on the outside of the Premises during use hours and subject to compliance with all applicable laws including, but not limited to, the City's Municipal Code. Any sign must receive approval from RDM. All signage is subject to the prior written consent of Landlord which shall not be unreasonably withheld and is subject to Tenant obtaining and all permits required for any signs. Except as provided above, Tenant will not place, install, maintain or construct or allow any third party to place, install, maintain or construct any sign, banner, flag, awning or canopy, covering, or advertising matter on any portion of the Premises.

6.05 Use of City Equipment. Tenant may use tables and chairs that are stored in the main closet of the Community Center. Tables and chairs must be returned to the closet in the proper areas.

6.06 Storage. Landlord assumes no responsibility for lost, stolen or damaged property within the Premises. Tenant shall have no right to store any property within the Premises beyond the times permitted in section 1.05 above unless that portion of the Premises are used exclusively by Tenant (Annex Building Classroom #1, AV/Storage closet, shower closet and outdoor sheds). If items stored on the Premises are deemed unsafe or are not permitted to be stored there, the Landlord has the right to remove such items or require Tenant to remove the items.

- (a) **Kitchen.** Tenant may store items in Community Center kitchen cabinets, the left side of the refrigerator and top shelf of the freezer.
- (b) **Closet.** Tenant may store items in the closet in the main hall and the shower closet

ARTICLE 7 - MAINTENANCE AND REPAIRS

7.01 Landlord's Maintenance Obligations.

(a) Landlord, on behalf of Tenant, shall maintain in good condition and repair the foundations, buildings, fencing and gates; provided, however, if any repairs or replacements are necessitated by the negligence, gross negligence or willful acts of Tenant, its officers, employees, representatives, agents, customers, invitees or trespassers or by reason of Tenant's failure to observe or perform any provisions contained in this Agreement or caused by alterations, additions or improvements made by Tenant or its officers, employees, representatives, agents, contractors, subcontractors, laborers or materialmen, the cost of such repairs and replacements shall be the sole obligation of Tenant.

(b) Unless Tenant notifies Landlord in writing of the need for repairs under subsection, Landlord shall not be liable for its failure to make such repairs. Once Tenant notifies Landlord of the need of such repairs under subsection, Landlord shall be entitled to a reasonable period of time to affect such repairs upon receipt of said written notice from Tenant. Tenant waives any right of offset against any rent due hereunder and agrees not to assert as an affirmative defense in any judicial proceeding or arbitration brought by Landlord against Tenant on claims made under this Agreement the provisions of Sections 1941 and 1942 of the California Civil Code, or any superseding statute, and of any other law permitting Tenant to make repairs at Landlord's expense.

7.02 Landlord's Right of Entry. Landlord, its agents, contractors, employees and assigns may enter the Premises at all reasonable times to: (a) examine the Premises; (b) perform any obligation of, or exercise any right or remedy of, Landlord under this Agreement (c) make repairs, alterations, improvements or additions to the Premises, the Building or to other portions of the Property as Landlord deems necessary in accordance with Section 7.01; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; (b) show prospective tenants the Premises during the last six (6) months of the Term; and (f) perform work that Landlord deems necessary to prevent waste or deterioration in connection with the Premises should Tenant fail to commence to make, and diligently pursue to completion, in a reasonable time as defined by Landlord, Tenant's required repairs after written demand therefore by Landlord. Landlord will give a minimum of twenty-four (24) hours advance notice of such entry when practicable.

7.03 Tenant's Maintenance Obligations.

(a) Tenant is required to keep the Premises in good order and to clean the Premises; Community Center main area, kitchen, bathrooms, patio and Classroom #2 after each use. This includes taking out the trash, wiping counters and sinks, sweeping floor and mopping when necessary.

(b) Except as provided elsewhere in this Agreement, Tenant, at its sole cost and expense, shall keep the Premises that is rented for exclusive use in good order, condition and repair and shall make all replacements necessary to keep the Premises in such condition.

(c) Tenant is responsible for maintaining the entry area and sidewalk in front of the Premises including removing any trash or debris. Tenant may not install or place, permanently or temporarily, any outside fixtures, signage or other objects that interfere with the ADA path of travel on the sidewalk or parking lot adjacent to the Premise.

7.04 Tenant Improvements to Exclusive Use Area. In the event Tenant desires to make improvements to the Premises, it shall obtain the prior written consent of Landlord which may be withheld in Landlord's sole and absolute discretion. If approved by Landlord, Tenant is responsible for the cost of all improvements to the Premises. Prior to obtaining any permits for the improvements or beginning construction on improvements to the Premises, Tenant

shall obtain the prior written approval of the proposed plans by way of a written proposal sent to the RDM and Maintenance Division Manager to be routed to the City Manager for final approval. Tenant shall obtain any and all permits required for such improvements and shall comply with all Federal, State and local laws including, but limited to, the Americans with Disabilities Act and Prevailing Wage laws. Tenant shall defend and indemnify the Landlord from any and all claims associated with the improvements and shall ensure that no liens are recorded against the Property. Tenant is not entitled to make any improvements to the Premises without the prior written consent of the Landlord.

7.05 Trade Fixtures. Tenant may install trade fixtures, display items, machinery or other trade equipment in conformance with all laws, ordinances, directives, rules or regulations of all applicable public and governmental agencies. Tenant shall not remove any trade fixtures, display items, machinery or other trade equipment from the Premises, without Landlord's written consent, if the removal of any such item would cause damage to the Premises which Tenant cannot repair. In the absence of Landlord's written consent to removal and Tenant's inability or unwillingness to repair any damage caused by the removal, any such item shall be deemed a part of the realty and belong to the Landlord at termination of the Agreement.

7.06 Restoration. Except as otherwise provided herein and specifically as required in Section 3.03, Tenant shall return the Premises to the same condition as existed as of the Commencement Date of the Agreement, reasonable wear and tear excepted. Landlord, through Landlord's sole discretion and authority, and upon receipt of written request from Tenant, may consider allowing any Tenant Improvements approved by Landlord under this Agreement to remain. Landlord, at its election, may also require Tenant to remove, at Tenant's sole cost, any improvements, alterations or additions approved by Landlord in accordance with this Agreement. Tenant shall repair, at its sole cost, any damage resulting from the removal of any alterations, improvements, additions, equipment, machinery or trade fixtures.

ARTICLE 8- UTILITIES

8.01 Utilities. Landlord shall pay for gas, electricity, water, trash and sewer to the Premises.

8.02 Wi-Fi. Tenant will pay for \$45 for connections to the Wi-Fi/internet on the premises.

8.03 Interruption. Unless due to Landlord's gross negligence or misconduct, Landlord shall not be liable for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant to terminate this Agreement.

8.04 Maintenance of Surrounding Structures and Grounds. Landlord shall maintain in good order the surrounding structures and grounds, including, but not limited to, landscaped areas, dumpsters, parking lots, restrooms, access, pathways, and other public areas.

ARTICLE 9- INDEMNIFICATION AND INSURANCE

9.01 Indemnification. Landlord shall not be liable to Tenant for any damage to Tenant, Tenant's employees, agents, customers or invitees or their property from any cause which is not the result of Landlord's gross negligence. Tenant, as a material part of the consideration for this Agreement, hereby expressly waives and releases all claims against Landlord, its officers, employees, elected officials, representatives and agents, for any injury or damage to any person or property on or about the Premises arising for any reason

other than Landlord's gross negligence. Tenant agrees to indemnify, release, defend and hold harmless Landlord, its officers, employees, elected officials, representatives and agents from any loss, claim, cost, expense or liability for any injury or damage to person or property, occurring in, on or about the Premises, arising for any reason, including without limitation the condition or use of the Premises or the improvements or personal property located therein and against any loss, claim, cost, expense or liability for injury to the person or property of Tenant, its employees, agents, customers or invitees or trespassers and except as to any such damage is caused by the gross negligence of Landlord. Notwithstanding the foregoing, Tenant's obligations under this Section 9.01 shall not extend to claims, costs, expenses, losses or liability resulting from Landlord's failure to comply with its maintenance and repair obligations under Sections 7.01(a) of this Agreement.

9.02 Insurance Requirements. Tenant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Tenant's operation, use and improvement of the Premises. The cost of such insurance shall be borne by the Tenant.

Coverage shall be at least as broad as:

(a) Commercial General Liability. (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

(b) Workers' Compensation. insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than **\$1,000,000** per accident for bodily injury or disease.

(c) Sexual Abuse or Molestation (SAM) Liability: If the work will include contact with minors, and the CGL policy referenced above is not endorsed to include affirmative coverage for sexual abuse or molestation, Contractor shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than \$1,000,000 per occurrence or claim.

(d) Property insurance. against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

(e) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

If the Tenant maintains broader coverage and/or higher limits than the minimums shown above, the Landlord requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Landlord.

9.03 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insured Status. The City of Scotts Valley, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations.

General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10).

(b) Primary Coverage. For any claims related to this contract, the Tenant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City of Scotts Valley, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it.

(c) Legal Liability Coverage. The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.

(d) Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Landlord.

(e) Waiver of Subrogation. Tenant and Landlord each waive its right of recovery against the other, and each party's successors, assigns, directors, agents and representatives in connection with any loss or damage caused to property belonging to the Tenant or Landlord which is covered by any insurance policy of either the Tenant or Landlord in force at the time of any such loss or damage. Tenant and Landlord hereby waive, on behalf of each party's insurance carriers, any right of subrogation it may have against the other party and each shall notify its carriers of the waiver contained herein.

(f) Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII,

(g) Verification of Coverage. Tenant shall furnish the Landlord with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to Landlord before occupying the premises. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant's obligation to provide them. The Landlord reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(h) Increase in Coverage. Landlord may increase or decrease the amount of commercial general liability insurance required herein, based upon a general review by Landlord of the standard insurance requirements effective July 1st of any year, provided notice of the increase is given to Tenant no later than February 1st of that same year. Such changes in coverage shall be commercially reasonable at the determination of Landlord. Changes in insurance amounts shall occur not more frequently than every two years. Landlord will notify Tenant of any changes under this provision of this Agreement.

(i) No use shall be made or permitted to be made of the Premises, nor acts done, which will increase the existing rate of insurance upon the Premises, or cause a cancellation of any insurance policy covering the Premises or any part thereof. Tenant shall, at its sole cost, comply with any and all requirements regarding the use of the Premises by any company that issues a policy of fire, casualty or public liability insurance to the Landlord. If Tenant's use of the Premises results in a rate increase for the Premises, Tenant shall pay as additional rent within ten (10) days written notice, a sum equal to the additional premium caused by such rate increase.

9.03 Tenant's Failure to Maintain Insurance. Tenant agrees that if Tenant does not maintain any insurance policy required under this Agreement or fails to pay any premiums

when due, Landlord may, require that the Premises be immediately closed for business pending reinstatement of insurance by Tenant, or obtain the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be additional rent due by the Tenant and payable on the next date upon which a payment of rent is due.

9.04 Waiver of Loss and Damage. Landlord shall not be liable for any damage to inventory or other property of Tenant, or others, located in, on or about the Premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise, which is not the direct result of Landlord's negligence, and Tenant waives any claim against Landlord with respect to such property. Landlord shall not be liable to Tenant, Tenant's employees or representatives for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance or plumbing works or from the roof, street or subsurface or from any other places or by any other cause of whatsoever nature, which is not the direct result of Landlord's gross negligence. Landlord shall not be liable to Tenant, Tenant's employees, clients or representatives for any such damage caused by other tenants or persons in the Premises, or the public, or caused by operations in construction of any private, public or quasi-public work. All property of Tenant kept or stored on the Premises shall be so kept or stored at the sole risk of Tenant, and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers, unless such damage shall be caused by the willful act or gross neglect of Landlord.

9.06 Notice by Tenant. Tenant shall give immediate notice to Landlord in case of fire or accidents in or around the Premises or of any damage or defects in the Premises, or any fixtures or equipment therein.

ARTICLE 10 - ASSIGNMENT AND SUBLETTING

The parties acknowledge that this Agreement is a unique relationship between these individual parties. Tenant cannot assign its rights under this Agreement or its rights to the Premises without the prior written consent of Landlord which may be withheld for any reason or no reason.

ARTICLE 11 - DEFAULT

11.01 Events of Default. In addition to the provisions of Section 3.03, the occurrence of any one of the following events shall constitute an event of default on the part of Tenant ("Default"):

- (a) The complete abandonment of the Premises by Tenant; and
- (b) Failure in the performance of any of Tenant's covenants, agreements or obligations hereunder which failure continues for ten (10) days after written notice thereof from Landlord to Tenant, provided that, if Tenant has exercised reasonable diligence to cure such failure and such failure cannot be cured within such ten (10) day period despite reasonable diligence, Tenant shall not be in default under this subsection unless Tenant fails thereafter diligently and continuously to cure such failures; and
- (c) The failure of Tenant to maintain all insurance coverage as required in Section 9.02; and

Tenant agrees that any notice given by Landlord pursuant to the above shall satisfy the requirements for notice under California Code of Civil Procedure Section 1161, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

In the event of any Default by Tenant, then in addition to any other remedies available to Landlord at law or in equity and under this Agreement, Landlord shall have the immediate option to terminate this Agreement and all rights of Tenant hereunder by giving written notice of such intention to terminate.

11.02 Notice of Default and Opportunity to Cure. Landlord shall give written notice to Tenant of any Event of Default on the part of Tenant. Said notice shall specify the nature of the act, omission, or deficiency giving rise to the Event of Default. In addition, if the Event of Default is curable, and does not give rise to an imminent danger to health or safety, the notice shall also specify the action required to cure the default, and a reasonable date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which Tenant must take or commence such action to cure. If the notice specifies only a commencement date for the cure, Tenant must commence such cure within the specified time and shall diligently pursue the cure to completion within a reasonable time thereafter.

11.03 Remedies. In the event of any breach by Tenant, Landlord shall be entitled to any rights or remedies available at law.

(a) Efforts Landlord may make to mitigate the damages caused by Tenant's breach of this Agreement shall not constitute a waiver of Landlord's right to recover damages against Tenant, nor shall anything contained in this Agreement affect Landlord's right to indemnification against Tenant for any liability arising prior to the termination of this Agreement for personal injuries or property damage, and Tenant agrees to indemnify and hold Landlord harmless from any injuries and damages, including all reasonable attorney fees and costs incurred by Landlord in defending any action brought against Landlord for any recovery, and in enforcing the terms and provisions of this indemnification against Tenant.

(b) However, the breach of this Agreement by Tenant, or an abandonment of the Premises by Tenant, shall not constitute a termination of this Agreement, nor of Tenant's right of possession under this Agreement, unless and until Landlord elects to do so, and until that time Landlord shall have the right to recover rent and all other payments to be made by Tenant under this Agreement as they become due; provided, that until Landlord elects to terminate this Agreement and Tenant's right of possession under this Agreement, Tenant shall have the right to sublet the Premises or to assign interests in this Agreement, or both, subject only to the written consent of Landlord, which consent shall not be unreasonably withheld.

(c) In the event that Landlord should take any act to maintain or preserve the Premises on Tenant's behalf, or seek the appointment of a receiver to protect Landlord's interests under this Agreement, such acts shall not constitute a termination of Tenant's right of possession unless Tenant receives written notice from Landlord to regarding Landlord's election to terminate.

ARTICLE 12 - DAMAGE OR DESTRUCTION

12.01 Landlord's Duty To Repair.

(a) If the Premises are destroyed or materially damaged from a cause not insured against, or if the amount of available insurance proceeds, including deductible costs, is not sufficient to completely repair or restore any such damage or destruction, Landlord shall have the right to terminate this Lease by giving written notice of termination to Tenant within thirty (30) days after the date of the damage or destruction. If the Lease is not terminated, then Landlord shall diligently proceed to repair and restore the Premises to the extent that insurance proceeds, including deductible costs, are sufficient to completely repair or

restore any such damage or destruction.

(b) If the Premises are materially damaged or destroyed from a cause covered by insurance, and it can be repaired or restored within ninety (90) days after commencement of repair or restoration, then Landlord shall diligently proceed to repair and restore the Premises. If Landlord determines that the Premises cannot be repaired or restored within this period, then Landlord and Tenant shall work out a reasonable time frame for the completion of the repairs or restoration.

(c) Except as otherwise provided in this Agreement, damage to or destruction of the Premises shall not terminate this Agreement or result in the abatement of any rent or other charges payable under this Agreement. Tenant expressly waives any right it may have, in law or equity, to offset any cost incurred by Tenant for repairs or restoration to the Premises against Tenant's obligations to pay rent in connection with Landlord's duties of repair and restoration under this Lease.

(d) Landlord's duties of repair and restoration under the provisions of this Lease shall extend only to those portions of the Premises insured under a policy of insurance, and Landlord shall not be responsible for any loss, damage, or destruction to Tenant's personal property, trade fixtures, merchandise, inventory or equipment.

12.02 Tenant's Duty to Repair or Replace. Except as otherwise provided herein, Landlord's obligation to restore shall not include the restoration or replacement of Tenant's personal property, inventory, trade fixtures, merchandise, or equipment. Tenant shall restore and replace said items in the event that Landlord is obligated or elects to repair any damage or destruction of the Premises.

ARTICLE 13 - ESTOPPEL CERTIFICATES; ATTORNMENT

13.01 Tenant to Furnish Certificate. Tenant shall, within ten (10) business days of written notice from Landlord, execute and deliver to Landlord a written statement certifying that this Agreement is unmodified and in full force and effect or, if modified, stating the nature of such modification. Tenant's statement shall include other details requested by Landlord, such as the date to which rent and other charges are paid and Tenant's knowledge concerning any uncured defaults in Landlord's obligations under this Agreement and the nature of such defaults if they are claimed. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Tenant's failure to deliver such statements within such time shall be conclusive upon the Tenant that this Agreement is in full force and effect, except as and to the extent any modification has been represented by Landlord, and that there are no uncured defaults in Landlord's performance.

13.02 Additional Documents. Tenant, upon request of any party in interest, shall execute promptly such instruments and certificates necessary to carry out the intent of the foregoing Sections as shall be requested by Landlord.

ARTICLE 14 - MISCELLANEOUS

14.01 Hazardous or Toxic Materials.

(a) Tenant shall comply, at its expense, with all federal, state and local statutes or regulations concerning environmental conditions, emissions, pollutants and controls concerning Hazardous Materials that Tenant or its contractors, employees, invitees and guests bring, or allow on, the Premises and on the Property on which the Premises are located during the Term. Tenant shall not cause, store, use or permit any Hazardous Material, including without limitation asbestos or polychlorinated biphenyls, to be brought

upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, without the prior written consent of Landlord, which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business, does not violate any requirements of the Landlord's policies of fire, causality or public liability insurance and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises.

(b) If Tenant breaches any of its obligation stated herein, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant during the Term results in contamination of the Premises, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgment, damages, penalties, fines, costs, liabilities or losses, including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Property, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees which arise during or after the lease term as a result of such contamination. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

(c) As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" shall include without limitation, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum; (vi) asbestos; (vii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (viii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601), and any amendments or successor statutes thereto.

(d) Notwithstanding anything herein to the contrary, Tenant shall have no responsibility or liability related to any Hazardous Material which existed prior to the Term of Tenant's occupancy hereunder, unless brought on or allowed to be brought on by Tenant during one of Tenant's previous lease tenancies in the Premises.

14.02. Compliance with Governmental Regulations. Tenant shall, at its sole cost and expense, comply with all of the requirements of all local, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises. With regard to the use of the Premises, Tenant shall faithfully observe all local ordinances and state and federal statutes now in force or which may hereafter be in force.

14.03 Americans With Disabilities Act. If Tenant makes any improvements to the Premises or installs any fixtures or equipment in the Premises, Tenant acknowledges and expressly accepts full responsibility and shall incur all costs and expenses for compliance with the requirements of the Americans with Disabilities Act (ADA) and any other local, state or federal law or regulation regarding the accessibility of the Premises by disabled individuals for those improvements, fixtures, equipment and use of the Premises. Tenant agrees to release, indemnify, defend and hold Landlord harmless for any claim, loss, expense or liability arising from Tenant's failure to fully comply with all such laws or regulations.

14.04 Attorneys' Fees. In the event of any legal action, arbitration or proceeding between the parties, the prevailing party shall be entitled to reasonable attorneys' fees and expenses as a part of the judgment or award resulting therefrom.

14.05 Transfer, Sale or Lease of the Premises by Landlord. Notwithstanding any provisions of this Agreement, Landlord may assign in whole or in part Landlord's interest in this Agreement and may sell or transfer all or part of Landlord's leasehold interest in the real estate of which the Premises are a part, however, subject to the terms of this Lease. In the event of any transfer, sale or exchange of the Premises by Landlord and assignment by Landlord of this Agreement, Landlord shall be entirely freed and relieved of all liability under all covenants and obligations contained in or derived from this Agreement or arising out of any act, occurrence or omission relating to the Premises which occurs after the consummation of such sale, exchange or assignment except as provided in the Pass Through Agreement and all amendments thereto.

14.06 Liability to Successors. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto who shall be jointly and severally liable for the covenants contained herein.

14.07 Interpretation. Whenever the singular number is used in this Agreement, the same shall include the plural. Reference to any gender shall include the masculine, feminine and neuter genders, and the word "person" shall include corporation, firm or association, when required by the content.

The headings or titles to the paragraphs of this Agreement are for convenience only and do not in any way define, limit or construe the contents of such paragraphs. This instrument contains all of the agreements and conditions made between the parties with respect to the hiring of the Premises and may not be modified orally or in any manner except by a written instrument signed by all the parties to this Agreement.

The laws of the State of California shall govern the validity, performance and enforcement of this Agreement. If any provision of this Agreement is determined to be void by any court of competent jurisdiction, such determination shall not affect any other provision of this Agreement and such other provisions shall remain in full force and effect. If any provision of this Agreement is capable of two constructions, one which would render the provision void and one which would render the provision valid, the provision shall be interpreted in the manner which would render it valid.

Except as may otherwise be expressly stated, each payment required to be made by the Tenant shall be in addition to and not in substitution for other payments to be made by Tenant.

14.08 Time. Time is of the essence in this Agreement.

14.09 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, regulations or controls, enemy or hostile government action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to that resulting from such prevention, delay or stoppage.

14.10 Notices. All notices to be given by one party to the other or options to be exercised under this Agreement shall be in writing, mailed or delivered to Landlord and Tenant at the following addresses:

Landlord	Tenant
City of Scotts Valley	Vineyard Church
Attn: City Manager	Attn: Emmet Blue
1 Civic Center Drive Scotts Valley, CA 95066	P.O. Box 66438 Scotts Valley, CA 95066

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid, and shall be deemed to have been given on the date of posting in the United States Postal Service.

The parties listed above may, by proper notice, at any time designate a different address to which notices shall be sent.

14.11 Waiver. The waiver by either of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Agreement, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Agreement shall be deemed to have been waived by either, unless such waiver is in writing by such party.

14.12 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Agreement provided.

14.13 Authority. If Tenant is a corporation or partnership, each individual executing this Agreement on behalf of such entity represents or warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of such entity and that such entity shall be bound by all the terms and provisions hereof.

14.14 Broker's Commission. Each party represents and warrants that there are no

claims for brokerage commissions or finder's fees arising from that party's activities in connection with this Agreement, and each party agrees to indemnify and hold the other party harmless from all liability arising from any such claim.

14.15 Assessment District Establishment. Tenant agrees not to unreasonably protest the establishment of an assessment district for purposes of public improvements, including, but not limited to, sidewalks, streets, lighting, utilities. Notwithstanding the foregoing, Tenant may protest the establishment of an assessment district if Tenant believes it adversely affects Tenant's business.

The parties have executed this Agreement as of the date first written above.

LANDLORD:

TENANT:

By: _____

Mali LaGoe

Its: City Manager

Vineyard Church
By: 
8CBB7A0D0620449...

Emmet Blue

Its: Owner

2/26/2026 | 14:36 PST

Exhibit A



City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: 3/4/2026
TO: Honorable Mayor and City Council
FROM: Mali LaGoe, City Manager
APPROVED: Mali LaGoe, City Manager
SUBJECT: Consider Community Project Funding application items

SUMMARY OF ISSUE

Community Project Funding (CPFs) are grants for specific projects in the community. In the past these have ranged from playgrounds to emergency equipment. Generally, these grants correspond to regular federal grant programs, come with the same paperwork and eligibility requirements and reimburse project costs. However, instead of competing against applicants from around the country, selected projects will be funded provided that the paperwork is complete.

Members of Congress may only submit fifteen requests for Community Project Funding and they cannot guarantee what will be funded. Community Project Funding is limited to one half of one percent of overall discretionary spending and is subject to a Government Accountability Office audit. CPFs offer grant funding for projects that benefit the community. Different CPF programs fund different types of projects and are open to different types of organizations.

Scotts Valley has received four Community Project Funding awards since the program was introduced in 2022. Projects include replacement of the After School Program Classroom building at Vine Hill School (\$665,601.50), replacement of the Big Kids Playground at Skypark (\$775,000), support for the purchase of the Town Center Land (\$1,000,000) and replacement of police radios and dispatch equipment (\$682,082).

Staff is recommending submitting a request for funding to complete the Granite Creek Overpass Safety Project totaling \$1,500,000. The total project cost is \$3,000,000 and the City has already secured \$1,500,000 in regional grant funding for the project. The project will resurface the travel lanes as well as improve pedestrian and bicycle safety on this narrow, congested bridge and include related work on both sides of the bridge. Staff is currently requesting letters of support and updating the project details to submit the application after tonight's council meeting.

In addition, the Mayor has received a request to sign letters of support from regional partners who are also seeking federal funding.

Regional Interoperable Next-Generation Radio System (RING)

On November 19, 2025, the Scotts Valley City Council adopted Resolution No. 2075 agreeing to participate in the Regional Interoperable Next-Generation Radio System (RING) and authorizing the City Manager to sign the associated Master Governance and Service Agreement as well as other documents related to this project.

The RING Radio System represents a major modernization effort for the City and the broader region. It replaces obsolete equipment with a single, high-reliability platform that will enhance communication across all public safety and field operations. Santa Cruz County is leading the effort to secure grant funding for the capital investment that will be required to replace antiquated infrastructure. They have requested all participating agencies provide letters of support for this funding request of \$5.4M.

FISCAL IMPACT

There is no fiscal impact associated with submitting a funding request as well as letters of support for regional efforts.

STAFF RECOMMENDATION

Staff recommends the council approve submitting a Community Project Funding request in the amount of \$1.5M for the Granite Creek Overpass Safety Project as well as authorizing Mayor Lind to sign letters of support for the RING project.

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1. Community Project Funding Request FY 2027 - Additional Supporting Documents
2. Panetta RING Support Letter 3-4-2026
3. Padilla RING Support Letter 3-4-2026
4. Schiff RING Support Letter 3-4-2026
5. Lofgren RING Support Letter 3-4-2026

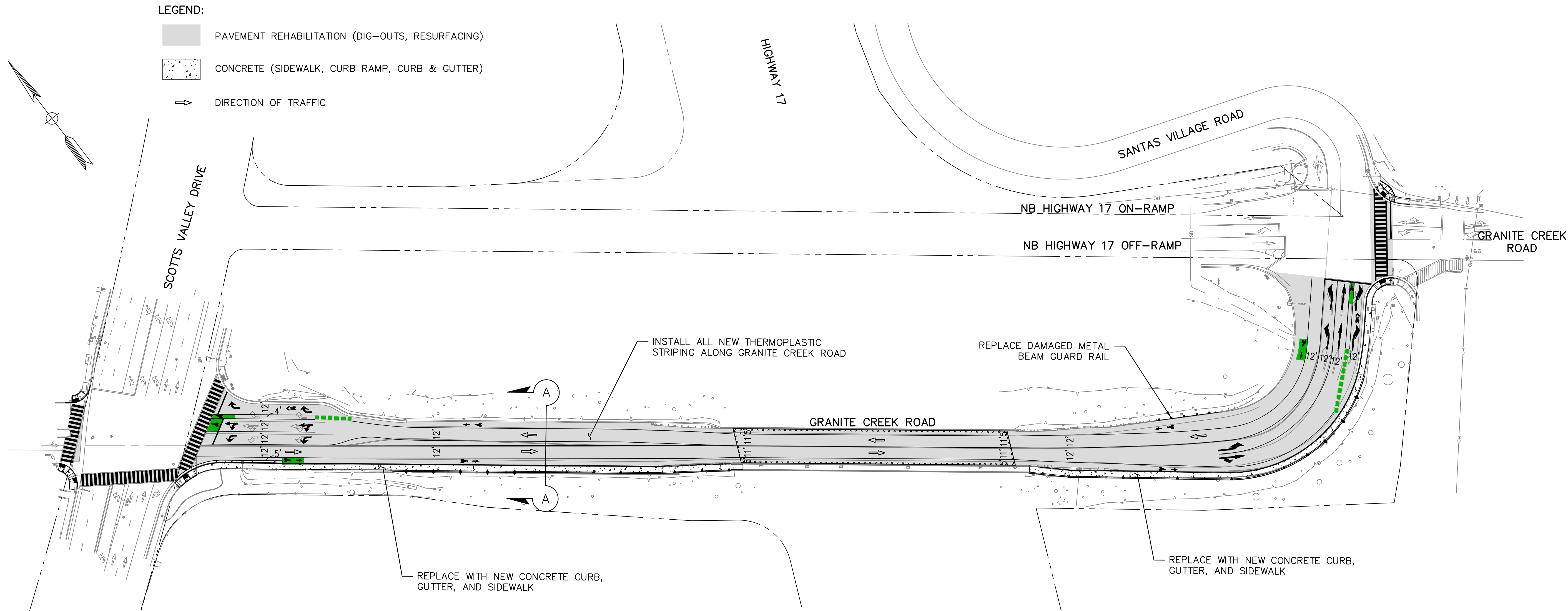


Granite Creek Road Overpass Safety Improvement Project

FY27 Community Project Funding Request

Additional Supporting Documents

Supporting Document A:
Project Plan Set



Supporting Document B:

Photos



Exhibit A: Santa's Village Road / Granite Creek Road heading towards Scotts Valley Drive



Exhibit B: Granite Creek Road heading towards Scotts Valley Drive



Exhibit C: Granite Creek Overcrossing Guardrail



Exhibit D: Granite Creek Overcrossing Sidewalk and Bike Lane



Exhibit E: Granite Creek
Overcrossing Guardrail and
Pedestrian Walkway
Towards Santa's Village
Road



Exhibit F: Granite Creek
Overcrossing Guardrail and
Pedestrian Walkway
Towards Santa's Village
Road

Supporting Document C:
Relevant Documents

Links to relevant documents:

Title of Document	Link
City of Scotts Valley Active Transportation Plan	https://www.scottsvally.gov/DocumentCenter/View/2800/SV-Active-Transportation-Plan
SCCRTC 2045 Regional Transportation Plan for Santa Cruz County	https://sccrtc.org/wp-content/uploads/2022/06/Final%202045%20RTP.pdf
County of Santa Cruz/ City of Scotts Valley Complete Streets to Schools Plan	https://sccrtc.org/wp-content/uploads/2022/02/CountyScottsValleyCompleteStreetsToSchoolsPlan2019.pdf
2016 California Department of Transportation Highway 17 Access Management Plan	https://sccrtc.org/wp-content/uploads/2016/12/final_hwy17_amp.pdf
SCCRTC 2021 Consolidated Grant Program	https://www.sccrtc.org/funding-planning/grant-programs/2021-2022-rtip/



CITY OF SCOTTS VALLEY

1 Civic Center Drive • Scotts Valley • California • 95066
Phone (831) 440-5600 • www.scottsvally.gov

March 4, 2026

Subject: Request for Partnership on Regional Public Safety Communications Infrastructure

Dear Representative Panetta:

On behalf of the City of Scotts Valley and all our regional partners, we respectfully request your support for federal funding of the Regional Interoperable Next Generation (RING) Radio System, a critical public safety communications project serving residents, visitors, and first responders throughout the region.

The RING Radio System represents a coordinated, multi-jurisdictional solution developed through years of regional collaboration. The Cities of Scotts Valley, Capitola, Santa Cruz and Watsonville along with the County of Santa Cruz and the University of California, Santa Cruz have established a formal governance structure, executed vendor contracts, and committed to long-term operations and maintenance of this mission-critical communication system. This project is implementation-ready and designed to serve the region for decades.

Santa Cruz County's geography, natural hazard risks, and large unincorporated areas make reliable emergency communications essential. The current radio system is outdated, lacks redundancy, and frequently fails in remote areas — compromising emergency response during wildfires, storms, floods, and search and rescue operations.

Public safety communications are not solely a local concern. Disasters do not respect jurisdictional boundaries, and effective response depends on interoperability among local, state, and federal partners. For that reason, federal investment in this project is both appropriate and necessary, allowing for seamless interoperability when needed most.

As a key partner in this project, the City of Scotts Valley supports Santa Cruz County's \$5.4 million request to assist with the capital construction of this system on behalf of local jurisdictions and first responders. Federal participation would reduce local costs and help assure countywide participation while accelerating delivery of a resilient, interoperable communications network that protects lives and property.

We appreciate your consideration and welcome the opportunity to provide additional information or brief your staff on this critical regional priority.

Respectfully,

Donna Lind, Mayor
City of Scotts Valley



CITY OF SCOTTS VALLEY

1 Civic Center Drive • Scotts Valley • California • 95066
Phone (831) 440-5600 • www.scottsvally.gov

March 4, 2026

Subject: Request for Partnership on Regional Public Safety Communications Infrastructure

Dear Senator Padilla:

On behalf of the City of Scotts Valley and all our regional partners, we respectfully request your support for federal funding of the Regional Interoperable Next Generation (RING) Radio System, a critical public safety communications project serving residents, visitors, and first responders throughout the region.

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March 4, 2026

Subject: Request for Partnership on Regional Public Safety Communications Infrastructure

Dear Senator Schiff:

On behalf of the City of Scotts Valley and all our regional partners, we respectfully request your support for federal funding of the Regional Interoperable Next Generation (RING) Radio System, a critical public safety communications project serving residents, visitors, and first responders throughout the region.

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Respectfully,

Donna Lind, Mayor
City of Scotts Valley



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Phone (831) 440-5600 • www.scottsvally.gov

March 4, 2026

Subject: Request for Partnership on Regional Public Safety Communications Infrastructure

Dear Representative Lofgren:

On behalf of the City of Scotts Valley and all our regional partners, we respectfully request your support for federal funding of the Regional Interoperable Next Generation (RING) Radio System, a critical public safety communications project serving residents, visitors, and first responders throughout the region.

The RING Radio System represents a coordinated, multi-jurisdictional solution developed through years of regional collaboration. The Cities of Scotts Valley, Capitola, Santa Cruz and Watsonville along with the County of Santa Cruz and the University of California, Santa Cruz have established a formal governance structure, executed vendor contracts, and committed to long-term operations and maintenance of this mission-critical communication system. This project is implementation-ready and designed to serve the region for decades.

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Respectfully,

Donna Lind, Mayor
City of Scotts Valley